

**BYLAWS
OF
VILLAS III AT CEDAR HAMMOCK
HOMEOWNERS ASSOCIATION, INC.**

1. GENERAL. These are the Bylaws of Villas III at Cedar Hammock Homeowners Association, Inc., hereinafter the "Association," a Florida corporation not for profit organized for the purpose of serving as a residential neighborhood homeowners' association.

1.2 Principal Office. The principal office of the Association shall initially be at 10481 Six Mile Cypress Pkwy, Suite 101, Ft. Myers, FL, 33912, and shall subsequently be at such location as may be determined by the Board of Directors.

1.3 Seal. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit". The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document where a seal may be required.

1.4 Definitions. The definitions for various terms used in these Bylaws shall be as set forth in Section 1 of the Declaration of Covenants, Conditions and Restrictions for Villas III Cedar Hammock (the "Declaration"), to which these Bylaws are attached as Exhibit "D".

2. MEMBERS; VOTING RIGHTS. Every record owner of legal title to any Lot located in the Properties is a Member. If a Lot is subject to an agreement for deed, whether recorded or not, the purchaser in possession shall be treated as the owner solely for purposes of determining voting and use rights. Membership is appurtenant to, runs with, and may not be separated from, the real property interest upon which membership is based.

2.1 Voting Interests. The members of the Association are entitled to one (1) vote for each Lot owned by them; therefore the total number of votes shall equal the total number of Lots subject to this Declaration. The vote of a Lot is not divisible. The right to vote may not be denied because of delinquent assessments. If a Lot is owned jointly by two or more natural persons, that Lot's vote may be cast by any one of the record owners. If two or more owners do not agree among themselves how their one vote shall be cast on any issue, that vote shall not be counted on that issue.

2.2 Approval or Disapproval of Matters. Whenever the decision or approval of an owner is required upon any matter, whether or not the subject of an Association meeting, such decision or approval may be expressed by any person who could cast the vote of that owner's Lot at an Association meeting, as stated in Section 2.1 above, unless the written approval or joinder of record owners is specifically required.

2.3 Termination of Membership. Termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Association during the period of his membership, nor does it impair any rights or remedies the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS.

3.1 Annual Meeting. The annual meeting of the members shall be held in Collier County, Florida, each year during the first three months of each calendar year, at a day, place and time designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the members. The annual meeting is a general meeting, and unless the law or the governing documents require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

3.2 Special Members' Meetings. Special members' meetings must be held whenever called by the President or by a majority of the Directors, and may also be called by members representing at least twenty-five percent (25%) of the voting interests. Business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice of Meetings. Notices of all meetings of the Members must be mailed or hand-delivered to the members at his address as it appears on the books of the Association, at least fourteen (14) days before the meeting, and must state the time, date, and place of the meeting, and include a detailed agenda. Each member bears the responsibility for notifying the Association in writing of any change of address. A person entitled to receive notice of any meeting may waive notice altogether by written waiver. Notice of any meeting may, be hand-delivered if a written waiver of mailing is obtained. If ownership of a Living Unit is transferred after a notice has been mailed, no separate notice to the new owner is required. Attendance at any meeting by a member constitutes a waiver of notice by that member, unless the member objects to the lack of notice at the beginning of the meeting.

3.4 Quorum. The percentage of voting interests required to constitute a quorum at a meeting of the members shall be thirty percent (30%) of the total voting interests.

3.5 Vote Required. The acts approved by a majority of the votes cast at a meeting of the members at which a quorum has been attained shall be binding upon all owners for all purposes, except where a higher vote is required by law or by any provision of the Governing Documents.

3.6 Proxies. To the extent lawful, any person entitled to attend and vote at a members meeting may establish his presence and cast his vote by proxy. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy is revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by a person authorized to cast the vote for the unit, and specify the date, time and place of the meeting for which it is given. The signed and dated original must be delivered to the Secretary at or before the time of the meeting or continuance thereof. Holders of proxies need not be members. No proxy is valid if it names more than one person as the proxy holder, but the proxy holder has the right, if the proxy so provides, to substitute another person to hold the proxy.

