

This instrument prepared by:
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West Palm Beach, Florida 33401
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12/01/2001 11:27:44 20010529717
OR BK 13139 PG 0847
Palm Beach County, Florida

**CERTIFICATE OF AMENDMENT TO THE
BY-LAWS OF WATERFORD AT ABERDEEN ASSOCIATION, INC.**

I HEREBY CERTIFY that the Amended and Restated By-Laws attached as Exhibit "1" to this Certificate were duly adopted as Amended and Restated By-Laws of Waterford at Aberdeen Association, Inc. The original amended Declaration of Covenants and Restrictions for Waterford at Aberdeen Association, Inc., is recorded in Official Records Book 5860, Page 1078, et seq., of the Public Records of Palm Beach County, Florida.

DATED this 28 day of NOVEMBER, 2001.

As to witnesses:

[Signature]
Witness

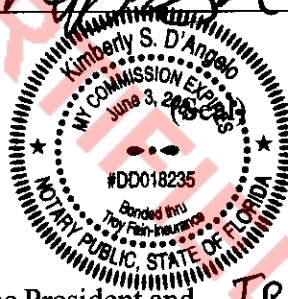
[Signature]
Witness

WATERFORD AT ABERDEEN ASSOCIATION, INC.

By: [Signature]
Daniel Issenberg, President

Attest: [Signature]

STATE OF FLORIDA)
)ss
COUNTY OF PALM BEACH)



BEFORE ME personally appeared Daniel Issenberg, the President and TREASURER, on behalf of Waterford at Aberdeen Association, Inc., who (produced _____ and _____ as identification or) are personally known to me to be the individuals who executed the foregoing instrument and acknowledged to and before me that they executed such instrument as officers of the Association with due and regular corporate authority, and that said instrument is the free act and deed of the Association.

WITNESS my hand and official seal this 28th day of November, 2001.

(SEAL)

[Signature]
NOTARY PUBLIC
State of Florida at Large.
My Commission Expires:

AMENDED AND RESTATED

BY-LAWS

OF

WATERFORD AT ABERDEEN

ASSOCIATION, INC.

A Not-for-Profit Corporation Under
the Laws of the State of Florida

ARTICLE I

IDENTITY

WATERFORD AT ABERDEEN ASSOCIATION, INC., hereinafter referred to as the "Corporation" or "Association".

Section 1. The initial principal office of the Corporation is c/o GRS Management Associates, Inc., 3900 Woodlake Boulevard, Suite 201, Lake Worth, Florida 33463.

Section 2. 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, an impression of which is as follows:

Section 3. All terms used herein which are defined in that certain Declaration of Covenants and Restrictions for Waterford at Aberdeen, as it may be amended from time to time (the "Declaration"), shall have the same meaning herein as therein.

ARTICLE II

PURPOSES

The Association is organized to serve as the instrumentality of Owners in the Property for the purpose of controlling and regulating use of the amenities therein; of promoting, assisting, and providing adequate and proper maintenance of the Property for the benefit of all Owners therein; the maintenance of the land and facilities, to exercise all powers and discharge all responsibilities granted to it as a corporation under the laws of the State of Florida, its Articles of Incorporation, these By-Laws, and the Declaration; to acquire, hold, convey and otherwise deal with real and/or personal property in the Association's capacity as a homeowners association; and to otherwise engage in such additional lawful activities for the benefit, use convenience and enjoyment of its Members as it may deem proper.

ARTICLE III

DIRECTORS AND OFFICERS

Section 1. Fiduciary Responsibility. All Directors and Officers shall have a fiduciary relationship to the members of the Association.

Section 2. Directors

A. The affairs of the Association shall be managed by a Board of Directors which shall consist of not less than three (3), nor more than nine (9) members. Board members shall be elected for three (3) years with one third (1/3) being elected each year as nearly as practicable.

