

Exhibit

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OF

COACH HOUSES AT LEESBURG CONDOMINIUM ASSOCIATION, INC.

A corporation not for profit
under the laws of the State of Florida

1. Identity. These are the Bylaws of COACH HOUSES AT LEESBURG CONDOMINIUM ASSOCIATION, INC., called Association in these Bylaws, a corporation not for profit under the laws of the State of Florida. The Articles of Incorporation of the Association were filed in the office of the Secretary of State on August 27, 1980. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 718, Florida Statutes, called the Condominium Act in these Bylaws, which condominium is identified by the name COACH HOUSES AT LEESBURG and is located upon the following lands in Lake County, Florida:

Lot 4 of N. C. Lee Estates in the City of Leesburg, Florida, according to the plat thereof as recorded in Plat Book 1, page 75 of the Public Records of Lake County, Florida, LESS the West 1367.05 feet and less the South 280.0 feet thereof.

1.1 The office of the Association shall be at 1419 Beverly Point Road, Leesburg, Florida.

1.2 The fiscal year of the Association shall be the calendar year.

1.3 The seal of the corporation shall bear the name of the corporation, the word "Florida," the words "Corporation not for profit" and the year of incorporation, an impression of which is as follows:

2. Members.

2.1 Roster of members. The Association shall maintain a roster of the names and mailing addresses of unit owners, which shall constitute a roster of members. The roster shall be maintained from evidence of ownership furnished to the Association from time to time to substantiate the holding of a membership and from changes of mailing addresses furnished from time to time. Each member shall furnish to the Association a certified copy of the record evidence of his title substantiating his membership in the manner required by the Articles of Incorporation and the Declaration of Condominium.

2.2 Annual meeting. The annual members' meeting shall be held on the first Tuesday in August in each year at 11:00 a.m. local time, at such place in Leesburg, Lake County, Florida as the President or a majority of the Board of Directors shall determine; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day which is not a holiday. The

purpose of the meeting shall be to elect directors and to transact any other business authorized to be transacted by the members; provided that if the date for the first annual meeting of members subsequent to relinquishment of control by the developer of the condominium is less than six (6) months after the first election of directors by the membership of the Association, this annual meeting shall not be held, and the directors first elected by the membership of the Association shall serve until the date for the next following annual meeting.

2.3 Special Members' meetings shall be held at such places as provided for annual meetings whenever called by the President or by a majority of the board of directors, and must be called by those officers upon receipt of a written request from a majority of the members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.

2.4 Notice of a meeting of members stating the time and place and objects for which the meeting is called shall be given by the officer calling the meeting. A copy of the notice shall be posted at a conspicuous place on the condominium property and a copy shall be delivered or mailed to each member entitled to attend the meeting except members who waive the notice in writing. The delivery or mailing shall be to the address of the member as it appears on the roster of members. The posting, delivery or mailing of the

notice shall be effected not less than fourteen days nor more than sixty days prior to the date of the meeting. Proof of posting, delivery or mailing of the notice shall be given by the affidavit of the person serving the notice. Notice of a meeting may be waived before or after the meeting.

2.5 A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation or these Bylaws.

2.6 Voting.

a. In any meeting of members the owners of units shall be entitled to cast the number of votes indicated in the following schedule unless the decision to be made is elsewhere required to be determined in another manner:

Each unit owner or owners shall cast one (1) vote per unit only. The person voting shall be designated by those owners and shall so vote according to the terms of the Declaration of Condominium and the By-laws of this corporation, as presently constituted or as amended.

b. If a unit is owned by one person his right to vote shall be established by the roster of members.

If a unit is owned by more than one person, or is under lease, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit according to the roster of unit owners and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate signed by the president or vice president and attested by the secretary or assistant secretary of the corporation and filed with the Secretary of the Association. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote for a unit may be revoked by any owner of a share in the unit. If a certificate designating the person entitled to cast the vote for a unit is not on file, the vote of the owners shall not be considered in determining whether a quorum is present nor for any other purpose.