3.7 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Unless the Bylaws require otherwise, adjournment of annual or special meeting to a different date, time or place must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to Section 617.303(2), Florida Statutes (2001), as amended. Any business that might have been transacted on the original date of the meeting may be transacted at the

adjourned meeting. If a new record date for the adjourned meeting is or must be fixed under Section 617.0707, Florida Statutes (2001), as amended, notice of the adjourned meeting must be given to persons who are entitled to vote and are members as of the new record date but were not members as of the previous record date.

3.8 Order of Business. The order of business meetings shall be substantially as follows:

- (A) Determination of existence of quorum.
- (B) Reading or waiver of reading of minutes of last members' meeting.
- (C) Reports of Officers.
- (D) Reports of Committees.
- (E) Election of Directors (annual meeting only).
- (F) Unfinished Business.
- (G) New Business.
- (H) Adjournment.

3.9 Minutes. Minutes of all meetings of the members must be maintained in written form, or in another form that can be converted into written form within a reasonable time.

3.10 Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the law, with the Declaration, or with these Bylaws. The Presiding Officer may appoint a Parliamentarian, but the Presiding Officer's decision on questions of Parliamentary Procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.11 Action by Members Without Meeting. Except for the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the members may be taken by mail without a meeting if written consents or other instruments expressing approval of the action proposed to be taken are signed and returned by members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the requisite number of written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect as if the action had been approved by vote of the members at a meeting of the members held on the sixtieth (60th) day. Within ten (10) days thereafter, the Board shall send written notice of the action taken to all members who have not consented in writing. Nothing in this paragraph affects the rights of members to call a special meeting of the membership, as provided for by Section 3.2 above, or by law. If the vote is taken by the method described in this Section 3.11, the list of owners on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters. The written consents used to authorize an action without a meeting shall become part of the Association's records.

3.12 Voting Representative to Club. In accordance with the requirements of the Bylaws of the Club, the Board of Directors shall, at least annually, appoint one member of the Association, who need not be a Director or officer, as the Association's Voting Representative to the Club. Written notice of the appointment shall be given to the Club. The Voting Representative shall attend the meetings of the members of the Club, and shall cast, in a block, all votes of the members of this Association on any and all questions which may arise, except the election of Trustees of the Club. The votes shall be cast in the manner directed by the Board of Directors, or absent such direction, in the manner determined by the

Voting Representative. The Voting Representative shall also perform the other duties specified in Section 3.6 of the Club Bylaws. The Voting Representative shall serve at the pleasure of the Board of Directors.

3.13 Polling of Members. To the extent feasible and practical, the Association shall poll its members on questions to be decided by a vote of the members of the Club, so that this Association's votes are more likely to be cast in the manner preferred by the majority of the members. If such a poll is conducted, the Board shall instruct its Voting Representative to cast all votes of the Association in a block, supporting the point of view preferred by the majority of the members who responded to the poll. The Voting Representative may not vote by proxy at Club meetings, but the Board of Directors may designate in writing an alternate representative to substitute if the Voting Representative cannot attend any meeting of the Club.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to approval or consent of the members only when specifically required.

4.1 Number and Terms of Service. The Board of Directors shall consist of three (3) Directors. In order to provide for a continuity of experience by establishing a system of staggered terms of office, in the first election in which owners other than the Developer elect a majority of the Directors, the two (2) candidates receiving the highest number of votes shall each be elected for a term which expires at the final adjournment of the annual meeting at which his successor is to be elected. The candidate receiving the next highest number of votes shall be elected for a term which expires at the final adjournment of next annual meeting. Thereafter, all Directors shall be elected for two (2) year terms, ending at the final adjournment of the annual meeting at which their successors are to be duly elected, or at such other time as may be provided by law. Directors shall be elected by the members in accordance with Section 4.3 below, or in the case of a vacancy, as provided in 4.4 below.

4.2 Qualifications. Except for Directors appointed by the Developer, each Director must be a Member, or the spouse of a Member. No person shall be elected or appointed for successive terms totaling more than four (4) years, unless there occurs a hiatus of at least one (1) year between terms. Initial terms by appointment for less than one year shall be excluded from consideration in determining the total number of years served.

