

This Instrument Prepared By:
Ronald L. Clark, Esquire
R Clark, Campbell & Mawhinney, P.A.
500 South Florida Avenue
Suite 800
Lakeland, Florida 33801

CERTIFICATE OF BY-LAWS OF
DEER CREEK GOLF AND TENNIS RV RESORT, PHASE TWO,
A FLORIDA COOPERATIVE COOPERATION

The undersigned certifies as follows:

1. The undersigned, William C. Reynolds, is the duly elected and acting President of Deer Creek Golf and Tennis RV Resort, Phase Two, a Florida cooperative cooperation ("Corporation"), having its principal place of business at Lakeland, Florida.
2. Attached hereto as Exhibit "A" is a true, correct, and complete copy of the Bylaws of the Corporation as duly adopted and currently in existence.

Executed by the undersigned on the 13th day of September, 2006.

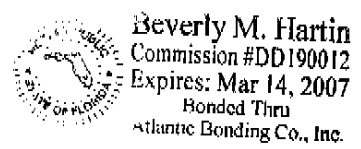
DEER CREEK GOLF AND TENNIS RV RESORT,
PHASE TWO, a Florida cooperative corporation

By: *William C. Reynolds*
WILLIAM C. REYNOLDS, President

STATE OF FLORIDA
COUNTY OF POLK

I HEREBY CERTIFY that on this 13th day of September, 2006, personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, William C. Reynolds as President of Deer Creek Golf and Tennis RV Resort, Phase Two, a Florida cooperative corporation, for and on behalf of the corporation, who is personally known to me or who has produced _____ as identification and who executed the foregoing instrument.

Beverly M. Hartin
Printed Name: Beverly M. Hartin
Notary Public State of Florida
My Commission Expires:



BYLAWS
OF
DEER CREEK GOLF AND TENNIS RV RESORT, PHASE TWO,
A FLORIDA COOPERATIVE CORPORATION

ARTICLE 1
NAME AND LOCATION

1.1 **Name.** The name of the corporation is DEER CREEK GOLF AND TENNIS RV RESORT, PHASE TWO, a Florida cooperative corporation, hereinafter referred to as the "Corporation" or "Cooperative."

1.2 **Location.** The principal office of the Corporation shall be located at 500 South Florida Avenue, Suite 700, Lakeland, Florida 33801, but meeting of the Shareowners (defined below) and Directors may be held at such places within the State of Florida as may be designated by the Board of Directors. The principal offices of the Corporation may be changed to any other place designated by the Board of Directors.

ARTICLE 2
DEFINITIONS

2.1 **"Common Arca or Arcas"** shall mean and refer to all real property (including the improvements thereon) now or hereafter owned by the Corporation which is not included in the Lots or as to which it has been granted easement rights, for the common use and enjoyment of the Shareowners of the Corporation.

2.2 **"Community"** shall mean and refer to the real property comprising that certain residential development known as DEER CREEK GOLF AND TENNIS RV RESORT, REGAL RIDGE as legally described in **Exhibit "A"** of the Master Occupancy Agreement (hereinafter defined).

2.3 **"Developer"** shall mean and refer to Deer Creek, Ltd., a Florida limited partnership.

2.4 **"Lot"** shall mean and refer to the individual cooperative parcels as shown on the Plot Plan which is **Exhibit "C"** to Master Occupancy Agreement, which are subject to exclusive use and possession of the Shareowners.

EXHIBIT "A"

2.5 “Master Occupancy Agreement” shall mean and refer to that Declaration of Master Form Occupancy Agreement which is **Exhibit “3”** to the Prospectus and incorporated herein by reference. These Bylaws and the powers and duties of the directors and officers of the Corporation shall be subject to the terms of such Master Occupancy Agreement, as amended from time to time.

2.6 “Occupancy Agreement” shall mean that occupancy agreement entered into between the Corporation and the Shareowners of the Corporation to occupy a Lot within the Community.

2.7 “Recreational Vehicle” shall mean and refer to a “recreational vehicle-type unit” as defined in Chapter 513, Florida Statutes.

2.8 “Shareowner” or “Shareowners” shall mean and refer to the owner, whether one or more persons or entities, of a Stock Certificate (hereinafter defined) with rights to occupy the corresponding Lot within the Community as provided for in the Articles of Incorporation and these Bylaws.

2.9 “Stock Certificate” shall mean and refer to the certificate or certificates issued to each Shareowner evidencing the shares in the Corporation held thereby.

ARTICLE 3 CORPORATE SHARE OWNERSHIP

3.1 Share ownership. Share ownership in this Corporation shall be limited to persons or entities that have purchased Stock Certificates in the Corporation. Each Shareowner shall be limited to ownership of one (1) Stock Certificate for each Lot occupied. Upon the transfer of a Stock Certificate, as allowed herein, the transferee shall become a Shareowner if all the requirements for ownership of shares in the Corporation have been met. If the Stock Certificate is vested in more than one person, all of the persons owning the Stock Certificate shall be eligible to attend meetings; however all of such persons owning the Stock Certificate shall designate one (1), and only one (1) person as the voting Shareowner (the “Voting Shareowner”). Votes of the Stock Certificate shall be cast by the Voting Shareowner, and only the Voting Shareowner may hold office in the Corporation. If a Stock Certificate is owned by a corporation, the corporation may designate an individual officer or employee as its Voting Shareowner. Each Shareowner shall meet the requirements of the Cooperative Rules and Regulations as provided in **Exhibit “8”** to the Prospectus.

3.2 Issuance of Stock Certificate. The issuance of Stock Certificates shall be limited to ONE HUNDRED SIXTY-SEVEN (167) certificates, representing one (1) certificate for each Lot, save and except Lots 397, 398, and 399, which are where the amenities for the Community

are located. The initial price for each Stock Certificate is subject to change and shall be set by the Board of Directors at the current market rate in accordance with Paragraph 3.6 of these Bylaws.

3.3 Developer's Ownership of Unsold Stock Certificates. As a substantial inducement in and for the Developer to transfer its proportionate ownership interest in the real property comprising the Community to the Corporation, the Developer shall maintain ownership of any and all unsold Stock Certificates and shall retain all proceeds or revenues whatsoever from the initial sale of the Stock Certificates (i.e. to a purchaser other than the Developer). The Developer shall have the sole and absolute right to sell Stock Certificates at any price and pursuant to any terms and conditions that the Developer determines in its sole discretion to the extent permitted by law. Further, the Developer also shall have the sole and absolute right to sell Stock Certificates to any purchasers without the consent of the Corporation, provided that the Developer complies with the age restrictions listed in Section II of the Rules and Regulations. As additional consideration for the foregoing right, the Developer also agrees to pay all expenses and assessments owed for maintenance of the Lots that correspond with unsold Stock Certificates owned by the Developer and shall also receive all income from the rental of such Lots. Notwithstanding anything to the contrary herein, the Developer, in its sole and absolute discretion, shall have the right (but not the obligation) to transfer its ownership of the unsold Stock Certificates to the Corporation at any time.

3.4 Transfers. Transferability of each Stock Certificate shall be restricted and limited to a transfer in conjunction with the Master Occupancy Agreement pursuant to the terms of such Master Occupancy Agreement. The actual Stock Certificate is an essential instrument to a transfer. In order for a transfer to be valid, the transferring Shareowner must produce the Stock Certificate (or post bond if the Stock Certificate is lost or destroyed) and have it transferred on the books of the Corporation.

