

EXHIBIT "C"

BYLAWS

**BYLAWS OF THE FALLS AT GRAND HARBOR
PROPERTY OWNERS ASSOCIATION, INC.**

ARTICLE I

GENERAL PROVISIONS

Section 1. **Identity.** These are the Bylaws of THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, incorporated under Chapter 617 of the Florida Statutes, the ARTICLES OF INCORPORATION of which were filed in the Office of the Secretary of State on the 27th day of June, 2005. THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC. hereinafter called the "Association" has been organized for the purpose of administering the operation and management of THE FALLS, hereinafter referred to as the "Property", established by Declarant according to the Declaration of Covenants, Restrictions and Easements for THE FALLS.

Section 2. **Bylaws Subject to Other Documents.** The provisions of these Bylaws are expressly subject to the terms, provisions and conditions contained in the ARTICLES OF INCORPORATION of THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC., referred to herein as the "Articles" and subject to the terms, provisions and conditions contained in the DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR THE FALLS, referred to herein as "Declaration" which will be recorded in the Public Records of Indian River County, Florida.

Section 3. **Applicability.** All Owners, tenants and occupants, their agents, servants, invitees, licensees and employees that use the Property, or any part thereof, are subject to these By-Laws, the Articles, Declaration and Rules and Regulations as promulgated from time to time.

Section 4. **Office.** The office of the Association shall be at 3755 7th Terrace, Suite 304, Vero Beach, Florida 32960 or at any other place designated by the Association.

Section 5. **Seal.** The seal of the Association shall bear the name of the Association, the word "FLORIDA," the words "CORPORATION NOT-FOR-PROFIT," and the year of incorporation.

Section 6. **Definitions.** All definitions set forth in the Declaration are hereby adopted by reference as though set forth herein verbatim.

ARTICLE II

MEMBERSHIP, VOTING, QUORUM, PROXIES

Section 1. Qualification of Members, Etc. The qualification of Members, the manner of qualification for membership and termination of such membership, and voting by Members, shall be determined by those provisions set forth in the Declaration, Articles and in these Bylaws.

Section 2. Quorum. At least thirty percent (30%) of the Members of the Association shall constitute a quorum at any Members' meeting. The joinder of a Member in the action of a meeting by signing and concurring in the minutes thereof, or by signing an attendance list if written minutes are not available, shall constitute the presence of such person for the purpose of determining a quorum.

Section 3. Corporate or Multiple Ownership of A Lot.

A. If a Lot or Unit is owned by more than one (1) person, or by an entity, including, but not limited to, a corporation, partnership, limited partnership, or trust, the person entitled to cast the vote for the Lot or Unit shall be designated by a certificate signed by all the record Owners of the Lot or Unit, filed with the Secretary of the Association. Upon acquiring title to a Lot or Unit, the record Owners shall promptly file such certificate with the Secretary of the Association. The person entitled to cast a vote pursuant to such certificate shall be designated as the "Voting Representative". Such person need not be an Owner, nor one of the joint Owners. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change occurs in the ownership of the Lot or Unit concerned. A certificate designating the person entitled to cast the vote for the Lot or Unit may be revoked by a record Owner. If a certificate designating the person entitled to cast the vote for a Lot or Unit for which the certificate is required is not on file, or has been revoked, the vote attributable to such Lot or Unit shall not be considered for any purpose, and the total number of authorized voters of the Association shall be reduced accordingly until such certificate is filed. If a Lot or Unit is owned by a husband and wife and in the event the husband and wife do not concur in the decision upon any subject requiring their vote and have not designated a Voting Representative, their vote shall not be considered, as provided above.

Section 4. Voting; Proxies. With the exception of voting to elect Directors, votes may be cast by Members in person or by limited proxy. All limited proxies shall be in writing, dated, signed by the Member entitled to vote, shall state the date, time and place of the meeting for which it is to be used, shall be filed with the Secretary of the Association prior to, or at, the meeting at which they are to be used, and shall only be effective for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the person executing it. Holders of proxies need not be Owners. The Board of Directors, may, in its discretion, prescribe a form for written proxies.

