

BY-LAWS
OF
VERONAWALK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME, PRINCIPAL OFFICE, AND DEFINITIONS

1.1. Name. The name of the Association shall be VeronaWalk Homeowners Association, Inc. ("Association").

1.2. Principal Office. The initial office of the Association shall be located in Palm Beach County, Florida. The Association may have such other offices, either within or without the State of Florida, as the Board of Directors may determine or as the affairs of the Association may require.

1.3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions for VeronaWalk, ("Declaration"), or in the Articles of Incorporation of VeronaWalk Homeowners Association, Inc. ("Articles").

ARTICLE II

ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, AND PROXIES

2.1. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board.

2.3. Annual Meetings. The first meeting of the Association, whether an annual or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Annual meetings shall be of the Voting Members or their alternates. Subsequent regular annual meetings shall be set by the Board so as to occur at least thirty (30) but not more than ninety (90) days after the close of the Association's fiscal year, on a date and at a time set by the Board.

2.4. Special Meetings. Special meetings of the Membership shall be held at any place within the County, whenever called by the President or Vice President or by a majority of the Board. In addition, it shall be the duty of the President to call a special meeting if so directed by the resolution of a majority of a quorum of the Board, or upon a petition signed by Voting Members or other Members representing at least ten (10%) percent of the total Class "A" votes of the Association. The notice of any special meeting shall state the date, time, and place of such meeting



and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

2.5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Voting Members shall be delivered, either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association. The post office certificate of mailing shall be retained as proof of such mailing. The notice shall be signed by an officer of the Association. In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

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

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

2.8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein by reference.



2.9. Proxies. Voting Members may not vote by proxy but only in person or through their designated alternates.

2.10. Majority. As used in these By-Laws, the term "Majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

2.11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person, or by alternate, of the Voting Members representing one-third (1/3) of the total vote of the Association shall constitute a quorum at all meetings of the Association.

2.12. Conduct of Meetings. The President, or his designated alternate, shall preside over all meetings of the Association, and the Secretary, or his designated alternate, shall keep the minutes of the meeting, record in a minute book all resolutions adopted at the meeting, and keep a record of all transactions occurring at the meeting. Minutes of all meetings shall be kept in a businesslike manner and shall be available for inspection by the Members and the Board at all reasonable times.

2.13. Action Without A Meeting. Any action required or permitted by law to be taken at a meeting of the Voting Members may be taken by written agreement in lieu of a meeting, provided written notice of the matter or matters to be agreed upon is given to the Voting Members at the addresses and within the time periods set forth herein or duly waived in accordance herewith. The decision of the majority of the Voting Members (as evidenced by written response to be solicited in the notice) shall be binding on the Membership, provided a quorum of the Membership as represented by the Voting Members submits a response. The notice shall set forth a time period during which time a response must be made by a Voting Member.

2.14. 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 Unit, each Member who is designated to vote on behalf of such Unit.

2.15. Secret Ballot. At any time prior to a vote upon any matter at any meeting of Voting Members, any Voting Member may require that a vote be made by secret written ballot.

ARTICLE III

BOARD OF DIRECTORS: NUMBER, POWERS, AND MEETINGS

3.1. Composition and Selection.

A. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) equal vote. After the Transfer Date, the Directors shall be Members or spouses of such Members; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner which is a



corporation or partnership, the person designated in writing to the Secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a Director, unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time, except in the case of Directors appointed by the Class "B" Member.

B. Directors During Class "B" Control Period. The Directors during the Class "B" Control Period shall be selected by the Class "B" Member acting in its sole discretion, and shall serve at the pleasure of the Class "B" Member until the Transfer Date. On the Transfer Date, the Class "B" Member shall cause the Board to call a meeting, as provided in Article II, paragraph 4, of these By-Laws, for special meetings, to advise the Membership of termination of the Class "B" Control Period.

C. Veto. This paragraph may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" Membership exists. So long as the Class "B" Membership controls the Board, the Class "B" Member shall have a veto power over all actions of any Committee of the Association, as is more fully provided in this paragraph. This veto power shall be exercisable only by the Class "B" Member, its successors, and assigns who specifically take this power in a recorded instrument. No action authorized by any Committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

i. The Class "B" Member shall have been given written notice of all meetings and proposed actions approved at meetings of any Committee thereof 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. The notice shall comply with the requirements for notices set forth herein, and shall set forth in reasonable particularity the agenda to be followed at said meeting; and

ii. The Class "B" Member 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 any Committee or the Association. The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee. The Class "B" Member shall have and is hereby granted a veto power over any such action, policy, or program authorized by any Committee thereof and to be taken by such Committee, the Association, or any individual member of the Association, if Committee or Association approval is necessary for such action. This veto may be exercised by the Class "B" Member, its representatives, or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof. Any veto shall not extend to the requiring of any action or counteraction on behalf of any Committee or the Association.

