

EXHIBIT 2 TO AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS
AND RESTRICTIONS.

BY-LAWS
OF
AMERICAN HOMES HOMEOWNER'S ASSOCIATION #1, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is AMERICAN HOMES HOMEOWNER'S ASSOCIATION #1, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 120 North County Road, Palm Beach, Florida 33480, but meetings of members and directors may be held at such places within the State of Florida, County of Palm Beach, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to AMERICAN HOMES HOMEOWNER'S ASSOCIATION #1, INC., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in EXHIBIT A to the Articles of Incorporation of the Association, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean a platted lot shown upon any recorded subdivision map of the Properties or a subdivided portion thereof, with the exception of the Common Area.

Section 5. "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 Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to LeCHARLEY, INC., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Protective Covenants and Restrictions applicable to the Properties recorded in the Public Records of Palm Beach County, Florida.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secre-

tary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting; until a quorum as aforesaid shall be present or be represented.

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

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect one director for a term of one year, one director

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for a term of two years, and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority of the votes of members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

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

for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

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

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

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

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, the Articles of Incorporation, or the Declaration;

(d) 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; and,

(e) 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 to:

(a) 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.

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

(c) subject to and as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least fifteen (15) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual assessment period; and,

(3) foreclose the lien against any property for which assessments are not paid or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

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

(g) cause the Common Area and any maintenance easements granted to the Association to be maintained.

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, 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 otherwise disqualified to serve.

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

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time 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 by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

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

President

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

Vice-President

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

Secretary

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

required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

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

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ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the highest rate allowable by law, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. The Association shall not be required to bring any such action if it believes that the best interests of the Association would not be served by doing so. No Owner may waiver or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: AMERICAN HOMES HOMEOWNER'S ASSOCIATION #1, INC., a Corporation Not For Profit, 1977.

ARTICLE XIII

AMENDMENTS

Section 1. These By-laws may be amended, at a regular or special meeting of the members, by a majority of the votes of a quorum of members present in person or by proxy.

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

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the AMERICAN HOMES HOMEOWNER'S ASSOCIATION #1, INC., have hereunto set our hands this ____ day of _____, 19__

STATE OF FLORIDA X
 : SS.
COUNTY OF PALM BEACH X

I HEREBY CERTIFY that on this _____ day of _____, 1977,
personally appeared before me _____,
_____ and _____, to me
personally known and they acknowledged before me that they executed
the foregoing By-laws for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official
seal in said County and State the day and year first above written.

Notary Public, State of Florida at Large
(NOTARIAL SEAL) My Commission Expires: _____

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of AMERICAN
HOMES HOMEOWNER'S ASSOCIATION #1, INC., a Corporation Not For
Profit, existing under the Laws of the State of Florida; and,

That the foregoing By-laws constitute the original By-laws of
said Association, as duly adopted at a meeting of the Board of
Directors thereof, held on the _____ day of _____, 1977.

IN WITNESS WHEREOF, I have hereunto subscribed my name and
affixed the seal of said Association this _____ day of _____,
1976.

Secretary

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GENERAL RECORD 2650 PAGE 1151

Record Verified
Palm Beach County, Fla
John B. Dunkle
Clerk Circuit Court

THIS INSTRUMENT PREPARED BY:
RECORD AND RETURN TO:
STUART A. RADER, ESQ. ✓
P. O. BOX 810518
SUITE 106, 7280 WEST PALMETTO PARK ROAD
BOCA RATON, FLORIDA 33481
TELEPHONE (407) 392-9000

CERTIFICATE OF AMENDMENT TO BY-LAWS
OF AMERICAN HOMES HOMEOWNERS ASSOCIATION #1, INC.

The undersigned President and Secretary of AMERICAN HOMES HOMEOWNERS ASSOCIATION #1, INC., a Florida not-for-profit corporation ("ASSOCIATION"), hereby certify that at a March 9, 1993 Special Meeting of the members of the Association which was duly noticed and called with the Notice specifying the proposed Amendment to the By-Laws, at which time a quorum of voting members was present in person or by proxy, the members voted to approve Amendments to the By-Laws as set forth and annexed hereto by a vote of the majority vote of the quorum of members present in person or by proxy.