3.5 Lost, Stolen or Destroyed Certificates. The Corporation shall issue a new Stock Certificate in the place of any Certificate previously issued if the Shareowner to whom the Certificate was issued makes proof in affidavit form that it has been lost, destroyed or wrongfully taken, and satisfies any other reasonable requirements imposed by the Corporation.

3.6 Notification and Price. No transfer of a Stock Certificate shall be effective unless the Board of Directors is first notified of the transfer in writing at least fifteen (15) days prior thereto and the Board of Directors issues its written approval of the transfer, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, the initial transfer of Stock Certificates from the Developer to a prospective Shareowner shall not require any approval of any kind.

The Board of Directors shall have the right to set the price of each Stock Certificate to the then market rate for the purchase of properties with attributes similar to that of a Lot in the Cooperative ("Market Rate") excluding Stock Certificates owned by the Developer which prices shall be set solely by the Developer. The Market Rate shall be determined by an appraiser selected by the Board of Directors in its sole and absolute discretion ("Appraisal Number 1"). The Corporation shall pay for the cost of Appraisal Number 1. In the event that the prospective Shareowner disapproves in writing within ten (10) days of receipt of Appraisal Number 1 of the Market Rate as determined by Appraisal Number 1, the prospective Shareowner shall have the right, at its cost and expense, to obtain a second appraisal by an appraiser different than that which prepared Appraisal Number 1, with such second appraisal to be obtained within thirty (30) days of such date as the prospective Shareowner gives the written notice of disapproval to the Board of Directors ("Appraisal Number 2"). If the Market Rate as determined by Appraisal Number 2 is within five percent (5%) of the Market Rate as determined by Appraisal Number 1, then Appraisal Number 1 and Appraisal Number 2 shall be averaged and such average shall be the Market Rate. To the contrary, in the event that the Market Rate as determined by Appraisal Number 1 and the Market Rate as determined by Appraisal Number 2 are not within five percent (5%) of one another, then the Board of Directors and the prospective Shareowner shall obtain a third appraisal as such appraiser is reasonably determined and agreed to by the appraisers that prepared Appraisal Number 1 and Appraisal Number 2 ("Appraisal Number 3"). Appraisal Number 3 shall be obtained within thirty (30) days of the date of Appraisal Number 2, and the Board of Directors and the prospective Shareowner shall split the cost of Appraisal Number 3. In such event, the Market Rate as determined by Appraisal Number 3 shall be conclusive and determinative.

3.7 Roster for Resale. In the event of a Shareowner's death, the Corporation may, at its election (upon request by such Shareowner's heir(s) or personal representative(s)), hold the share for resale at the then Market Rate, as determined in Paragraph 3.6 and upon sale remit to the heir(s) or its representative(s), as the case may be, the purchase price of the share from the sale, less an administrative fee, not to exceed ONE HUNDRED AND NO/100 DOLLARS (\$100.00).

a. Ownership. Each Stock Certificate shall be titled in the same manner as the respective Shareowner's Occupancy Agreement.

b. Pledge. Each Shareowner who is indebted to the Corporation by virtue of any promissory note in favor of the Corporation shall collaterally assign its Stock Certificate(s) to the Corporation and grant to the Corporation a security interest in the Stock Certificate(s) to secure payment to the Corporation of the following: payment of the note secured by the Stock Certificate(s); any default in any monthly maintenance fee due the Corporation under the Master Occupancy Agreement; or special assessment due to the Corporation under the Master Occupancy Agreement. The Corporation shall take such actions as are necessary to make the

appropriate entries on the books of the Corporation indicating the pledge of Stock Certificates to the Corporation.

c. Default. In the event that a Shareowner defaults in the performance of any of the terms of these Bylaws, the Master Occupancy Agreement, any promissory note executed in favor of the Corporation in conjunction with the purchase of a Stock Certificate, or with regard to any other debt owed the Corporation, the Corporation shall have the rights and remedies provided in Chapter 719, Florida Statutes, the Uniform Commercial Code enforced in the State of Florida as of the date of these Bylaws, and shall have all other rights as may be set forth in said promissory note or any instrument securing same or as otherwise provided by Florida law. Alternatively, the Corporation may, upon five (5) days' notice to the Shareowner, and without liability for any diminution in price, which may have occurred, sell all of the pledged Stock Certificates in such manner and for such price as the Corporation may determine. At any bona fide public sale, the Corporation shall be free to purchase all or any part of the pledged Stock Certificates. Out of the proceeds of any sale, the Corporation may retain an amount equal to all amounts due it by the Shareowner including, without limitation, the amount of the expenses of the sale, plus attorneys' fees and costs for any collection work, litigation or appeals incident thereto, and all interest then owing, and the balance of the proceeds, if any, shall be paid to the Shareowner. In the event the proceeds of any sale are insufficient to cover the amounts set forth above, the Shareowner shall remain liable to the Corporation for any deficiency. Provided, however, the Corporation's rights under this Paragraph 3.7 are cumulative, but shall remain inferior and subordinate to the lien of the holder of any mortgage from the Corporation.

d. Restriction. No Shareowner shall be permitted to pledge, assign, transfer, lien, hypothecate, sell, convey or otherwise dispose of its Stock Certificate(s) in contravention of these Bylaws as amended from time to time, except that the Developer shall be permitted without any consent to pledge, assign, transfer, lien, hypothecate, sell, convey or otherwise dispose of the unsold Stock Certificates owned by the Developer.

e. Inscription of Stock Certificates. Stock Certificates shall be inscribed with the following legend:

"The rights of any holder of this stock certificate are subject to the Articles of Incorporation and the Bylaws of the Corporation and all terms and conditions of the Occupancy Agreement and Share Purchase Agreement made between the Corporation and the person in whose name this certificate is issued, which limit and restrict the title and rights of any transferee of this certificate and impose a lien on this certificate to secure payment of assessments, common expenses and other sums which may become due to the Corporation from the holder hereof."

f. Title. Any Shareowner who conveys or loses title to a Stock Certificate and/or Lot by sale, gift, devise, bequest, judicial decree or otherwise shall, immediately upon such conveyance or loss of title, no longer be a Shareowner with respect to such Stock Certificate and/or Lot and shall lose all rights and privileges of a Shareowner resulting from ownership of such Stock Certificate and/or Lot.

ARTICLE 4 MEETING OF SHAREOWNERS

4.1 Annual Meetings. There shall be an annual meeting of the Shareowners, which shall be held during the first calendar quarter of each year on the date and at such time and place as the Board of Directors shall designate.

4.2 Special Meetings. Except as otherwise provided herein, special meetings of the Shareowners may be called at any time by the President or by the Board of Directors, or upon written request of fifty percent (50%) of the Shareowners entitled to vote.

4.3 Special Meeting to Recall Board Members. A special meeting of the Shareowners to recall a member or members of the Board of Directors, in accordance with Paragraph 4.3 hereof, may be called by ten percent (10%) of the Shareowners entitled to vote by giving notice of the meeting as required for a meeting of Shareowners, stating the purpose of the meeting, and including such other information as may be required by the rule-making authority of the Florida Department of Business and Professional Regulation, Division of Florida Land Sales, Condominiums, and Mobile Homes (the "Division").