Section 5. Majority Vote. The acts approved by a majority of the Members shall be binding upon all Owners for all purposes, except where otherwise provided by law, the Declaration, the Articles and these Bylaws. As used in these Bylaws, the Articles or the Declaration, the term "majority of the Members" shall mean a majority of the votes of Members. Similarly, if some greater percentage of Members is required herein or in the Declaration or the Articles, it shall mean such greater percentage of the votes of Members and not of the Members themselves.

ARTICLE III

ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP; PROVISO

Section 1. Annual Meeting. The Annual Members Meeting of the Association shall be held between January 2 and April 30 of each year on a date and at a time and place set by the Board of Directors. The purpose of the meeting shall be, without limitation, to elect Directors and to transact any other business authorized to be transacted by the Members, or as stated in the notice of the meeting sent to Members in advance thereof. Notwithstanding anything to the contrary contained herein, until control of the Association is turned over as provided in Article XII of the Declaration, all Directors shall be appointed by the Declarant.

Section 2. Special Meetings. Special Members' Meetings shall be held at such places as provided herein 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 upon receipt of a written request from a majority of the Members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

Section 3. Notice of Meeting; Waiver of Notice. Notice of all Members' meetings, regular or special, shall be given by the President, Vice President or Secretary of the Association, or in the absence of such Officers, by any other Officer of the Association to each Member and Voting Representative at their address as the same is on file with the Association from time to time, unless such notice is waived in writing. Such notice will be written and will state the time, place and object for which the meeting is called. Such notice shall be given or mailed to each Member and Voting Representative not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting. If hand delivered, confirmation of delivery to the Member and Voting Representative shall be signed by the person delivering such notice. Unless a Member or Voting Representative waives in writing the right to receive notice of the annual meeting by mail, the notice of the annual meeting shall be sent by mail to each Member and Voting Representative at their post office address as it appears on the records of the Association and the post office certificate of mailing shall be retained as proof of such mailing. Notice of a special meeting, if mailed, shall be deemed to be properly given when deposited in the United States mail, first class, postage prepaid, and addressed to the Voting Representative or Member, as the case may be, at his post office address as it appears

on the records of the Association. Proof of such mailing shall be given by the affidavit of the person giving the notice.

Section 4. Adjourned Meetings. If any Members' meeting cannot be convened because a quorum is not present, the Members who are present, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

Section 5. Chairman. Until the Declarant has turned over control of the Association according to the provisions of Article XII of the Declaration, the President or, in his absence, a Vice President shall preside at Members' meetings, as designated by the Declarant. After the Declarant has turned over control of the Association, the President or, in his absence, a Vice President shall preside at Members' meetings. In the absence of both such officers the Board of Directors shall select a Chairman.

Section 6. Order of Business. The order of business at Annual Members' Meetings and, as far as practical, at any other Members' meetings, shall be:

- (a) Call to order by President or Chairman;
- (b) Appointment of Chairman of the meeting;
- (c) Calling of the roll and certifying of proxies;
- (d) Proof of notice of waiver of notice;
- (e) Reading of minutes;
- (f) Reports of Officers;
- (g) Reports of Committees;
- (h) Appointment by Chairman of Inspectors of Election;
- (i) Determination of number of Directors to be elected;
- (j) Election of Directors; subject, however, to all provisions of these By-Laws, the Articles and the Declaration;
- (k) Unfinished business;
- (l) New business;
- (m) Adjournment

In the order of business, matters (h), (i), and (j) shall appear on the agenda only after turnover of control of the Association as provided in Article XII of the Declaration.

Section 7. 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 and Board members at any reasonable time at the principal office of the Association, where copies may be purchased at a reasonable cost. The Association shall retain these minutes for at least seven (7) years.

Section 8. Action Without A Meeting or Vote. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any Annual or Special meeting of Members, or any action which may be taken at any Annual or Special meeting of such Members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of Members of which a quorum of Members (or authorized persons) entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice must be given to Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

Section 9. Waiver of Notice. Notwithstanding anything to the contrary contained in the Articles, Declaration or these Bylaws, notice of any regular or special meeting of the Members of the Association may be waived by any Member and Voting Representative before, during or after any such meeting, which waiver shall be in writing and shall be deemed to be that Member's and Voting Representative's receipt of notice of such meeting.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Management of Association. The affairs of the Association shall be governed by a BOARD OF DIRECTORS, hereinafter sometimes referred to as the "Board."

