

EXHIBIT "C"

BY-LAWS

OF

MARBRISA VILLA OWNERS ASSOCIATION, INC.

ARTICLE I. IDENTITY

These are the By-Laws of MARBRISA VILLA OWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, having overall management and administrative responsibilities for Marbrisa Villas and particularly the Common Areas contained therein. The Association is not a condominium association subject to the Condominium Act.

1.1 Principal office.

The principal office of the Association shall be at 8301 North A-1-A, Indian River Shores, Florida, 32963 or at such other place as may be designated by the Board of Directors.

1.2 Fiscal year.

The Association fiscal year shall be the calendar year.

1.3 Seal.

The seal of the association shall bear the name of the corporation, the word "Florida", the words "corporation not for profit" and the year of incorporation.

1.4 Definitions.

For convenience, these By-Laws shall be referred to as the "By-Laws"; the articles of incorporation of the Association as the "Articles"; and the declaration of covenants and restrictions as the "Declaration". The other terms used in these By-Laws shall have the same definitions and meaning as those set forth in the Declaration and the Articles, unless provided to the contrary in these By-Laws, or unless the context otherwise requires. Whenever the context permits or requires, the singular shall include the plural, the plural shall include the singular and the use of any gender shall be deemed to include all genders.

ARTICLE II. MEETINGS OF MEMBERS AND VOTING

2.1 Annual meeting.

The annual meeting of members shall be held in the month of ~~MARCH~~ of each year on the date within such month and at the place and time determined by the Board of Directors. The purpose of the meeting shall be to elect directors and to transact any other business authorized to be transacted by the members.

2.2 Special meetings.

Special meetings of the members shall be held at such places as provided for annual meetings and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary on receipt of a written request from at least ten (10%) percent of the members of the Association entitled to vote at the meeting. Requests for a meeting by the members shall state the purpose for the meeting and the business conducted at any special meeting shall be limited to the matters stated in the notice for it.

2.3 Notice of annual meeting.

Written notice of the annual meeting shall be mailed to each member at least fourteen (14) days and not more than sixty (60) days before the annual meeting. A certificate of mailing signed by the Association Secretary shall be submitted as proof of the mailing. Members may waive notice of the annual meeting.

2.4 Notice of special meetings, generally.

Notice of special meetings shall be in writing, shall state the place, day and hour of the meeting and the purpose or purposes

for which the meeting is called. The notice shall be delivered to each member entitled to vote at the meeting not less than ten (10) days or more than thirty (30) days before the date of the meeting, either personally or by first class mail, by or at the direction of the president, the secretary or the officer or persons calling the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears in the records of the Association, with postage prepaid. Payment of postage for notice of any special meeting, by whomever called, shall be an obligation of the Association. A certificate of mailing signed by the Association Secretary shall be submitted as proof of the mailing.

2.5 Quorum.

Except as otherwise provided herein, the presence of a majority of the members shall constitute a quorum whether such member is present in person or by proxy.

2.6 Majority vote.

In any meeting of members, each Dwelling Unit shall have one voting interest, provided the member is in good standing. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding on all members for all purposes unless the Declaration, the Articles, or these By-Laws require a larger percentage of vote, in which case that larger percentage shall control. A member in good standing means that the Owner/Member has paid all assessments to the Association that are due and owing as of the time of the vote or other action by the member and that the Owner/Member is in substantial compliance with the Declaration. The Board of Directors or any membership committee appointed by the Board shall determine the member's status.

2.7 Membership-designation of voting member.

Persons or entities shall become members of the Association on the acquisition of fee title to a Dwelling Unit. Membership shall be terminated when a person or entity no longer owns a Dwelling Unit. There shall be only one vote per each Dwelling Unit. If a Dwelling Unit is owned by more than one natural person, any record owner of the Dwelling Unit may vote in person or by proxy, provided that there shall be no more than one vote per Dwelling Unit. In the case of conflict among the Owners of the Dwelling Unit, the vote for that Dwelling Unit shall not be counted as to the matter under consideration in which the conflict arose, and whether the conflict appears by vote in person or by proxy. In the case of property owned as a tenancy by the entirety, either spouse may cast the vote or each spouse may cast one-half vote, notwithstanding anything herein to the contrary. Ballots may be cast for Dwelling Units owned by corporations or partnerships by a president, vice president, a partner, or any other person designated in a written certificate filed with the Secretary of the Association and signed by a president or vice president of a corporation or a partner of a partnership. A proper certificate hereunder shall be valid until revoked or until superseded by a subsequent certificate.