This Certificate of Amendment and the attached Amendment is pursuant to Article XIII of the Association By-Laws.

American Homes Homeowners Association #1, Inc. is the Association responsible for maintaining the common areas within American Homes as set forth in the Amendment to Declaration of Protective Covenant and Restrictions for American Homes recorded at Official Record Book 2650, Page 1180 of the Public Records of Palm Beach County amending the Declaration of Protective Covenants and Restrictions for American Homes recorded in Official Records Book 2090, Page 1081 of the Public Records of Palm Beach County.

IN WITNESS WHEREOF, the undersigned Officers of AMERICAN HOMES HOMEOWNERS ASSOCIATION #1, INC., a Florida not-for-profit corporation, have executed this certificate this 20th day of April, 1993.

Signed, sealed and delivered
in presence of:

AMERICAN HOMES HOMEOWNERS
ASSOCIATION #1, INC., a Florida
not-for-profit corporation,

Dora Santos L.S.
BY: DORA SANTOS, PRESIDENT

Clark Love
BY: CLARK LOVE
its SECRETARY

Barry L. Grin
BARRY L. GRIN

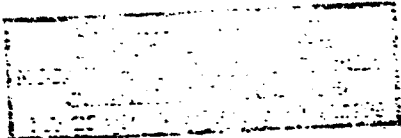
STATE OF FLORIDA)
COUNTY OF PALM BEACH)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared Dora L. SANTOS, and CLAIRE LONG, as President and Secretary respectively of AMERICAN HOMES HOMEOWNERS ASSOCIATION #1, INC., to me known to be the persons described in or who produced driver's license identification, and who executed the foregoing instrument and they acknowledged before me that they executed the same for the purpose therein expressed and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal in the County and State last aforesaid this 20th day of April A.D. 1993.

Shirley A. Pearson
NOTARY PUBLIC, STATE OF FLORIDA

My Commission Expires: May 12, 1996



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AMENDED BY-LAWS
OF
AMERICAN HOMES HOMEOWNERS ASSOCIATION #1, INC.

Section 1. Identification of Corporation.

1.1 Identity. These are the Amended By-Laws of American Homes Homeowners Association #1, Inc. (hereinafter referred to as the "Corporation" or "Association") as duly adopted by its Board of Directors (the "Board") and by a majority vote of members present in person or by limited proxy at a duly called meeting of the membership with a quorum present. The Corporation is a corporation not-for-profit, organized pursuant to Chapter 617, Florida Statutes. These Amended By-Laws shall serve in place of the original By-Laws of the Corporation.

1.2 Office. The office of the Corporation shall be at 9070 Kimberly Boulevard, Box 122 Suite 27, Boca Raton, Florida, 33434 or at such other location in Palm Beach County, Florida (the "County") as designated by the Board, provided that the office is located within and eight (8) mile radius of the main entrance to American Homes as defined in Section 2.2 below.

1.3 Fiscal Year. The fiscal year of the corporation shall be the calendar year.

1.4 Corporate Seal. The seal of the corporation shall bear the name of the corporation; the word "Florida"; the words "Corporation Not-For-Profit".

Section 2. Membership/Meetings/Voting and Proxies.

2.1 Members. The qualification of Members, the manner of

their admission to membership in the Corporation and the termination of such membership and the voting by Members shall be as set forth in the Articles of Incorporation ("Articles").

2.2 Annual Meeting. The Members shall meet annually (the "Annual Members' Meeting"). The Annual Members' Meeting shall be held at the office of the Corporation or at such other place in the County within an eight (8) mile radius of the main entrance at American Homes, located at the intersection at Kimberly Boulevard and U.S. 441 ("main entrance") as the Board may determine and designate in the notice of such meeting between March 15 and May 30, as designated by the Board. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (when that shall be appropriate as determined by the provisions of these Amended By-Laws and the Articles) and to transact any other business authorized to be transacted at the Annual Members' Meeting.