Section 2. Board of Directors.

A. The Board of Directors shall consist of at least three (3) but no more than nine (9) Directors. Directors need not be Owners. The initial Board of Directors shall contain three (3) Directors designated by the Declarant. The Declarant may increase or decrease the number of Directors serving on the Board, in the Declarant's sole discretion, prior to transfer of control of the Board as more particularly described in Section 3 hereinbelow.

B. The Declarant shall have the absolute right at any time in its sole discretion, to remove any member or members of the Board designated by the Declarant and replace any such person or persons with another person or other persons to serve on said Board. Removal and replacement of any person or persons designated by Declarant to serve on the Board shall be made by written instrument delivered to any Officer of the Association, which instrument

shall specify the name or names of the person or persons to be removed, and the name or names of the person or persons designated as successor or successors to the person so removed from said Board. The removal of any Director and designation of as successor shall be effective immediately upon delivery of such written instrument by the Declarant to any Officer of the Association.

Section 3. Election of Directors. Election of Directors, other than those designated by the Declarant shall be conducted in the following manner:

A. Election of Directors shall be held at the Annual Meeting of the Association except in the event of a vacancy created which shall be filled pursuant to Paragraphs E. and F. of this Section.

B. The first Board shall consist of three (3) persons designated by the Declarant which number of Directors may be increased to no more than nine (9) Directors and shall serve until the first Annual Meeting following the later of: (i) December 31, 2020; (ii) when neither the Declarant, or any of its designees owns any Lot, Unit or other real property within the Community; or (iii) until such earlier date as is determined by the Declarant, at the Declarant's sole discretion. Such date shall be referred to as the "Turnover Date". At the first Annual Meeting following the Turnover Date, Members other than the Declarant shall elect one-third (1/3) of the members of the Board of Directors in the manner set forth in Paragraph D. of this Section.

C. At least thirty (30) days prior to the Turnover Date, a Nominating Committee shall be chosen by the Board of Directors. At the time of the Board's selection of the Nominating Committee, the Board of Directors shall designate that all Director seats shall be subject to election at the first Annual Meeting following the Turnover Date. Additionally, the Board of Directors shall designate which seats at the first election following Turnover shall be elected for the staggered terms of one (1), two (2) and three (3) years. Directors elected at the first Annual Meeting shall serve staggered terms to allow for the election of one (1) new Director at each subsequent Annual Meeting following the first Annual Meeting. The Nominating Committee prior to the Annual Meeting shall make nominations for the election of Member elected Directors and additional nominations may be taken from the floor at the Annual Meeting. A Member may nominate himself/herself as a candidate for the Board at the Annual Meeting. There shall be no cumulative voting. The election of each director shall require a plurality of votes cast. Each Member is entitled to cast their vote or votes for each as many nominees as there are vacancies to be filled.

D. Upon the Declarant transferring control of the Association, as provided in Article XII of the Declaration, Members other than the Declarant shall elect all of the Directors of the Association, in accordance with this Section. Those Directors elected by the Members at the first Annual Meeting following the Turnover Date shall be elected for staggered terms of one (1), two (2) and three (3) years. At each Annual Meeting subsequent to the first Annual Meeting following the Turnover Date, the Nominating Committee shall present nominations for one (1) new Director. As of the second Annual meeting and

thereafter, Directors shall be elected to serve for a term of three (3) years. Any increase or decrease in the number of Directors serving on the Board after the Turnover date shall require the recording of an amendment to these Bylaws duly adopted pursuant to the provisions of Article IX of these Bylaws.

E. At anytime, after the Turnover Date and the election of Directors by the Members at the first Annual Meeting, at any duly convened regular or special meeting of Members at which a quorum is present, any one or more of the Directors elected by Members may be removed, with or without cause, by the affirmative vote of Members casting not less than a majority of the total votes of the membership of the Association. A successor may then and there be elected to fill the vacancy created. Should the Members fail to elect a successor, the Board may fill the vacancy in the manner provide below.

F. If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor who shall hold office for the balance of the unexpired term of office he was chosen to fill. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board.

G. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, addressed to the President or Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. All of these regulations are self-operating and shall become effective immediately upon the happening of the event or the passage of the time provided for herein.