3.2. Number of Directors. The number of Directors in the Association shall be not less than five (5) nor more than nine (9), as provided in the Articles. The initial Board shall consist of three (3) members as identified in the Articles. The Board elected on the Transfer Date shall have



not less than five (5) Directors, thereafter, the Board shall determine the number of Directorships for the succeeding year at the Board meeting prior to the Annual Members' Meeting, provided however, that the total number of Directors shall always be an odd number.

3.3. Nomination of Directors. Except with respect to Directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board not less than thirty (30) days prior to each annual meeting of the Members. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine. Nominations shall be permitted from the floor. All nominees and candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3.4. Election and Term of Office. Notwithstanding any other provision contained herein:

A. The Class "B" Member Control Period shall terminate on the Transfer Date. On the Transfer Date and at each annual meeting of the Members after the Transfer Date, all Directors shall be elected by the Members, excepting however, the Developer shall be entitled to appoint one member of the Board so long as the Developer holds for sale in the ordinary course of business at least 5% of the Units constructed or anticipated to be constructed in VeronaWalk.

B. On the Transfer Date: (i) so long as the Developer holds for sale in the ordinary course of business at least 5% of the Units constructed or anticipated to be constructed in VeronaWalk, one Director shall be appointed by the Developer; (ii) two Directors shall be elected for a one year term; and (iii) two Directors shall be elected for a two year term. If on the Transfer Date, the Developer does not hold for sale in the ordinary course of business at least 5% of the Units constructed or anticipated to be constructed in VeronaWalk, or if the Developer waives its right to appoint a Director, then the Members shall elect: (i) two Directors for a one year term; and (iii) three Directors for a two year term. With the exception of the Director appointed by the Developer, all Directors shall be elected by the Class "A" Members. Upon the expiration of the term of office for each Director elected for one year, all Directors shall be elected for two year terms.

C. When the Developer is no longer entitled to appoint a Director, then the Director appointed by the Developer shall resign and the remaining Directors shall be entitled to appoint a Director to serve the unexpired portion of the term. At the next Annual Members Meeting, the Members shall be entitled to elect a successor to serve a two year term.

D. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The Directors shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms. The provisions of the Articles setting forth the terms of the Directors' service is incorporated herein by reference.

3.5. Removal of Directors and Vacancies.

A. Any Director elected by the Members may be removed, with or without cause, by the affirmative vote of a majority the Members whose votes shall be taken by a mailed ballot, and shall be presented by their respective Voting Members at a special meeting of the Voting Members called for such purpose. A special meeting of Voting Members to so remove a Director elected by them shall be held, subject to the notice provisions hereof, upon the written request of ten percent (10%) of the Voting Members. However, before any Director is removed from office, he shall be notified in writing at least two (2) days prior to the meeting at which the motion to remove him will be made, and such Director shall be given an opportunity to be heard at such meeting, should he be present, prior to the vote on his removal.

B. The Members may elect, at a special meeting or at the annual meeting of persons to fill vacancies on the Board caused by the removal of a Director.

C. A Director appointed by the Developer may be removed only by the Developer in its sole discretion and without any need for a meeting or vote. The Developer shall have the unqualified right to name a successor for any Director appointed by the Developer, and thereafter removed by it, or for any vacancy on the Board as to a Director appointed by it, and the Developer shall notify the Board as to any such removal or vacancy and the name of the successor Director and of the commencement date for the term of such successor Director.

D. Any Director elected by the Members who has three consecutive unexcused absences from Board meetings, or who is delinquent in the payment of any assessment or other charge due the Association 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 to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of a Director, a vacancy may be declared by the Board and it may appoint a successor.

3.6. Organizational Meetings. The first meeting of the Board following each annual meeting shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board. No further notice of the organizational meeting shall be necessary, providing that a quorum shall be present at such organizational meeting.

3.7. Regular Meetings. 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 the time and place of the meeting shall be communicated to the Members and the Directors not less than two (2) days prior to the meeting in accordance with Florida Statutes; provided, however, notice of a meeting need not be given to any Director who has signed a waiver or a written consent to holding of the meeting. Notice of any meeting where assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

3.8. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or Vice President of the Association or by any three (3) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be provided to the Members in accordance with Florida Statutes. The notice shall be given to each Director by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; or (c) by telephone or telecopier (facsimile) communication, either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director. All such notices shall be given at the Director's telephone number or sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least two days (2) before the time set for the meeting. Notices given by personal delivery or telephone shall be delivered or telephoned at least twenty-four (24) hours before the time set for the meeting.

3.9. Waiver of Notice. The transactions of any meetings of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.10. Quorum of Board of Directors. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. The notice provisions for the reconvened meeting shall be as determined by the Board.