4.3 Nominations and Elections. At each Annual Meeting the members shall elect as many Directors as there are regular terms of Directors expiring or vacancies to be filled. The nominating committee, if any, shall submit the names of its recommended candidates for the office of Director in time to be included with the notice to the members of the annual meeting; any other eligible person may also be nominated as a candidate from the floor at the annual meeting. Nothing herein shall be construed to require or prohibit the use of a secret ballot. Directors shall be elected by a plurality of the votes cast at the annual meeting. In the election of Directors, there shall be appurtenant to each Lot as many votes as there are Directors to be elected. No member may cast more than one vote for any candidate, it being the intent hereof that voting for Directors shall be non-cumulative. The candidates receiving the highest number of votes shall be elected. A tie vote shall be broken by agreement among the candidates who are tied, or by lot.

4.4 Vacancies on the Board. If the office of any Director becomes vacant for any reason, a majority of the remaining Directors, though less than a quorum, shall promptly choose a successor to fill the remaining

unexpired term.

4.5 Removal of Directors. Any Director may be removed from office, with or without cause, by the vote or agreement in writing of a majority of the voting interests. The notice of a meeting of the owners to recall one or more Directors must name the specific Director(s) sought to be removed, and a separate vote for each Director sought to be removed shall be taken. Where removal is sought by written agreement, a separate agreement is required for each Director to be removed. Any Director who is removed from office is not eligible to stand again for election to the Board, or be appointed to the Board, until the next annual election. A Director who is removed from office shall turn over to the Association within 72 hours any and all records and other property of the corporation in his possession. If a Director who is removed does not relinquish his office or turn over records as required, the circuit court in the county may summarily order the Director to relinquish his office and turn over corporate records upon application of any owner. In any such action, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

4.6 Board Meetings. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers to conduct Association business. All meetings of the Board must 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. Notices of all Board meetings must be posted in a conspicuous place in the Neighborhood at least forty-eight (48) hours in advance of every meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the Neighborhood, notice of each Board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. 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 assessment. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. Any owner may tape-record or videotape meetings of the Board of Directors and meetings of the members. The Board of Directors may adopt reasonable rules governing the taping of meetings of the Board and the membership.

4.7 Waiver of Notice by Directors. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.8 Quorum of Directors. A quorum at a Board meeting shall exist only when a majority of all Directors are present in person. Directors may participate in any meeting of the Board, or meeting of an executive or other committee by means of a conference telephone call or other similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.9 Adjourned Meetings. The majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a later time. When the meeting is reconvened, provided a quorum is then present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.10 Presiding Officer. The President of the Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of those present.

4.11 Vote Required. The acts approved by a majority of those Directors who are present and voting at a Board meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Governing Documents or by law. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of the point of view that prevails on any question, unless he voted against such action or abstained from voting because of an asserted conflict of interest.

4.12 Directors' Fees and Reimbursement of Expenses. No compensation or fees shall be paid to Directors for their service as Directors. Directors may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

4.13 Committees. The Board of Directors may appoint from time to time such standing or temporary committees as the Board may deem necessary and convenient for the efficient and effective operation of the Neighborhood. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. The meetings of any committee, including any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the Association, must be conducted with the same formalities as required for meetings of the Board.

4.14 Emergency Powers. In the event of any "emergency" as defined in Section 4.14(G) below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes (2001), as amended from time to time.

(A) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Association.

(B) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

(C) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(D) Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Association shall bind the Association; and shall have the rebuttable presumption of being reasonable and necessary.

(E) Any officer, director, or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

(F) These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

(G) For purposes of this Section 4.14, an "emergency" exists only during a period of time during

which the Neighborhood, or the immediate geographic area in which the Neighborhood is located, is subjected to:

- (1) a state of emergency declared by law enforcement authorities;
- (2) a hurricane warning;
- (3) a partial or complete evacuation order;
- (4) designation by federal or state government as a "disaster area;" or
- (5) a catastrophic occurrence, whether natural or man-made, which seriously damages or threatens serious damage to the Neighborhood, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or acts of terrorism.

5. OFFICERS. Officers are elected by majority vote of the entire Board and serve at the pleasure of the Board. The executive officers of the Association shall be a President, and a Vice-president, who must be Directors, and a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed with or without cause by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board of Directors shall, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President.

5.1 President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts requiring the seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

5.2 Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall prescribe.

5.3 Secretary. The Secretary shall attend all meetings of the board of Directors and all meetings of the members and shall be responsible for the recording of all votes, and the minutes of all proceedings, in a book to be kept for the purpose, and shall perform like duties for standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Governing Documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one is designated.