B. At each annual meeting the vacancies on the Board shall be filled by election by the members of the Association.

C. Directors shall be elected as follows: Prior to each annual meeting, the Board of Directors shall appoint a Nominating Committee consisting of three (3) Members, using such procedures as the Board may establish. The Nominating Committee shall nominate at least one person for each vacancy to be filled at that annual meeting. Should more than one qualified Candidate be available for any vacancy, the Committee may at its discretion designate recommended individuals, but shall report to the Members in a uniform manner the existence of all potential Candidates. All members of the Association shall be provided with a list of the nominations at least ten (10) days prior to the annual meeting. Other nominations may be made from the floor. The election shall be by written ballot (unless dispensed with by unanimous consent) and by a plurality of the valid votes cast. Each person voting shall be required to cast votes for each of as many nominees as there are vacancies to be filled.

D. There shall be no cumulative voting.

E. The organizational meeting of the Board of Directors shall be held within ten (10) days of the annual meeting.

F. No director shall receive or be entitled to any compensation for his services as director, but shall be entitled to reimbursement for all expenses incurred by him as such, if incurred upon the authorization of the Board.

G. All directors and officers must be Members of the Association.

Section 3. Officers.

The executive officers of the Association shall be: President, Vice President, Secretary, Treasurer, Representative to the Master Association, and such other officers as the Board of Directors may appoint. All officers shall serve for terms of one (1) year.

Section 4. Resignation, Vacancy, Removal.

A. **Resignation:** Any director or officer of the Association may resign at any time, by instrument in writing. Resignations shall take effect at the time specified therein, and if no time is specified, resignations shall take effect at the time of receipt by the President or Secretary of the Association. The acceptance of a resignation shall not be necessary to make it effective.

B. **Director Vacancy:** When a vacancy occurs on the Board of Directors, the vacancy shall be filled by the remaining members of the Board at their next meeting by electing a person who shall serve until the next annual meeting of Members.

C. **Officer Vacancy:** When a vacancy occurs in an office for any reason before an officer's term has expired, the office shall be filled by the Board of Directors at its next meeting by electing a person to serve for the unexpired term.

D. **Removal:** Any officer may be removed with or without cause by a majority vote of the full Board of Directors at a meeting of Directors called at least in part for the purpose of considering such removal. Any officer or director may be removed with or without cause, and for any reason, upon a petition in writing by a majority of the Members of the Association approved at a meeting of the Members called at least in part for this purpose, by a two-thirds (2/3) vote of the membership. The petition calling for the removal of such officer or director shall set forth a time and place for the meeting of Members, and notice shall be given to all Members of such special meeting of the Members at least ten (10) days prior to such meeting in the manner provided in these By-Laws for the giving of notices of special meetings. At any such meeting, the officer or director whose removal is sought shall be given the opportunity to be heard.

Missing three consecutive meetings of the Annual ten (10) scheduled meetings shall be cause for removal.

Section 5. Indemnification of Directors, Officers and Committee Members.

Every Director, Officer, and Committee Member of the Association shall be indemnified by the Association against liability and expenses which he may incur by reason of his being or having been a Director, Officer or Committee Member of the Association in accordance with the terms of the Articles of Incorporation of the Association (hereinafter referred to as the "Articles of Incorporation"), and the Declaration.

ARTICLE IV

POWERS AND DUTIES OF THE ASSOCIATION AND THE EXERCISE THEREOF

The Association shall have all powers granted to it by common law, Florida Statutes, the Declaration, the Articles of Incorporation, and these By-Laws, all of which shall be exercised by its Board of Directors unless the exercise thereof is otherwise restricted in the Declaration, these By-Laws or by law; the powers of the Association shall include, but not be limited to, the following:

1. All of the powers specifically provided for in the Declaration and in the Articles of Incorporation.
2. The power to levy and collect Assessments against Lots, as provided for in the Declaration.
3. The power to expend monies collected for the purpose of paying the Common Expenses of the Association.
4. The power to purchase equipment, supplies and materials required for the maintenance, repair, replacement, operation and management of the Common Property, the Lake Easements, that portion of the Lots outside the Units and that portion of the exterior of the Units and landscaping on each Lot, specifically described in the Declaration.
5. The power to insure and keep insured the buildings and Improvements of the Association and other Improvements within the Property, as provided in the Declaration.
6. The power to employ the personnel required for the operation of the Association and the Common Property and the Lake Easements.
7. The power to pay utility bills for utilities serving the Common Property.
8. The power to contract for the management of the Association and to delegate to its contractor as manager, all of the powers and duties of the Association, except those matters which must be approved by Members.