4.4 Notice of Meetings. Written notice of each meeting of the Shareowners shall be given to each Shareowner entitled to vote thereat by, or at the direction of, the Secretary or person authorized to call the meeting. Such notice shall specify the place, day and hour of the meeting, and an identification of agenda items. An officer of the Corporation shall provide an affidavit or United States Postal Service Certificate of Mailing, to be included in the official records of the Corporation, affirming that notices of the meeting were mailed or hand delivered in accordance with this provision, to each Shareowner at the address last furnished to the Corporation.

a. Notice of all meetings shall be given at least fourteen (14) days but not more than sixty (60) days in advance to each Shareowner either by mailing a copy of such notice, postage prepaid, addressed to the Shareowner's address last appearing on the books of the Corporation, or by delivering the same to the Shareowner's residence. In addition, a copy of the notice shall be posted in a conspicuous place in the Community at least 14 continuous days prior to the meeting. Upon notice to the Shareowners, the Board of Directors shall by duly adopted rule designate a specific location in the Community upon which all notice of Shareowner

meetings shall be posted.

b. Delivery of notice pursuant to subsection (a) to any co-owner of a Stock Certificate shall be effective upon all such co-owners of such Stock Certificate, unless a co-owner has requested the Secretary in writing that notice be given to such co-owner and has furnished the Secretary with the address to which such notice may be sent or delivered.

4.5 Quorum. The presence at a meeting of Shareowners entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the votes of the Shareowners shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, these Bylaws, or the laws of the State of Florida. If, however, such quorum shall not be present or represented at any meeting, the Shareowners entitled to vote thereat shall have the power to adjourn the meeting from time to time, with notice posted conspicuously in the Community at least forty-eight 48 hours in advance of such rescheduled meeting, until a quorum as aforesaid shall be present or be represented. Action undertaken at a meeting at which a quorum was established shall constitute valid acts of the Shareowners even though during such meeting less than a quorum shall have been present.

4.6 Proxies. Except for electing Directors, the Shareowners may vote in person or by proxy. Directors shall not be entitled to vote by proxy. All proxies shall be in writing and filed with the Secretary prior to or at the meeting at which they are to be used. Proxies shall be effective only for the specific meeting for which originally given and for lawful recess or adjournment to a specific date thereof, but not for a period longer than ninety (90) days from the original date of the specific meeting for which it was given. Every proxy shall be revocable and shall automatically cease upon conveyance or other transfer of title by the Shareowner of his Stock Certificate.

a. Limited proxies (in a form substantially conforming to a form developed by the Division) shall be used for votes to waive or reduce reserves for capital expenditures and deferred maintenance; for votes to amend the Articles of Incorporation or Bylaws; and for any other matter which Chapter 719 of Florida Statutes requires or permits voting by the Shareowners.

b. Except for electing Directors, general proxies may be used for other matters for which limited proxies are not required and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given.

4.7 Vote. The acts approved by a majority of the votes cast, either in person or by proxy, at a meeting at which a quorum is established shall constitute the acts of the Shareowners, except when approval by a greater or different voting majority is required by the Articles of Incorporation, these Bylaws, or the laws of the State of Florida. The term "majority" shall mean

more than fifty percent (50%). The Corporation shall be entitled to vote the Stock Certificates which it holds. Notwithstanding the foregoing and to the extent permitted by law, no portion of these Bylaws can be modified or changed with respect to any of the rights of the Developer until such time as the Developer has sold all of its Stock Certificates.

4.8 Voting. If a Stock Certificate is owned by one person, his right to vote shall be established by the record title to the Stock Certificate. If a Stock Certificate is owned by a corporation, the officer, agent or employee thereof entitled to cast the vote of the corporation therefore shall be designated in a certificate for this purpose signed by the president or a vice president of such corporation and filed with the Secretary of this Corporation. Except as hereafter provided with regard to a Stock Certificate owned jointly by a husband and wife, if a Stock Certificate is owned by more than one (1) person, the person entitled to cast the vote therefore shall be designated in a certificate signed by all of the record owners of the Stock Certificate and filed with the Secretary. The person designated in a certificate pursuant to this Paragraph who is entitled to cast the vote for a Stock Certificate, as well as any sole owner of a Stock Certificate, shall be known as the "Voting Shareowner." Such certificates shall be valid until revoked or until superseded by a subsequent certificate, or until a change in the ownership of the Stock Certificate concerned. If a Stock Certificate is owned jointly by a husband and wife, the following provisions are applicable thereto:

- a. They may, but they shall not be required to, designate a Voting Shareowner.
- b. If they do not designate a Voting Shareowner and if both are present at a meeting, either one present may cast the vote (but only one [1] vote), just as though he or she owned the Stock Certificate individually. In the event they are unable to concur in their decision upon a topic requiring a vote, they shall lose their right to vote on that topic at that meeting, but shall count for purposes of establishing a quorum.
- c. If they do not designate a Voting Shareowner, and only one is present at a meeting, the person present may cast the vote, just as though he or she owned the Stock Certificate individually and without establishing the concurrence of the absent person.
- d. When neither spouse is present, the person designated in a proxy signed by either spouse may cast the vote, when voting by proxy is allowed, absent any prior written notice to the contrary to the Corporation by the other spouse or the designation of a different proxy by the other spouse. In the event of prior written notice to the contrary to the Corporation or the designation of a different proxy by the other spouse, the vote of said Lot shall not be considered, but shall count for purposes of establishing a quorum.

4.9 Adjourned Meetings. If any meeting of Shareowners cannot be organized because a quorum is not present, the Shareowners who are present either in person or by proxy,

may adjourn the meeting from time to time until a quorum is present. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice shall be posted in a conspicuous place in the Community at least forty-eight (48) hours in advance of such rescheduled meeting, stating the time and place to which the meeting is adjourned.

4.10 Waiver of Notice. Any Shareowner may waive notice of any annual or special meeting of Shareowners by a writing signed either before, at, or after such meeting. Attendance by a Shareowner, or his or her designated Voting Shareowner, at a meeting shall also constitute a waiver of notice of the time, place and purpose of the meeting.

4.11 Minutes of Meetings. The minutes of all meetings of Shareowners shall be kept in a book available for inspection by Shareowners or their authorized representatives, and members of the Board of Directors at any reasonable time. The minutes shall be retained by the Corporation for a period of not less than seven (7) years. Shareowners and their authorized representatives shall have the right to make handwritten notations from the minutes or they may purchase copies of the minutes at the current office rate.

4.12 Order of Business. The order of business at annual meetings of Shareowners and as far as practical at other Shareowners' meetings, shall be:

- a. Call to order;
- b. Collection of ballots not yet cast;
- c. Election of a chairman of the meeting, unless the President or Vice President is present, in which case he shall preside;
- d. Calling of the roll, certifying of proxies, determination of a quorum;
- e. Proof of notice of the meeting or waiver of notice;
- f. Reading and disposal of any unapproved minutes;
- g. Reports of officers;
- h. Reports of committees;
- i. Appointment of inspectors of election;
- j. Determination of number of Directors;

- k. Election of Directors;
- l. Unfinished business;
- m. New business;
- n. Adjournment.