2.7. Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the specific meeting for which originally given, and any lawfully adjourned meeting thereof. A proxy will not be valid for a period longer than ninety (90) days after the date of the first meeting for which it

was given. Every proxy is revocable at any time at the pleasure of the unit owner who executed it.

2.8 Adjourned meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the adjourned meeting is given in the manner required for notice of a meeting.

2.9 The order of business at annual members' meetings and as far as practical at other members' meetings, shall be:

- a. Call to order by President
- b. Election of chairman of the meeting
- c. Calling of the roll and certifying of proxies
- d. Proof of notice of meeting or waiver of notice
- e. Reading and disposal of any unapproved minutes
- f. Reports of officers
- g. Reports of committees
- h. Election of inspectors of election
- i. Determination of number of directors
- j. Election of directors
- k. Unfinished business
- i. New business
- m. Adjournment

2.10 Proviso. Provided, however, that until a majority of the directors of the Association are elected by the members other than the Developer of the condominium, the proceeding of all meetings of members of the Association shall have no effect unless approved by the board of directors.

3. Directors.

3.1 Membership. The affairs of the Association shall be managed by a board of not less than three nor more than 11 directors, the exact number to be determined at the time of election.

3.2 Election of directors shall be conducted in the following manner:

a. Election of directors shall be held at the annual members' meeting.

b. A nominating committee of five members shall be appointed by the board of directors not less than thirty (30) days prior to the annual members' meeting. The committee shall nominate one person for each director then serving. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

c. The election shall be by ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

d. Except as to vacancies provided by removal of directors by members, vacancies in the board of directors occurring between annual meetings of members shall be filled by the remaining directors.

e. Any director may be removed by concurrence of a majority of all unit owners at a special meeting

of the members called for that purpose, or a regular meeting. In addition, an agreement in writing may be substituted for a vote at such meeting. The vacancy in the board of directors so created shall be filled by the members of the Association at the same meeting.

f. Provided, however, that until a majority of the directors are elected by the members other than the Developer of the condominium, neither the first directors of the Association nor any directors replacing them nor any directors named by the Developer shall be subject to removal by members other than the Developer. The first directors and directors replacing them may be removed by the Developer.

3.3 The term of each director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.4 The organizational meeting of a newly-elected board of 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, and no further notice of the organizational meeting shall be necessary.

3.5 Regular meetings of the board of directors 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 telegraph, and shall be

transmitted at least three (3) days prior to the meeting. A notice of regular meetings shall be posted conspicuously 48 hours in advance for the attention of members of the Association.

3.6 Special meetings of the directors may be called by the President and must be called by the Secretary at the written request of one third of the directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting. Notice of a special meeting shall be posted conspicuously 48 hours in advance for the attention of members of the Association except in an emergency.

3.7 Waiver of notice. Any director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the giving of notice.

3.8 A quorum at directors' meetings shall consist of a majority of the entire board of directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the board of directors, except when approval by a greater number of directors is required by the Declaration of Condominium, the Articles of Incorporation or these Bylaws.

3.9 Adjourned meetings. If at any meeting of the board of directors there 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 adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

3.10 Joinder in meeting by approval of minutes.

The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall be permitted. However, such a joinder shall not constitute the presence of that director for the purpose of determining a quorum.

3.11 The presiding officer of directors' meetings shall be the chairman of the board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

3.12 The order of business at directors' meetings shall be:

- a. Calling of roll
- b. Proof of due notice of meeting
- c. Reading and disposal of any unapproved minutes
- d. Reports of officers and committees
- e. Election of officers
- f. Unfinished business
- g. New business
- h. Adjournment

3.13 Directors' fees, if any, shall be determined by the members.

4. Powers and duties of the Board of Directors. All of the powers and duties of the Association existing under

the Condominium Act, Declaration of Condominium, Articles of Incorporation and these Bylaws shall be exercised exclusively by the board of directors, its agents, contractors or employees, subject only to approval by unit owners when that is specifically required.