2.8 Proxies; Powers of Attorney.

Votes may be exercised in person or by proxy. Each proxy shall set forth specifically the name of the person voting by proxy and the name of the person authorized to vote the proxy for him. Each proxy shall contain the date, time and place of the meeting for which the proxy is given. If the proxy is a limited proxy, it shall set forth those items that the holder of the proxy may vote and the manner in which the vote is to be cast. The proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given, and it may be revoked at any time at the pleasure of the member executing it. The proxy shall be signed by the Owner or Owners (if more than one) or by the appropriate officer of a corporation or partner of a partnership or other designated person mentioned in 2.7, or the duly authorized attorney in fact of that person or persons (provided the power of attorney is filed with the Secretary of the Association). The proxy shall be filed with the

Secretary before or at the meeting for which the proxy is given. One holding a power of attorney from a member, properly executed and granting such authority, may exercise the voting interest of that Dwelling Unit. If the proxy expressly provides, any proxy holder may appoint in writing a substitute to act in his place. If no such provision is made, substitution is not authorized.

2.9 Adjourned meetings.

If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice shall be posted in a conspicuous place in the Marbrisa community as soon thereafter as may be practical stating the time and place to which the meeting is adjourned.

2.10 Waiver of notice.

Members may waive their right to receive notice of any meeting, whether annual or special, by a writing signed by them to that effect. The waiver shall be filed with the Secretary of the Association either before, at or after the meeting for which the waiver is given.

2.11 Action by members without a meeting.

Members may take action by written agreement without a meeting, as long as written notice is given to the member in the manner prescribed elsewhere in these By-Laws appropriate to the subject matter to be agreed on, unless that notice is waived as provided in these By-Laws. The decision of a majority of the members, or a larger percentage vote as otherwise may be required by the Declaration, the Articles or these By-Laws (the decision to be evidenced by written response to be solicited in the notice), shall be binding on the membership, provided a quorum submits a response. The notice shall set forth a time period within which responses must be made by the members.

2.12 Minutes of meetings.

The minutes of all meetings of members shall be kept in a book available for inspection by members or their authorized representatives, including mortgagees of Owners and board members at any reasonable time. The minutes shall be retained by the Association for a period of not less than seven years. Members and their authorized representatives shall have the right to make or obtain copies at the reasonable expense, if any, of the Association member.

2.13 Order of business.

The order of business at annual meetings of members and as far as practical at other members' meetings, shall be:

- (a) Call to order.
- (b) Election of a chairman of the meeting, unless the president is present, in which case he shall preside.
- (c) Calling of the roll, certifying of proxies, determination of a quorum.
- (d) Proof of a notice of the meeting or waiver of notice.
- (e) Reading and disposal of any unapproved minutes.
- (f) Reports of officers.
- (g) Reports of committees.
- (h) Appointment of inspectors of election.
- (i) Determination of number of directors.
- (j) Election of directors.
- (k) Unfinished business.
- (l) New business.
- (m) Adjournment.

ARTICLE III. DIRECTORS

3.1 Number and qualifications.

The affairs of the Association shall be managed initially by a Board of three Directors selected by the Developer. Directors

need not be members of the Association, provided however, that once there are 20 members in addition to the Developer, 1/3 of the Board must be members of the Association other than the Developer. Once the Developer relinquishes control of the Association, nothing contained herein shall prohibit requiring all Board members to be members. The number of directors shall always be an odd number. The number of directors, however, shall never be less than three. No director (except those elected by the Developer) shall continue to serve on the Board after he ceases to be an Owner or an officer or partner of a corporate or partnership Owner.

3.2 Election of directors.

Directors shall be elected at the annual meeting of members by a plurality of the votes. Each member shall be entitled to cast votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting. Not less than sixty (60) days before the annual meeting of the members, a nominating committee of not less than three nor more than five members shall be appointed by the Board of Directors and the committee shall nominate one person for each directorship to be filled. Nominations for additional directorships created at the meetings shall be made from the floor. Other nominations also may be made from the floor.