3.11. Compensation. No Director shall receive any compensation from the Association for acting as a Director unless approved by the Members at a regular or special meeting of the Association; provided, however, any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors. Nothing herein shall prohibit the Association from compensating a Director, or any entity with which a Director is affiliated, for service or supplies furnished to the Association in a capacity other than as a Director, pursuant to a contract or agreement with the Association, provided that such Director's interest was made known to the Board prior to entering into such contract, and such contract was approved by a majority of the Board, excluding the interested Director.

3.12. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board, and all transactions and proceedings occurring at such meetings. Minutes of all Board meetings shall be kept in a businesslike manner and shall be available for inspection by the Members and the Board at all reasonable times.

3.13. Open Meetings. Except for actions taken without a formal meeting, all meetings of the Board shall be open to all Members, but Members other than Directors may not participate in any discussions or deliberations unless permission to speak is requested on his or her behalf by a Director, and such permission is granted by the President. In such case, the President may limit the time any Member may speak. In the event a Member not serving as a Director or not otherwise invited by the Directors to participate in the meeting attempts to become more than a mere observer at the meetings or conducts himself in a manner detrimental to the carrying on of the meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish such Member's expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he is a Member, unless said person has been specifically invited by any of the Directors to participate in such meeting.

3.14. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

3.15. Powers and Duties. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Voting Members or the Membership generally. The Board shall delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

A. Preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses and Neighborhood Expenses, if any

B. Making assessments to defray the Common Expenses and Neighborhood Expenses, if any, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment; provided, unless otherwise determined by the Board, the annual assessment for each Unit's proportionate share of the Common Expenses shall be payable in equal quarterly installments, each such installment to be

due and payable in advance on the first day of each quarter for said quarter;

C. Providing for the operation, care, upkeep, and maintenance of all of the Common Areas, and maintaining and operating the Surface Water Management System as permitted by the South Florida Water Management District including all lakes, retention areas, culverts and related appurtenances, if any;

D. Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

E. Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association; provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks;

F. Making and amending rules and regulations;

G. Opening of bank accounts on behalf of the Association and designating the signatories required;

H. Making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Areas in accordance with the other provisions of the Declaration and these By-Laws;

I. Enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

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

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

L. Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

M. Making available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Declaration, the Articles of Incorporation, the By-Laws, rules governing the Unit and

all other books, records, and financial statements of the Association;

N. Permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Committed Lands; and

O. Indemnifying a Director, Officer, Voting Member, or Committee Member or a former Director, Officer, Voting Member or Committee Member of the Association in accordance with Florida law, the Articles, and the Declaration.

3.16. Management Agent.

A. The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board by these By-Laws, other than the powers set forth above. The Developer, or an affiliate of the Developer, may be employed as managing agent or manager.

B. No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee on not more than ninety (90) days written notice.

3.17. Accounts and Reports. The following management 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 the federal income tax basis of accounting;

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 commissions, 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 may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;

F. Commencing at the end of the month in which the first Unit is sold and



closed, financial reports shall be prepared for the Association at least quarterly containing:

- i. An income statement reflecting all income and expense activity for the preceding period on an accrual basis;
- ii. A statement reflecting all cash receipts and disbursements for the preceding period;
- iii. A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
- iv. A balance sheet as of the last day of the preceding period; and
- v. A delinquency report listing all Owners who are delinquent in paying the quarterly installments of assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (A quarterly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of the first month of each quarter unless otherwise determined by the Board of Directors); and

G. An annual report 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. The annual report referred to above shall be prepared on a reviewed basis by a certified public accountant; provided, during the Class "B" Control Period, the annual report shall include reviewed financial statements.

3.18. Borrowing. The Board shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Common Areas without the approval of the Voting Members. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Voting Member approval in the same manner provided in Article VIII, Paragraph 3, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year.

3.19. Rights of the Association. In accordance with the Articles and By-Laws, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, both within or without VeronaWalk. Such agreements shall require the consent of a majority of all the Directors.

3.20. Enforcement. The Board shall have the power to impose reasonable fines, which



shall constitute a lien upon the property of the violating Owner, and to suspend for a reasonable period of time an Owner's right to use common areas and facilities for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit or to suspend an Owner's right to vote. In the event that any occupant of a Unit violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

A. Notice. Prior to imposition of any sanction hereunder or under the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed;

The Board or the Covenants Committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

B. Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held by the body seeking to impose the sanction affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

C. Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the manager, President or Secretary of the Association within ten (10) days after the hearing before the Covenants Committee.

D. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Association, acting through the Board may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules

and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

ARTICLE IV

OFFICERS

4.1. **Officers.** The officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by vote of the Directors at any meeting of the Board. The Board shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. Compensation of officers shall be subject to the same limitations as compensation of Directors hereunder.