5. Officers.

5.1 The executive officers of the Association shall be a President, who shall be a director, a Vice President, who shall be a director, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the board of directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the directors. A person may hold more than one office except that the President may not also be the Secretary or Assistant Secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The board of directors from time to time shall elect such other officers and designate their powers and duties as the board shall find to be required to manage the affairs of the Association.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association, including but not limited to the power of appointing committees from among the members from time to time to assist in the conduct of the affairs of

the Association as he in his discretion may determine appropriate.

5.3 The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

5.4 The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the President.

5.5 The Assistant Secretary shall exercise the powers and perform the duties of the Secretary in the absence or disability of the Secretary.

5.6 The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the board of directors for examination

at reasonable times. He shall submit a treasurer's report to the board of directors at reasonable intervals and shall perform all other duties incident to the office of treasurer.

5.7 The compensation of all offices and employees of the Association shall be fixed by the directors. The provision that directors' fees shall be determined by members shall not preclude the board of directors from employing a director as an employee of the Association nor preclude the contracting with a director for the management of the condominium.

6. Fiscal management. The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

6.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

a. Current expense, which shall include all receipts and expenditures to be made within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to capital surplus or to additional improvements (or to operations). The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year.

b. Capital surplus for

- (1) Deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.
- (2) Replacements, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.
- (3) Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

c. Operations, which shall include the gross revenues from the use of the common elements. Only the additional direct expense required by the revenue-producing operation will be charged to this account, and any surplus from that operation shall be used to reduce the assessments for current expense in the year following the year in which the surplus is realized. Losses from operations shall be met by special assessments against apartment owners, which assessments may be made in advance in order to provide a working fund.

6.2 Budget. The board of directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts according to good accounting practices as follows:

a. Current expense, the amount for which shall not exceed 115% of the budget for this account for the prior year.

b. Deferred maintenance, the amount for which shall not exceed 115% of the budget for this account for the prior year.

c. Replacements, the amount for which shall not exceed 115% of the budget for this account for the prior year.

d. Operations, the amount of which may be to provide a working fund or to meet losses.

e. Provided, however, that the amount for each budgeted item may be increased over the foregoing limitations when approved by members entitled to cast not less than 75% of the votes of the entire membership of the Association.

f. Further provided, however, that until the Developer of the condominium has completed all of the contemplated improvements and closed the sales of all units and maids' rooms of the condominium, or until developer elects to terminate its control of the condominium, or until required by Statute, whichever shall first occur, the board of directors may omit from the budget all allowances for contingencies and capital surplus.

g. Copies of a proposed budget and proposed assessments shall be delivered or mailed to each member not

less than thirty (30) days prior to the meeting of the board of directors at which the proposed budget will be considered for adoption, together with a notice of that meeting. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.

6.3 Assessments. Assessments against the unit owners for their shares of the items of the budget shall be made by the board of directors for the calendar year annually in advance on or before December 20 preceding the year for which the assessments are made. The amount required from each unit owner to meet the annual budget shall be divided into twelve equal assessments, one of which shall be due on the first day of each calendar month of the year for which the assessments are made, or fifteen (15) days after the mailing to the unit owners concerned of a statement for the assessment coming due, whichever date shall last occur. If assessments are not made annually as required, monthly assessments shall be presumed to have been made in the amount of the last prior monthly assessment, and assessments in this amount shall be due on the first day of each calendar month until changed by an amended assessment. In the event a monthly assessment shall be insufficient in the judgment of the board of directors to provide funds for the anticipated current expense for the ensuing month and for all of the unpaid operating expenses previously incurred, the board of directors shall amend the budget and shall make amended monthly assessments for the balance of the year in sufficient amount to meet these expenses for the year; provided, however,

that any account of the amended budget that exceeds the limit upon increases for that year shall be subject to the approval of the membership of the Association as previously required by these Bylaws.