9. The power to make reasonable rules and regulations and to amend them from time to time.
10. The power to improve the Common Property, subject to the limitations of the Declaration.
11. The power to enforce by any legal means the provisions of the Articles of Incorporation, the By-Laws, the Declaration and the rules and regulations promulgated by the Association.
12. The power to collect delinquent Assessments by suit or otherwise, and to abate nuisances and enjoin or seek damages from Owners for violation of the provisions of the Declaration, the Articles of Incorporation, these By-Laws or the Rules and Regulations.
13. The power to pay all taxes and assessments which are liens against the Common Property.
14. The power to control and regulate the use of the Common Property by the Owners, and to promote and assist adequate and proper maintenance of that property.
15. The power to borrow money and the power to select depositories for the Association's funds, and to determine the manner of receiving, depositing, and disbursing those funds and the form of check and the person or persons by whom the same shall be signed, when not signed as otherwise provided by these By-Laws.
16. The power to acquire real and personal property for the benefit and use of its Members and to dispose of the property in accordance with the Declaration and the Articles of Incorporation.
17. The power to enter into a long term contract with any person, firm, corporation or real estate management or maintenance agent of any nature or kind, to provide for the maintenance, operation, repair and upkeep of the Common Property, the Lake Easements, that portion of the Lots outside of the Unit, and the exterior of the Units, as more fully described in the Declaration, and of any facilities on lease to the Association or otherwise provided for the Members' usage. The contract may provide that the total operation of the managing agent, firm or corporation shall be at the cost of the Association as a Common Expense. The contract may further provide that the managing agent shall be paid from time to time a reasonable fee either stated as a fixed fee or as a percentage of the total costs of maintenance, operation, repair and upkeep or of the total funds of the Association handled and managed by the managing or maintenance agent. Such fee, if any, shall be another of the management function costs to be borne by the Association, as a Common Expense, unless the contract provides to the contrary.

18. The power to establish additional officers and/or directors of this Association and to appoint all officers, except as otherwise provided herein.

19. The power to appoint such committees as the Board of Directors may deem appropriate. Any resident of Waterford shall be eligible for appointment.

20. The power to establish and maintain a reserve fund, in accordance with the provisions of the Declaration.

21. The power to deal with the Master Association on all matters which affect the Property, the Members, the Owners, or the Association.

22. The power to bring suit and to litigate on behalf of the Association, and the Members and the Owners; provided, however, that except as specifically set forth in this Paragraph 22, the Association shall not have the power to bring suit or to litigate on behalf of the Association, the Members or the Owners without the express prior written consent of at least sixty-six percent (66%) of the Members. The above restrictions shall not apply to suits or litigation on behalf of the Association to collect Assessments, enforce liens, bring injunctive action or otherwise enforce the Articles of Incorporation, the By-Laws, the Declaration, the rules and regulations or the Traffic Regulations promulgated by the Association, nor shall this restriction apply to the Association's defense of any suits or litigation brought against the Association.

23. The power to possess, employ and exercise all powers necessary to implement, enforce and carry into effect the powers above described, including the power to acquire, hold, convey and deal in real and personal property.

ARTICLE V

DUTIES OF OFFICERS

Section 1. President. The President shall be the chief executive office of the Association and shall:

A. Act as presiding officer at all meetings of Members of the Association and of the Board of Directors.

B. Call special meetings of the Board of Directors.

C. Sign, with the Secretary or Treasurer if the Board of Directors so requires, all checks, contracts, promissory notes, leases, deeds and other instruments on behalf of the Association, except those which the Board of Directors specifies may be signed by other persons.