Section 4. Organizational Meeting. The organizational meeting of a newly elected Board shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no notice of the organizational meeting shall be necessary.

Section 5. Regular Meetings. Regular meetings of the Board of Directors may be held at any place or places within Indian River County, Florida on such days and at such hours as the Board of Directors may appoint or designate by resolution.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called at any time by the President, or by any three (3) members of the Board, or one-third (1/3) of the Board, whichever is greater and may be held at any time and at any place or places within Indian River County, Florida.

Section 7. Notice of Meetings. Notice of each regular or special meeting of the Board of Directors or any committee of the Association, stating the time, place and purpose or purposes thereof, shall be given by or on behalf of the President, or on behalf of the Secretary, or by or on behalf of two (2) members of the Board, to each member of the Board or in the case of a committee, to each member of the committee by that committee chairman, not less than forty-eight (48) hours prior to the scheduled date of the special meeting by mail, telecopier or overnight courier. Notice of Board meetings and committee meetings shall be

posted in a conspicuous place on the Association property at least forty-eight (48) hours in advance, except in an emergency. Meetings of the Board of Directors and all committees shall be open to all Members, provided that Members need not be permitted to participate and need not be recognized at any such meeting. Any Director or committee members, as the case may be, may waive notice of any meeting of the Board of Directors or committee meeting for which notice is required to be given pursuant to the terms and provisions of these Bylaws by signing a written Waiver of Notice before, during or after any such meeting of the Board of Directors. Attendance by any Director or committee member at a regular or special meeting shall be deemed to constitute that Director's or committee member's waiver of notice of such meeting. Notice of any Board meeting at which assessments against Lots and Units are to be established shall specifically contain a statement that assessments shall be considered and a statement of the nature of such assessments.

Section 8. Quorum. A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board except as specifically otherwise provided for in the Articles, these Bylaws or the Declaration.

Section 9. Adjourned Meetings. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time 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.

Section 10. Joinder in Meeting By Approval of Minutes or Consent. The joinder or consent of a Director in the action of a meeting by signing and concurring in the minutes of that meeting, by signing an attendance list if written minutes are not available, or by executing a consent to a proposal, shall constitute the presence of that Director for the purpose of determining a quorum and/or voting on a proposal.

Section 11. Presiding Officer. The presiding officer of Directors Meetings shall be the President or in his absence, a Vice President. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

Section 12. Order of Business. The order of business at Directors' meetings shall be:

- (a) Calling of roll;
- (b) Proof of due notice of meeting;
- (c) Reading and disposal of any unapproved minutes;
- (d) Reports of Officers and committees;
- (e) Election of Officers;

- (f) Unfinished business;
- (g) New business;
- (h) Adjournment.

Section 13. Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Owners, Members or their authorized representative, and Board members at any reasonable time at the principal office of the Association where copies may be purchased at a reasonable cost. The Association shall retain these minutes for at least seven (7) years.

Section 14. Compensation. Directors' fees, if any, shall be determined by the Members of the Association. Directors shall be entitled to receive reimbursement for all travel and reasonable out-of-pocket expense incurred in attending regularly called Directors' meetings. Such reimbursement must be approved in advance by the Board. Nothing herein contained shall be construed to preclude a Director from serving the Association in any other capacity and receiving compensation therefor. The compensation of all employees of the Association shall be fixed by the Directors.

Section 15. Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board, including those existing under the common law and statutes, the Articles, these Bylaws and the Declaration. Any or all of such powers and duties may be delegated by the Board, in its sole discretion to the Executive Director, President, or other Officer of the Association. Such powers shall include, without limiting the generality of the foregoing, the following:

A. To make, levy and collect Assessments against Members and Members' Lots and Units to defray the costs of maintenance of Common Areas and to use the proceeds of said Assessments in the exercise of the powers and duties granted to the Association;

B. The maintenance, repair, replacement, operation, improvement and management of the Common Areas wherever the same is required to be done and accomplished by the Association for benefit of its Members;

C. The repairs, additions, reconstruction and improvements to, or alterations of, the Common Areas and repairs to and restoration of the Common Areas in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise;

D. To make and amend Rules and Regulations and Bylaws governing the use of the Common Areas so long as such Rules and Regulations or amendments thereto do not conflict with the rights, privileges, restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration;

