

BYLAWS  
OF  
RIVER HILLS RESERVE OWNERS SUB-ASSOCIATION, INC.

I. DEFINITIONS.

All defined terms contained herein which are defined in the River Hills Reserve Declaration of Covenants, Conditions, Restrictions, Limitations and Easements ("Village Declaration") to be recorded in the public records of Clay County, Florida, and in the Articles of Incorporation ("Articles") of the Village Association, shall have the same meanings as such terms are defined in the Village Declaration and Articles.

II. LOCATION OF PRINCIPAL OFFICE.

The office of the River Hills Reserve Owners Sub-Association, Inc. ("Village Association") shall be at 6620 Southpoint Drive South, Suite 400, Jacksonville, Florida 32216, or at such other place as may be established by resolution of the Board of Directors of the Village Association ("Village Board") from time to time.

III. VOTING RIGHTS AND ASSESSMENTS.

A. Every person or entity who is a record fee simple owner of a Lot and CENTEX HOMES, a Nevada general partnership (the "Declarant") as long as it owns any Property subject to the Village Declaration, shall be a member of the Village Association (the "Village Members") and shall have the voting rights as set forth hereinbelow, provided that any such person or entity who holds such interest only as a security for the performance of an obligation shall not be a Village Member. Village Membership shall be appurtenant to, and may not be separated from, ownership of any Lot within the Property.

B. The Village Association shall have classes of voting membership as follows:

1. Village Member. Village Members shall be the Owners of Lots (other than Declarant until the Declarant Membership in the Association terminates). Each Village Member owning an Improved Lot shall have one (1) vote for each such Lot.
2. Declarant Member. The Declarant Member shall be Declarant or an assignee of Declarant's rights under the Village Declaration and these Bylaws. The Declarant Member shall be entitled to the number of votes equal to the total votes from time to time possessed by all other classifications of memberships, plus one (1) vote. Declarant Membership shall terminate (i) when Declarant no longer owns any part of the Property; (ii) when twenty (20) years have elapsed from the date of recording this Village Declaration; or (iii) when

Declarant, in its sole discretion, elects to terminate the Declarant Membership by written notice to the Village Association, whichever shall first occur.

C. The affirmative vote of a majority of the votes allocated to the Village Members cast at any meeting of the Village Members duly called at which a quorum is present, or cast by written ballot by a quorum of the membership, shall be binding upon the Village Members and the Village Association.

D. The Village Association will obtain funds with which to operate by assessment of its Village Members in accordance with the provisions of the Village Declaration, as supplemented by the provisions of the Articles and Bylaws of the Village Association relating thereto.

E. The share of total annual assessment, special assessments and any other assessments imposed by the Village Board pursuant to the Village Declaration, Articles and these Bylaws shall be based upon one (1) Equivalent Residential Unit ("ERU") for each Improved Lot owned by such Owners; however, until such time as Improved Residential Units are occupied, or Declarant gives notice to the Village Board, pursuant to Article XII, Section 11, that it shall no longer pay the operating deficits of the Village Association, whichever is the first to occur, the Owners shall be obligated to pay fifty percent (50%) of such assessment.

F. The assessment obligations of each Owner other than the Declarant shall commence on the later of (i) the recordation of the Village Declaration or (ii) a Deed evidencing fee title ownership in the public records of Clay County, Florida. Annual assessments shall be collectible in advance on a periodic basis established by the Village Board from time to time. Special assessments shall be collectible in advance in the manner established by the Village Board at the time such special assessments are authorized.

G. Assessments and installments thereon not paid when due shall bear interest from the date when due until paid at the highest lawful rate and shall result in the suspension of voting privileges during any period of such non-payment.

#### **IV. ELECTION OF DIRECTORS.**

A. The affairs of the Village Association shall be managed by a Village Board consisting of not less than three (3) persons, who shall initially be appointed by Declarant and shall be elected annually thereafter. Village Board members need not be Members of the Village Association, except as provided below:

1. Commencing with the first annual election of directors following the date upon which there are at least twenty-five (25) Village Members, other than Declarant, Declarant shall cast its votes to elect two (2) Village Members to the Village Board. Thereafter, the Village Members other than Declarant shall

be entitled to elect one (1) director to fill such seat, who must be a Village Member.