2.3 Special Meetings. Special meetings of the Members (meetings other than the Annual Members' Meeting) shall be held at any place within an eight (8) mile radius of the American Homes main entrance within the County whenever called by the President or Vice President or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from Members having the right to vote at least one tenth (1/10) of the total number of votes entitled to be cast by Members.

2.4 Notice. A written notice of all Members' meetings, whether the Annual Members' Meeting or special meetings (collectively "Meeting"), shall be given to each Member at his last known address as it appears on the books of the Corporation and shall be mailed to the said address not less than fourteen (14) days nor more than forty-five (45) days prior to the date of the Meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any notice given hereunder shall state the time and place of the Meeting and the purposes for which the Meeting is called. The notice of all Annual Members' meetings where there shall be elections shall specify the number of directors to be elected or designated by the Members, if applicable and shall include a sample ballot that may be utilized by absentee voters and any and all background statements submitted by candidates on one 8-1/2" x 11" sheet of paper. All notices shall be signed by an officer of the Corporation or reflect a facsimile of such a signature. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member or by the person entitled to vote for such Member by signing a document setting forth the waiver of such notice.

2.5 Quorum of Membership. A quorum of the Members shall consist of one-tenth (1/10) of voting Members present in person or by proxy.

(a) When a quorum is present at any Meeting and a question is presented, the holders of a majority of the voting rights present

in person or represented by written proxy shall be required to decide the question. However, if the question is one upon which a vote other than the majority vote of a quorum is required by express provision of the Articles, Amendment to Declaration of Protective Covenants and Restrictions recorded at Official Records Book 2650, Page 1111 of the Public Records of Palm Beach County ("Declaration"), by these Amended By-Laws, or by applicable law or statute, then such express provision shall govern and control the required vote on the decision of such question.

(b) If a quorum is not in attendance at a Meeting, the Members who are present, either in person or by proxy, may adjourn and re-notice the Meeting from time to time until a quorum is present.

2.6 Voting/Ballots/Proxies.

(a) **Election of Directors.** Members shall vote in person at any Annual meeting or special meeting when election of Directors occur or by a ballot personally cast by a member. A ballot and proxy completed by a member and delivered to the Secretary of the Corporation or a managing agent on behalf of the Secretary shall be a valid vote and shall apply in computing a quorum unless the member revokes the proxy and ballot prior to the Meeting.

(b) **Proxies.** Members may not vote by general proxy, but may vote by limited proxies, except for elections of directors which require ballots. Unless otherwise provided for herein, limited and general proxies may be used to establish a quorum. Limited proxies may also be used for votes to amend the Declaration, Articles,

these Amended By-Laws or for any matter that requires a vote of the members. Proxies shall be in writing signed by the person or entity giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof. Notwithstanding anything to the contrary that may be contained herein, no proxy shall be valid for a period in excess of ninety (90) days after the meeting (as originally noticed) for which it governs. A Proxy must be filed with the Secretary of the Corporation before the appointed time of the Meeting in order to be effective. Any Proxy may be revoked prior to the time a vote is cast according to such Proxy.

(c) Termination of Class B Membership. Class B voting membership as set forth in Article VI of the Articles of Incorporation terminated prior to the execution of these Amended By-Laws. Accordingly, each owner is a Class "A" Member entitled to one vote for each lot owned.

(d) One Lot One Vote. When more than one person owns an interest in any lot, all such persons shall be Members. The vote for such lot shall be exercised as said members determine, but in no event shall more than one vote be cast with respect to any lot. If any lot is owned of record in the name of two or more persons, or in the name of a business entity, then any one of the several owners or any officer or general partner in attendance at any meeting may vote, but if more than one such individual is in attendance, no vote may be cast on behalf of the lot unless all of the representatives in attendance agree.

(e) Ballots. The voting the election of directors shall be by secret ballot (which may be absentee ballots) and the voting on any other matter shall be by secret ballot upon request of the holders of ten (10%) per cent of the votes represented at such Meeting and entitled to be cast on such matter if such request is made prior to the vote in question. The presiding officer of the Meeting shall appoint a Supervisor of Elections to collect and tally written ballots upon the completion of balloting upon that matter.

