

DECLARATION EXHIBIT "B"

BYLAWS  
OF GOLF VILLAS HOMEOWNERS'  
ASSOCIATION, INC.  
A Not-For-Profit Corporation

ARTICLE 1  
IDENTITY AND LOCATION

1.1 Identity

These are the Bylaws of Golf Villas Homeowners' Association, Inc., herein called the "Association," a non-profit corporation, for the purposes set forth in the Declaration of Covenants and Restrictions of The Golf Villas at Cypress Head.

ARTICLE 2  
PURPOSES, RIGHTS AND OBLIGATIONS

The purposes for which this non-profit corporation shall be formed shall be to govern and exercise all of its powers, privileges and rights; to perform all the duties and obligations of the Association pursuant to the terms of the Articles of Incorporation, these Bylaws, and the Declaration.

ARTICLE 3  
MEMBERSHIP AND VOTING

3.1 Membership

The members of the Association shall consist of all the record owners of each Lot as defined by the Declaration.

3.2 Membership Change

Change of membership in the Association shall be established by recording in the Public Records of Volusia County, Florida, a deed or other instrument conveying title to a Lot and the delivery to the Association of a true copy of such instrument. The Lot Owner (grantee) designated by such instrument shall thereby become a member of the Association. The membership of the prior Lot Owner (grantor) shall be thereby terminated.

3.3 Voting Rights

3.3.1 Eligibility

Each Member shall be entitled to one (1) vote for each Lot in which such person or entity holds the interest required for membership. When more than one person or entity holds such interest or interests in any Lot, all such persons or entities shall be Members and the vote for such Lot shall be cast by the person or entity named in a certificate as provided by paragraph 3.4 below. If such certificate shall not be filed, the vote of such members shall neither be considered in determining the requirement for a quorum nor for any other purpose. All actions required to be taken by Members and all notices required to be communicated to Members shall be taken by and communicated to such Members as are entitled to vote.

3.4 Voter Designation

3.4.1 If a Lot shall be owned by one person, the right to vote shall be held and established by the sole record title owner of the Lot.

3.4.2 If a Lot shall be owned by more than one person, the person entitled to cast the vote for the Lot shall be designated by a Certificate Appointment signed by all of the record owners of the Lot and filed with the Secretary of the Association.

3.4.3 If the Lot shall be owned by a corporation, the person entitled to cast the vote for the Lot shall be designated by a Certificate of Appointment signed by the President or Vice President and attested by the Secretary of the Corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned. If the Lot shall be owned by any other entity, the person entitled to cast the vote for the Lot shall be designated by a Certificate of Appointment signed by the trustee, partner or other person of authority.

3.5 Approval or Disapproval of Matters

Whenever the decision of a Lot Owner shall be required upon any matter, whether or not the subject of or presented for vote at an Association meeting, such decision shall be expressed by the same person who would cast the vote of such Lot Owners if at an Association meeting, unless the joinder of all record Lot Owners shall be otherwise expressly required by the Declaration of Covenants and Restrictions or these Bylaws.

ARTICLE 4  
MEMBER MEETINGS

4.1 Annual Meeting

The annual membership meeting shall be held at the office of the Association at 7:30 P.M., Eastern Standard Time, on such day in January of each year as the Board of Directors shall designate for the purpose of electing Directors and of transacting any other business which shall be authorized to be transacted by the Members.

4.2 Special Meetings

Special meetings of the Members may be called at any time by the President or a majority vote of the Board of Directors, or upon written request of a majority of the Members who are entitled to cast votes at a membership meeting.

4.3 Place of Meeting

All membership meetings shall be held at the principal office of the Association or at such place as shall be determined, from time to time, by the Board of Directors of the Association.

4.4 Notice of Meeting

Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than fourteen (14) days or more than sixty (60) days before the date of such meeting to each Member entitled to vote thereafter, addressed to the Member's address last appearing on the books of the Association or supplied to 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. If the meeting shall be held for the purpose of fixing the annual or special assessment, notice shall be given as provided herein.