2. At such time as there are more than seventy-five (75) Village Members, other than Declarant, Declarant shall cast its votes to elect one (1) Village Member to the Village Board. Thereafter, the Village Members other than Declarant shall be entitled to elect two such directors, subject to the same limitations as set forth in sub-section (1) above.

~~B. Nominations for the election of Village Board members (other than Village Board members appointed by the Declarant) shall be made by the Village Nominating Committee described in Article IX hereof, or upon petition in accordance with Section D. of this Article IV. The Village Nominating Committee shall make as many nominations as it shall in its discretion determine.~~

C. The Declarant shall, within fourteen (14) days of the date set for the annual meeting of the Village Association, notify the Secretary of the names of the Directors that such Owner is appointing to the Village Board.

~~D. Petitions for nominees shall also be accepted if signed by Village Members representing one-third (1/3) of the total votes held by the Village Members, and if received by the Secretary of the Village Association not less than thirty (30) days prior to the date fixed for the annual meeting of the Village Members. Nominations and notification of the vacancies being filled by the Declarant shall be placed on the written ballot referenced in Section E of this Article IV.~~

E. All elections to the Village Board shall be made on written ballots to be voted at the annual meeting, or in the discretion of the Village Board, by mail, provided such, ballots are mailed to the Village Members not less than fifteen (15) days prior to the date fixed for the annual meeting. The ballots shall (i) describe the vacancies to be filled, (ii) set forth the names of those nominated for each such vacancy, and (iii) set forth the names of those appointed to the Village Board by the Declarant. Each Village Member may cast the number of votes to which such Village Member is entitled as set forth in these Bylaws.

F. In order for an election of members of the Village Board to be valid and binding, the election must occur at a meeting of the Village Members at which a quorum is present; or if the election is conducted by mail, the Village Association must receive as of the date established by the Village Board for receipt of ballots, a number of ballots representing not less than a quorum of the Village Members.

G. The members of the Village Board elected or appointed in accordance with the procedures set forth in this Article IV shall be deemed elected or appointed as of the date of the annual meeting of the Village Members.

V. VILLAGE BOARD OF DIRECTORS.

A. A majority of the Village Board shall constitute a quorum to transact business at any meeting of the Village Board, and the action of the majority present at a meeting at which a quorum is present shall constitute the action of the Village Board.

B. Any vacancy occurring on the Village Board because of death, resignation or other termination of services of any Director, shall be filled by the Village Board, except that the Declarant, to the exclusion of other Village Members and/or the Village Board itself, shall fill any vacancy created by the death, resignation, removal or other termination of services of any Director appointed by the Declarant. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office and thereafter until his successor shall have been elected or appointed, and qualified.

VI. POWERS AND DUTIES OF THE VILLAGE BOARD

A. The Village Board shall have power:

1. To call meetings of the Village Members.
2. To appoint and remove at its pleasure all officers, agents and employees of the Village Association; and to prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Village Member, Officer or Director of the Village Association in any capacity whatsoever.
3. To establish, levy and assess, and collect the annual and special assessments necessary to operate the Village Association and carry on its activities, and to create such reserves as may be deemed appropriate by the Village Board.
4. To collect assessments on behalf of any other property owners association entitled to establish, levy and collect assessments from the Village Members of the Village Association.
5. To appoint committees, adopt and publish rules and regulations governing the use of the Village Commons or any portion thereof and the personal conduct of the Village Members and their guests thereon, including reasonable admission charges if deemed appropriate.
6. To authorize and cause the Village Association to enter into contracts for the day-to-day operation of the Village Association and the discharge of its responsibilities and obligations.

7. To cause the financial records of the Village Association to be compiled, reviewed, or audited by an independent certified public accountant at such periodic intervals as the Village Board may determine in its sole discretion.
8. To exercise for the Village Association all powers, duties and authority vested in or delegated to the Village Association, except those reserved to Village Members in the Village Declaration or the Articles.
9. To adopt and implement such rules, regulations and programs as may, from time to time, be required by the Development Order or any other governmental requirement.
10. To have and to exercise any and all powers, rights and privileges which a corporation organized under the corporation not-for-profit law of the State of Florida, by law may now or hereafter have to exercise.

