

BY-LAWS OF
NEW FLORESTA HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I. NAME AND OBJECT

NEW FLORESTA HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not for profit, is organized to own, administer and maintain the common area situate in and to preserve the beauty and value of New Floresta, a planned residential community of individual homesites established according to the Plat of The Woodlands Section One, recorded in Plat Book 39 at Pages 127 and 128, of the Public Records of Palm Beach County, Florida, and to exercise such additional and further powers as are contained and set forth in the Articles of Incorporation filed August 5, 1980 in the Office of the Secretary of State, State of Florida.

ARTICLE II. MEMBERSHIP

The qualifications and types of membership shall be as follows:

1. REGULAR MEMBERS: Regular members shall be limited to the record owners of the fee simple title to any Lot in New Floresta (The Woodlands). Each regular member shall represent and receive a Certificate of Membership in the Association. Regular memberships shall be transferred only through the Association with the consent of the Board of Directors. When any regular member ceases to be the owner of the fee simple title to any Lot in New Floresta (The Woodlands), the membership of such member shall thereupon terminate. Upon termination of membership, it is required that said Membership Certificate shall be surrendered to the Secretary of the Association, properly endorsed, with the endorsement to the Association. In the event that the Membership Certificate is not surrendered, such Certificate shall be declared null and void and the Board of Directors is hereby authorized to issue a duplicate thereof.

2. ASSOCIATE MEMBERS: Associate members shall be limited to those persons who are the Lessees (other than proprietary Lessees) and who occupy residential premises in New Floresta (The Woodlands), which said premises are owned by a regular member.

3. Voting rights in the Association shall be vested only in regular members. Each regular member shall be entitled to one (1) vote for each platted lot or subdivided parcel of land owned by said regular member within New Floresta (The Woodlands). Corporations may be

considered as regular members. Corporation qualifying as regular members may designate executive officers or employees as its representative to act and vote in connection with the affairs of the Association. A resolution adopted by said Corporation shall be on file with the Secretary of the Association designating such officer or employee so authorized to act. The vote of said officer or employee shall be binding upon the Corporation.

4. Other types of non-voting memberships may be created upon recommendation of the Board of Directors, said recommendation to be ratified by the affirmative vote of a majority of the regular members in attendance and voting at a regular or special meeting wherein proper Notice as provided herein has been given advising that additional memberships may be created.

5. When two or more persons are joint owners, as tenants by the entirety, or as tenants in common, of the fee simple title to any Lot in New Floresta (The Woodlands), one (1) and only one (1) of such joint owners shall become a regular member. The remaining joint owner(s) shall be entitled to all other privileges of membership in the Association, except for the right to vote.

6. Associate membership is limited to those persons who occupy the premises or residence of regular members in good standing in the Association. Associate membership may be granted to Lessees (other than proprietary Lessees) under such terms and conditions as the Board of Directors in its discretion may determine.

7. All privileges of membership shall cease upon the termination of such membership. Termination of membership shall not release the right of lien of the Association for assessments or maintenance fees against the property of the person whose membership is terminated. Membership in the Association shall be terminated for any of the following reasons:

A. By resignation;

B. By action of the Board of Directors for failure to pay maintenance fees, and regular or special assessments as shall be from time to time prescribed by the Board of Directors, or due to the violation of these By-Laws, or the Declaration of Covenants and Restrictions for The Woodlands Section One, recorded August 14, 1980 in Official Records Book 3344 at Page 1294, of the Public Records of Palm Beach County, Florida, or such other rules and regulations of the Association. The grounds for termination set forth in this sub-paragraph B, shall be passed upon by the Board of Directors only after notice and hearing before said Board.

- C. By any regular member ceasing to be the owner of the fee simple title to any Lot in New Floresta (The Woodlands). The membership of an associate member shall terminate when said associate member ceases to lease and occupy a residence in New Floresta (The Woodlands).

