

BYLAWS

OF

KISSIMMEE BAY COMMUNITY ASSOCIATION, INC. a Florida corporation not-for-profit

1. General.

1.1 Identity. These are the Bylaws of Kissimmee Bay Community Association, Inc. (the "Master Association"), a corporation not-for-profit formed under the laws of the State of Florida. The Master Association has been organized for the purposes stated in the Articles of Incorporation (the "Articles"), and the MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, EASEMENTS AND RESERVATIONS FOR KISSIMMEE BAY (the "Declaration"). The Master Association shall have all of the powers provided in these Bylaws, the Articles, the Declaration (collectively, the "Governing Documents"), and any other statute or law of the State of Florida or any other power incident to any of the above powers.

1.2 Principal Office. The Principal Office of the Master Association shall be at such place as the Board may determine from time to time.

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

1.4 Seal. The seal of the Master Association shall have inscribed upon it KISSIMMEE BAY COMMUNITY ASSOCIATION, INC., the year of its incorporation and the words "Corporation Not-For-Profit". The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the Master Association.

1.5 Inspection of Books and Records. The records of the Master Association shall be open to inspection by any Member of the Master Association, upon request, during normal business hours or under other reasonable circumstances. The records of the Master Association shall include current copies of the Declaration, the Articles, the Bylaws, any Rule and Regulations of the Master Association, any contracts entered into by the Master Association, and the books, records and financial statements of the Master Association. The Master Association shall be required to make available to prospective purchasers of any Property Unit, current copies of the Governing Documents and the most recent annual financial statement of the Master Association.

1.6 Definitions. Unless the context otherwise requires, all terms used in these Bylaws shall have the same meaning as are attributed to them in the Declaration and the Articles.

2. Membership in General.

2.1 Qualifications. The qualification of Members, the manner of their admission to membership, changes in membership, and the termination of such membership, shall be as set forth in the Declaration and the Articles.

2.2 Member Register. The Secretary of the Master Association shall maintain a register in the office of the Master Association showing the names and addresses of the Members of the Master Association. Each Village Association Member shall at all times advise the Secretary of the names of the officers and Members of the Board of the Village Association Member, and of the names and addresses of the owners of Property Units subject to the jurisdiction of the Village Association Member. Each Member shall at all times advise the Secretary of any change of address, and of any change in the number of Property Units. The Master Association shall not be responsible for reflecting any changes until notified of such change in writing.

3. Voting Rules.

3.1 Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present, shall be binding upon all Members for all purposes, except where otherwise provided by the law or in the Governing documents.

3.2 Determination of Voting Rights. The total number of Residential Units and OWNERS is governed by the Master Development Plan. Members voting rights shall be determined as follows:

3.2.1. Voting Rights. The Association shall have two (2) classes of voting membership:

(a) Class "A" Class "A" Member shall be (i) all Owners, of residential units, and the lessee or the party entitled to the possession of the Golf Course Parcel, with the exception of the Declarant. Class "A" Members shall be entitled on all issues to one (1) vote for each Residential Unit in which they hold the interest required for membership, and, in the case of the Golf Course Parcel, the lessee of the Golf Course Parcel or the party otherwise entitled to the Golf Course Parcel shall be entitled to one (1) vote.

(b) Class "B". The Class "B" Member shall be the Declarant and any successor of the Declarant. Upon the execution of the Master Declaration, the Class "B" Member shall be entitled to 3 votes for each Residential Unit owned by a Class "B" Member, or an aggregate of 1,503 votes based upon 501 permitted Residential Units and the Golf Course Parcel within the Development Plan. Thereafter, the number of Class "B" votes shall be reduced by one (1) vote for each Class "A" vote from time to time existing in the Association. The Class "B" Membership shall terminate and become converted to Class "A" Membership upon the happening of the earlier of the following:

- (i) When the total outstanding Class "A" in the Association equal the total outstanding Class "B" votes; or
- (ii) Twenty (20) years from the date of recording the Master Declaration; or
- (iii) When, in its discretion, the Declarant so determines.

From and after the happening of any one of these events, the Declarant shall call a meeting as provided in the By-laws for special meetings to advise the Association membership of termination of Class "B" status.

The Class "B" Members shall cast on all issues their votes as they among themselves determine. It shall be permitted for the Declarant to retain and to cast all Class "B" votes.