5.4 Treasurer. The Treasurer shall be responsible for the safekeeping of Association funds and assets,

budget preparation and the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Association, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

5.5 Compensation of Officers. No compensation shall be paid to any member for services as an officer of the Association. This provision does not preclude the Board of Directors from employing officers in other capacities as employees of the Association.

6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions:

6.1 Depository. The Association shall maintain its funds in accounts in such federally insured accounts at financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles.

6.2 Accounts and Accounting Procedures. The financial and accounting records of the Association, must be kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

- (A) Accurate, itemized, and detailed records of all receipts and expenditures.
- (B) A current account and a period statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.
- (C) All tax returns, financial statements, and financial reports of the Association.
- (D) Any other records that identify, measure, record or communicate financial information.

6.3 Budget. The Board of Directors shall adopt in advance an annual budget of common expenses for each fiscal year. The budget must reflect the estimated revenues and expenses for the next fiscal year, and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Association, the Developer, or another person. A copy of the proposed budget and a notice stating the time, date and place of the meeting of the Board at which the budget will be considered shall be mailed to or served on each owner not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by income accounts and expense classifications. The minutes of the Association shall reflect the adoption of the budget, and a copy of the proposed and adopted budgets shall be maintained as part of the financial records of the Association. If an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as

the last quarterly payment, and payments shall be continued at such rate until a budget is adopted and new quarterly installments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each Lot's next due quarterly installment.

6.4 Reserves. The Board may establish one or more reserve accounts for contingencies, cash flow shortfalls, capital expenditures, and deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

6.5 Assessments. Regular annual assessments based on the adopted budget shall be paid in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to all Members at least ten (10) days prior to the due date. Failure to send or receive such notice does not excuse the obligation to pay.

6.6 Special Assessments. Subject to the limitations in Section 7.6 of the Declaration, special assessments may be imposed by the board of Directors whenever necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses, or for such other purposes as are authorized by the Declaration and these Bylaws. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The notice of any special assessment must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s) or credited back to the members' accounts.

6.7 Fidelity Bonds. The President, Secretary, Treasurer, and any persons who are authorized to sign checks, shall be bonded in such amounts as may be required by law or by the Board of Directors. The premiums on such bonds shall be a common expense.

6.8 Financial Reporting. The Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The Association shall, within twenty-one (21) business days after the report is prepared, provide each member with a copy of the report, or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

(A) Financial statements presented in conformity with generally accepted accounting principles;
or

(B) A financial report of actual receipts and expenditures, cash basis, which report must show:

(1) The amount of receipts and expenditures by classification; and

(2) The beginning and ending cash balances of the Association.

6.9 Audit. A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Board of Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all owners.

6.10 Application of Payments. All payments on account by an owner shall be applied first to interest,

then to late payment fees, then to attorney's fees and costs, then to other charges, and finally to unpaid regular and special assessments, in the order they first came due.

6.11 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each year.

7. RULES AND REGULATIONS; USE AND RESTRICTIONS. The Board of Directors may, from time to time adopt and amend reasonable rules and regulations governing the operation, use, maintenance, management and control of the Neighborhood Common Areas and the operation of the Association. Copies of such rules and regulations shall be furnished to each owner. The Board shall have the power to impose fines and suspensions of common area use privileges, as further provided in Section 11.3 of the Declaration, for violations of the rules and regulations.

8. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner.

8.1 Proposal. Amendments to these Bylaws may be proposed by a majority of the Board or by written petition to the Board signed by at least one-fourth (1/4th) of the voting interests.

8.2 Procedure. Upon any amendment to these Bylaws being so proposed by the Board or owners, such proposed amendment shall be submitted to a vote of the Members not later than the next annual meeting for which proper notice can be given.

8.3 Vote Required. Except as otherwise provided by law, or by specific provision of the Governing Documents, a proposed amendment to these Bylaws shall be adopted if it is approved by at least two-thirds (2/3rds) of those voting interests of the Association that are present in person or by proxy and voting at any annual or special meeting called for the purpose, provided that the full text of any proposed amendment has been given to the Members with notice of the meeting. Prior to the turnover of control of the Association by the Developer as provided for in Section 15 of the Declaration, Bylaw amendments may be adopted by vote of a majority of the Directors, without need for a vote of the owners.

8.4 Effective Date, Recording. A copy of each amendment shall be attached to a certificate that the amendment was duly adopted, which certificate shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida. The certificate must identify the book and page of the Public Records where the Declaration was originally recorded.