6.4 Assessments for charges. Charges by the Association against members for other than common expenses shall be payable in advance. Those charges may be collected by assessment in the same manner as common expenses, and when circumstances permit, those charges shall be added to the assessments for common expense. Charges for other than common expense may be made only after approval of a member, and may include but shall not be limited to charges for the use of condominium property when authorized by the Declaration of Condominium, maintenance services furnished at the expense of a member and other services furnished for the benefit of a member.

6.5 Assessments for emergencies. Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be due only after thirty (30) days' notice is given to the unit owners concerned, and shall be paid in such manner as the board of directors of the Association may require in the notice of assessment.

6.6 The depository of the Association shall be such bank or banks as shall be designated from time to time by the directors and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts

shall be only by checks signed by such persons as are authorized by the directors.

6.7 An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the audit report shall be furnished to each member not later than April 1 of the year following the year for which the audit is made, unless a majority of the board of directors waives the same and the condominium act of Florida allows the waiver.

7. Parliamentary rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation and these By-Laws.

8. Amendments. Except as elsewhere provided otherwise, these By-Laws may be amended in the following manner:

8.1 Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

8.2 A resolution adopting a proposed amendment may be proposed by either the board of directors of the Association or by the members of the Association. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing that approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, the approvals must be either by:

a. not less than 75% of the entire membership of the board of directors and by not less than 75% of the votes of the entire membership of the Association; or

b. not less than 80% of the votes of the entire membership of the Association; or

c. until a majority of the directors are elected by members other than the Developer of the condominium, only by all of the directors.

8.3 Anything to the By-Laws to the contrary notwithstanding, any amendment to these By-Laws must be consented to in writing by the owners and holders of all first mortgage liens on all units.

Each owner of a unit shall be responsible for obtaining any consent of the first mortgagee of his or her unit required for the amendment of these By-Laws.

When unit owners other than the Developer own fifteen (15) percent or more of the units in a condominium that will be operated ultimately by an Association, the unit owners other than the Developer shall be entitled to elect no less than one-third (1/3) of the members of the Board of directors of the Association. Unit owners other than the Developer are entitled to elect not less than a majority of the members of the Board of directors of an Association:

(a) Three years after fifty (50) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers;

(b) Three months after ninety (90) percent of the units that will be operated ultimately by the Association have been conveyed to purchasers;

(c) When all the units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or

(d) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business, whichever occurs first. The Developer is entitled to elect at least one member of the Board of directors of an Association as long as the Developer holds for sale in the ordinary course of business at least five (5) percent, in condominiums with fewer than 500 units, and two (2) percent, in condominiums with more than 500 units, of the units in a condominium operated by the Association.

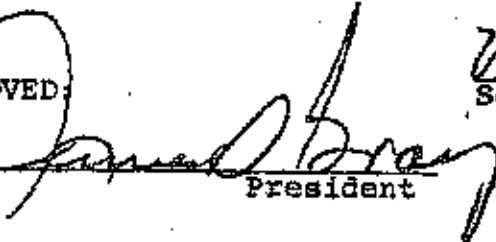
Within sixty (60) days after the unit owners other than the Developer are entitled to elect a member or members of the Board of directors of an Association, the Association shall call, and give not less than thirty (30) days' or more than forty (40) days' notice of, a meeting of the unit owners to elect the members of the Board of directors. The meeting may be called and the notice given by any unit owner if the Association fails to do so.

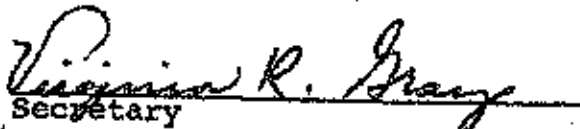
Prior to, or not more than sixty (60) days after, the time that unit owners other than the Developer elect a majority of the members of Board of Directors of the Association, the Developer shall relinquish control and the unit

owners accept the same. Simultaneously, the Developer shall deliver to the Association all property of the unit owners and of the Association held or controlled by the Developer, including, but not limited to, those items, if applicable, required in Section 718.301(4), Florida Statutes.

The foregoing was adopted as the By-Laws of COACH HOUSES AT LEESBURG CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on September 1, 1980.

APPROVED:


President


Secretary