E. To acquire, operate, lease, manage, and otherwise trade and deal with property, real and personal, including Lots and Units and as may be necessary or convenient in the operation and management of the Common Areas and in accomplishing the purposes set forth in the Declaration;

F. To exercise and enforce by legal means the provisions of the Articles and By-Laws, the Declaration and the Rules and Regulations hereinafter promulgated governing use of the Common Areas and all powers, incidental thereto;

G. To pay all taxes and assessments which are liens against any part of the Property other than Lots, Units and the Club Facilities and to assess the same against the Members and their respective Lots and Units subject to such liens;

H. To carry insurance for the protection of the Members and the Association against casualty and liability, as deemed necessary by the Board of Directors;

I. To pay all costs of power, water, sewer and other utility services rendered to the Association and not billed to Owners of the separate Lots or Units;

J. To employ personnel and contract for services for reasonable compensation to perform the services required for proper administration of the purposes of the Association, including, but not limited to, accountants, attorneys, contractors, and other professionals;

K. The Board may enter into a contract with any firm, person or corporation, in contracting for the management, maintenance and repair of the Common Areas and such other property for which the Association has responsibility. The Board is authorized to delegate to any such management firm or manager any or all of the powers or duties of the Association. Those so delegated shall be specified in any such agreement between the parties;

L. To enforce obligations of the Owners, taking such other actions as shall be deemed necessary and proper for the sound management of the Association;

M. To organize corporations and appoint persons to act as designees of the Association in acquiring title to or leasing Lots, Units or other property;

N. To levy fines against Owners for violations of the Rules and Regulations established by the Association to govern the conduct of such Owners;

O. To maintain bank accounts on behalf of the Association and designate the signatories required there for;

P. To impose a lawful fee in connection with the approval of plans and specifications submitted to the ARB pursuant to the provisions of the Declaration;

Q. To enter into and upon Lots and Units when necessary and with as little inconvenience to the Owner as possible in connection with such maintenance, care and preservation;

R. To collect delinquent Assessments by suit or otherwise, to abate nuisances, and to enjoin or seek damages from the Owners for violations of these Bylaws, the Articles, the Rules and Regulations and the terms and conditions of the Declaration.

Section 16. Proviso. Notwithstanding anything contained to the contrary herein, the Directors shall not have the right or authority to do any act or take any action wherein the same would limit, modify or abridge the rights, privileges and immunities of the Declarant, Declarant's Affiliates, their designees, successors, and assigns, as set forth in the Declaration, or the Articles or these Bylaws.

Section 17. Executive Committee; Other Committees. The Board may, by resolution passed by a majority of the entire Board, designate an Executive Committee to consist of two or more of the Directors of the Association which, to the extent provided in said resolution, shall have and may exercise the powers of the Board in the management of the business and affairs of the Association, and may exercise such other powers as the Board expressly authorizes in writing. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board when required. The Board may appoint an Executive Director who may serve at the pleasure of the Board, shall be Chairman of the Executive Committee and shall perform duties expressly authorized by the Board of Directors in writing.

The Board may, by resolution also create other committees and appoint persons to such committees and invest in such committees such powers and responsibilities as the Board shall deem advisable.

The Executive Committee or any other committee created by the Board shall not have the power (a) to determine the General Expenses required for the affairs of the Association, (b) to determine the Assessments payable by the Owners to meet the General Expenses of the Association, (c) to adopt or amend any Rules and Regulations relating to operation and use of the Common Areas, or (d) take any action which would substantially affect the property rights of any Owner with regard to his Lot or Unit with the exception of any covenant enforcement committee which shall have all those rights and powers conferred upon it by Florida law, the Declaration, Articles or Bylaws.

Section 18. Architectural Review Board. The Board does hereby recognize the establishment and continued functions of the Architectural Review Board (ARB) of the Association in accordance with Article IX of the Declaration. The ARB shall act in conjunction with the Board of Directors and shall be governed by said Article IX of the Declaration in the performance of its functions and duties.

ARTICLE V

OFFICERS

Section 1. Generally. The officers of the Association shall be a President, one or more Vice-presidents, a Secretary, a Treasurer, and one or more Assistant Secretaries, all of whom shall be elected annually by the Board and who may be peremptorily removed by a

majority vote of the Directors at any meeting. The Board may from time to time elect such other Officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. Officers need not be Owners. The initial officers of the Association shall be those individuals named in the Articles of Incorporation who shall serve until the first Annual Meeting of the Members of the Association.