4.5 Quorum

Except as otherwise expressly provided, a quorum for all meetings shall exist if there shall be present, in person or by proxy, Members entitled to cast not less than twenty (20) votes. If a quorum shall not be present at any meeting, the Members present may re-schedule the meeting for a later date and shall give all Members notice thereof, in accordance with the provisions contained herein. If no quorum shall be present at such second meeting, the notice procedure shall be repeated, if the Members present decide to call a third meeting. A quorum at such third meeting shall consist of whatever number of Members shall be present, whether or not their combined votes shall be in excess of nineteen (19). The acts approved by a majority of those present at a meeting at which a quorum shall be present shall constitute the acts of the members, except when approval by a greater number of votes shall be required by the Declaration or these Bylaws.

4.6 Proxies

At all meetings of Members, votes may be cast in person or by proxy. If such absentee Member's vote shall be considered a valid proxy, then the following restrictions and regulations shall apply:

4.6.1 It must be in writing and in a form approved by the Board.

4.6.2 It must be filed with the Secretary before the meeting.

4.6.3 It must be executed by a person entitled to vote as a Member.

4.6.4 It must be announced prior to voting on any matters at the meeting.

4.6.5 It shall be limited to one Member specifically named for such meeting.

4.6.6 It shall be valid only for the particular meeting designated therein.

4.6.7 It shall be revocable at any time at the pleasure of the Lot owner.

4.7 Waiver of Notice

Any Member may waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by such Member at any meeting of the Members shall constitute a waiver of notice by such Member, of the time and place thereof, except where a Member attends a meeting with the express purpose of objecting to the transaction of any business, because the meeting was not lawfully called.

4.8 Posting of Meetings

Adequate notice of all Membership and Board of Directors meetings shall be posted conspicuously on the Property at least forty-eight (48) hours in advance of such meeting, except in an emergency.

4.9 Order of business – Annual Membership Meeting

The conduct of business at annual Members' meetings shall follow parliamentary procedure and the order of business as far as practical for annual meetings and as a format for special and other meetings shall be as follows:

- 4.9.1 Call to order.
- 4.9.2 Calling of the roll and certification of proxies.
- 4.9.3 Proof of notice of meeting.
- 4.9.4 Reading of any unapproved minutes.
- 4.9.5 Reports of officers.
- 4.9.6 Reports of committees.
- 4.9.7 Election of Directors.
- 4.9.8 Unfinished business.
- 4.9.9 New business.
- 4.9.10 Announcements.
- 4.9.11 Adjournment.

4.10 Adjourned Meetings

If any meeting of Members cannot be organized and called to order because a quorum has not attended, the Members who shall be present may adjourn the meeting.

4.11 Minutes

The Secretary of the Association shall record and maintain minutes of each and every meeting in a businesslike manner and provide each Member access thereto.

4.12 Assessment Notice

Notice of any meeting in which Assessments against Lot owners shall be considered for any reason, shall specifically contain a statement that such Assessments shall be considered and such statement shall include the nature of such Assessments.

4.13 Proof of Notice

An officer of the Association shall provide an affidavit which shall be included in the official records of the Association, affirming that a notice of the Association meeting shall have been mailed or hand delivered to each Lot Owner, in the heretofore prescribed form and at the address last furnished to the Association, in accordance with this provision and other heretofore described notice provisions.

ARTICLE 5  
BOARD OF DIRECTORS

5.1 Directors

The affairs of the Association shall be managed by a Board of Directors of not less than three (3) or more than five (5) Directors who need not be a Member entitled to cast a vote in the Association and who may be authorized representatives, officers or employees of an Association Member.

5.2 Board of Directors During Development

The initial Directors of the Association are:

- Mr. Jeff Hurt, Port Orange, Florida
- Mrs. Julia Schumann, Port Orange, Florida
- Mr. John Blondell, Stevensville, Maryland

Notwithstanding anything contained in these Bylaws, the Declaration or Articles of Incorporation to the contrary, so long as Owner or Developer or both shall own one or more Lots for the purposes of development or sale in the ordinary course of business, the Board of Directors shall be appointed by Declarant or one of them and, in all events, Owner shall be entitled to appoint one Director.

5.3 Board of Directors After Development

The "Turnover Date" referenced to in Article 4 of the Articles of Incorporation shall mean fifteen (15) days after the date when neither Owner nor Developer own one or more Lots for the purposes of development or sale in the ordinary course of business, or December 31, 1998, whichever shall first occur. At the next ensuing annual meeting after Turnover Date and at each annual meeting thereafter, all of the directors of the Association shall be elected by the Lot Owners. The election of directors shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. There shall be appointed to each Lot as many votes for directors as there are directors to be elected, provided, however, that no member may cast more than one vote for each Lot owned by that member for any person nominated as a director, it being the intent hereof that voting for director(s) shall be non-cumulative. A ballot may be incorporated in a limited proxy form. A nominating committee of not more than five (5) members of the Association may be appointed by the Board of Directors not more than forty (40) days prior to the Annual Member's Meeting. The committee shall nominate one (1) or more persons for each director then serving. A director then serving may be nominated to a successive term. Additional nominations may be made from the floor at the time of the meeting.

