

BY-LAWS

OF

**VILLA ROSA HOMEOWNERS' ASSOCIATION, INC.,
a not-for-profit Florida Association**

ARTICLE I

NAME AND LOCATION

The name of the Association is Villa Rosa Homeowners' Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located at the offices of Continental Homes of Florida, Inc., 1192 East Newport Center Drive, Suite 150, Deerfield Beach, Florida 33442, or at such other places as may be subsequently designated by the Board of Directors, but meetings of Members and Directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

The following words and terms when used in these By-Laws (unless the context shall clearly indicate otherwise) shall have the following meanings:

- A. "Articles" shall mean and refer to the Articles of Incorporation of the Association as they may exist from time to time.
- B. "Association" shall mean and refer to Villa Rosa Homeowners' Association, Inc., a non-profit Florida Association, its successors and assigns.
- C. "By-Laws" shall mean and refer to these By-Laws.
- D. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association and all improvements constructed thereon, and includes the Limited Common Area as hereinafter defined and specifically excludes the Lots as such term is hereinafter defined.
- E. "Declarant" shall mean and refer to D. R. Horton, Inc., a Delaware corporation, its successors and assigns.
- F. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions of Villa Rosa and includes the same as it may, from time to time, be amended.
- G. "Development Period" shall mean the period of time until the Declarant has sold the last Lot within the Property or any property annexed to the Property and becoming a part of the Property as provided herein to an outside purchaser.
- H. "Institutional First Mortgagee" means a bank, or savings and loan association, or any insurance company, or credit union, or pension fund, or real estate trust, or any other party which is engaged in the business of mortgage financing, which owns or holds a first and prior mortgage encumbering a Manor Home, and shall include any corporate subsidiary of such entity.
- I. "Institutional First Mortgage" means a mortgage executed in favor of a bank, or a savings and loan association, or any insurance company, or credit union, or a pension fund, or a real estate trust, or any other party engaged in the business of mortgage financing, which is a first and prior mortgage encumbering a Manor Home.

I. "Limited Common Area" shall mean and refer to those parking spaces designated as the parking spaces for a particular Lot and shall exclude those parking spaces designated for guest parking, if any.

J. "Manor House" mean the single family dwelling unit constructed on a Lot.

K. "Member" shall mean and refer to all those Owners who are Members of the Association.

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

M. "Plat" is Villa Rosa according to the Plat thereof recorded among the Public Records of Palm Beach County, Florida.

N. "Property" or "Villa Rosa" shall mean and refer to the property described in Exhibit "A" to the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and subject to the terms of the Declaration.

ARTICLE III

MEMBERSHIP

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

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

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

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

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

- (a) when ninety (90%) percent of the Lots have been conveyed to third party outside purchasers;

- (b) on December 31, 2012; or
- (c) Thirty (30) days after the Declarant D.R. Horton, Inc. elect to terminate the Class B Membership

ARTICLE IV

PROPERTY RIGHTS; RIGHTS OF ENJOYMENT

Subject to the terms and provisions contained in the Declaration, each Member shall be entitled to have a non-exclusive right and easement of enjoyment in and to the use of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such Member shall notify the secretary in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspensions to the same extent as those of the Members.

ARTICLE V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

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

Section 2. Election. Directors shall be elected at the annual meeting of the Members. At such annual meeting not less than one (1) and no more than three (3) directors shall be elected and they shall serve a term of two (2) years or until their successors are chosen or until removed in accordance with the Articles of InAssociation or these By-Laws..

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

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

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

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held as needed with forty-eight (48) hours prior notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

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

shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election of the Board of Directors shall be made from the floor at the annual meeting of the Members.

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

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) To adopt and publish, from time to time, rules and regulations governing the use of the Common Area, and to establish penalties for the infraction thereof;

(b) To exercise for the Association all powers, duties and authority vested in or delegated to the Association, which are not reserved to the membership by other provisions of these By-Laws, the Articles, or the Declaration;

(c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors, except that the directors appointed by Declarant shall not be subject to this provision; and

(d) To employ a manager, an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

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

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) To supervise all officers, agents and employees of the Association and to see that their duties are properly performed;

(c) As more fully provided herein and in the Declaration:

(1) To approve a Budget for the Association.

(2) To take into account the common expenses of the Association; and

(3) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated have been paid;

(e) To collect delinquent assessments and penalties and to create, record and foreclose the lien securing the said assessments and to hire attorneys, accountants and

other professionals to do the same:

(f) To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;

(g) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(h) To cause the exterior of the dwellings, and the lawns, fences and walls to be maintained by the Owners (except as otherwise required by the Declaration or these By-Laws).

ARTICLE IX

COMMITTEES

Section 1. The Board of Directors may appoint committees as deemed appropriate in carrying out its purposes, such as:

- (a) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Property and shall perform such other functions as the Board, in its discretion, determines;
- (b) An Architectural Control Committee to carry out the responsibilities described in Article VIII of the Declaration.

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

ARTICLE X

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held in one of the first ten (10) days in December, 2006, or on such other date as the Board of Directors may in its judgment deems desirable or expedient, and each subsequent regular annual meeting of the members shall be held on the date fixed by the Board of Directors, and such meetings shall commence at seven o'clock, P.M. The annual meeting of the Members shall not be held on a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote twenty-five percent (25%) of all of the votes of the entire membership or who are entitled to vote twenty-five percent (25%) of the votes of the Class A membership.

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

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, thirty percent (30%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of InAssociation, the Declaration, or these By-Laws. If however, such quorum shall not be

present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented.

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

Section 6. Action Taken Without A Meeting. The Members shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written consent of the necessary percentage of the Members needed to take such an action. Any actions so approved shall have the same effect as though taken at a meeting of the Members.

ARTICLE XI

OFFICERS AND THEIR DUTIES

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

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

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

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

Section 5. Resignation and Removal. Any officers may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

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

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

PRESIDENT

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

VICE-PRESIDENT

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

SECRETARY

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

TREASURER

- (d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes; shall cause financial statements to be made of the Association's books of account at the completion of each fiscal year; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members; and shall furnish a corporate surety bond in a sum satisfactory to the Board for the faithful performance of the duties of his office and the restoration to the Association of all books, papers, vouchers, money or other property of whatever kind in his possession or under his control, belonging to the Association. The Association shall pay all premiums for said bond.

ARTICLE XII

BOOKS AND RECORDS

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

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal having the words Villa Rosa Homeowners' Association, Inc., a not-for-profit Florida Association.

ARTICLE XIV

RULES AND REGULATIONS

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

Section 1. Restrictions. The items set forth in the Declaration shall constitute use restrictions on the Property.

Section 2. Rules and Regulations. The Board of Directors of the Association shall adopt such other rules and regulations from time to time governing the use and enjoyment of the Common Area as the Board of Directors in its sole discretion deems appropriate or necessary, provided that such additional rules and regulations shall be consistent with the provisions contained in the Declaration, and shall be published to the membership.

ARTICLE XV

AMENDMENTS

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

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

ARTICLE XVI

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than three-fourths (3/4) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit Association, association, trust or other organization to be devoted to such similar purposes.

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