Section 2. President. The President shall be the Chief Executive Officer of the Association. He (she) shall have all of the powers and duties which are usually vested in the office of President of the Association, including, but not limited to, the power to appoint committees from among the Members from time to time, as he (she) may in his (her) discretion determine appropriate to assist in the conduct of the affairs of the Association. The President shall be a member of the Board and act as an ex-officio member of all committees.

Section 3. Vice Presidents. The Vice-Presidents shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He (she) or they shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors or the President.

Section 4. Treasurer. The Treasurer shall have the power and duty to receive such monies as shall be paid into the Association and disburse funds as may be ordered by Board of Directors, taking proper vouchers for such disbursements. He (she) shall be custodian of all funds, security and evidence of indebtedness of the Association. He (she) shall keep the assessment rolls and accounts of the Members and keep the books of the Association in accordance with good accounting practice, which together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He (she) shall prepare and distribute to all of the members of the Board of Directors, whenever requested, a summary of the financial transactions and condition of the Association and make a full and accurate report of financial matters to the Members of the Association at the Annual Meeting and shall make all reports required by law; and may have the assistance of an accountant or auditor, who shall be employed by the Board of Directors.

Section 5. Secretary. The Secretary of the Association shall keep the minutes of all proceedings of the Directors and the Members. He (she) shall attend to giving and serving of all notices to the Members and Directors, and such other notices as required by law. He (she) shall have custody of the seal of the Association and affix the same to instruments when duly signed. Additionally, the Secretary shall attend to all correspondence on behalf of the Association, the Board of Directors and the President and perform such other duties as may be assigned by the Board of Directors or by the President. In the event the Association enters into a management agreement, it shall be proper to delegate such of the Secretary's and/or Treasurer's functions to the management agent as is deemed appropriate by the Board of Directors.

Section 6. Compensation. Officers' fees, if any, shall be determined by the Board of Directors of the Association. Nothing herein contained shall be construed to preclude an Officer from serving the Association in any other capacity and receiving compensation

therefor. Such compensation, if any, shall include all actual and proper out of pocket expenses, relating to the proper discharge of each Officer's respective duties.

Section 7. Resignations. Any Officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective.

Section 8. Appointive Officers. The Board of Directors may appoint Assistant Vice-Presidents, Assistant Secretaries, Assistant Treasurers, and such other Officers as the Board of Directors deems necessary to administer the business and affairs of the Association.

ARTICLE VI

FISCAL MANAGEMENT; ASSESSMENTS; LIENS

Section 1. Fiscal Management. The provisions for fiscal management of the Association in the Declaration, including, but not limited to, establishment of budgets, creation of assessments, obligations of Owners, continuing liens against Lots and Units, and remedies of the Association shall be dispositive and controlling.

ARTICLE VII

ROSTER OF UNIT OWNERS

Each Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above.

ARTICLE VIII

PARLIAMENTARY RULES; ROBERTS RULES OF ORDER

Parliamentary Rules, Roberts Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the Declaration, the Articles, these Bylaws or with the Statutes of the State of Florida.

ARTICLE IX

AMENDMENTS TO BYLAWS

Section 1. Amendment Procedures.

A. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association acting upon a vote of the majority of the Directors, or by a majority of the Members of the Association, whether meeting as Members or by instrument in writing signed by them.

B. Notice. Upon any amendment or amendments to the Bylaws being proposed by the Board of Directors or Members, such proposed amendment or amendments shall be transmitted to the President of the Association or other Officer of the Association in the absence of the President, who shall thereupon call a special meeting of the Members of the Association and it shall be the duty of the Secretary to give each Member written or printed notice of such special meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days before the date set for such special meeting. Such notice shall also be posted in a conspicuous place on the Common Areas (if possible to do so in an enclosed area) not less than ten (10) days prior to the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail, addressed to the Member at his post office address as it appears on the records of the Association, the postage thereon being prepaid. Any Member may, by written waiver of notice signed by such Member, waive such notice, and such waiver, when filed in the record of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member.