D. Perform all acts and duties usually required of a chief executive to insure that all orders and resolutions of the Board of Directors are carried out.

E. Act as ex-officio member of all committees, and render an annual report at the annual meeting of Members.

Section 2. Vice President. The Vice President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. The Vice President also shall assist the President generally, and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

Section 3. Secretary. The Secretary shall have the following duties and responsibilities:

A. Attend all regular and special meetings of the Members of the Association and of the Board of Directors and keep all records and minutes of proceedings thereof or cause the same to be done.

B. Have custody of the corporate seal and affix the same when necessary and required.

C. Attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings, keep membership books, and receive all applications for membership.

D. Perform such other duties as the Board of Directors may determine and on all occasions in the execution of the Secretary's duties, act under the superintendence, control and direction of the Board of Directors.

E. Have custody of a minute book of the meetings of the Board of Directors and Members, and act as transfer agent of the corporate books.

Section 4. Treasurer. The Treasurer shall:

A. Attend all meetings of the membership and of the Board of Directors.

B. Receive such monies as shall be paid into his hands for the account of the Association and disburse funds as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and be custodian of all securities, contracts, leases and other important documents of the Association which he shall keep safely deposited.

C. Supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association, and deliver such books to his successor. He shall prepare and distribute to all of the members of the Board of Directors prior to each annual meeting, and whenever else required, a summary of the financial transactions and condition of the Association

from the preceding year. He shall make a full and accurate report on matters and business pertaining to his office to the Members at the annual meeting, and make all reports required by law. He shall prepare the annual budget, and present it to the Board of Directors for its consideration.

D. The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Association as a Common Expense. In the event the Association enters into a management agreement, it shall be proper to delegate such of the Treasurer's functions to the management agent as is deemed appropriate by the Board of Directors.

Section 5. Representative to Master Association. The Representative to the Master Association shall:

A. Attend all meetings of the membership and of the Board of Directors.

B. Represent the Association on the Board of Directors of the Master Association and exercise the votes of the Association in the Master Association pursuant to the Master Declaration and the by-laws of the Master Association. Such representation and exercise of votes shall be as expressly directed by the Board of Directors of the Association.

ARTICLE VI

MEMBERSHIP AND VOTING

Section 1. Qualification for Membership. The qualification for membership, and the manner of admission to membership and termination of such membership, shall be as follows: A person or entity shall automatically become a Member of the Association upon acquisition of fee simple title to any Lot, by filing a deed therefor in the public records of Palm Beach County, Florida. Membership shall continue until such time as the Member transfers or conveys his interest of record or the interest is transferred or conveyed by operation of law, at which time membership, with respect to the Lot conveyed, shall automatically be conferred upon the transferee. Membership shall be appurtenant to, and may not be separated from, ownership of property subject to the Declaration. No person or entity holding an interest of any type or nature whatsoever in a Lot only as security for the performance of an obligation, shall be a member of the Association.

Section 2. Voting. Members shall be entitled to one vote for each Lot in which they hold the interest required for membership. Votes may be exercised or cast by a Member in person or by proxy. Proxies may be filed with the Secretary of the Association prior to the meeting. A proxy shall be valid and entitle the holder thereof to vote until the Secretary shall have received a written revocation of such proxy executed by the grantor of such proxy, or until the death or legal incompetence of the grantor. When more than one (1) person holds such interest or interests in any Lot, all such persons shall be Members, and the vote of such Lot shall be exercised as they among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any

such lot. With respect to each Lot owned by other than a natural person or persons or with respect to each Lot owned by more than one person, the Owner(s) shall file with the Secretary of the Association a notice designating the name of an individual who shall be authorized to cast the vote of such Owner(s). In the absence of such designation, the Owner(s) shall not be entitled to vote on any matters coming before the membership, nor shall the presence of such Owner(s) at a meeting be considered in determining whether a quorum requirement has been met. If a Lot shall be owned by a husband and wife as tenants by the entirety, no certificate need be filed with the Secretary naming the person authorized to cast votes for said Lot, and either spouse, but not both, may vote in person or by proxy and be considered in determining whether the quorum requirement has been met at any meeting of the members, unless prior to such meeting, either spouse has notified the Secretary in writing that there is a disagreement as to who shall represent the Lot at the meeting, in which case the certificate requirements set forth above shall apply.