B. It shall be the duty of the Village Board:

1. To cause to be kept a complete record of all of its acts and corporate affairs.
2. To supervise all officers, agents and employees of this Village Association to insure that their duties are properly performed.
3. With reference to assessments of the Village Association:
  - (i) To adopt an annual budget and to fix the amount of annual assessments against each Village Member for each annual assessment period at least thirty (30) days in advance of such date or period;
  - (ii) To prepare and maintain a roster of the Village Members and assessments applicable thereto which shall be kept in the office of the Village Association and shall be open to inspection by any Village Member; and
  - (iii) To send written notice of each assessment to every Village Member subject thereto.

VII. DIRECTORS' MEETINGS.

A. Regular meetings of the Village Board shall be held at least quarterly on such date and at such time as the Village Board may establish. Notice of such meetings is hereby waived.

B. Special meetings of the Village Board shall be held when called by the President or Vice President of the Village Association or by any two (2) Directors, after not less than three (3) days notice to each Director.

C. Meetings of the Village Board shall be open to all Village Members and notices of meetings shall be posted in a conspicuous place within the Property at least forty-eight (48) hours in advance, except in an emergency. Notice of any meeting of the Village Board during which assessments are to be established, shall specifically contain a statement that the assessments shall be considered and a statement of the nature of such assessments.

D. The transaction of any business at any meeting of the Village Board, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice, if a quorum is present and, if either before or after the meeting, each of the Directors not present signs a waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records of the Village Association and made a part of the minutes of the meeting.

E. The names and addresses of the members of the first Village Board who shall hold office until the first annual meeting of the Village Members and until their successors are elected or appointed and have qualified, are as follows:

Clinton F. Smith  
6620 Southpoint Drive South, Suite 400  
Jacksonville, FL 32216

Todd O. White  
6620 Southpoint Drive South, Suite 400  
Jacksonville, FL 32216

Angela Gould  
6620 Southpoint Drive South, Suite 400  
Jacksonville, FL 32216

## VIII. OFFICERS.

A. The Officers of the Village Association shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, and such other officers as may be determined from time to time by the Village Board, in accordance with the Articles of the Village Association. The President shall be a member of the Village Board, but the other Officers need not be.

B. The Officers of the Village Association shall be elected by the Village Board at the annual meeting of the Village Board, which shall be held immediately following the annual meeting of the Village Association. New offices may be created and filled at any meeting of the Village Board. Each Officer shall hold office until his successor shall have been duly elected.

C. A vacancy in any office because of death, resignation, or other termination of service, may be filled by the Village Board for the unexpired portion of the term.

D. All Officers shall hold office for terms of one (1) year.

E. The President shall preside at all meetings of the Village Board, shall see that orders and resolutions of the Village Board are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments.

F. The Vice President, or the Vice President so designated by the Village Board if there is more than one Vice President, shall perform all the duties of the President in his absence. The Vice President(s) shall perform such other acts and duties as may be assigned by the Village Board.

G. The Secretary shall be ex officio the secretary of the Village Board, and shall record the votes and keep the minutes of all meetings of the Village Members and of the Village Board in a book to be kept for that purpose. The Secretary shall keep all records of the Village Association and shall record in the book kept for that purpose all the names of the Village Members of the Village Association together with their addresses as registered by such Village Members.

H. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Village Association, and shall disburse such funds as directed by resolution of the Village Board, provided however, that a resolution of the Village Board shall not be necessary for disbursement made in the ordinary course of business conducted within the limits of a budget adopted by the Village Board. The Treasurer may, but need not, be a required signatory on checks and notes of the Village Association.

I. The Treasurer, or his appointed agent, shall keep proper books of account and cause to be prepared at the completion of each fiscal year an annual budget and an annual balance sheet statement, and the budget and balance sheet statement shall be open for inspection upon reasonable request by any Village Member.