C. Approval And Certificate. At such meeting, the Amendment or Amendments proposed must be approved by an affirmative vote of two-thirds (2/3) of the Members for such amendment or amendments to become effective. Thereupon, such amendment or amendments to the Bylaws shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted and the original or executed copy of such amendment or amendments so certified and executed with the same formalities as a deed shall be recorded in the Public Records of Indian River County within ten (10) days from the date on which the same became effective, such amendment or amendments to specifically refer to the recording data identifying the Declaration. Thereafter, a copy of said amendment or amendments in the form of which the same were placed of record by the Officers of the Association shall be delivered to all Owners, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments.

Section 2. Declarant Amendments. In addition to the manner herein provided for the amendment of these Bylaws, the provisions of these Bylaws may be amended, changed or added to at any time and from time to time (including, without limitation, in order to meet any requirements, standards or guidelines of FNMA, FHLMC or FHA as to all or any portion of

the Property) upon the execution and recordation of an instrument executed by the Declarant alone, for so long as it holds title to any Lot or Unit affected by these Bylaws.

Section 3. Declarant Rights. Notwithstanding anything to the contrary contained herein, no amendment of these Bylaws which shall abridge, modify, eliminate, prejudice, limit, amend or alter the rights of the Declarant, Declarant's Affiliates, their designees, successors, and assigns, as set forth in the Declaration may be adopted or become effective without the prior written consent of the Declarant. No amendment shall be made that is in conflict with the Articles or Declaration. Notwithstanding anything to the contrary contained herein, until Declarant has transferred control of the Association as provided in Article XII of the Declaration, no amendment to these Bylaws shall be effective unless the Declarant shall consent to and join in the execution of the amendment.

ARTICLE X

INDEMNIFICATION

The Directors and Officers of the Association shall be indemnified by the Association pursuant to the indemnification provision of the Articles of Incorporation. For purposes herein, Article XIII of the Articles of Incorporation of THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC. is hereby incorporated by reference and expressly made a part hereof.

ARTICLE XI

RULES AND REGULATIONS

Section 1. As to Common Areas. The Board of Directors may, from time to time, adopt or amend previously adopted Rules and Regulations governing the details of the operation, use, maintenance, management and control of the Common Areas and any facilities or services made available to Owners.

Section 2. Lots and Units. The Board of Directors may, from time to time, adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of Lots and Units provided, however, that copies of such Rules and Regulations are furnished to each Owner prior to the time the same become effective.

Section 3. Declarant Rights. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Declarant.

ARTICLE XII

CONSTRUCTION

Whenever the masculine or singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force and effect.

ARTICLE XIII

CONFLICT

If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration, the provisions of the Declaration shall prevail; in the event of any irreconcilable conflict between the Articles of Incorporation and these Bylaws, the Articles shall prevail.

ARTICLE XIV

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision hereof.

ARTICLE XV

SELF DEALING; VALIDITY OF AGREEMENT
AND WAIVER OF CLAIMS

Section 1. Self Dealing. No contract, agreement or undertaking of any sort between or among the Association, Directors, Officers, Members or the Declarant shall be invalidated or affected by reason that any of them hold the same or similar positions with another condominium, homeowners or property owners association within the Property or that they are financially interested in the transaction or that they are employed by the Declarant or Declarant's Affiliates or designees.

Section 2. Validity of Agreement. No contract, agreement or undertaking of any sort between the Association and any entity or individual shall be invalidated or affected by reason that the Association, its Directors, Officers, Members, the Declarant, its agents or employees hold a financial interest in or with the individual or entity.

Section 3. Waiver of Claims. By acquisition of a Lot or Unit, or any interest therein, within the Property, each and every individual or entity, of whatsoever kind or nature, thereby waives any claim for damages or other relief grounded in tort, contract, equity or otherwise arising out of the negotiation, execution, performance and enforcement of contracts, agreements or undertakings described above, that may accrue at the time of purchase or thereafter against the Declarant, the Association, and their respective Directors, Officers, agents, employees and Members.

ARTICLE XVI

COMPLIANCE AND ENFORCEMENT

Section 1. Compliance by Owners. Every Owner and his/its tenants, guests, invitees, officers, employees, contractors, subcontractors and agents shall comply with any and all rules and regulations adopted by the Board of Directors of the Association as contemplated herein as well as the covenants, conditions and restrictions of the Declaration, as they may be amended from time to time.