ARTICLE VII

MEETINGS

Section 1. Meeting of Members.

A. Place of Meetings: All meetings of the Association shall be held at the office of the Association, or may be held at such time and place in Palm Beach County, Florida, as shall be stated in the notice thereof.

B. Annual Meetings: Annual Members' meetings shall be held upon such date as shall be selected by the Board of Directors, in its discretion, in each calendar year. No meeting shall be held on a legal holiday. The meeting shall be held at such time as the Directors shall appoint from time to time. The purpose of such meeting shall be the election of Directors and the transaction of other business authorized to be transacted by Members. The order of business shall be as determined by the Board of Directors.

C. Special Meetings: Special Meetings shall be held whenever called by the President or by a majority of the Board of Directors and must be called by the Secretary, upon receipt of a written request from Members of the Association holding a majority of the total votes of the membership. Business transacted at all special meetings shall be confined to the objects and actions to be taken as stated in the notice of the meeting.

D. Quorum: A quorum for the transaction of business at the annual meeting or any special meeting shall consist of thirty percent (30%) of the total votes of the membership, being present either in person or by proxy, but the Members present at any meeting although less than a quorum, may adjourn the meeting to a future date.

E. **Voting Required to Make Decisions:** When a quorum is present at any meeting, the vote of a majority of the Members' votes present in person or by proxy shall decide any question brought before the meeting, unless the Declaration, the Articles of Incorporation, these By-Laws or any applicable statute provides otherwise.

Section 2. Directors' Meetings; Committee Meetings.

A. **The Board of Directors may establish a schedule of regular meetings to be held at such place as the directors may designate. All meetings of the Board must be open to all Members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Notices of all Board meetings must be posted in a conspicuous place in the community at least forty-eight (48) hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the community, notices of each Board meeting must be mailed or delivered to each Member at least seven (7) days before the meeting, except in an emergency.**

B. **Special Meetings:** Special meetings of the Board of Directors may be called by the President, upon notice to each director to be delivered by telephone, mail or in person. Special meetings may also be called on written request of two (2) directors. All notices of special meetings shall state the purpose, time and place of the meeting.

C. **Quorum:** At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at such meeting at which a quorum is present, shall be the acts of the Board of Directors except where approval by a greater number is required by the Declaration, the Articles of Incorporation or these By-Laws. Any meeting at which a quorum is not present, the presiding officer may adjourn the meeting from time to time, and at any such adjourned meeting, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.

D. **Joinder:** The joinder of a Director in an action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

E. **Written Action:** Any action required to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so to be taken, signed by all of the Directors, is filed in the minutes of the proceedings of the Board. Such consent shall have the same effect as a unanimous vote.

F. **Presiding Officer:** In the absence of the presiding officer, the directors present shall designate one of their number to preside.

G. **Telephone meeting:** Any regular or special meeting of the Board of Directors may be held by telephone conference, at which each participating member can hear and be heard by all other participating members.

H. **Order of Business.** The order of business at Directors' meetings shall be as determined by the Board of Directors.

I. **Balloting:** Directors may not vote by proxy or by secret ballot at Board meetings except that secret ballots may be used in the election of officers.

J. **Assessment and Manner of Collection:** The Board of Directors shall have the power to levy and enforce Assessments against Lots and Owners as set forth in the Declaration. An Assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that Assessments will be considered and the nature of the Assessment.

K. **Committee Meetings:** The above also applies to the meetings of any committee or other similar body, where a final decision will be made regarding the expenditure of Association funds, and to any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the community.