J. With the approval of the Village Board, any or all of the Officers of the Village Association may delegate their respective duties and functions to a licensed and qualified property manager, provided, however, such property manager shall at all times be subject to the supervision and control of the Village Board.

K. The names of the officers who are to manage the affairs of the Village Association until the first annual meeting of the Village Members and until their successors are duly elected and qualified are:

|                     |                  |
|---------------------|------------------|
| President           | Clinton F. Smith |
| Vice President      | Todd O. White    |
| Treasurer/Secretary | Angela Gould     |

#### **IX. COMMITTEES.**

A. The standing committees of the Village Association shall be the Village Nominating Committee and the Village Board of Architectural Review ("VBAR"). The Village Nominating Committee and the VBAR shall have the duties, authority and functions as described in the Village Declaration and as elsewhere described in these Bylaws.

B. The Village Board shall have the power and authority to appoint such other committees as it deems advisable. Any committee appointed by the Village Board shall consist of a Chairman and two (2) or more other members and shall include a member of the Village Board. Committee members shall serve at the pleasure of the Village Board, and shall perform such duties and functions as the Village Board may direct.

#### **X. BOOKS AND RECORDS.**

The books, records and papers of the Village Association shall at all times, during reasonable business hours, be subject to inspection by any Village Member. The Village Association shall at all times maintain the Village Declaration, Articles, these Bylaws, and any architectural criteria or rules and regulations, and all amendments thereto as a part of its official records. The Village Association shall retain the minutes of all meetings of the Village Members and the Village Board and all of its budgets and financial records and reports for not less than seven (7) years.

#### **XI. MEETINGS OF MEMBERS.**

The annual meeting of the Village Members shall be held prior to April 1, of each year, at such time as the Village Board may designate, or at such other date and time as may be selected by the Village Board.

A. Special meetings of the Village Members for any purpose may be called at any time by the President, the Vice President, the Secretary or Treasurer, by any two or more members of the



Village Board or upon the written request of Village Members holding at least 10% of all the votes allocated to the entire Village Membership.

B. Notice of all meetings of the Village Members shall be given to the Village Members by the Secretary. Notice may be given to the Village Members either personally or by sending a copy of the notice through the mail, postage fully prepaid, to the address appearing on the books of the Village Association. Each Village Member shall be responsible for registering his address and telephone number with the Secretary and notice of the meeting shall be mailed to him at such address. Notice of the annual meeting of the Village Members shall be delivered at least ten (10) days in advance. Notice of any other meeting, regular or special, shall be mailed at least ten (10) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve any action as governed by the Village's Articles or the Village Declaration in which other notice provisions are provided for, notice shall be given or sent as therein provided.

C. The presence, in person or by proxy, of the Village Members holding not less than ten percent (10%) of the total votes in the Village Association shall constitute a quorum of the Village Membership for any action governed by the Village Declaration, the Articles or these Bylaws.

## **XII. PROXIES.**

A. At all meetings of the Village Members, each Village Member may vote in person or by limited or general proxy.

B. All proxies shall be in writing and shall state the date of the proxy and the date, time and place of the meeting for which the proxy is given, and must be signed by the authorized Village Member giving the proxy. A proxy shall be effective only for the specific meeting for which it is given, as such meeting may be lawfully adjourned and reconvened from time to time. No proxy shall extend beyond a period of ninety (90) days from the date of the meeting for which it was originally given, and every proxy shall automatically cease upon the sale by the Village Member of his interest in the Property. All proxies shall be revocable at any time at the pleasure of the Village Member who executes same, and may include powers of substitution.

## **XIII. SEAL.**

The Village Association shall have a seal in circular form having within its circumference the words: RIVER HILLS RESERVE OWNERS SUB-ASSOCIATION, INC., not for profit, 1999.