9. MISCELLANEOUS.

9.1 Gender. Whenever a masculine or singular pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

9.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

9.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration or Articles of Incorporation, the provisions of the Declaration and the Articles of Incorporation shall prevail over the provisions of the Bylaws.

The foregoing constitute the first Bylaws of Villas III at Cedar Hammock Homeowners Association, Inc., and were duly adopted at the first meeting of the Board of Directors held on July 9, 2002

Date: July 9, 2002

[Signature]
Secretary

Attest:

(CORPORATE SEAL)

[Signature]
President



VILLAS III AT CEDAR HAMMOCK
2002 PROPOSED BUDGET
JANUARY 1 - DECEMBER 31, 2002
(62 UNITS)

	2002 PROPOSED BUDGET	2002 QUARTERLY	2002 MONTHLY	2002 MONTHLY COST PER UNIT
ADMINISTRATIVE EXPENSES				
MANAGEMENT FEES	6,696.00	1,674.00	558.00	9.00
ACCOUNTING SERVICES	3,945.00	986.25	328.75	5.30
ANNUAL CORPORATE REPORT	62.00	15.50	5.17	0.08
LEGAL EXPENSES	0.00	0.00	0.00	0.00
OFFICE EXPENSE	1,302.00	325.50	108.50	1.75
TAX PREPARATION	250.00	62.50	20.83	0.34
TOTAL ADMIN. EXPENSES	12,255.00	3,063.75	1,021.25	16.47
OPERATING EXPENSES				
LAWN SERVICE	34,529.00	8,632.25	2,877.42	46.41
FERTILIZERS	8,653.00	2,163.25	721.08	11.63
EXTERIOR PEST CONTROL	6,391.00	1,597.75	532.58	8.59
MULCH	5,982.00	1,495.50	498.50	8.04
PLANT REPLACEMENT	500.00	125.00	41.67	0.67
TREE TRIMMING	1,952.00	488.00	162.67	2.62
IRRIGATION MAINTENANCE	4,769.00	1,192.25	397.42	6.41
COMMON STRUCTURE MAINT.	1,000.00	250.00	83.33	1.34
INTERIOR PEST CONTROL	2,232.00	558.00	186.00	3.00
INSURANCE (LIABILITY)	2,000.00	500.00	166.67	2.69
OPERATING CONTINGENCIES	1,314.00	328.50	109.50	1.77
TOTAL OPER. EXPENSES	69,322.00	17,330.50	5,776.83	93.17
OTHER EXPENSES				
SECURITY PROVISIONS	N/A	N/A	N/A	N/A
RENT FOR REC. AND OTHER	N/A	N/A	N/A	N/A
TAXES ON ASSOCIATION PROP	N/A	N/A	N/A	N/A
COMMONLY USED FACILITIES	N/A	N/A	N/A	N/A
TAXES ON LEASED AREAS	N/A	N/A	N/A	N/A
OPERATING CAPITAL	N/A	N/A	N/A	N/A
TOTAL OTHER EXPENSES	N/A	N/A	N/A	N/A
TOTAL EXPENSES	81,577.00	20,394.25	6,798.08	109.65
RESERVES	38,952.00	9,738.00	3,246.00	52.35
TOTAL EXPENSES & RESERVES	120,529.00	30,132.25	10,044.08	162.00

**RESERVES FOR CAPITAL EXPENDITURES AND
DEFERRED MAINTENANCE 2002**

ASSET	ESTIMATED LIFE (YRS)	ESTIMATED REMAINING LIFE (YRS)	REPLACEMENT COST	ESTIMATED BALANCE 1/1/02	REMAINING FUNDING REQUIREMENT	2002 ANNUAL FUNDING REQUIREMENT
ROOF	25	25	508,400.00	0.00	508,400.00	20,336.00
PAINTING	5	5	83,390.00	0.00	83,390.00	16,678.00
ROOF CLEANING	3	3	5,814.00	0.00	5,814.00	1,938.00
PAVING	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL			591,790.00	0.00	591,790.00	38,952.00
		SHARE	ANNUALLY	QUARTERLY	MONTHLY	
	COST PER UNIT	1/62	1,944.00	486.00	162.00	

*** OR: 3070 PG: 2550 ***