A. The President, who shall be a Director, shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of a corporation not-for-profit including, but not limited to, the power to appoint committees from among the Members at such times as he may, in his discretion, determine appropriate to assist in conducting the affairs of the Association. He shall preside at all meetings of the Board and the Membership.

B. In the absence or disability of the President, a Vice President shall exercise the powers and perform the duties of the President. The Vice President(s) shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then they shall be designated "First", "Second", etc. and shall exercise the powers and perform the duties of the Presidency in such order.

C. The Secretary shall cause to be kept the minutes of all meetings of the Board and the Membership, which minutes shall be kept in a businesslike manner and shall be available for inspection by Members and Directors at all reasonable times. He shall have custody of the seal of the Association and shall affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President.

D. Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all of the duties incident to the office of the Treasurer.



4.2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.3. Removal. Any officer may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

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

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least one (1) officer or by such other person or persons as may be designated by resolution of the Board.

ARTICLE V

COMMITTEES

5.1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board.

5.2. Covenants Committee. In addition to any other committees which may be established, the Board may appoint a Covenants Committee consisting of at least five (5) and no more than seven (7) Members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association, and shall conduct all hearings pursuant to Paragraph 3.20 of these By-Laws.

5.3. Neighborhood Committees. In addition to any other committees appointed as provided above, there shall be a Neighborhood Committee of each Neighborhood which has no



formal organizational structure or association. Such Neighborhood Committees shall consist of three (3) members; provided, however, by vote of at least fifty (50%) percent of the Owners within the Neighborhood this number may be increased to five (5). The members of each Neighborhood Committee shall be elected by the vote of Owners of Units within that Neighborhood at any annual meeting of such Owners, at which the Owners of Units within that Neighborhood holding at least one-third (1/3) of the total votes of Units in the Neighborhood are represented, in person or by proxy. Committee members shall be elected for a term of one (1) year or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall be an ex officio member of the Committee. It shall be the responsibility of the Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration; a Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board of Directors.

The Neighborhood Committee member who receives the greatest number of votes at the annual meeting of Owners shall be declared the Chairperson of the Neighborhood Committee. The Chairperson of the Neighborhood Committee shall be the Voting Member representing the Neighborhood, and shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board. In conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Article III, Paragraphs 3.7 through and including 3.14, of these By-Laws.

ARTICLE VI

MISCELLANEOUS

6.1. Fiscal Year. The fiscal year of the Association shall be determined by the Board.

6.2. Parliamentary Rules. Except as may be 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, the Declaration, or these By-Laws.

6.3. Conflicts. If there are conflicts between the provisions of Florida law, the Articles the Declaration, and these By-Laws, the provisions of Florida law, the Declaration, the Articles, and the By-Laws (in that order) shall prevail.

6.4. Books and Records.

A. Inspection by Members and Mortgagees. The Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee, Member or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within

VeronaWalk as the Board shall prescribe.

B. Rules of Inspection. The Board shall establish reasonable rules regarding:

- i. Notice to be given to the custodian of the records;
- ii. Hours and days of the week when such an inspection may be made;
- iii. Payment of the cost of reproducing copies of documents requested.

and

C. Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

6.5. 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 or Voting Member, at the address which the Member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member or Voting Member; or

B. If to the Association, the Board, 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 paragraph.

6.6. Amendments.

A. Prior to the conveyance of the first Unit, Developer may unilaterally amend these By-Laws. After such conveyance, the Developer may unilaterally amend these By-Laws so long as it still owns any of the Total Lands, and so long as the amendment has no material adverse effect upon any right of any Member.

B. Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote (in person or by alternate) or written consent, or any combination thereof, of Voting Members representing a majority of the total votes of the Association, including a majority of the votes held by Members other than the Developer. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.



C. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial re-wording of By-Law. See By-Law ____ for present text." Nonmaterial errors or omissions in the By-Law amendment process shall not invalidate an otherwise properly promulgated amendment.

D. No modification or amendment to these By-Laws shall be adopted which would affect or impair the priority of any Mortgagee, the validity of the mortgage held by such Mortgagee, or any of the rights of the Developer, without their prior written consent.

6.7. Arbitration. Internal disputes arising from the operation of the Association among Owners, the Board, or their agents and assigns may be resolved by voluntary binding arbitration. Any party to such an arbitration may seek enforcement of the final decision of the arbitrator in a court of competent jurisdiction.

6.8. Captions and Headings. The captions and headings pertaining to the articles and sections of these By-Laws are solely used 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.

6.9. 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 term or provision 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.

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

6.11. Governing Laws. 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.

VERONAWALK HOMEOWNERS ASSOCIATION, INC.

By: [Signature] President

Attest: [Signature] Secretary