3.3 Term.

Each director's term of service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner provided in 3.5. The members at any annual meeting and in order to provide a continuity of experience, may vote to create classes of directorships having a term of one, two or three years so that a system of staggered terms will be initiated.

3.4 Vacancies.

Except as to vacancies resulting from removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by a majority vote of the remaining directors. Any director elected to fill a vacancy shall hold office only until the next election of directors by the members, irrespective of the length of the remaining term of the vacating director.

3.5 Removal.

Any director may be recalled and removed from office with or without cause by the vote or agreement in writing of a majority of all members. A special meeting of the members to recall a member or members of the Board of Directors may be called by ten (10%) percent of the members giving notice of the meeting as required by these By-Laws. The notice shall state the purpose of the meeting. Any vacancy on the Board of Directors thus created shall be filled by the members of the Association at the same meeting. If more than one director is subject to recall, there shall be a separate vote on the question to remove each director.

3.6 Disqualification and resignation.

Any director may resign at any time by sending or personally delivering a written notice of resignation to the Association, addressed to the Secretary. The resignation shall take effect on receipt by the Secretary, unless it states differently. Any board member elected by the members who is absent from more than three consecutive regular meetings of the Board, unless excused by resolution of the Board, shall be deemed to have resigned from the Board of Directors automatically, effective when accepted by the Board. Any board member more than thirty (30) days delinquent in the payment of an assessment shall be deemed to have resigned from the Board, effective when the resignation is accepted by the Board of Directors.

3.7 Organizational meeting.

The organizational meeting of a newly elected Board of Directors shall be held within ten days after their election at a place and time that shall be fixed by the directors at the meeting at which they were elected and without further notice.

3.6 Regular meetings.

The Board of Directors may establish a schedule of regular meetings to be held at a time and place as a majority of them shall determine from time to time. Notice of regular meetings, however, shall be given to each director personally or by mail, telephone or telegraph, at least three days before the day named for the meeting with the notice of each meeting posted conspicuously in the Marbrisa community at least 48 hours before the meeting except in an emergency.

3.9 Special meetings.

Special meetings of the Board of Directors may be called by the President and, in his absence, by the vice president, and must be called by the Secretary at the written request of one-third of the directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph. The notice shall state the time, place and purpose of the meeting and shall be transmitted not less than three days before the meeting. A copy of the notice of each meeting shall be posted conspicuously in the Marbrisa community at least 48 hours before the meeting except in an emergency.

3.10 Waiver of notice.

Any director may waive notice of a meeting before, at or after the meeting and that waiver shall be deemed equivalent to the giving of notice. Attendance by any director at a meeting shall constitute a waiver of notice of the meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

3.11 Quorum.

A quorum at the meetings of the directors shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration, the Articles or these By-Laws.

3.12 Adjourned meetings.

If there is less than a quorum present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting until a quorum is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

3.13 No proxy.

There shall be no voting by proxy at any meeting of the Board of Directors.

3.14 Joinder in meeting by approval of minutes.

A director may join in the action of a meeting by signing and concurring in the minutes of that meeting. That concurrence, however, shall not constitute the presence of that director for the purpose of determining a quorum.

3.15 Meetings open to members.

Meetings of the Board of Directors shall be open to all members of the Association to attend and observe. No member, however, shall be entitled to participate in the meeting unless specifically invited to do so by the Board. Notice of any meeting of the Board whereat the budget or assessments are to be considered for any reason shall contain a statement to that effect.

3.16 Presiding officer.

The presiding officer at Board meetings shall be the president or, in his absence, the vice president, and in his absence, the directors present shall designate any one of their number to preside.

3.17 Minutes of meetings.

The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by members or their

authorized representative including mortgagees of members and board members at any reasonable time. The Association shall retain these minutes for a period of not less than seven years. Members and their authorized representatives shall have the right to make or obtain copies at the reasonable expense, if any, of the Association member.

3.18 Compensation.

Directors shall serve without pay but shall be entitled to reimbursement for expenses reasonably incurred in the discharge of their duties.

3.19 Order of business.

The order of business at meetings of directors shall be:

- (a) Calling of roll.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers and committees.
- (e) Election of officers (as appropriate).
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

3.20 Presumed assent.

A director present at any Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he or she votes against such actions or abstains from voting because of an asserted conflict of interest.