3.2.2. Declarant Veto Power. From and after the termination of the Class "B" membership, the Declarant shall have a veto power over all actions of the Association and the Board of Directors of the Association. This power shall expire when the Class "A" vote, other than that held by the Declarant, equals ninety percent (90%) of the total membership vote (regardless of class distinction) of the Association, or December 31, 2019, whichever occurs first. The veto shall be exercised as follows:

No action authorized by the Association or the Board of Directors shall become effective, nor shall any action, policy program be implemented, until and unless:

- (i) The Declarant shall have been given written notice of each meeting of the Member and of the Board of Directors by certified mail, return receipt requested or by personal delivery, at the address it has registered from time to time with the Secretary of the Association, which notice otherwise complies with the terms of the Bylaws as to regular and special meetings of the Members and Board of Directors and which notice shall set forth with reasonable particularity the agenda to be followed at said meeting; and

- (ii) The Declarant shall have been given the opportunity at each such meeting, if Declarant so desires, to join in, or to have its representatives or agents join in, discussion of any prospective action, policy, or program to be implemented by the Board or the Association. The Declarant and its representatives or agents may make its concerns and suggestions known to the Members of the Association or of the Board. At such meeting the Declarant shall have, and is hereby granted, a veto power over any such action, policy or program authorized by the Board of Directors, the Association officers, or officers or agent of the Association, or any individual Member of the Association (if Association or Board approval is necessary for said Member's action). Except as set forth in subsection (iii) below, the Declarant veto must be exercised by the Declarant, its representatives, or agents at or before the meeting to consider proposed

action. The veto power shall not include the authority to require any affirmative action of behalf of the Board or the Association; and

(iii) If any action, policy or program is to be implemented by prior consent without the formality of a meeting, then the Declarant shall be provided a written notice and description of the proposed action, policy or program at least ten (10) days in advance of such implementation, and Declarant shall have ten (10) days after receipt of such notice to exercise its veto.

3.2.3. Multiple Owners. Each vote in the Association must be cast as a single vote, and fractional votes shall not be allowed. In the event that joint or multiple Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner of Owners cast a vote on behalf of a particular Parcel, it shall thereafter be conclusively presume for all purposes that he was or they were acting with the authority and consent of all Owners thereof. In the event more than the appropriate number of votes are cast for a particular Parcel, none of said votes shall be counted and said votes shall be deemed void.

3.3 Proxies. Every Member or Representative of a Community Association Member entitled to vote at a meeting of the Members, or to express consent or dissent without a meeting, may authorize another person to act on the Mover's or Representative's behalf by a proxy signed by such Member or representative. Any proxy shall be delivered to the Secretary of the Master Association or the person acting as Secretary at the meeting, at or prior to the time designated in the order of business for so delivering such proxies. No proxy shall be valid after the expiration of eleven (11) months from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at any time at the pleasure of the Member or Representative executing it. Any proxy issued by a Representative of a Village Association Member may authorize only a member of the Board or officer of the Village Association to act on the Representative's behalf.

3.4 Right of the Developer. Notwithstanding anything contained in these Bylaws, the Articles or the Declaration to the contrary, so long as the Developer owns any portion of the Property, and the Developer has not caused to be recorded in the Public Records of Osceola County, Florida, a Certificate of Termination of Interest in Kissimmee Bay, no vote of the Members shall be effective without approval in writing by the Developer. The Certificate of Termination of Interest in Kissimmee Bay will terminate any and all right, title and obligation of the Developer in the operation and control of the Master Association.

3.5 Calculation of Votes. Any question concerning the number of votes which may be cast by a Member shall be decided by the Board.

4. Membership Meetings.

4.1 Who May Attend. As to a Village Association Member, any of its directors or officers, may attend any meeting of the Members. As to any other Member, any person entitled to cast the votes of the Member, and in the event any Property Unit is owned by more than one person, all co-Owners of the Property Unit may attend any meeting of the Members. However, the votes of any Member shall be cast in accordance with the provisions of Section 3 above. Any person not expressly authorized to attend a meeting of the Members, as set forth above, may be excluded from any meeting of the Members by the presiding officer of the meeting.

4.2 Place. All meetings of the Members shall be held at the principal office of the Master Association or at any other location as designated by the Board and stated in the notice of meeting.

4.3 Quorum Requirements. The presence at a meeting of members entitled to cast, or proxies entitled to cast, thirty percent (30%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. {Amended 10/20/03}

4.4 Notices. Written notice stating the location, day and hour of any meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each Member not less than five (5) nor more than sixty (60) days before the date of the meeting, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice of any meeting at which Members of the Board are to be elected shall include the names of all those are nominees at the time the notice is given to the Members. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member at the Member's address as it appears on the records of the Master Association, unless such Member shall have filed a written request with the Secretary of the Master Association stating that notices to him be mailed to some other address. All notices shall be dated and shall be mailed to the Members as soon after the date of the notices as is practical. The date of the notice shall be the date used for the purpose of determining members entitled to notice of, or to vote at, any meeting of the Members of the Master Association, or in order to make a determination of the Members for any other purpose. The Board shall not be required to take into account any changes in membership occurring after that date but may, in their sole and absolute discretion, do so.