8. A regular member shall have no vested privilege in or to the assets, functions, affairs, or franchise of this Association or any right, title, interest, or privilege which may be transferable, or inheritable, or which shall continue after the membership ceases, or while such member is not in good standing.

9. No regular or associate member shall at any time take part in the affairs of the Association, when his, her or its assessments or maintenance fees are more than thirty (30) days past due, unless such provision has been waived by the Board of Directors.

10. Membership Certificates shall be issued in consecutive order in the Certificate Book and shall be entered and registered in the number and order in which they are issued. Such certificate shall be subject to these By-Laws as then made and constituted, or which may hereafter be made and such By-Laws shall be considered as and shall be an essential part of the Contract between the Association and such member holding such certificate. No membership or certificate of membership may be sold, assigned, or transferred voluntarily or involuntarily or by Will or by operation of law, except in accordance with the provisions of these By-Laws and the provisions of the aforementioned Declaration of Covenants and Restrictions for The Woodlands Section One.

ARTICLE III. OFFICERS

The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. Upon recommendation of the Board of Directors and ratification of a majority of the regular members of the Association in attendance at a meeting called upon notice, there may be created additional Vice Presidents or Assistants to the Secretary or Treasurer as may be deemed appropriate. Only regular and associate members of the Association shall be eligible to hold office. Officers shall hold office for two (2) years, or until their successors are elected or appointed and have qualified. The Board of Directors shall select the President and Vice President from among its members. The Board of Directors shall select the Secretary and Treasurer from among its members or from the membership of regular and associate members. Any vacancy in the offices herein designated shall be filled by the Board of Directors. Such appointment shall be filled by the Board of Directors. Such appointment shall be for a two (2) year term from the date of the appointment.

The duties of the officers shall be as follows:

1. PRESIDENT

The duties of the President shall be to preside at all meetings of the members of the Board of Directors and do all things and perform all acts required by the office of President of the Association. The President shall appoint the membership of all committees. The President shall have the power to remove any member of any committee, subject to the confirmation of the Board of Directors. The President shall be an ex officio member of all committees.

2. VICE PRESIDENT

The duty of the Vice President shall be to perform the duties of the President due to the absence, illness, or disability of the President.

3. SECRETARY

The duties of the Secretary shall be to make accurate minutes of all meetings of the membership and of the Board of Directors; to keep a register of the names and addresses of all members of the Association, and such facts as may be found desirable to record therein; to perform such other duties as the Board of Directors may direct and in general to perform all duties usually incident to the office of Secretary of the Association.

4. TREASURER

The duties of the Treasurer shall be to keep the books of the Association, to collect all monies as the Treasurer may be directed to collect from the members by the Board of Directors from time to time and receipt therefor and to deposit the same in such bank or banks as the Board of Directors may direct; to pay all bills and properly audit the same as the Board of Directors may direct; to make a report of all receipts and disbursements together with all properties and monies on hand to the Association at its annual meeting and to the Board of Directors when required by it; to perform such other duties as the Board of Directors may direct and in general to perform all duties usually incident to the office of the Treasurer of the Association. All disbursements on behalf of the Association shall be by check unless otherwise ordered by the Board of Directors. All checks shall be signed by any two (2) officers authorized and designated by the Board of Directors.

The Board of Directors may require a surety bond covering the faithful performance of the duties of all or any officer or employee as it may deem appropriate in its discretion.

ARTICLE IV. BOARD OF DIRECTORS

The Board of Directors shall consist of five (5) members. The original Board of Directors consisting of three (3) members shall hold office until July 1, 1985, or until all of the lots or subdivided parcels in New Floresta (The Woodlands) are sold by 555 Investment Corp., whichever event shall first occur. At the expiration of the term of the original Board of Directors as designated in the Articles of Incorporation their successors shall be elected for a period of two (2) years, or until their successors shall be appointed by the Board of Directors present at a meeting providing that a quorum is present called for such purpose, as provided in these By-Laws. Where vacancies occur in the Board of Directors after completion of the term of the original Board of Directors, the then Board of Directors shall appoint such additional members as are required by vacancies from the membership of regular and associate members. Each successor member of the Board of Directors shall be elected for the unexpired term of the vacancy that he or she assumes. Any member of the Board of Directors may be removed from office upon the affirmative vote of seventy-five (75%) per cent of the regular members of the Association present at a regular meeting called upon notice for that purpose.