3.21 Attendance by conference telephone.

When telephone conference is used, a telephone speaker shall be attached so that the discussion may be heard by board members and by any members present in an open meeting. Board members utilizing telephone conference calls may be counted toward obtaining a quorum and may vote over the telephone.

ARTICLE IV. POWERS AND DUTIES
OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Declaration, the Articles and these By-Laws shall be exercised exclusively by the Board of Directors, or its duly authorized agents or employees. The powers and duties of the Board shall include, but shall not be limited to, the following:

4.1 Maintenance, management and operation of the Association property. The Board of Directors shall be responsible for the maintenance, management and operation of the Association property and Common Areas and may enter into contracts for discharging this responsibility.

4.2 Contract, sue or be sued.

The Association may institute, maintain, settle or appeal actions or hearings in its name on behalf of all members concerning matters of common interest, including but not limited to the Common Area and commonly-used facilities.

4.3 Right of access.

The Association has the irrevocable right of access to each Dwelling Unit during reasonable hours as necessary for the maintenance, repair or replacement as provided in the Declaration or for making emergency repairs necessary to prevent damage to the Common Areas or to another Dwelling Unit or Units.

4.4 Make and collect assessments.

4.5 Lease, maintain, repair and replace the Common Areas.

4.6 Lien and foreclosure for unpaid assessments.

The Association has a lien on each Dwelling Unit for any

unpaid assessments with interest and for reasonable attorneys' fees incurred in the collection of the assessment or enforcement of the lien. It also has the power to purchase the Dwelling Unit at the foreclosure sale and to hold, lease, mortgage or convey it.

4.7 Purchase Dwelling Unit.

In addition to its right to purchase Dwelling Units at a lien foreclosure sale, the Association generally has the power to purchase Dwelling Units and to acquire, hold, lease, mortgage and convey them. The Association has the power to acquire title to property or interests therein or otherwise hold property for the use and benefit of its members.

4.8 Grant or modify easements.

The Association, without the joinder of any Owner, may grant, modify or move any easement for ingress and egress or for utilities purposes if the easement constitutes part of or crosses the Common Areas.

4.9 Adopt rules and regulations.

The Association may adopt and amend, from time to time, reasonable rules and regulations for the use of Association property and the Common Areas including parking and any recreational facilities serving or within the Community owned by the Association.

4.10 Maintain official records.

The Association shall maintain all of the records of the Association, where applicable, pursuant to and as set forth in Article 17 hereof.

4.11 Obtain insurance.

The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, its property, and the Common Areas.

4.12 Furnish financial reports to members.

4.13 Provide certificate of unpaid assessment.

Any Owner, mortgagee or other record lienholder has the right to require from the Association a certificate showing the amount of unpaid assessments respecting the Owner's Dwelling Unit.

4.14 Contract for maintenance of the Common Areas.

4.15 Pay taxes or assessments against the Common Areas or Association property.

4.16 Pay costs of utility services rendered to the Association property and not billed directly to individual Owners.

4.17 Employ personnel.

The Association may employ and dismiss personnel as necessary for the maintenance and operation of the Association and may retain those professional services that are required for those purposes.

4.18 Repair or reconstruct improvements after casualties.

4.19 Impose fines. The Board of Directors may impose fines on Owners in such reasonable sums as they may deem appropriate, not to exceed \$50.00 for violation of the Declaration, these By-laws or lawfully adopted rules and regulations by members or their guests or tenants. See Section 7.9 hereof.

ARTICLE V. OFFICERS

5.1 Executive officers.

The executive officers of the Association shall be a president, who shall be a director, vice president, who shall be a director, a treasurer and a secretary and such other officers as the Board may from time to time, create by resolution. The officers

shall be elected annually by the Board of Directors and may be removed without cause at any meeting by a vote of a majority of all of the directors. A person may hold more than one office except that the president may not also be the secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board of Directors, from time to time, shall elect the officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 President.

The president shall be the chief executive officer of the Association. He shall have all of the powers and duties that usually are vested in the office of president of an association, including but not limited to the power to appoint committees from among the members to assist in the conduct of the affairs of the Association as he may deem appropriate. He shall preside at all meetings of the Board.