(f) No Cumulative Voting. No cumulative voting is permitted in connection with electing directors and the person receiving the largest amount of votes for each position shall be elected.

(g) Rules. The Board of Directors is authorized to pass such rules as it deems necessary to implement the provisions of this Section 2.6.

Section 3. Board of Directors.

3.1 Number. The business and administration of the Corporation shall be by its Board of Directors, which shall consist of five (5) Directors.

3.2 Duties. Any person elected or designated as a Director shall have all the rights, privileges, duties and obligations of a Director of the Corporation. All of the powers and duties of the Corporation shall be exercised by the Board. Such powers and duties of the Board shall include, but not be limited to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct

of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not specifically reserved to the membership by other provisions of these Amended By-Laws, the Articles of Incorporation, the Declaration, or applicable law or statute;

(d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to delegate and prescribe duties to such manager, independent contractor or employee;

(e) keep 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;

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

(g) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a

certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(h) procure and maintain adequate liability and hazard insurance on property owned by the Association and property the Association routinely maintains;

(i) cause all officers or employees having fiscal responsibilities to be appropriately bonded;

(j) cause all officers and directors to have adequate errors and omissions insurance coverage;

(k) cause the Common Area, any landscaping and or buffer areas (including Yamato Road buffer) and any maintenance easements granted to the Association to be maintained; and

(l) the powers and duties of a director of a corporation not-for-profit or as provided by applicable statute.

3.3 Term. The term of a Director's service shall be for three years and shall extend until the next applicable Annual members' Meeting and thereafter until his successor is duly elected and qualified, or until he resigns or is removed in the manner elsewhere provided. One Director's term shall commence at the Annual Meeting in 1993; Two Directors' terms shall commence at the Annual Meeting in 1994; and Two Directors' terms shall commence at the Annual Meeting in 1995.

3.4 Organizational Meeting. The organizational meeting of a Board consisting of newly elected directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected.

3.5 Regular Meetings. Regular meetings of the Board may be held at such times and places in Palm Beach County, Florida, within an eight (8) mile radius of the American Homes main entrance as shall be determined from time to time by a majority of Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President. Special meetings must be called by the Secretary at the written request of at least one-third (1/3) of the Directors. Such special meeting may be held within and eight (8) mile radius of the main entrance to American Homes, at such time and place as determined by the Directors requesting such meeting or in such other place as all Directors shall agree upon.

3.6 Notice. Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be:

(a) given to each Director personally or by mail, telephone, telecopier, or telegraph at least two (2) calendar days prior to the day named for such meeting unless such notice is waived before, during or after such meeting; any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director; and

(b) posted in a conspicuous place on association property at least forty-eight (48) hours in advance, except in an emergency; if assessments against lots are scheduled to be passed upon at the meeting, the notice posted shall specifically contain a statement the assessments shall be considered and a statement of the nature

of the assessments.

3.7 Quorum. A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. A Director may join in the action of a meeting of the Board by signing the minutes thereof, and such signing shall constitute the presence of such Director for the purpose of determining a quorum. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as may be otherwise specifically provided by law, by the Articles or elsewhere herein. If at any meetings of the Board there shall be 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 meeting that takes place on account of a previously adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, the Board shall conspicuously post on Association property notice of the adjourned meeting at least forty-eight (48) hours prior to the continuation of the meeting.

3.8 Presiding Officer. The presiding officer at all Board meetings shall be the President. In the absence of the President, the Directors shall designate any one of their number to preside.

3.9 Open Meetings. Meetings of the Board shall be open to all Members on such terms as the Board may determine and promulgate by rule.

3.10 Resignation. Any Director 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.

3.11 Removal. Any director may be removed from the Board with or without cause, by a vote of a sixty (60%) per cent majority of votes of all members of Association at a duly called special meeting with a quorum present. If any director is absent from five (5) Board meetings during a calendar year or from three (3) consecutive meetings, then he may be removed by a majority vote of the Board.

3.12 Replacement of Director. In the event that a director resigns or is removed during its term, then within thirty (30) days of the vacancy, a majority of the remainder of the Board shall appoint a replacement director to fill the position.