4.13 Written Consent. Whenever the vote of the Shareowners at a meeting is required or permitted by any provision of the Articles of Incorporation, these Bylaws, or the laws of the State of Florida to be taken in connection with any action of the Corporation, the meeting and vote of Shareowners may be dispensed with if a majority of all of the Shareowners who would have been entitled to vote upon the action of such meeting if such meeting were held shall consent in writing to such action being taken. Provided, however, this shall not dispense with the requirement of an annual meeting of the Shareowners. Shareowners may waive notice of specific meetings and may take action by written agreement without meetings.

4.14 Actions Specifically Requiring Shareowner Votes. Except as otherwise provided by Chapter 719, Florida Statutes, the following actions shall require approval by seventy-five percent (75%) of the Shareowners and may not be taken by the Board of Directors acting alone:

- a. Merger of two (2) or more Lots to form a single Lot or other use.
- b. Purchase of land within the Community.
- c. Sale of land within the Community.
- d. Amendment of the Master Occupancy Agreement.
- e. Providing no reserves, or less than adequate reserves.
- f. Recall of members of Board of Directors.
- g. Other matters contained in the Articles of Incorporation, these Bylaws, or the laws of the State of Florida that specifically require a vote of the Shareowners.

ARTICLE 5
BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

5.1 Number and Qualification. The affairs of the Corporation shall be managed by a Board of not less than three (3) but no more than five (5) Directors selected by the Shareowners. All Directors, other than the initial Directors, shall be Shareowners. No Director shall continue to serve as such after he ceases to be a Shareowner. Notwithstanding anything contained herein to the contrary, initial Directors shall be deemed to include any Directors elected or appointed by Developer.

5.2 Term of Office. Each Director's term of service shall extend until the next annual meeting of the Shareowners and thereafter until his successor is duly elected and qualified or until he is removed in the manner provided in Section 5.3. The Shareowners, however, at any annual meeting and in order to provide a continuity of experience, may vote to create classes of directorships having a term of one (1), two (2) or three (3) years so that a system of staggered terms will be initiated.

5.3 Removal.

a. Any Director may be removed from the Board of Directors, with or without cause, by vote or written agreement of a majority of all Shareowners of the Corporation entitled to vote. In the event of death or resignation of a Director, his successor shall be selected by the remaining members of the Board of Directors, even though less than a quorum, and shall serve for the unexpired term of his predecessor. A special meeting of the Shareowners to recall any member of the Board of Directors may be called by ten percent (10%) of the Shareowners entitled to vote and in accordance with Paragraph 4.3 hereof.

b. If a recall of a Director is approved by a majority vote, the Board of Directors shall duly notice and hold a meeting within five (5) business days of the adjournment of the special meeting to recall the Director or Directors, at which meeting the Board shall either certify the recall or petition the Division within five (5) business days of such meeting for binding arbitration pursuant to Chapter 719, Florida Statutes, or such recall shall be deemed effective. If the recall is certified by the Board of Directors, the recall shall become effective immediately and each recalled director shall turn over to the Board of Directors all records of the Corporation in his possession within five (5) business days of the meeting at which such recall was certified.

c. If the proposed recall is by an agreement in writing by a majority of all Shareowners entitled to vote, the written agreement or a copy thereof shall be served on the Corporation by certified mail or by personal service as authorized by Chapter 48, Florida Statutes and the Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board of Directors within five (5) business days of receipt of the written

agreement, at which meeting the Board shall either certify the written agreement, or petition the Division within five (5) business days of such meeting for binding arbitration pursuant to Chapter 719, Florida Statutes, or such recall shall be deemed effective. If the recall is certified by the Board of Directors, the recall shall become effective immediately and each recalled Director shall turn over to the Board of Directors all records of the Corporation in his possession within five (5) business days of the meeting at which such recall was certified.

d. If a petition for binding arbitration is submitted to the Division as provided above, the Shareowners who voted at the special meeting or who executed the written agreement shall constitute one party under the arbitration petition. If the arbitrator certifies the recall of any Director, such recall shall be effective upon mailing of the final order of arbitration to the Corporation. If the recall is certified by the arbitrator, each recalled Director shall turn over to the Board of Directors all records of the Corporation in his possession within five (5) business days of the meeting at which such recall was certified.

e. If the Board of Directors fails to duly notice and hold a meeting within five (5) business days of service of the written agreement or within five (5) business days of the adjournment of the special meeting to recall the Director or Directors, the recall shall be deemed effective and each recalled Director shall immediately turn over to the Board of Directors any and all records of the Corporation in his possession.

f. If a vacancy occurs on the Board of Directors as a result of a recall and less than a majority of the Directors are removed, the vacancy may be filled by the majority vote of the remaining Directors. If a vacancy occurs on the Board of Directors as a result of a recall and a majority of the members of the Board of Directors are removed, the vacancies shall be filled in accordance with Division rule.

5.4 Compensation. No Director shall receive compensation for any service he may render to the Corporation. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

5.5 Transfer of Association Control. When fifteen percent (15%) of the total number of Stock Certificates have been conveyed to purchasers other than the Developer, the Shareowners shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Shareowners, other than the Developer, shall be entitled to elect not less than a majority of the members of the Board of Directors when one of the following occurs, whichever first:

a. Three (3) years after fifty percent (50%) of the Stock Certificates have been conveyed by the Developer to purchasers;

- b. Three (3) months after ninety percent (90%) of the Stock Certificates have been conveyed by the Developer to purchasers;0
- c. When some of the Stock Certificates have conveyed to purchasers and none of the others are being offered for sale by the Developer in the ordinary course of business; or
- d. Seven years after creation of the Corporation.

Within seventy-five (75) days after the Shareowners are entitled to elect a member of the Board of Directors, the Corporation shall call for an election of the members of the Board of Directors. The Corporation must give sixty (60) days' notice of such election to all Shareowners entitled to vote. Notice may be give by any Shareowner if the Corporation fails to do so. Upon election of the first Shareowner as a member of the Board of Directors, the Corporation shall forward to the Division the name and mailing address of the Shareowner member of the Board of Directors. Until such time as one of provisions a through d, listed above, occurs, the Developer has the absolute right to elect all of the Board of Directors. Notwithstanding the foregoing, the Developer, at any time, may transfer its right to elect all of the Board of Directors and may also transfer the remaining unsold Stock Certificates it owns.

ARTICLE 6
NOMINATION AND ELECTION OF DIRECTORS

6.1 Nomination and Notice Provisions.

- a. Not less than sixty (60) days before a scheduled election, the Corporation shall mail, deliver, or transmit, whether by separate Corporation mailing, delivery, or electronic transmission or included in another association mailing, delivery, or electronic transmission, including regularly published newsletters, to each Shareowner entitled to vote, a first notice of the date of the election. Such notice must contain the name and correct mailing address of the Corporation.
- b. Any Shareowner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Secretary of the Corporation not less than forty (40) days before a scheduled election. Written notice shall be effective when received by the Corporation. Upon receipt of such written notice, the Secretary of the Corporation shall issue a written receipt.
- c. Not less than fourteen (14) days before the election meeting, together with the written notice and agenda, the Corporation shall mail, deliver, or electronically transmit a second notice of election to all Shareowners entitled to vote therein, together with a ballot which shall

list all candidates. Such written notice and agenda shall also be posted in a conspicuous place on the Cooperative property not less than fourteen (14) days prior to the election meeting. Upon request of a candidate, the Corporation shall include an information sheet, no larger than 8-1/2" by 11," which must be furnished by the candidate not less than thirty- five (35) days prior to the election, to be included with the mailing, delivery, or electronic transmission of the ballot, the cost of mailing, delivery, or transmission and copying to be borne by the Corporation. The ballot and enclosures with the ballot shall comply with any regulations promulgated by the Division.