4.5 Organization. At each meeting of the Members, the President, or in his absence, the Vice President shall act as chairman of the meeting. The Secretary, or in his absence or inability to act, any person appointed by the chairman of the meeting shall act as Secretary of the meeting.

4.6 Minutes. The minutes of all meeting of the Members shall be kept in a book available for inspection by the Members or their authorized representatives, and the Members of the Board, at any reasonable time.

4.7 Actions Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the Members may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action to be taken, shall be signed by the Members having not less than the minimum number votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Within then (10) days after obtaining such authorization by written consent, notice shall be given to those Members who have not consented in writing. The notice shall fairly summarize the material details of the authorized action.

5. Board.

5.1 Members of the Board.

5.1.1. The affairs of the Master Association shall be managed by the Board comprised of not less than three (3) nor more than (9) Members. So long as the Developer is entitled to appoint all Members of the Board pursuant to the Articles, the number of Members shall be determined and changed from time to time by the Developer by written notice to the Board. In the absence of other notification, there shall be three (3) Members of the Board.

5.1.2. When the Developer is no longer entitled to appoint all Members of the Board, the number of Members of the board shall be increased to at least five (5).

5.1.3. Notwithstanding the foregoing, in no event shall there be less than three (3) Members of the Board, and the number of Members of the board shall always be an odd number. The Members shall not have the right to change the number of Members of the Board so long as the Developer has the right to determine the number of Members of the Board s set forth above.

5.2 Election of Members of the Board. Election of Members of the Board to be elected by the Members of the Master Association shall be conducted in the following manner:

5.2.1. Nomination. Nomination for election of the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting and any member shall have the right to nominate himself or herself as a candidate to run for the Board. The nominating committee shall be appointed by the Board and shall consist of three (3) members of the Association, who may also be Board members. A new nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion

determine, but not less than the number of vacancies that are to be filled. {Amended 10/20/03}

5.2.2. Election. Election of the Board of Directors shall be by secret written ballot. At such election members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. {Amended 10/20/03}

5.3 Term of Office. On the first occasion that the Members, other than the Developer, have the opportunity to elect any Members of the Board, the Members shall have the right to elect at least two (2) Members of the Board. The term of office of the member of the Board receiving the highest number of votes shall be two (2) years and the term of office of the member of the Board receiving the next highest number of votes at such meeting shall be one (1) year. One (1) member of the Board shall hold office until the third annual meeting after his election, and the other member of the board shall be elected to fill vacancies created by the death, resignation, removal, judicial adjudication of mental incompetence or expiration of the terms of past members of the Board and the term of each such member of the Board shall be two (2) years.

On the first occasion that the Members, other than the Developer, have the opportunity to elect all Members of the Board, the new Members of the Board shall be elected to replace the Members of the board appointed by the Developer as provided in these Bylaws. The term of office of the two (2) members of the Board receiving the highest number of votes shall be two (2) years and the term of office of the other member of the Board shall be one (1) year. It is the intention of the provision to create staggered terms so that at least one-third (1/3) of the Members of the Board shall be two (2) years. The term of office of each member of the Board elected or appointed to fill a vacancy created by the expiration of the term of office of the respective past member of the Board shall be two (2) years. The term of office of each member of the Board elected or appointed to fill a vacancy created by the resignation, death, or removal of his predecessor shall be the balance of the unserved term of his predecessor. Any person serving as a member of the Board may be re-elected, and there shall be no limitation on the number of terms during which he may serve.

5.4 Organizational Meeting. The newly elected Board shall meet for the purposes of organization, the election of officers and the transaction of other business immediately after their election or within ten (10) days of same at such place and time as shall be fixed by the Members of the Board at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

5.5 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Members of the Board.

5.6 Special Meetings. Special meetings of the Board may be called by any member of the Board, or by the President if not otherwise a member of the Board, at anytime.

5.7 Board Action Without a Meeting. Any action required to be taken at a meeting of the Members of the Board, or any action which may be taken at a meeting of the Members of the Board, may be taken without a meeting if a consent in writing setting forth the action so to be taken is signed by all Members of the Board and is filed in the minutes of the proceedings of the Board. Such consent shall have the same effect as a unanimous vote.