3.13 Compensation. No director shall receive compensation for services rendered to the Association as a director. However, any director may be reimbursed for out-of-pocket expenditures incurred in performance of duties on behalf of the Association.

Section 4. Officers of the Corporation.

4.1 Executive Officers. Executive officers of the Corporation shall be the President, Vice President, Directors, Treasurer and Secretary, and shall be members of the Association elected annually by the Board. Any officer may be removed without

cause from office by vote of the Directors at any meeting of the Board. The Board may, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Corporation. One person may hold any two offices simultaneously except where the functions of such offices are incompatible, but no person shall hold the office of President or any of the following offices simultaneously: Vice President, Secretary or Assistant Secretary.

4.2 President. The President shall be the chief executive officer of the Corporation. He shall have all of the powers and duties which are usually vested in the office of the President of an association or a corporation not-for-profit, including, but not limited to, the power to appoint such committees at such times from among the members as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Corporation. If in attendance, the President shall preside at all meetings of the Board and of the Membership.

4.3 Vice-President. In the absence or disability of the President, a Vice President shall exercise the powers and perform the duties of the President. The Vice President(s) shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then one shall be designated, the order and succession to be decided by the Board to exercise the powers and perform the

duties of the presidency.

4.4 Secretary. The Secretary shall keep the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and be available for inspection by Members (or their authorized representatives) and Directors at all reasonable times. He shall have custody of the seal of the Corporation and affix the same to instruments requiring such seal when duly authorized and directed to do so. He shall be custodian for the corporate records of the Corporation, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Corporation as may be required by the Board or the President. He shall maintain all voting records of the Board and membership for a period of seven (7) years from the date cast, including proxies and ballots. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary under the supervision of the Secretary.

4.5 Treasurer. The Treasurer shall have responsibility for all of the monies of the Corporation, including funds, securities and evidences of indebtedness. He shall disburse funds at the direction of the Board. He shall keep the assessment rolls and accounts of the Members and shall keep the books of the Corporation in accordance with generally accepted accounting practices and he shall perform all of the duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall

assist the Treasurer under the supervision of the Treasurer.

4.6 Resignation. Any Officer may resign his post at any time by written resignation, delivered to the Board of Directors, 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.

4.7 Removal. Any Officer may be removed from the position with or without cause, by a majority of votes of all members of the Board of Directors.

4.8 Replacement of Officer. In the event that an officer resigns or is removed during its term, then within thirty (30) days of the vacancy, a majority of the Board shall appoint a replacement to fill the office.

4.9 Compensation. No officer shall receive compensation for services rendered to the Association as an officer. However, any officer shall be reimbursed for out-of-pocket expenditures incurred in performance of duties on behalf of the Association, upon presentation of appropriate documentation.

4.10 Delegation of Duties. The Board may delegate certain of the duties of the Treasurer or Secretary to a managing agent that is a licensed and certified property manager, pursuant to a written Management Agreement, except the duty to sign checks and/or authorize disbursement of Association funds is not delegable to a managing agent.

Section 5. Accounting Records; Fiscal Management.

5.1 Accrual. The Corporation shall use the accrual basis method of accounting and shall maintain accounting records in accordance with generally accepted accounting practices.

5.2 Access to Accounting Records. The accounting records shall include records for the association and for each lot and shall be maintained for a period of not less than seven years. All accounting records shall be open to inspection by members, their agents, and institutional mortgagees upon reasonable notice and at reasonable times. The accounting records include but are not limited to:

(a) Accurate, itemized, and detailed records of all receipts and expenditures;

(b) A current account and a periodic statement of the account for each member of the association, designating the name of the member, the due date, and the amount of each assessment, the amount paid, and the balance due;

(c) All audits, reviews, accounting statements, and financial reports of the association; and

(d) All contracts and bids for work to be performed.

5.3 Financial Review. A financial review of the accounts shall be made annually by an independent Certified Public Accountant and a copy of the review report shall be furnished to each Member of the Board of Directors, and shall be available for inspection by the Owners no later than the first day of May of the year following the year for which the report is made. The report shall be deemed furnished to the Member or Owner upon its delivery or mailing to the Member or Owner shown on the records of the Corporation at his last known address shown on the records of the Corporation.