6.2 Election. Election to the Board of Directors shall be by written secret ballot in accordance with any regulations promulgated by the Division. Proxies may not be used. At such election, Voting Shareowners may cast in respect to each vacancy as many votes as they are entitled to exercise under the provisions hereof. The person receiving the largest number of votes shall be elected, provided, however, at least twenty percent (20%) of the Voting Shareowners must cast a ballot in order to have a valid election. Notwithstanding the foregoing, an election and balloting are not required unless more candidates file a notice of intent to run or are nominated than vacancies exist on the Board of Directors. Cumulative voting is not permitted.

ARTICLE 7 MEETINGS OF DIRECTORS

7.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually, at such place and hour as may be fixed from time to time by resolution of the least annually, at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should such meeting fall upon a legal holiday, then the meeting shall be held at the same time on the next day which is not a legal holiday.

7.2 Special Meetings. Special meetings of the Board of Directors may be called by the President, or in his absence, by any Vice President, and must be called by the President or Secretary at the written request of one-third (1/3) of the Directors.

7.3 Notice. Notice of the time and place of regular and special meetings of the Board of Directors, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director. Adequate notice of all meetings shall be posted in a conspicuous place within the Community at least forty-eight (48) continuous hours prior to the meeting, except in an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one of the members of the Board of Directors. Such emergency action shall be noticed and ratified at the next regular meeting of the Board of

Directors. However, written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding Lot use will be considered, shall be mailed or delivered to the Shareowners and posted conspicuously within the Community not less than 14 days prior to the meeting. Evidence of compliance with this fourteen (14) day notice shall be made by affidavit executed by the person providing the notice and filed among the official records of the Corporation. Upon notice to the Shareowners, the Board of Directors shall by duly adopted rule designate a specific location in the Community upon which all notices of Board of Director meetings shall be posted. Notices of any meeting in which regular assessments against Shareowners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any assessment. In addition, at any meeting where the budget or assessments against Stock Certificates are to be considered for any reason notice of such meeting and copies of the budget shall be mailed to the Shareowners not less than thirty (30) days prior to the meeting at which such budget or assessments shall be considered.

7.4 Quorum. A majority of the number of Directors or committee members of any committee appointed by the Board of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors or committee members present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors or the committee. When some or all of the Board or committee members meet by telephone conference, those Board or committee members attending by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker shall be utilized so that the conversation of those Board or committee members attending by telephone may be heard by the Board or committee members attending in person, as well as by Shareowners present at a meeting.

7.5 Adjourned Meetings. If there is less than a quorum present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting until a quorum is present. At any such adjourned meeting, for which notice is posted conspicuously in the Community at least forty-eight (48) hours in advance, any business that might have been transacted at the meeting as originally called may be transacted.

7.6 Voting. A Director, who is present at a meeting of the Board of Directors, either in person or telephonically, is presumed to have assented to any action on a corporate matter taken at such meeting, unless said Director votes against such action or abstains from voting because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot, except officers may be elected by secret ballot. A vote or abstention by each Director shall be recorded in the minutes.

7.7 Joinder in Meeting by Approval of Minutes. A Director may join in the action of a meeting by signing and concurring in the minutes of that meeting. That concurrence, however,

shall not constitute the presence of that Director for the purpose of determining a quorum, nor shall such written agreement or disagreement be used as a vote for or against any action taken.

7.8 Open Meetings. Meetings of the Board of Directors and of any committee of the Board of Directors at which a quorum of such committee is present shall be open to all Shareowners. Any Shareowner may tape record or videotape meetings of the Board of Directors subject to rules adopted by the Division. The right of Shareowners to attend such meetings shall include the right to speak at such meetings only with reference to designated agenda items. The Corporation may adopt reasonable rules governing the frequency, duration and manner of Shareowner statements. The Board of Directors may also hold closed meetings to the extent permitted by applicable law, including, by way of example but not by way of limitation, when the discussion at a meeting is governed by attorney-client privilege.

7.9 Presiding Officer. The presiding officer at Board of Directors meetings shall be the President or, in his absence, a Vice President, and in his absence, the Directors present shall designate any one of their number to preside.

7.10 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Shareowners or their authorized representative and Board Shareowners at any reasonable time. The Corporation shall retain these minutes for a period of not less than seven (7) years. Shareowners and their authorized representatives shall have the right to make written notations from the minutes or may purchase copies of the minutes at the current office rate.

7.11 Executive Committee. The Board of Directors, by resolution, may appoint an Executive Committee to consist of three (3) or more Shareowners of the Board. The Executive Committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the Cooperative during the intervals between the meetings of the Board insofar as may be permitted by law. The Executive Committee, however, shall not have power to:

- a) determine the common expenses required for the operation of the Cooperative;
- b) determine the assessments payable by the Shareowners to meet the common expenses of the Cooperative;
- c) adopt, amend or repeal these Bylaws and/or any rules and regulations covering the details of the operation and use of the Cooperative;

d) purchase, enter into occupancy agreements, lease or otherwise acquire/dispose of Lot in the Community in the name of the Corporation;

e) approve or recommend to Shareowners any actions or proposal required by the Articles of Incorporation, these Bylaws, or the laws of the State of Florida to be approved by Shareowners; or

f) fill vacancies on the Board of Directors.

7.12 Order of Business. The order of business at meetings of Directors shall be:

a) Calling of roll;

b) Proof of notice of meeting or waiver of notice;

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.

ARTICLE 8
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1 Powers. The Board of Directors shall have the power to:

a) adopt and publish rules and regulations governing the use of the Cooperative, property, and the personal conduct of the Shareowners and their guests thereon, and to establish penalties for the infraction thereof;

b) exercise for the Corporation all powers, duties and authority vested or delegated to this Corporation and not reserved to the Shareowners by other provisions of these Bylaws, the Articles of Incorporation, or the Master Occupancy Agreement;

c) employ a manager, an independent contractor, or such employees as they may deem necessary and to prescribe their duties;

d) authorize the execution or modification of any easement as provided in the Master Occupancy Agreement or as otherwise may be now or hereafter encumber the Cooperative, or other assignment, conveyance or transfer of property of the Corporation, real, personal or mixed, except where Shareowner consent or approval is expressly required by the terms of the Articles of Incorporation, these Bylaws, or the laws of the State of Florida;

e) enforce any and all lien rights which the Corporation may have pursuant to §719.108, Florida Statutes (subject to the lien of the mortgages of the Corporation) on each Stock Certificate for any unpaid assessments with interest and for reasonable attorneys' fees incurred in the collection of the assessment or enforcement of such lien;

f) institute, maintain, settle or appeal actions or hearings in its name on behalf of all Shareowners concerning matters of common interest, including, but not limited to, the property owned by the Corporation and commonly used facilities;

g) acquire Stock Certificates, whether by initial issue or purchase in any manner, including at a lien foreclosure sale, and to hold, occupy, mortgage, pledge, and convey them;

h) modify or move any easement for ingress and egress, for utilities purposes or for cable television or similar items;

i) purchase any land on the approval of the Shareowners of the Corporation;

j) adopt reasonable rules and regulations for the use of the Cooperative;

k) maintain accounting records;

l) obtain and maintain adequate insurance to protect the Corporation and the Cooperative;

m) obtain and maintain liability insurance for directors and officers, and insurance for the benefit of employees of the Corporation;

n) furnish adequate financial reports to Shareowners;

o) give notice of exposure to liability in excess of insurance coverage in any legal action to all Shareowners, who shall have the right to intervene and defend;