5.4 Powers of the Board

All of the powers and duties of the Board of Directors are set forth in the declaration. The Board may exercise its powers within the limits of the Declaration, the Bylaws and the Articles of Incorporation and shall be exercised exclusively by the Board, its agents, contractors and employees and subject to approval by the Lot Owners only when expressly required by the Declaration, the Articles of Incorporation or these Bylaws.

5.5 Compensation

No Director shall receive compensation for any personal service they may render to the Association or attending meetings, however, a Director may be reimbursed for actual expenses in the performance of any duties on behalf of the Association.

5.6 Vacancies and Removals

Any Director may be removed from the Board, with or without cause, by concurrence of a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, the successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of the predecessor. Vacancies on the Board of Directors occurring between annual meetings of Members shall be filled by the remaining Directors. The Members may elect a Director by a special meeting at any time to fill any vacancy not filled by the Directors.

5.7 Duties of the Board

It shall be the duty of the Board of Directors to cause to be kept a complete record of all its acts, its corporate affairs and to present a statement thereof, to the Members at each annual or special meeting of the Members or when such records or statements shall be requested for in writing, by any Member or Members.

5.8 Term of Board Members

At the first annual meeting and at each annual meeting thereafter, the Members shall elect Directors to serve a term of which shall extend until the next annual meeting of the Members and therefore, until a successor shall be duly elected and qualified or until such Director shall be removed in the manner herein provided.

ARTICLE 6  
MEETINGS OF DIRECTORS

6.1 Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority vote of the Directors and shall be open to all Members. In no case, however, shall Board meetings be held less than quarterly within the fiscal year of the Association.

6.1.1 Notice of regular board meetings shall be given or delivered to each Director, personally, by mail, telephone or other convenient means of communication stating the time, place and purpose of such meeting, at least ten (10) days prior to the day named for such meeting, except in the event of an emergency or special meeting.

6.1.2 Regular and annual meeting notices shall be posted conspicuously in areas frequented by Members not less than three (3) days in advance of such meeting for the attention of the Members.

6.2 Quorum

A quorum of the Board of Directors meetings for the transaction of business shall consist of a majority of the entire Board of Directors. The acts approved by the majority of those present at a meeting, at which a quorum shall be present, shall therein constitute the act of the Board of Directors, except where approval by a greater number of Directors shall be required by the Declaration or these Bylaws.

6.3 Special Meetings

Special Board meetings of the Directors may be called by the President or a majority of the Directors, upon notice personally, by mail, telephone or other convenient means of communication, stating the time, place and purpose of such meeting, no less than three (3) days in advance of such meeting.

6.4 Adjourned Meetings

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

6.5 Joinder in Meeting

The joinder of a Director in action of a meeting by signing and concurring in the minutes thereof, shall not constitute the presence of such Director for the purpose of determining a quorum.

ARTICLE 7  
CORPORATE MATTERS

7.1 Fiscal Year

The fiscal year of the Association shall be as designated by the Board of Directors.

7.2 The Seal

The seal of the corporation shall be circular in form and shall have inscribed thereon, the name of the corporation, the word "Florida," the words "Corporation Not-for-Profit," and the year of the incorporation.

7.3 Notice

Whenever any notice whatever shall be required to be given under the provisions of these Bylaws, such notice shall be deemed sufficient, if given by depositing the same in a post office box in a sealed, post paid envelope, addressed to the member entitled thereto, at the post office address, as it appears on the books of the Association and such notice shall be deemed given on the day of such mailing. A waiver of notice, whether before or after the time stated therein, shall be equivalent to notice.

7.4 Resignations

Any Director or Officer may resign, for whatever reason at any time, provided such resignation shall be made in writing and take effect at the time specified therein; or, if no time shall be specified, at the time of official acceptance of such receipt.