5.4 Adoption of the Budget. At least forty-five (45) but not more than sixty (60) days prior to the commencement of any fiscal year of the Association, the Board, at a specially called meeting of the Board for the purpose of adopting a budget, shall adopt a budget for such fiscal year, necessary to defray the common expenses for such fiscal year.

5.5 Common Expense. The common expenses shall include all expenses of any kind or nature whatsoever incurred, or to be incurred, by the Association for the operation of the common areas operated by the Association, and for the proper operation of the Association itself, including, but not limited to, the expenses of the operation, maintenance, repair or replacement of common elements or property owned by the Association; costs of carrying out the powers and duties of the Association; all insurance premiums and expenses, including fire insurance and extended coverage; reasonable reserves for purchases, deferred maintenance, replacements, betterment, and unknown contingencies; and all other like expenses. The annual budget of the Association shall be detailed and shall show the amounts budgeted by accounts in expense classifications including, where applicable, but not limited to, the following: administration of the Association, management fees, maintenance, expenses for recreational and other commonly used facilities, insurance, security provisions, other expenses, operating capital and reserves for deferred maintenance and capital improvements.

5.6 Adoption/Furnishing Budget. The budget, as adopted by

the Board shall be furnished to each Member. The copy of the budget shall be deemed furnished upon its delivery or upon its being mailed to the Member's last known address as shown on the records of the Corporation. If an adopted budget requires assessments against owners in any calendar year which exceeds One Hundred and Ten (110%) Percent of the assessment for the preceding year, (exclusive of any portion allocated to reserves or non-recurring items) the Board, upon written application of ten (10%) percent of the voting interests to the Board, shall call a meeting of the unit owners within thirty (30) days of receipt of the duly executed application upon not less than ten (10) days written notice to each owner. At the Special Meeting, Owners shall consider and enact a budget by a vote of not less than the majority of all voting interests. The Board may propose a budget to the Owners at the meeting of the members or in writing, and if the budget or proposed budget is approved by the Owners at the meeting or by a majority of all voting interests in writing, the budget shall be adopted. If the meeting of the Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Owners, the budget originally adopted by the Board shall go into effect as scheduled.

5.7 Assessments and Assessment Roll. As soon as practicable after the adoption of a budget, or an amended budget, the Board shall fix the amount and frequency of assessments to be made against the owners. However, assessments shall be made against the owners monthly, quarterly, or semi-annually as the Board may

decide, and in an amount not less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. As soon as practicable after the determination of the assessments to be made against the owners, the Association shall notify the owners in writing of the amount of such assessment, the time or times when same are due, and the method of the payment of the same. Any assessment not paid within thirty days of being due shall bear interest from the due date and/or a late charge as determined by the Board of Directors.

5.8 Special Assessment. From time to time, by majority vote, the Board shall have the right to adopt special assessments or assessments for emergencies with respect to the common areas operated by the Association. Upon the adoption of any such special assessment or assessment for an emergency, the Board shall determine the amount required to be paid by owners, and shall notify the appropriate owners of the amount of the assessments, and when and where the same shall be paid. "Emergency" or "emergencies" means event(s) that are reasonably unforeseen and acts of god, including hurricanes, tornados, floods, and other natural occurrences, which causes immediate damage to the common area, areas which the Association is obligated to maintain, improvements and residences within the community, which requires prompt remedial measures to avoid further damages.

5.9 Roster/Assessment Roll. The Association shall maintain a roster/assessment roll listing each owner by name current mailing

address, and telephone number, if available.

5.10 Separate Reserves. All funds collected for reserves, for capital expenses and/or deferred maintenance shall be maintained in a separate reserve account or accounts.

5.11 Financial Administration. In administering the finances of the Corporation, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any monies received by the Corporation in any calendar year may be used by the Corporation to pay expenses incurred in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for Operating Expenses which cover more than such calendar year; and (iv) items of Operating Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, the Assessments for Operating Expenses and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any calendar year as such expenses are incurred in accordance with the accrual basis method of accounting.