#### XIV. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

A. To the extent allowed by law, the Village Association hereby indemnifies any Director or officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:

1. Whether civil, criminal, administrative, or investigative, other than one by or in the right of the Village Association to procure a judgment in its favor, brought to impose a liability or penalty on such persons for an act alleged to have been committed by such person in their capacity as a Director or officer of the Village Association or as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Association, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit or proceeding or any appeal thereof if such person acted in good faith in the reasonable belief that such action was in the best interests of the Village Association, and in criminal actions or proceedings, without reasonable grounds for belief that such action was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such action was in the best interest of the Village Association or that he had reasonable grounds for belief that such action was unlawful.
2. By or in the right of the Village Association to procure a judgment in its favor by reason of being or having been a Director or officer of the Village Association, or by reason of being or having been a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he served at the request of the Village Association, against the reasonable expenses including attorneys' fees, actually and necessarily incurred in connection with the defense or settlement of such action, or in connection with an appeal therein if such person acted in good faith in the reasonable belief that such action was in the best interest of the Village Association. Such person shall not be entitled to indemnification in relation to matters to which such person has been adjudged to have been guilty of gross negligence or misconduct in the performance of a duty to the Village Association unless, and only to the extent that, the court, administrative agency, or investigative body before which such action, suit or proceeding is held shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.

B. The Village Board shall determine whether amounts for which a Director or officer seek indemnification were properly incurred and whether such Director or officer acted in good faith in a manner reasonably believed to be in the best interests of the Village Association, and whether, with respect to any criminal action or proceeding, there existed no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Village Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding.

C. The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Village Association to indemnify under applicable law.

#### **XV. TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED.**

A. No contract or transaction between the Village Association and one or more of its Directors or officers, or between the Village Association and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers, or in which they have a financial interest, shall be invalid, void or voidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Village Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose. All such contracts or transactions shall, however, be fair and reasonable and upon terms reasonably comparable to those which could be obtained in arms-length transactions with unrelated entities. No Director or Officer of the Village Association shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

B. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Village Board or of a committee which authorized the contract or transaction.

#### **XVI. DISSOLUTION OF THE VILLAGE ASSOCIATION.**

A. Upon dissolution of the Village Association, all of its assets remaining after provisions for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

1. Dedication to any applicable municipal or other governmental authority of any property determined by the Village Board to be appropriate for such dedication and which the authority is willing to accept.
2. If no municipal or other governmental authority will accept such dedication, the remaining assets shall be distributed among the Village Members, subject to the limitation set forth below, each Village Member's share of the assets to be determined by multiplying such remaining assets by a fraction, the

numerator of which is all amounts assessed by the Village Association since its organization against the portion of Property which is owned by the Village Member at that time, and the denominator of which is the total amount (excluding penalties and interest) assessed by the Village Association against all properties which at the time of dissolution are part of the Property. The year of dissolution shall count as a whole year for purposes of the preceding fractions.

B. The Village Association may be dissolved upon a resolution to that effect being approved by a majority of the Village Board and by two-thirds (2/3) of the Village Members. In the event of incorporation by annexation or otherwise, of all or part of the Property by a political subdivision of the State of Florida, the Village Association may be dissolved in the manner set forth above.

#### **XVII. MERGERS AND CONSOLIDATIONS.**

Subject to the provisions of the Village Declaration applicable to the Property and to the extent permitted by law, the Village Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall be approved in the manner provided by Chapter 617, Florida Statutes as the same may be amended from time to time. For purposes of any vote of the Village Members required pursuant to said statutes, for so long as the Declarant shall own any portion of the Property, any such merger or consolidation shall require the Declarant's prior approval.

#### **XVIII. AMENDMENTS.**

These Bylaws may be altered, amended or rescinded by majority vote of the Village Board at a duly constituted meeting of the Village Board. Amendments shall be effective on the date of passage by the Board and no amendment need be recorded in the public records of Clay County, Florida. For so long as the Declarant Membership shall exist, HUD or VA shall have the right to veto amendments to these Bylaws.

**XIX. INCONSISTENCIES.**

In the event of any inconsistency between the provisions of these Bylaws and the Village Declaration or Articles of the Village, the provisions of the Village Declaration and the Village's Articles shall control.

Adopted by the Village Board of Directors of River Hills Reserve Owners Sub-Association, Inc., a Florida corporation, not-for-profit effective MARCH 28, 2000.

By: Angela Gould  
Angela Gould, Secretary