- p) provide a certificate showing the amount of unpaid assessments respecting a Stock Certificate to any Shareowner, mortgagee or other record lienholder who requires same;
- q) contract for maintenance and management of the Cooperative;
- r) pay costs of utilities services rendered to the Cooperative and not billed directly to individual Shareowners;
- s) employ and dismiss personnel as necessary for the maintenance and operation of the Cooperative and retain those professional services that are required for those purposes;
- t) authorize Shareowners or others to use portions of the common areas, such as social rooms and meeting rooms, for private parties and gatherings;
- u) repair or reconstruct improvements after casualties;
- v) impose a fee not in excess of ONE HUNDRED AND NO/100 DOLLARS (\$100.00) for the reasonable expense required for the transfer or sale of a Stock Certificate or for the assignment or sublease of a lease or the approval thereof; and
- w) with respect to all non-Shareowner tenants: to set and collect all rents and charges; to enter into and enforce all leases and statutory rights and obligations; and to impose and enforce such rules, regulations and other requirements as necessary.

8.2 Duties. It shall be the duty of the Board of Directors to:

- a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Shareowners at the annual meeting of the Shareowners, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Shareowners who are entitled to vote;
- b) cause to be kept a complete list of all Shareowners, listed in alphabetical order, and the address of each Shareowner;
- c) supervise all officers, agents and employees of this Corporation and to see that their duties are properly performed;
- d) fix the amount of the annual assessments against each Stock Certificate owner;

e) send written notice of assessments to every Shareowner subject thereto in advance of the date upon which same are payable;

f) foreclose the lien against any Stock Certificate for which assessments are not paid upon the date due (subject to any grace period established by the Board of Directors) or bring an action at law against the Shareowner personally obligated to pay the same; provided, however, such actions shall be subject to the lien of any mortgagees of the Corporation;

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

h) procure and maintain adequate liability and hazard insurance on property owned by the Corporation;

i) cause all officers or employees having fiscal responsibilities to be bonded, if it deems it appropriate;

j) cause the common areas and other land for which the Corporation is obligated for maintenance by the Master Occupancy Agreement to be maintained;

k) respond within thirty (30) days of receipt of a written complaint filed by certified mail, return receipt requested, with the Board of Directors by a Shareowner, and give a substantive response to the complaint, notify the complainant that a legal opinion has been requested, or notify the complainant that advice has been requested from the Division; and

l) perform such other functions and duties as may be provided by the Articles of Incorporation and not expressly reserved to the Shareowners.

ARTICLE 9 FISCAL MANAGEMENT

9.1 Board Adoption of Budget. The Board of Directors shall adopt a budget for the expenses of the Corporation in advance of each fiscal year at a special meeting of the Board called for that purpose at least forty-five (45) days before the end of each fiscal year.

9.2 Budget Requirements. The proposed annual budget of expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- a) Administration of the Corporation;
- b) Management fees;
- c) Maintenance;
- d) Debt service;
- e) Rent for recreational and other commonly used facilities;
- f) Taxes on Corporation property;
- g) Taxes on leased areas;
- h) Insurance;
- i) Security provisions;
- j) Other expenses;
- k) Operating capital;
- l) Fees payable to the Public Service Commission and any other governmental agency;
- m) Legal fees;
- n) Accounting fees;
- o) Reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other items for which the deferred maintenance expense or replacement cost exceeds TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00). Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the Shareowners entitled to vote who are present at a duly called meeting.
- p) Fees payable to the Division.

9.3 Budget Meeting. The Board of Directors shall mail, hand deliver, or electronically transmit to each Shareowner at the address last furnished to the Corporation, a meeting notice and copies of the proposed annual budget of common expenses to the Shareowners not less than fourteen (14) days prior to the meeting at which the budget will be considered. The meeting shall be open to all Shareowners.

9.4 Shareowner Reelection of Excessive Budget. If a budget adopted by the Board of Directors requires assessments against the Shareowners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of the assessments for the previous year, the Board, on written application of ten percent (10%) of the Shareowners, shall call a special meeting of the Shareowners within thirty (30) days. The special meeting shall be called on not less than ten (10) days' written notice to each Shareowner. At the special meeting, Shareowners shall consider and enact a budget by vote of not less than a majority of all Shareowners entitled to vote. Provisions for reasonable reserves for repair of the Corporation property, nonrecurring expenses and assessments for betterments to the Corporation property shall be excluded from the computation in determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in the previous year.

9.5 Budget Adoption by Shareowners. At its option, for any fiscal year, the Board of Directors may propose a budget to the Shareowners at a meeting of Shareowners or in writing. If the proposed budget is approved by the Shareowners at the meeting or a majority of all Shareowners entitled to vote, in writing, the budget shall be adopted.

9.6 Records and Reports. The Corporation shall maintain accounting records, which shall be open to inspection by Shareowners or their authorized representatives at reasonable times. The records shall include, but are not limited to:

- a) a record of all receipts and expenditures; and
- b) an account for each Shareowner, designating the name and current mailing address of the Shareowner, the amount of each assessment, the dates and amounts in which the assessments come due, the amount paid on the account and the balance due.

Within sixty (60) days after the end of each fiscal year, the Board of Directors shall mail or furnish by personal delivery to each Shareowner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall meet the requirements of Section 719.104(4), Florida Statutes, and rules promulgated thereunder.

9.7 Commingling of Funds. All funds maintained by the Corporation shall be maintained separately in the name of the Corporation. Reserve and operating funds shall not be commingled unless combined for investment purposes. In the event Corporation funds are

combined with operating or other reserve funds of the same Corporation for investment purposes, such funds shall be accounted for separately.

9.8 Depository. The depository of the Corporation shall be those banks or savings and loan associations, state or federal, located in Florida, as shall be designated from time to time by the Board of Directors and in which the money for the Corporation shall be deposited. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons as are authorized by the Directors,

9.9 Fidelity Bonding. Each person who controls or disburses funds of the Corporation (meaning those persons authorized to sign checks, and the president, secretary and treasurer) shall be bonded by a fidelity bond. The fidelity bond must cover the maximum funds that will be in the custody of the Corporation or its management agent at any onetime. The cost of bonding shall be at the expense of the Corporation.

9.10 Annual Election of Income Reporting Method. The Board of Directors shall make a determination annually, based on competent advice, whether it shall cause the Corporation's income to be reported to the Internal Revenue Service by the "regular" method (Federal Tax Form 1120) or the "alternative" method (Federal Tax Form 1120H), according to which method of reporting shall best serve the interests of the Corporation for the reporting period under consideration.

9.11 Audit. An audit of the accounts of the Corporation may be made from time to time as directed by the Board of Directors or the holders of any Mortgages. A copy of any audit report received as a result of an audit or written summaries thereof shall be furnished to each Shareowner of the Corporation not less than thirty (30) days after its receipt by the Board of Directors and at least annually to each Shareowner.