5.3 Vice president.

The vice president shall exercise the powers and perform the duties of the president in the absence or disability of the president. He also shall assist the president and exercise those other powers and perform those other duties as shall be prescribed by the directors.

5.4 Secretary.

The secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the serving of all notices to the members and directors and other notices required hereunder. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the directors.

5.5 Treasurer.

The treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a treasurer's report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. All money and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board.

5.6 Compensation.

The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board from employing a director as an employee of the Association or preclude the contracting with a director for the management of the Association.

ARTICLE VI. FISCAL MANAGEMENT

6.1 Board adoption of budget.

The Board of Directors shall adopt a budget for the Association in advance of each fiscal year at a meeting of the Board called for that purpose at least thirty (30) days before the end of each fiscal year. A copy of the adopted budget shall be furnished to the members at the annual meeting of members.

6.2 Budget requirements.

The proposed annual budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- (a) Administration of the Association.
- (b) Management fees.

- (c) Maintenance.
- (d) Taxes on Association property.
- (e) Insurance.
- (f) Security provisions.
- (g) Other expenses.
- (h) Operating capital.
- (i) Reserve accounts for capital expenditures and deferred maintenance. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost for such reserve item. Reserves must be included in the proposed annual budget, but may be removed from the final budget if by vote of the majority of the members present at a duly called meeting of the Association they shall determine for a fiscal year to provide no reserves or reserves less adequate than required. If a meeting of members has been called to determine to provide no reserves or reserves less than required and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

6.3 Notice of budget meeting.

The Board of Directors shall mail a meeting notice and copies of the proposed annual budget to the members not less than fourteen days before the meeting at which the budget will be considered. If a budget adopted by the Board of Directors requires an assessment against members in any fiscal year exceeding 115% of the previous year's assessments, the Board shall call a special meeting of members within 30 days and shall be called on not less than 10 days written notice to each member. If the proposed budget is not approved as provided in the Declaration at the special meeting, the members shall consider and enact a substitute budget by not less than a majority vote of the members. If at the special meeting, a quorum is not attained or a substitute budget is not adopted by the members, the budget adopted by the Board shall go into effect as scheduled. Provisions for reasonable reserves for repair and replacement of Association property, nonrecurring expenses and assessments for the betterment of Association property shall be excluded from the computation in determining whether assessments exceed 115% of the previous year's assessment.

6.4 Alternative budget adoption by members.

At its option, for any fiscal year, the Board of Directors may propose a budget to the members at a meeting of the members or in writing. If the proposed budget is approved by the members at the meeting or by a majority of all members in writing, the budget shall be adopted.

6.5 Accounting records and reports.

The Association shall maintain accounting records in Indian River County, according to good accounting practices after the Developer no longer controls the Board of Directors. The records shall be open to inspection by members or their authorized representatives including mortgagees of Owners at reasonable times. The records shall include, but are not limited to: (a) accurate, itemized and detailed record of all receipts and expenditures, (b) a current account and a monthly, bi-monthly or quarterly statement of the account for each Owner, designating the name and current mailing address of the Owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amount paid on the account and the balance due, (c) all audits, reviews, accounting statements and financial reports of the Association, and (d) all contracts for work to be performed.

6.6 Depository.

The depository of the Association shall be those banks or savings and loan associations, state or federal, located in Florida, as shall be designated from time to time by the Board of Directors and in which the money for the Association shall be deposited. Withdrawal of money from those accounts shall be only checks or other withdrawal instruments signed by those persons as are authorized by the directors.

6.7 Fidelity bonding.

If so decided by the Board, each officer and director of the Association who controls or disburses its funds shall be bonded by a fidelity bond in such principal sum as determined by the Board. The cost of bonding shall be at the expense of the Association.

ARTICLE VII. ASSESSMENTS AND COLLECTION

7.1 Assessments, generally.

Assessments shall be made against the Owners monthly. The assessments shall be made in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.

7.2 Special assessments.

The specific purpose or purposes of any special assessment, including emergency assessments, that cannot be paid from the annual assessment, as determined by the Board of Directors, shall be set forth in a written notice of such assessment sent or delivered to each Owner. The notice shall be sent or delivered within such time before the payment or initial payment thereunder shall be due, as may be reasonable or practicable in the circumstances. Special assessments shall be paid at the times and in the manner that the Board may require in the notice of the assessment. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Owners.