5.12 Prohibition on Anticipating Revenue or Deficit Spending.

The Board shall not be allowed or authorized to expend anticipated revenue from Assessments or expend funds to pay for Operating Expenses not budgeted or which shall exceed budgeted items, and the Board is forbidden to knowingly engage in deficit

spending. Should there exist any deficiency which results from there being greater Operating Expenses than monies from Assessments, then such deficits shall be carried in the next succeeding year's Budget as a deficiency or shall be the subject of a Special Assessment which may be collected in conjunction with regular assessments. Notwithstanding the foregoing, the Board, at its discretion, may reallocate certain Operating Expense line items in the budget, so long as the same does not result in an increase of the overall budget for the common area expenses.

5.13 Depository. The depository of the Corporation for all funds (including reserves) shall be such bank(s) or federal credit union(s) as are federally insured, as shall be designated from time to time by the Board in which the monies of the Corporation shall be deposited. Withdrawal of monies from such account shall be only by checks signed or other transfer by such persons as are authorized by the Board.

Section 6. Rules and Regulations.

The Board, having a duty to promote the health, safety and welfare of residents within the American Homes community, and to provide for maintenance, preservation and architectural control of the lots and community area of American Homes, may at any meeting of the Board adopt rules and regulations or amend, modify or rescind then existing rules and regulations for the operation and use of any of the common property and property subject to the Declaration; provided, however, that such rules and regulations are not inconsistent with the terms or provisions of the Declaration,

Articles or these Amended By-Laws. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to all members and Owners shown on the records of the Corporation at the time of such delivery or mailing at the last known address for such Members and Owners as shown on the records of the Corporation and shall not take effect until forty-eight (48) hours after such delivery or mailing. Notwithstanding the foregoing, where rules and regulations are to regulate the use of specific portions of the Corporation Property or Recreation Areas such as the swimming pool and the same shall be conspicuously posted at such facility and such rules and regulations shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view towards protection from weather and the elements. Posted rules and regulations which are torn down or lost shall be promptly replaced. No rule, regulation or restriction shall be passed by the Board that: (i) restricts residents on the basis of age, gender or race; and (ii) imposes an absolute restriction on a Member's right to: (a) have household pets; or (b) to rent their property; however, the above does not eliminate the Board's authority to regulate household pets and the rental of property.

Section 7. Parliamentary Rules.

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of all Members of the Corporation

and the Board; provided, however, if such rules of order are in conflict with any of the American Homes Documents, Robert's Rules of Order shall yield to the provisions of such instrument.

Section 8. Amendment of the By-Laws.

These By-Laws may be amended as hereinafter set forth in this Section 8.

8.1 Majority Vote. Any By-Law of the Corporation may be amended or repealed, and any new By-Law of the Corporation may be adopted by a majority vote of the Members present in person or by proxy and/or absentee ballot at any Annual Members' Meeting or any special meeting of the Members called for that purpose or by majority action of the Members who have acted by written response in lieu of a Meeting as permitted by these By-Laws.

8.2 Subordination. Notwithstanding any provision of this Section 8 to the contrary, these By-Laws shall not be amended in any manner which shall amend, modify or affect any provision, terms, conditions, rights or obligations set forth in the Declaration or Articles, as the same may be amended from time to time.

8.3 Procedure. Any instrument amending, modifying, repealing or adding By-Laws shall identify the particular Section or Sections affected and give the exact language of such modification, amendment or addition or of the provisions repealed. A copy of each such amendment, modification, repeal or addition certified to by the Secretary or Assistant Secretary of the Corporation shall be recorded amongst the Public Records of the County.

Section 9. Definitions.

9.1 Construction. Whenever used herein, the singular number shall include the plural, and plural numbers shall include the singular; and masculine gender shall include the feminine and neuter gender and the feminine gender shall include the masculine gender and neuter gender.

9.2 Severability. In the event that any of these provisions or portions of these Amended By-Laws are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforcement of the remaining provisions or portions thereof shall not be effected thereby.

9.3 Governing Law. These Amended By-Laws shall be governed by the laws of the State of Florida.

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