The election of members of the Board of Directors shall be in the manner and in the form prescribed by the Board of Directors not inconsistent with these By-Laws.

The Board of Directors shall meet upon the call of the President or a majority of the Board of Directors, subject to the limitation of the Articles of Incorporation.

ARCITLE V. POWERS OF THE BOARD OF DIRECTORS

The control of the physical properties and facilities of the Association, either presently owned or later acquired, is vested in the Board of Directors. The Board of Directors shall be responsible for improvement of facilities of the Association in order that such facilities may be adequate for the present as well as for the future membership. The Board of Directors may acquire or receive title to real property and may provide for its control and maintenance after acquisition. Likewise, the Board of Direcotrs may enter into agreements concerning the use, enjoyment, and improvement of real property.

The Board of Directors shall take action and conduct hearings on charges made against members of the Association or for default in the payments called for under these By-Laws and the penalty to be

imposed shall be determined by said Board. Members shall be expelled or suspended upon a majority vote of the Board of Directors as long as all members of the Board when dealing with disciplinary matters have had notice of the purpose for which the meeting was called.

The Board of Directors shall have the right to levy assessments for any purpose provided in these By-Laws, and the same shall become due and payable as of the date the Treasurer mails or presents statements to the members of the Association. Statements shall be mailed to the address of each member as reflected on the records of the Association. If an assessment is not paid within twenty (20) days after the same becomes due, a notice of default shall be mailed by registered mail, return receipt requested, to the delinquent member. If the payment is not received within thirty (30) days after mailing such notice of default, then the Treasurer shall report such default to the Board of Directors. No rights of membership shall be enjoyed by the delinquent member until any delinquency has been cured.

The Association may pursue such legal recourse against the delinquent member as is necessary to make appropriate collection, together with ten (10%) per cent interest from the date of delinquency and, in the event legal action is taken, the member agrees to reimburse the Association for reasonable attorney's fees. The Association shall have a lien on the real property of its members situate in New Floresta (The Woodlands) to secure the payment of all assessments and maintenance charges due and to become due. The regular members shall be personally liable for the payment of said assessments and maintenance charges and such liability shall not be terminated or suspended because of the fact that said regular member has leased his, her, or its real property to an associate member. The Treasurer shall furnish to any owner, or any mortgagee of an owner, or any other interested person, a certificate showing the unpaid assessments or maintenance charges against any property in New Floresta (The Woodlands). The Association may by action of its Board of Directors subordinate in writing for limited periods of time the lien of the Association against any lot or lots for the benefit or better security of a mortgagee.

The members of the Association recognize that the purpose of the Association is the improvement and benefit of the lands of New Floresta (The Woodlands). The members of the Association, as a condition of accepting membership, agree that the Association has the right to institute against any member such cause or causes of action, either by injunction or at law, as required to enforce the aforementioned Declaration of Covenants and Restrictions for The Woodlands Section One and said members do further grant to the Association the right to proceed for the enforcement of such Declaration, and the uniform maintenance of the properties as shall be available through the contractual relationship under which all purchasers in New Floresta (The Woodlands) acquire title to the lots therein. The Board of Directors shall specifically have the right to require the members to maintain

their properties in New Floresta (The Woodlands) and to keep their lawns and shrubbery trimmed and neat; to remove all objectionable debris or material as may be located thereon. After notice by the Board of Directors to correct deficient maintenance of their properties, if said deficiencies remain uncured, then the Board of Directors shall have the right to hire maintenance people to perform such maintenance work as shall be prescribed by the Board of Directors and for this purpose the members grant unto the Board of Directors, its agents, employees, and all others designated by the Board of Directors, the right to enter upon the premises of the members for the purpose of completing such maintenance work; without liability or responsibility, criminal or civil, for trespass or any other action. The cost of such work required by the Board of Directors to cure maintenance deficiencies shall be an assessment against the property of the deficient member and shall be collected as all other assessments.