ARTICLE VIII

NOTICE OF MEMBERS' MEETINGS

Section 1. **Annual Meeting.** Written notice of the annual meeting of Members shall be served upon or mailed to each Member entitled to notice, at least ten (10) days, and no more than sixty (60) days, prior to the meeting. Such notice shall be hand delivered or mailed to each Member at its address as it appears on the books of the Association. Proof of such mailing may be given by the affidavit of the person giving the notice.

Section 2. **Special Meeting.** Written notice of a special meeting of Members stating the time, place and object of such meeting shall be served upon or mailed to each Member at least five (5) days, and no more than sixty (60) days, prior to such meeting.

Section 3. **Waiver.** Nothing herein is to be construed to prevent Members from waiving notice of meetings or acting by written agreement without meetings.

Section 4. **Mortgagees.** Mortgagees shall be entitled to receive financial statements of the Association upon written request therefor to the Association.

ARTICLE IX

PROCEDURE

Robert's Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and By-Laws of the Association or with the Statutes of the State of Florida.

ARTICLE X

FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year; provided, however, that the Board of Directors is authorized to change to a different fiscal year at such time as the Board deems it advisable.

Section 2. Depositories. The funds of the Association shall be deposited in such accounts in Palm Beach County, Florida, as may be selected by the Board of Directors, including checking and Savings accounts in one (1) or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market accounts with an investment firm or firms, all in accordance with the resolutions approved by the Board of Directors. Association funds shall be withdrawn only over the signature of the President or such other persons as the Board may authorize. The Board may require more than one (1) signature on checks and bank drafts. The funds shall be used only for corporate purposes.

Section 3. Reserve Accounts. The Association shall establish and maintain an adequate reserve account for roof repairs for the Units, painting of the Units, including garages, and asphalt resurfacing of the Common Property. Payments to the reserve account and other incidental expenses incurred by the Association in administering and carrying out of the provisions of this Section 3 shall be a Common Expense.

Section 4. Fidelity Bonds. The Association shall purchase blanket fidelity bonds for all officers and employees of the Association for all officers and employees of the Association and for any management agent, who controls or disburses funds of the Association and any contractor handling or responsible for Association funds. The following provisions shall govern the Association's purchase of the bonds.

- a) Each fidelity bond purchased by the Association shall name the Association as an obligee of the bond.
- b) The premiums for such bonds shall be paid by the Association as a Common Expense.

c) The fidelity bonds shall cover the maximum funds that will be in the custody of an officer or employee of the Association, or a management agent who controls or disburses funds of the Association, or any contractor handling or responsible for Association funds, at any time while the bonds are in force. Additionally, coverage of the fidelity bonds must be no less than the sum of three (3) months Assessments on all the Lots, plus the funds in the Association's reserve account.

d) Each bond shall include a provision requiring ten (10) days written notice to the Association or the Association's insurance trustee before the bond can be canceled or substantially modified for any reason.

Section 5. Official Records. The Association shall maintain each of the following items when applicable, which constitute the official records of the Association and which shall be available for inspection or copying by the Members within ten (10) business days of the request.

A. Copies of any plans, specifications, permits, and warranties related to improvements constructed on the common areas or other property that the Association is obligated to maintain, repair or replace.

B. A copy of the By-Laws of the Association and of each amendment to the By-Laws.

C. A copy of the Articles of Incorporation of the Association and of each amendment thereto.

D. A copy of the Declaration of Covenants and a copy of each amendment thereto.

E. A copy of the current rules of the homeowners' Association.

F. The minutes of all meeting of the Board of Directors and of the Members, which minutes must be retained for at least seven (7) years.

G. A current roster of all members and their mailing addresses and parcel identifications.

H. All of the Association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years.

I. A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, leases, or other contract under with the Association has any obligation or responsibility. Bids received by the Association for work to be performed must also be considered official records and must be kept for a period of one (1) year.

J. The financial and accounting records of the Association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

1. Accurate, itemized, and detailed records of all receipts and expenditures.
2. A current account and a periodic statement of the account for each Member, designating the name and current address of each Member who is obligated to pay Assessments, the due date and the amount of each Assessment or other charge against the Member, the date and amount of each payment on the account, and the balance due.
3. All tax returns, financial statements, and financial reports of the Association.
4. Any other records that identify, measure, record, or communicate financial information.