9.12 Tax Deduction Statement. The Corporation shall, on or before April 5th following the close of the fiscal year, send to each Shareowner listed on the books of the Corporation for the prior fiscal year a statement setting forth the amount per Stock Certificate of that portion of the rent paid by such Shareowner under his Occupancy Agreement during such year which has been used by the Corporation for payment of real estate taxes and interest on a mortgage or other indebtedness paid by the Corporation with respect to property owned by it.

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

ARTICLE 10
ASSESSMENTS AND COLLECTION

10.1 Assessments, Generally. Assessments shall be made against the Shareowners annually but shall be payable in monthly installments. The assessments shall be made in an amount not less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The assessments shall be collected against Shareowners in the proportions or percentages provided in the Master Occupancy Agreement.

10.2 Emergency Assessments. Special Assessments for common expenses of emergencies that cannot be paid from the annual assessment for common expenses shall be made by the Board of Directors after thirty (30) days' notice given to the Shareowners. These assessments shall be paid at the times and in the manner that the Board of Directors may require in the notice of assessment.

10.3 Liability for Assessments. Each Shareowner shall be liable for all assessments coming due while he is a Shareowner. The Shareowner and his grantee in a voluntary conveyance shall be jointly and severally liable for all unpaid assessments due and payable up to the time of the voluntary conveyance. A first mortgagee who acquires title by foreclosure or deed in lieu of foreclosure, however, shall not be liable for unpaid assessments of previous owners unless those assessments are evidenced by a lien recorded before the foreclosed mortgage. The liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by the abandonment of the lot for which the assessments are made.

10.4 Amended Budget. If the annual assessment proves to be insufficient, the budget may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

10.5 Collection; Interest; Application of Payments. Assessments and installments of them, if not paid within ten (10) days after the date they become due, shall bear interest at eighteen percent (18%) per annum, but not to exceed the maximum rate allowed by law. The Corporation may charge an administrative late fee, in addition to interest, in an amount not to exceed the greater of TWENTY-FIVE AND NO/100 DOLLARS (\$25.00) or five percent (5%) of each installment of the assessment that is late. All assessment payments shall be applied first to interest, then to any administrative late fee, then to any costs and reasonable attorneys' fees incurred in collection, then to the assessment payment due, regardless of any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

10.6 Lien for Assessments. The Corporation has a lien on each Occupancy Agreement and Stock Certificate for any unpaid assessments with interest and for reasonable attorneys' fees incurred by the Corporation incident to the collection of the assessment or reinforcement of the lien. The lien is effective from and after recording a claim of lien in the public records of the county in which the Cooperative is located. The claim of lien includes not only those assessments that are due at the time the lien is recorded but shall include all assessments which accrue through the pendency of any legal action through the date of judgment. The lien shall be deemed to be prior and superior to the creation of any homestead status, and every Shareowner hereby consents to the imposition of such lien prior to any homestead status. The Corporation's lien shall be inferior and subordinate to the lien of the mortgagee(s) of the Corporation.

10.7 Acceleration of Assessment Installment Upon Default. If a Shareowner shall be in default in the payment of an installment of an assessment, the Directors may accelerate the remaining installments of the assessment to a maximum of that due quarterly upon notice to the Shareowner, and the unpaid balance shall then be due upon the date stated in the notice, but not less than five (5) days after delivery of the notice to the Shareowner, or not less than ten (10) days after the mailing of such notice to him by registered or certified mail, whichever shall first occur.

10.8 Collection; Suit; Notice. The Corporation may bring an action to foreclose any lien for assessments. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Corporation shall give notice to the Shareowner of its intention to foreclose its lien at least thirty (30) days before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the Shareowner or by certified mail, return receipt requested, addressed to the Shareowner.

ARTICLE 11 CORPORATION CONTRACTS, GENERALLY

All contracts for the operation, maintenance or management of the Corporation or property serving the Cooperative, made by the Corporation, must not be in conflict with the powers and duties of the Corporation or the rights of the Shareowners.

ARTICLE 12 COMPLIANCE AND DEFAULT

12.1 Violations, Notice, Actions. In the case of a violation (other than the nonpayment of an assessment) by a Shareowner of any of the provisions of the Master Occupancy Agreement, the Articles, these Bylaws, or any lawfully adopted rules and regulations, the Corporation, by direction of its Board of Directors, may transmit to the Shareowner by certified

mail, return receipt requested, a notice of the violation. If the violation shall continue for a period of ten (10) days from the date of the notice, the Corporation shall have the right to treat the violation as an intentional and material breach of the provision cited in the notice. It then, at its option, may take the following actions:

- a) File an action to recover for its damages on behalf of the Corporation or on behalf of other Shareowners;
- b) File an action for injunctive relief requiring the offending Shareowner to take or desist from taking certain actions;
- c) File an action for both damages and injunctive relief;
- d) Take such other action as prescribed by law.

12.2 Attorneys' Fees. In any action brought pursuant to the provisions of Paragraph 12.1, the prevailing party is entitled to recover reasonable attorneys' fees.

ARTICLE 13 LIABILITY SURVIVES OWNERSHIP

Termination of ownership of shares in the Corporation shall not relieve or release a former Shareowner from any liability or obligation incurred with respect to the Corporation during the period of ownership, nor impair any rights or remedies that the Corporation may have against the former Shareowner arising out of his ownership and his covenants and obligations incident to that ownership.

ARTICLE 14 PARLIAMENTARY RULES

Roberts' Rules of order (latest edition) shall govern the conduct of the Corporation's meetings when not in conflict with the Articles or these Bylaws.

ARTICLE 15 RULES AND REGULATIONS

15.1 Board May Adopt. The Board of Directors may adopt and amend, from time to time, reasonable rules and regulations governing the details of the use and operation of the Cooperative, including, but not limited to, the Common Areas and recreational facilities.

15.2 Posting and Furnishing Copies. A copy of the rules and regulations adopted from time to time by the Board of Directors, and any amendments to existing rules and regulations, shall be posted in a conspicuous place in the Community and a copy furnished to each Shareowner. No rule, regulation or amendment shall become effective until thirty (30) days after posting, except in the case of an emergency, in which case the rule, regulation or amendment shall become effective immediately on posting.

15.3 Limitations on Authority. The Board of Directors may not unreasonably restrict any Shareowner's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in the common areas and recreational facilities. The Board may not deny any resident of the Cooperative, whether tenant or owner, access to any available franchised or licensed cable television service or exact a charge or anything of value in excess of charges normally paid for like services by residents of single-family homes within the same franchise or license area.

15.4 Reasonableness Test. Any rule or regulation created and imposed by the Board of Directors must be reasonably related to the promotion of the health, happiness and the peaceful enjoyment of the Shareowners and uniformly applied and enforced.

15.5 Renting. A Shareowner may rent his or her Lot provided that all of the following requirements are met:

- a) At least eighty percent (80%) of all occupied Lots within the Community must be permanently occupied by at least one person age fifty-five (55) years or older.
- b) No occupant may be under the age of forty (40) years.
- c) All of the occupants must be approved by the Board of Directors prior to becoming residents.
- d) All of the occupants must comply with all of the rules and regulations of the Cooperative and the Corporation.
- e) All Recreational Vehicles must be clean, neat and in a good state of repair as determined in the sole discretion of the Manager (defined in the Rules and Regulations).