ARTICLE 8  
OFFICERS AND THEIR DUTIES

8.1 The officers of the Corporation shall consist of a President, who shall also be a Director; one or more Vice Presidents; one Treasurer; one Secretary; and, one or more Assistant Secretaries and Assistant Treasurers, as the Board of Directors may from time to time elect or appoint. Only the office of Treasurer and Secretary may be held by the same person.

8.2 Election of Officers

The officers of the Corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. If, at any time, a vacancy shall occur in the office of any officer for whatever reason, it shall be filled as soon as practical by a vote of the majority of the Board of Directors then in office.

8.3 Removal of Officers

All officers shall be subject to removal for whatever reason, at any time. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with cause or without cause and such successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose. Any officer may resign, at any time, by giving written notice to the Board and such resignation shall take effect on the date of receipt of such notice or at any other time specified therein.

8.4 Term

Each officer shall be elected annually by the Board and shall hold office for one (1) year or until death, resignation, retirement, removal disqualification or a successor shall be qualified and elected.

8.5 Compensation

Except as may be permitted under paragraph 15.2 below, no officer shall receive any compensation or remuneration for services from the Association for acting as such officer.

8.2 President

8.6.1 The President, subject to the control of the Board of Directors, shall be the chief executive officer of the Association and shall supervise, control and be in general charge of the affairs of the Association in the ordinary course of its business.

8.6.2 The President, or his designated alternate, shall preside at all meetings of the Members and of the Board of Directors.

8.6.3 The President shall have the power to appoint committees to assist in the administration of affairs of the Association.

8.6.4 The President shall, when authorized to do so, make, sign and execute all deeds, conveyances, assignments, bonds, contracts and agreements.

8.6.5 The President shall co-sign with the Treasurer all checks and promissory notes on behalf of the Association.

8.6.6 The President shall see to it that all orders and resolutions of the Board of Directors shall be carried out in accordance with the terms of such directives and resolutions.

8.6.7 The President shall perform such other duties as may be assigned to this office, from time to time by the Board of Directors.

8.7 Vice President

8.7.1 The Vice President, or if in the event there shall be more than one Vice President, then the one so designated by the Board shall act in the place and stead of the President in the event of the absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

8.7.2 Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President, at the time such action was taken.

8.8 Treasurer

8.8.1 The Treasurer shall receive, have custody of and be responsible for the safekeeping of all funds, notes, mortgages and securities of the Association.

8.8.2 When necessary or proper, the Treasurer shall co-sign with the President all checks and promissory notes and endorse, on behalf of the Association, for collection, checks, notes and other obligations and shall deposit the same, in a timely manner, to the credit of the Association in such bank, banks or depositories as shall be designated in the manner described by the Board of Directors.

8.8.3 The Treasurer shall keep accurate and proper books of account and shall, from time to time at the direction of the Board, prepare such statements of account, including but not limited to, an annual statement of the Association's books of account, which shall be made at the completion of each fiscal year.

8.8.4 Whenever required by the Board of Directors, the Treasurer shall render a statement of the cash account and shall enter or cause to be entered regularly on the books of the Association kept for that purpose, a full and accurate account of all monies received and paid out on account of the Association.

8.8.5 The Treasurer shall prepare or cause to be prepared an annual budget which shall be presented to the Membership at the annual meeting and deliver or mail copies of the budget to those not present for any annual meeting.

8.8.6 At the conclusion of each fiscal year of the Association and prior to the annual meeting of Members, the Treasurer shall prepare or cause to be prepared a Statement of Financial Condition and a Statement of Income and Expense which shall also be presented at the annual meeting of Members. In addition, the Treasurer shall prepare and reveal to the Members at such annual meeting a Statement of the Capital Reserve Accounts, including the Private Street Fund Account indicating the balances, credits and expenditures therein.

8.8.7 At all reasonable times, the Treasurer shall exhibit the books and accounts to any Director of the Association and, upon written notice, shall make the books and records available to any Member.

8.8.8 The Treasurer, at the request of the Board, shall cause an annual audit of the Association's books by a public accountant licensed in the State of Florida.

8.9 Secretary

8.9.1 The Secretary shall record the votes, keep, protect and maintain the minutes of all meetings and proceedings of the Board of Directors and the minutes of all meetings of the Members in books provided for such purposes.

8.9.2 The Secretary shall serve appropriate notice of any and all meetings of the Board of Directors and meetings of the Members.

8.9.3 The Secretary shall compile and maintain in an up to date manner a complete