The Board of Directors may from time to time fix assessments and maintenance charges for the general improvement of the property of New Floresta (The Woodlands), in such manner and for such purpose as shall be determined by the Board of Directors. The Association shall have the right to enforce its lien on the properties of its members to secure the payment of such assessments and maintenance charges.

ARTICLE VI. COMMITTEES

The Board of Directors shall have the power, or may delegate to the President, the power to appoint and fix the authority and duties of all committees of the Association, except as has heretofore been specifically provided as a duty of the President. No committee of the Association may act in behalf of or bind the Association unless the committee action has the ratification of the Board of Directors.

ARTICLE VII. QUORUM OF THE BOARD OF DIRECTORS

The Board of Directors shall have the power to act for the good of the Association and to bind the Association in all matters, except as limited by these By-Laws and the Articles of Incorporation of the Association. Two (2) members in attendance at a meeting of the initial Board of Directors shall constitute a quorum for the transaction of business. Three (3) members in attendance at a meeting of the Board of Directors (other than the initial Board of Directors) shall constitute a quorum for the transaction of business. A majority vote of those present at any meeting of the Board of Directors at which a quorum is present shall be sufficient for all purposes.

ARTICLE VIII. ASSOCIATION PROPERTY

Title to all Association property shall be held in the name of the Association and any conveyance of property shall be made in the name of the Association by the President and attested by the Secretary,

or in the absence of these officers, by those delegated to perform their duties as elsewhere in these By-Laws provided.

ARTICLE IX. ASSESSMENTS AND MAINTENANCE FEES

All assessments shall be uniform as against all regular members where the purpose of the assessment is for the accomplishment of the general welfare of the Association. Where, however, a member shall fail to maintain his or her property, as heretofore provided in these By-Laws, the said Board of Directors may assess a special maintenance fee against said member for the specific purpose of paying the expense of said maintenance of said member's property.

ARTICLE X. THE ORDER OF BUSINESS

The order of business of all meetings of the Board of Directors shall be prescribed by the Board of Directors.

ARTICLE XI. LOSS OR DAMAGE OF PROPERTY

The Association shall not be liable nor responsible for the destruction or loss of, or damage to, the property of any member, or visitor, or any other person.

ARTICLE XII. FISCAL YEAR

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

ARTICLE XIII. INTERPRETATION OF BY-LAWS

The Board of Directors shall have the full power and authority to interpret these By-Laws and its decisions on all questions shall be final, binding and conclusive, and not subject to review in any form.

ARTICLE XIV. CORPORATE SEAL

The corporate seal shall be engraved with the following: NEW FLORESTA HOMEOWNERS' ASSOCIATION, INC., Incorporated 1980, Corporation Not for Profit, Florida.

Said seal shall remain in the custody of the Secretary and shall be affixed to all certificates of membership requiring a seal for complete execution. An impression of the seal is directed to be affixed to these By-Laws. The Board of Directors may adopt such other and further implements, or seals, or coat of arms as it may see fit.

ARTICLE XV. NOTICE

All notices provided for in these By-Laws shall be in writing and mailed to the address of the member as said address is reflected on the records of the Association. Registered notice is not required unless provision therefor is specifically provided in these By-Laws.

ARTICLE XVI. AMENDMENTS

These By-Laws may be repealed, altered, amended, or added to by the affirmative vote of seventy-five (75%) per cent of all regular members at any annual or special meeting of the regular members, provided that any proposed amendment, repeal, alteration, or additions to the said By-Laws be submitted in writing to the members of the Association at least twenty (20) days prior to any such meeting. The Articles of Incorporation of the Association may be amended, altered, or repealed in like manner.