Section 2. Enforcement. Failure to comply with the Declaration, these Bylaws, and/or any of such rules or regulations shall be grounds for immediate action by the Association which may include, without limitation, an action to recover sums due for damages, injunctive relief or any combination thereof. The Association shall also have the right to suspend rights to use the Common Areas as specified herein.

Section 3. Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Covenant Enforcement Committee (as hereinafter defined) of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner, or any of the other parties described hereinabove, to comply with their obligations under the Declaration, these Bylaws or with any rule or regulation of the Association, provided the following procedures are adhered to:

A. Notice: The Association shall notify the Owner of the infraction or infractions. Included in the notice shall be the date and time of a meeting of a Covenant Enforcement Committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee of the Association at which time the Owner shall present reasons why fines should not be imposed. At least fourteen (14) days written notice of such meeting shall be given;

B. Hearing: The non-compliance shall be presented to the Covenant Enforcement Committee after which the Covenant Enforcement Committee shall hear reasons why a fine should not be imposed. A written decision of the Covenant Enforcement Committee shall be mailed to the Owner by not later than ten (10) days after the Covenant Enforcement Committee meeting. The Owner shall have a right to be represented by counsel and to cross-examine witnesses, although the proceeding shall not be subject to the Florida Rules of Evidence and Florida Rules of Civil Procedure;

C. Amounts of Fines: The Board of Directors, shall from time to time prescribe the amounts of fines in their reasonable discretion and shall establish a schedule of fines for first non-compliance or violation; second non-compliance or violation; and third and subsequent non-compliances or violations, which schedule shall be part of the Rules and Regulations of the Association as the same may be amended by the Board of Directors from time to time.

D. Payment of Fines: Fines shall be paid not later than five (5) days after notice of the imposition or assessment of the penalties;

E. Collection of Fines: The Association may take any available legal or equitable action necessary to collect fines;

F. Application of Fines: All monies received from fines shall only be expended for the improvement or beautification of Common Areas as directed the Board of Directors; and

G. Non-exclusive Remedy: Fines as provided herein shall not be construed to be an exclusive remedy of the Association, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled.

The foregoing were adopted as the Bylaws of THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation established under the laws of the State of Florida, at the first meeting of the Board of Directors on the 24th day of June, 2005.

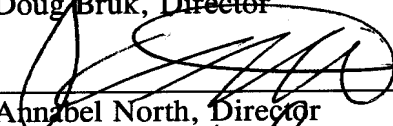
Adopted this 24th day of June, 2005 by the undersigned Board of Directors of THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation.

THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC.

(Corporate Seal)



Doug Bruk, Director



Annabel North, Director

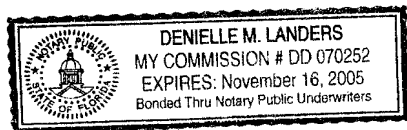


Jennifer Grohol, Director

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The forgoing instrument was acknowledged before me this 24 day of June, 2005, by Doug Bruk as a Director of the Board of Directors of THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of such corporation, and who is personally known to me.

(Notary Seal)

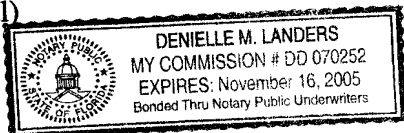


[Signature]
Notary Public, State of Florida
My commission expires:

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The forgoing instrument was acknowledged before me this 24 day of June, 2005, by Annabel North as a Director of the Board of Directors of THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of such corporation, and who is personally known to me.

(Notary Seal)

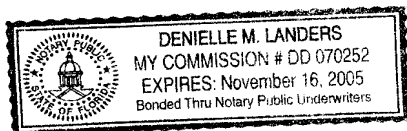


[Signature]
Notary Public, State of Florida
My commission expires:

STATE OF FLORIDA
COUNTY OF INDIAN RIVER

The forgoing instrument was acknowledged before me this 24 day of June, 2005, by Jennifer Grohol as a Director of the Board of Directors of THE FALLS AT GRAND HARBOR PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of such corporation, and who is personally known to me.

(Notary Seal)



[Signature]
Notary Public, State of Florida
My commission expires: