

EXHIBIT "D"

BY-LAWS

OF

WATERFORD PATIO HOMEOWNERS ASSOCIATION, INC.
(A Non-Profit Florida Corporation)

ARTICLE I

NAME AND LOCATION. The name of the corporation is WATERFORD PATIO HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at the offices of Heftler Realty Co., 9450 Sunset Drive, Miami, Florida 33173, or at such other places as may be subsequently designated by the Board of Directors, but meetings of Members and directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Articles of Incorporation" shall mean and refer to the Charter of Waterford Patio Homeowners Association, Inc., all exhibits which are attached thereto and made a part thereof, and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

Section 2. "Association" shall mean and refer to Waterford Patio Homeowners Association, Inc., a non-profit Florida corporation, its successors and assigns.

Section 3. "By-Laws" shall mean and refer to the within instrument.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association, and specifically excludes the Lots as such term is hereinafter defined.

Section 5. "Declaration" shall mean and refer to the Waterford Patio Homes Declaration of Covenants, Conditions and Restrictions, together with those exhibits which are attached thereto and made a part thereof and shall include such amendments, if any, as may be adopted from time to time pursuant to the terms thereof.

Section 6. "Developer" shall mean and refer to Heftler Realty Co., a Florida corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development. Developer is a Developer as defined in Section 1.02 D of the Subdivision Declaration.

Section 7. "Development Period" shall be that period of time until the Subdivision Declarant and/or the Developer have sold the last Lot as shown on the site plan attached to the Declaration as Exhibit "B" and the last Subdivision Lot as shown on the Plat, to the consuming public and shall have the same meaning as set forth in Section 2.01 of the Subdivision Declaration.

Section 8. "Home" shall mean and refer to the single family dwelling constructed upon a Lot.

Section 9. "Institutional First Mortgage" means a mortgage executed in favor of an Institutional First Mortgagee, which mortgage is a first and prior mortgage encumbering a Home.

Section 10. "Institutional First Mortgagee" means a bank, savings and loan association, any insurance company, pension fund, real estate trust, the Federal National Mortgage Association or its assigns, the Federal Home Loan Mortgage Company or its assigns, or any other party which is engaged in the business of mortgage financing, which owns or holds a first and prior mortgage encumbering a Home, and shall include any corporate subsidiary of such entity.

Section 11. "Ivanhoe - Waterford Association" shall mean and refer to Ivanhoe Waterford Homeowner's Association, Inc., a non-profit Florida corporation, its successors and assigns.

Section 12. "Lot" shall mean and refer to a designated plot of land within the Property as described in the Declaration, conveyed or to be conveyed to an Owner upon which there has been constructed or will be constructed a single family home. Each Lot within the Property is shown upon the site plan of the Property attached to the Declaration. It is contemplated that as many as 135 Lots will be located on the Property.

Section 13. "Management Agreement" shall mean and refer to that agreement for services to be rendered in connection with the management of the Property. A copy of the initial Management Agreement is attached to the Declaration as Exhibit "E". Said Management Agreement shall also include such addenda, if any, that the parties thereto shall agree upon in writing.

Section 14. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 15. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of any obligations.

Section 16. "Plat" shall mean and refer to the plat of Waterford which contains the Property and the Subdivision Lots and which plat is recorded in Plat Book 116, Page 43 of the Public Records of Broward County, Florida.

Section 17. "Property" shall mean and refer to that certain real property as described on Exhibit "A" to the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 18. "Subdivision Declarant" shall mean and refer to Ivanhoe Land Investments, Inc., a Florida corporation, its successors or assigns, who is the Declarant of the Subdivision Declaration.

Section 19. "Subdivision Declaration" shall mean and refer to that certain Declaration of Covenants of Waterford Subdivision as recorded November 15, 1985, under Clerk's File No. 85-389075 in Official Records Book 12972, Page 397 of the Public Records of Broward County, Florida, as the same may be amended from time to time. Said Subdivision Declaration contains covenants and restrictions that encumber the Property and the ownership of and all Lots within the Property shall be subject to the applicable terms and conditions of said Subdivision Declaration as specified therein.

Section 20. "Subdivision Lots" shall mean and refer to the lots numbered "1" through "182" inclusive as designated and shown on the plat of Waterford as recorded in Plat Book 116, Page 43, of the Public Records of Broward County, Florida.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Suspension of Membership. During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights of such Member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed one hundred eighty days (180) for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

Section 3. Voting Rights. There shall be two classes of voting membership.

Class A. Class A Members shall be all those Owners as defined in Article III of the Declaration with the exception of the Developer. Class A Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III of the Declaration. When more than one person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article III of the Declaration, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1991.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Each Member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the Property. Such Member shall notify the secretary in writing of the name of any such delegatee. The rights and privileges of such delegatee are subject to suspension to the same extent as those of the Member.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of not less than three (3) and no more than five (5) directors.

Section 2. Election. Directors shall be elected at the annual meeting of the Members. At each such annual meeting not less than three (3) and no more than five (5) directors shall be elected and they shall serve until the next annual meeting or until their successors are chosen or until removed in accordance with the Articles of Incorporation or these By-Laws.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve until the next annual meeting.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of

Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power:

- (a) To adopt and publish, from time to time, rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors, except that the directors appointed by Developer shall not be subject to this provision; and
- (d) To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors:

- (a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;
- (b) To supervise all officers, agents and employees of this Association and to see that their duties are properly performed;
- (c) As more fully provided herein and in the Declaration:
 - (1) To take into account the common expenses of the Association, the appropriate expenses respecting the personal property taxes levied against the Association or the Common Property, and other expenses of the Association; and
 - (2) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- (d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of

these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;

- (e) To collect delinquent assessments and penalties and to create, record and foreclose the lien securing the said assessments and to hire attorneys, accountants and other professionals to do the same;
- (f) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;
- (g) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (h) To cause the Common Area to be maintained;
- (i) To cause the exterior of the dwellings the lawns, fences and walls to be maintained by the Owners (except as otherwise required by the Declaration or these By-Laws).

ARTICLE IX

COMMITTEES

Section 1. Types of Committees. The Association shall appoint an Architectural Control Committee as provided in the Declaration and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

- (a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to any recreational program or activities of the Association and shall perform such other functions as the Board in its discretion determines;
- (b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Property and shall perform such other functions as the Board, in its discretion, determines;
- (c) A Publicity Committee which shall inform the Members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interest of the Association; and
- (d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8(d). The Treasurer shall be an EX OFFICIO member of the Committee.

Section 2. Responding to Members. It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committees, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on the first Thursday in December, 1986, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of seven o'clock, P.M. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4th) of all of the votes of the entire membership or who are entitled to vote one-fourth (1/4th) of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the discretion of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The offices of this Association shall be a president and vice-president, a secretary and a treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or is otherwise disqualified to serve.

Section 4. Special Appointment. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority,

and perform such duties as the Board may, from time to time, require.

Section 5. Resignation and Removal. Any officers may be removed from office with or without cause by the Board. 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 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.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

- (a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE-PRESIDENT

- (b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

- (c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes; shall cause an audit to be made of the Association's book by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual

meeting, and deliver a copy of each to the Members; and shall furnish a corporate surety bond in a sum satisfactory to the Board for the faithful performance of the duties of his office and the restoration to the Association of all books, papers, vouchers, money or other property of whatever kind in his possession, or under his control, belonging to the Association. The Association shall pay all premiums for said bond.

ARTICLE XII

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments to be Paid To The Association. The Developer for each Lot owned by it within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant, which covenant shall run with the land and be binding on every Owner, and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, and to meet budgetary deficiencies, and (3) annual assessments or charges to effect payment of property taxes which may be assessed against the personal property which may in the future be located on, or contained in, the Common Area; and such assessments shall be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments and annual assessments for payment of the personal property taxes, together with such interest thereon and costs of collection thereof, including interest, costs and attorney's fees, as hereinafter provided, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made, and said lien may be enforced in the same manner in which mortgages are enforced. Each such assessment, together with such interest, costs, and reasonable attorney's fees for its collection, including at all appellate levels, shall also be the personal obligation of the person or entity who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments to be levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Property and shall specifically include, but not be limited to: the maintenance and operation of the private roads servicing the Property; maintenance of the entrance feature; the payment of taxes and insurance for the Common Area; payment for the improvement and maintenance of the Property, services, and facilities related to the use and enjoyment of the Common Area and of the Homes situated upon the Property.

Section 3. Basis of Annual Assessments. Until December 31, 1987, the monthly assessments shall be the amount as set forth in the initial budget of the Association for its initial year of operation. From and after January 1, 1988, the monthly assessment shall be determined in accordance with the Articles of Incorporation and these By-Laws taking into account current maintenance costs and future needs of the Association. The maintenance costs shall include and shall mean all operating costs of the Association, maintenance costs of the Common Area, payment of insurance premiums for the Common Area, and payment of any personal property taxes on the Common Area. The annual assessment shall also include a sum required to provide an adequate reserve fund for the maintenance, repair and replacement of the Common Area and improvements thereon, if any, or any personal property owned by the Association including the resurfacing of the private streets and the painting of the exterior of the perimeter wall on the Property.

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Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, PROVIDED that any such special assessment in excess of 25% of the regular annual assessments shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis. Notwithstanding the foregoing sentence, or any other provision in the Declaration or these By-Laws to the contrary, during the period while Developer is guaranteeing the budget as more particularly described in the notes to the budget, attached to the Declaration as Exhibit "F", Developer will not be required to pay Association assessments on the Lots it owns in the Property. During said guarantee period the Developer will collect all assessments and pay all expenses for the operation of the Common Area and shall not be obligated to, and shall not account for monies collected or expended or any surplus or deficit incurred.

Section 6. Quorum for Any Action Authorized Under Section 4. At each meeting called, as provided in Section 4 hereof, the presence of the meeting of Members or of proxies entitled to cast one third (1/3) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth in Section 4 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the first Lot to an Owner except that the Lots owned by Developer shall not be subject to such assessments during the guarantee period as provided in Section 5 above. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

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Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within five (5) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association, acting through its Board of Directors, may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot to which the assessment is levied, and interest, costs and reasonable attorney's fees, including at all appellate levels, of any such action shall be added to the amount of such assessment.

No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Special Assessment Against a Particular Owner of Lot. In the event an Owner of any Lot in the Property shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot, and the exterior of the buildings and any other improvements erected thereon. The costs of such exterior maintenance shall be added to and become part of the annual assessment to which such Lot is subject; and said assessment shall be enforced in the manner as provided for in the Declaration.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be superior to all other liens save and except tax liens and the liens of any bonafide institutional first mortgage to an institutional first mortgagee, provided, however, that said mortgage liens are first liens against the property encumbered thereby, subject only to tax liens, and secure indebtedness which are amortized in monthly or quarterly-annual payments over a period of not less than 10 years.

Section 11. Exempt Property. The following Property subject to the Declaration shall be exempt from the assessments created herein: (a) any portion of the Property dedicated to and accepted by a local public authority; (b) the Common Area; (c) any portion of the Property which is designated and/or reserved for easements; and (d) any portion of the Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Florida. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Association shall, at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Waterford Patio Homeowners Association, Inc. - Non-Profit.

ARTICLE XV

RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, the following rules and regulations, together with such additional rules and regulations as may hereafter, from time to time, be adopted by the Board of Directors, shall govern the use of the Homes located in the Property and the conduct of all residents thereof:

Section 1. Subdivision Restrictions. The use restrictions set forth in Sections 4.01 through 4.13 inclusive of the Subdivision Declaration are hereby incorporated and made a part hereof by reference as fully and completely as if set forth herein in their entirety. In addition, the items set forth in this Article XV shall also constitute use restrictions on the Property.

Section 2. Residential Community. No Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than a one-family dwelling.

Section 3. No Temporary Structure. No structure of a temporary character, trailer, shed, basement, tent, shack, garage, barn or other out-building shall be used on any Lot at any time as a residence or appendage to such residence, either temporary or permanent, nor shall the same be permitted on any Lot.

Section 4. Nuisance. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or Owners or occupants of the Lots.

Section 5. Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purpose. Pets shall not be permitted to run at large within the Property.

Section 6. Signs. No sign of any kind shall be displayed to the public view on any Lot, except one sign of not more than one square foot advertising that property for sale or rent, or signs used by the Developer to advertise the Property during the construction and sale of the Homes, which signs shall not be subject to the size limitations set forth herein.

Section 7. Rubbish. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in sanitary containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition.

Section 8. No Unsightly Uses. No garments, rugs or any other materials may be hung, exposed or dusted from the windows or from the front facade of any Home.

Section 9. Sewage Disposal. No septic tanks or individual wells will be permitted on any Lot.

Section 10. Fences and Walls. No Owner shall relocate, heighten, lower or otherwise move or change any fence or wall provided by Developer. However, this restriction shall not prevent Owner from maintenance and repair of the fence or wall, as the case may be, as hereinafter required by Article XI.

Section 11. Water Supply. No individual water supply system will be permitted upon any Lot except for sprinkler system, swimming pools and/or air conditioners.

Section 12. Rules and Regulations. The Board of Directors of the Association shall adopt such other rules and regulations from time to time governing the use and enjoyment of the Common Area as the Board of Directors in its sole discretion deems appropriate or necessary, provided that such additional rules and regulations shall be consistent with the provisions contained in this Declaration and the Subdivision Declaration.

Section 13. Vehicles. There shall not be parked upon any of the parking spaces set aside for general use within the Common Area, any trailer, abandoned vehicle nor a vehicle in excess of 20 feet in length, or in excess of 5000 pounds of weight, commercial-type van, commercial vehicle, boat or boat trailer.

This restriction shall not be deemed to limit the use of such parking facilities for service vehicles whose purpose is to perform maintenance and delivery services to the Lot Owners or the Association during normal working hours.

ARTICLE XVI

AMENDMENTS

Section 1. Procedure. These By-Laws may be amended, at a duly regular or special meeting of the Members, by a vote of fifty-one (51%) percent of Members present in person or by proxy, except that, if at the time an amendment is proposed there are any mortgages encumbering any Lot insured by the Federal Housing Administration, guaranteed by the Veterans Administration or held by the Federal National Mortgage Association then the Federal Housing Administration, the Veterans Administration or the Federal National Mortgage Association shall have the right to veto amendments while there is Class B membership, otherwise said right of veto will not exist.

Section 2. Conflict with Declaration. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.