7.3 Charges for other than common expenses.

Charges by the Association against individual members for other than assessments shall be payable in advance and the billing and collection thereof may be administered by the Association. Charges for other than assessments may be made only after approval of a member or when expressly provided for in the Declaration. These charges may include, without limitation, charges for the use of the Common Areas or recreation facility, maintenance services furnished at the expense of a member and other services furnished for the benefit of a member.

7.4 Liability for assessments.

Each member, regardless of how title is acquired, shall be liable for all assessments coming due while he is the Owner. The Owner shall be liable for all unpaid assessments due and payable up to the time of the transfer of title. A first mortgagee or other purchaser of a Dwelling Unit who obtains title by a purchase at the public sale resulting from the first mortgagee's foreclosure judgment in a foreclosure suit, or who obtains title as a result of a deed given in lieu of foreclosure, together with his successors and assigns, shall not be liable for the share of assessments attributable to the Dwelling Unit or chargeable to the former Owner which became due prior to acquisition of title as a result of the foreclosure, unless the share is secured by a claim of lien for assessments that is recorded before the recording of the foreclosed mortgage. The unpaid share of assessments are common expenses collectible from all of the members, including such acquirer and his successors and assigns. The liability for assessments may not be avoided by waiver of the use or enjoyment of any Common Areas or by abandonment of the Dwelling Unit for which the assessments are made.

7.5 Assessments, amended budget.

If the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

7.6 Collection: Interest, application of payment.

Assessments and installments on them, if not paid when they

become due, shall bear interest at the highest lawful rate until paid. All assessment payments shall be applied first to interest and then to the assessment payment due.

7.7 Lien for assessment.

The Association has a lien on each Dwelling Unit for any unpaid assessments with interest and for reasonable attorneys' fees incurred by the Association incident to the collection of the assessment or enforcement of the lien. The lien is effective from and after recording a claim of lien in the public records of Indian River County. No such claim of lien (after the claim of lien has been recorded) shall continue to be effective for a period longer than the maximum time allowed by law, unless within that time, an action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid assessments, interest, costs and attorney fees which are due and which may accrue after recording of the claim of lien and before entry of a final judgment of foreclosure. The lien is subordinate to any mortgage on a Dwelling Unit recorded before it.

7.8 Collection: suit, notice.

The Association may bring an action to foreclose any lien for assessments in the manner that a mortgage of real property is foreclosed. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Association shall give notice to the Owner of its intention to foreclose its lien before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the Owner or by certified mail, return receipt requested, addressed to the Owner at the last known address.

7.9 Fines.

Before levying a fine pursuant to 4.19, the Board of Directors shall afford an opportunity for hearing to the party against whom the fine is sought to be levied, after reasonable notice of not less than 14 days. The notice shall include:

- A. a statement of the date, time and place of the hearing;
- B. a statement of the provisions of the Declaration, these Bylaws and lawfully adopted rules and regulations which have allegedly been violated; and
- C. a short and plain statement of the matters asserted by the Association. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. Upon the levying of any fine, the Board may collect such fines like assessments in one or more installments. Each day of violation shall be a separate violation. The affected member, whether the offending party or not, shall always be given notice of the hearing. No fine shall become a lien against a Dwelling Unit.

VIII. ASSOCIATION CONTRACTS, GENERALLY

Any contracts made by the Association must be fair and reasonable. All contracts for the operation, maintenance or management of the Association or property serving the members, made by the Association, must not be in conflict with the powers and duties of the Association or the rights of the members. Written contracts for operation, maintenance and management entered into by the Association must contain certain elements in order to be valid and enforceable. These include, but are not limited to:

- A. Specification of the services, obligations, and responsibilities of the service provider.

ARTICLE XII. PARLIAMENTARY RULES

ROBERTS' RULES OF ORDER (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration, the Articles or these By-Laws.

ARTICLE XIII. RULES AND REGULATIONS

13.1 Board may adopt.

The Board of Directors may adopt and amend, from time to time, reasonable rules and regulations as provided in 4.9.