ARTICLE 16
BYLAWS DEEMED AMENDED

These Bylaws shall be deemed amended in those particulars as may be required to make them consistent with the provisions of Chapters 617 or 719, Florida Statutes, as they may be amended from time to time.

ARTICLE 17
PRIORITIES IN CASE OF CONFLICT

In the event of conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest:

- a) The Articles of Incorporation;
- b) The Master Occupancy Agreement;
- c) These Bylaws;
- d) The Rules and Regulations.

ARTICLE 18
INDEMNIFICATION

Every officer and Director of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including reasonable attorneys' fees incurred and imposed in connection with any proceedings to which he may be a party, or in which he may become involved by reason of his being or having been an officer or Director of the Corporation, whether or not he is an officer or Director at the time the expenses are incurred. The officer or Director shall not be indemnified if he is adjudged guilty of gross negligence or willful misconduct or shall have breached his fiduciary duty to the Shareowners of the Corporation. The Corporation shall not be liable, however, for payment of a voluntary settlement unless it is first approved by the Board of Directors. The foregoing rights shall be in addition to and not exclusive of all other rights to which the Director or officer may be entitled.

ARTICLE 19
OFFICERS AND THEIR DUTIES

19.1 Enumeration of Officers. The officers of this Corporation shall be a President and one or more Vice Presidents, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create. Officers, other than the initial Officers, shall be Shareowners of the Corporation entitled to vote.

19.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Shareowners.

19.3 Term. The officers of this Corporation shall be elected annually by the Board of Directors and each shall hold office for one (1) year and until his successor is duly elected and qualified, unless he shall sooner resign, be removed, or be otherwise disqualified to serve.

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

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

19.6 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

19.7 Multiple Offices. No person shall simultaneously hold the offices of President and Secretary; however, a person may otherwise hold more than one office.

19.8 Duties. The duties of the officers are as follows:

a) President. The President shall be the chief executive officer of the Corporation, and shall have all of the powers and duties that are usually vested in the office of a president of a corporation. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments on behalf of the Corporation, and shall

exercise such powers and discharge such other duties as may be required of him by the Board of Directors.

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

c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Shareowners; keep the corporate seal of the Corporation and affix it on all papers requiring such seal; serve notice of meetings of the Board of Directors and of the Shareowners; keep appropriate current records showing the Shareowners of the Corporation together with their addresses, perform all other duties incident to the office of a secretary of a corporation, and exercise such powers and discharge such other duties as required by the Board of Directors.

d) Treasurer. The Treasurer shall receive and cause to be deposited in appropriate bank accounts all monies of the Corporation as directed by resolution of the Board of Directors; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Shareowners at its regular annual meeting, and deliver a copy of each to the Shareowners, perform all other duties incident to the office of a treasurer of a corporation, and shall exercise such powers and perform such other duties as required by the Board of Directors.

19.9 Duties Fulfilled by Manager. The Secretary and Treasurer may either or both be assisted in their duties by a manager employed by the Corporation to the extent authorized by the Board of Directors. If such a manager is employed, the manager shall have custody of such books of the Corporation as the Corporation determines necessary or appropriate.

ARTICLE 20 COMMITTEES

The Board of Directors may appoint such committees, as it deems appropriate in carrying out the purposes of the Corporation.

ARTICLE 21 ARBITRATION

In the event of a "dispute" as defined in Section 718.1255, Florida Statutes, prior to the institution of court litigation, the disputing parties must arbitrate their dispute(s) in accordance with Sections 719.1255 and 718.1255, Florida Statutes.

ARTICLE 22
OFFICIAL RECORDS

The official records of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any Shareowner or the authorized representative of such Shareowner, including, but not limited to the Master Occupancy Agreement, Articles of Incorporation, Bylaws, Rules and all amendments thereto at the principal office of the Corporation, where copies may be purchased at reasonable cost.

ARTICLE 23
CORPORATE SEAL

The Corporation shall have a seal in circular form having within its circumference the words: "DEER CREEK GOLF AND TENNIS RV RESORT, PHASE TWO," "Florida," "cooperative" and "2006." An impression of the corporate seal appears in the margin below. The Corporation may use such seal, a common seal, or any facsimile thereof.

ARTICLE 24
AMENDMENTS

To the extent permitted by law, there shall be no change or amendment to these Bylaws that in anyway affects the rights of the Developer hereunder. Except as otherwise provided elsewhere, these Bylaws may be amended in the following manner:

24.1 Proposal of Amendment. A resolution for the adoption of an amendment to these Bylaws may be proposed either by a majority of the Directors or by not less than twenty percent (20%) of the Shareowners entitled to vote.

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

24.3 Adoption. Amendments may be adopted by a majority vote of the Shareowners entitled to vote at a meeting set forth in notice given pursuant to Paragraph 24.2.

24.4 Consent to Certain Amendments. No amendments to the Bylaws shall be valid without the written consent of two-thirds (2/3) of the Shareowners entitled to vote affected by any amendment that changes the configuration or size of any Lot in any material fashion or that materially alters or modifies the appurtenances of the Lot or changes the proportion of percentage by which the Shareowner shares the common expenses and the common surplus and

equity in the Corporation or changes or modification in voting rights or location of a Shareowner's Lot.

24.5 Errors and Omissions. In the event it shall appear that there is an error or omission in these Bylaws or exhibits thereto, then and in that event the Corporation may correct such error or omission by an amendment to these Bylaws in the manner hereinafter described to effectuate an amendment for the purpose of curing defects, errors or omissions. Such an amendment shall not require a vote of approval as provided in Paragraph 24.3, above, but shall require a vote in the following manner:

a) Notice of the subject matter of a proposed amendment to cure a defect, error or omission shall be included in the notice of any meeting at which such proposed amendment is to be considered.

b) A resolution for the adoption of such a proposed amendment may be proposed by either the Directors or by the Shareowners of the Corporation. Except as elsewhere provided, such approvals must be either by:

i. Not less than thirty-three and one-third percent (33 1/3%) of the entire membership of the Board of Directors and by not less than ten percent (10%) of the Shareowners entitled to vote; or

ii. Not less than twenty-five percent (25%) of the Shareowners entitled to vote; or

iii. In the alternative, an amendment may be made by an agreement signed and acknowledged by all Shareowners entitled to vote in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of the county in which the Cooperative is located.

c) The foregoing provisions relating to amendments for defects, errors or omissions are intended to be in accordance with and pursuant to Section 719.304(1), Florida Statutes.

d) The amendments made pursuant to this paragraph need only be executed and acknowledged by the Corporation and by no other parties whatsoever.

24.6 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to mortgagees of Lot or any mortgagee of the Corporation, without the consent of the mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or the Occupancy Agreements. To the extent permitted by law, there shall be no

change or amendment to these Bylaws that in anyway affects the rights of the Developer hereunder.

24.7 Execution. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of these Bylaws, which certificate shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Corporation with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of the county in which the Cooperative is located.

ARTICLE 25
CONSTRUCTION

Whenever the context permits or requires, the singular shall include the plural, the plural shall include the singular and the use of any gender shall be deemed to include all genders.

DATED as of the 13th day of September, 2006.