Section 6. Annual Statement. The Board of Directors shall present annually to the Members a full and clear statement of the business and condition of the Association, as prepared by an independent accountant.

Section 7. Insurance. The Association shall procure, maintain and keep in full force and effect, such insurance as may be required by the Declaration to protect the interests of the Association, the Members and the Mortgagees.

Section 8. Expenses. The receipts and expenditures of the Association may be credited and charged to accounts as the Board of Directors may determine, in accordance with good accounting practices.

Section 9. Budget. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the Common Expenses, and to provide and maintain funds for the accounts established by the Board of Directors, in accordance with good accounting practices.

ARTICLE XI

RULES AND REGULATIONS AND TRAFFIC REGULATIONS

The Board of directors may, from time to time, adopt rules and regulations governing the details of the operation and use of the Property and Traffic Regulations governing the use of the Streets, provided that the rules and regulations and Traffic Regulations shall be equally applicable to all Members and uniform in application and effect.

ARTICLE XIIVIOLATIONS AND DEFAULTS

In the event of a violation of any of the provisions of the Declaration, these By-Laws, the rules and regulations or Traffic Regulations adopted by the Association or the Articles of Incorporation, the Association shall have all rights and remedies provided by law, including without limitation (and such remedies shall be cumulative) the right to sue for damages, the right to impose a special assessment for non-compliance, as provided in the Declaration, the right to injunctive relief, and, in the event of a failure to pay Assessments or to abide by the architectural restrictions of the Declaration and the Master Declaration; and in every such proceeding, the Owner at fault shall be liable for court costs and the Association's attorneys' fees, including such costs and attorneys' fees on appeal. A suit to collect unpaid Assessments may be prosecuted by the Association without waiving the lien securing such unpaid Assessments, costs and attorneys' fees.

ARTICLE XIIIAMENDMENT OF BY-LAWS

These By-Laws may be amended, altered or rescinded by a majority vote of the Board of Directors at any regular or special meeting; provided, however, that at no time shall the By-Laws conflict with the terms of the Declaration or the Articles of Incorporation. Any Member of the Association may propose an amendment to the Board, and the Board shall act upon such proposal at its next meeting. Any attempt to amend, alter, modify or rescind contrary to these prohibitions shall be of no force and effect.

ARTICLE XIVVALIDITY

If any By-Law, rule, regulation or Traffic Regulation shall be adjudged invalid, such fact shall not effect the validity of any other By-Law, rule or regulation or Traffic Regulation.

ARTICLE XVCONSTRUCTION

These By-Laws and the Articles of Incorporation of the Association shall be construed, in case of any ambiguity or lack of clarity, to be consistent with the provisions of the Declaration. In the event of any conflict between the terms of the Declaration, the Articles of Incorporation or these By-Laws, the following order of priority shall apply: the Declaration, the Articles of Incorporation

and the By-Laws.

The foregoing were adopted as the By-Laws of WATERFORD AT ABERDEEN ASSOCIATION, INC., a not-for-profit corporation under the laws of the State of Florida, at the meeting of the Board of Directors on the 20 day of NOVEMBER, 2001

WATERFORD AT ABERDEEN
ASSOCIATION, INC.

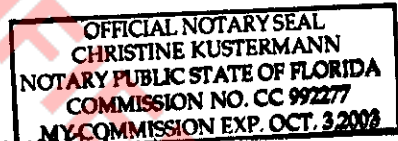
By: Daniel Issenberg
DANIEL ISSENBERG President

ATTEST:

Steven Ackerman
STEVEN ACKERMAN Secretary

AAWATERFOR.BYL

Acknowledge above signatures
of Daniel Issenberg and Steven Ackerman
on November 23, 2001 in the State
of Florida in the City of West Palm
Beach.



Christine
Kustermann