13.2 Posting and furnishing copies.

A copy of any rules and regulations adopted by the Board of Directors, and any amendments to existing rules and regulations, shall be furnished to each member. No rule, regulation or amendment shall become effective until thirty (30) days after adoption, except in the case of an emergency, in which case the rule, regulation or amendment shall become effective immediately on adoption.

13.3 Reasonableness test.

Any rule or regulation created and imposed by the Board of Directors must be reasonably related to the promotion of the health, safety, welfare, happiness and peace of mind of the members and uniformly applied and enforced.

ARTICLE XIV. BY-LAWS DEEMED AMENDED

These By-Laws shall be deemed amended in those particulars as may be required to make them consistent with the provisions of any applicable law as the same may exist from time to time.

ARTICLE XV. PRIORITIES IN CASE OF CONFLICT

In the event of conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest: (a) the Declaration; (b) the Articles; (c) these By-Laws; and (d) the rules and regulations.

ARTICLE XVI. AMENDMENTS

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

16.1 Notice.

Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

16.2 Adoption.

An amendment may be proposed either by a majority of the Board of Directors or by not less than one-third of the members of the Association. The amendment shall be adopted if it is approved by not less than two-thirds of the members of the Association.

16.3 Limitation.

No amendment shall be made that is in conflict with the Declaration, nor shall any amendment abridge, alter or amend the rights of the Developer or mortgagees of Dwelling Units without their consent.

16.4 Recording.

A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the By-Laws. The certificate shall identify the book and first page of the Public Records where the Declaration is recorded and shall be executed by the president or vice president and attested by the

secretary of the Association. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of Indian River County.

16.5 Format.

Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended.

XVII. ASSOCIATION OFFICIAL RECORDS.

The Association, from its inception, shall maintain each of the following items when applicable, which shall constitute the official records of the Association:

- A. A photocopy of the recorded Declaration and all amendments thereto.
- B. A photocopy of the recorded Bylaws of the Association and all amendments thereto.
- C. A certified copy of the Articles of Incorporation of the Association and all amendments thereto.
- D. A copy of the current rules of the Association.
- E. A book or books containing the minutes of all meetings of the Association, of the Board of Directors and of members, which minutes shall be retained for a period of not less than seven years.
- F. A current roster of all members, their mailing addresses, and, if known, telephone numbers. Additionally, the Association may require a copy of the deed or other instrument showing each Dwelling Unit's ownership, together with a copy of any mortgage thereon and any satisfaction of that mortgage.
- G. All current insurance policies of the Association.
- H. All current copy of any management agreement, or other contract to which the Association is a party or under which the Association or the members have an obligation or responsibility.
- I. The accounting records required in Paragraph 6.5.
- J. Voting proxies, which shall be maintained for a period of one year from the date of the meeting for which the proxy was given.

The official records of the Association shall be maintained in Indian River County after the Developer no longer controls the Board of Directors and shall be open to inspection by any member or the authorized representative including mortgagees of any Owner at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the member. Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any mortgage holder, insurer or guarantor will be entitled to timely written notice of: (a) any condemnation or casualty loss that affects Dwelling Unit securing its mortgage; (b) any 60-day delinquency in the payment of assessments or charges owed by the Owner of any Dwelling Unit on which it holds the mortgage; (c) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and (d) any proposed action that requires the consent of a specified percentage of mortgage holders.

XVIII. RESTRICTION ON AND REQUIREMENTS FOR
USE, MAINTENANCE AND APPEARANCE OF THE UNITS

18.1 Where contained.

Restrictions on the use, maintenance and appearance of the

Dwelling Units shall be as stated in the Declaration. No amendments to such restrictions shall be contained elsewhere than in the Declaration and may be adopted other than in the manner prescribed in and required by the Declaration.

18.2 Tests for validity of restrictions.

Restrictions contained in the Declaration and any amendments duly made as required therein shall be valid and in the nature of covenants running with the land, unless it is shown that they: (1) are wholly arbitrary in their application; (2) are in violation of public policy; or (3) abrogate some fundamental constitutional right.

The foregoing were adopted as the By-Laws of Marbrisa Villa Owners Association, Inc., on the 27th day of October, 1987.

MARBRISA VILLA OWNERS ASSOCIATION, INC.

BY: /S/CHARLES K. BROWN, JR.
President

Attest: /S/KEVIN T. HASSEN
Secretary