5.8 Notice of Meetings. Notice of each meeting of the Board shall be given by the Secretary, or by any other officer or member of the Board, stating the day, location and time of the meeting. Notice of such meeting shall be delivered to each member of the Board either personally or by telephone or telegraph, at least twenty-four (24) hours before the time at which such meeting is to be held, or by first class mail, postage prepaid, at least three (3) days before the day on which such meeting is to be held. Notice of a meeting of the Board need not be given to any member who signs a waiver of notice either before or after the meeting. Attendance of a member of the Board at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place, the time or the manner in which the meeting has been called or convened except when a member of the Board states, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or convened.

5.9 Attendance at Board Meetings. All meetings of the Board shall be open to all Members.

5.10 Place. All meetings of the Board shall be held at the principal office of the Master association or at any other location as designated in the notice of Meeting.

5.11 Quorum Requirements. Except as set forth hereinafter or unless otherwise so provided, at any regular or special meeting of the Board, the presence in person or by proxy of Members entitled to cast a majority of the votes of the entire Board at the time of such vote shall constitute a quorum. If any meeting of the Board cannot be organized because a quorum is not present, a majority of the votes of the Board Members present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days and no more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the presence in person or by proxy of Members of the Board holding at least twenty-five percent (25%) of the votes of the entire board.

5.12 [RESERVED]

5.13 [RESERVED]

5.14 [RESERVED]

5.15 [RESERVED]

5.16 Removal of Members of the Board. Members of the Board may be removed as follows:

5.16.1 Any Member of the Board other than a member appointed by the Developer may be removed by majority vote of the remaining Members of the Board if such member has been absent for the last three consecutive board meetings, and/or adjournments and continuances of such meetings.

5.16.2 Any member of the Board other than a member appointed by the Developer may be removed with or without by a majority of the votes the Members cast at a special meeting of the Members called by Members having not less than twenty-five percent (25%) of the votes of the entire membership expressly for that purpose. The vacancy on the Board caused by any such removal may be filled by the Members at such meeting or if the Members shall fail to fill such vacancy, by the board as in the case of any other vacancy on the Board.

5.17 Vacancies. Vacancies on the Board of any member of the Board appointed by the Developer shall be filled by appointment by the Developer. Unless the vacancy is filled by the Members in accordance with subsection 5.16.2, vacancies on the Board of any member of the Board elected by Members may be filled by a majority vote of the Members of the Board then in office though less than a quorum, or by a sole remaining member of the Board. If there are no Members of the Board in office, then a special meeting election of the Members shall be called to elect the Members of the Board to fill the vacancies.

5.18 Members of the Board Appointed by the Developer. Notwithstanding anything contained herein to the contrary, the Developer shall always have the right to appoint the maximum number of Members of the Board in accordance with the privileges granted to the Developer pursuant to the Articles. All Members of the Board appointed by the Developer shall serve at the pleasure of the Developer, and the Developer shall have the absolute right, at any time, and in its sole discretion, to remove any member of the Board appointed by it, and to replace such member with another person to serve on the Board. Replacement of any member of the Board appointed by the Developer shall be made by written notice to the Master Association which shall specify the name of the person designated as successor member of the Board. The removal of any member of the Board and the designation of his successor by the Developer shall become effective immediately upon delivery of such written notice by the Developer. The Developer may waive its right to appoint one or more Members of the Board which is has the right to appoint at any time upon written notice to the Master Association, and thereafter such member(s) of the Board shall be elected by the Members.

5.19 Compensation. The Board shall not be entitled to any compensation unless the Members elect to pay them compensation and set the amount of such compensation, at any meeting of the Members.

5.20 Powers and Duties. The Board shall have the right to exercise all of the powers and duties of the Master Association, express or implied, existing under these Bylaws, the Articles, the Declaration, or as otherwise provided by statute or law. Such powers and duties of the Board shall include without limitation (except as limited elsewhere herein), the following:

5.20.1 The operation, care, upkeep and maintenance of the Common Areas, and any other portion of Kissimmee Bay determined to be maintained by the Master Association.

5.20.2 The determination of the expenses required for the operation of the Master Association.

5.20.3 The collection of Assessments for Common Expenses from Members required to pay same.

5.20.4 The employment and dismissal of personnel.

5.20.5 The adoption and amendment of Rules and Regulations covering the details of the operation and use of property owned and/or maintained by the Master Association.

5.20.6 Maintaining bank accounts on behalf of the Master Association and designating signatories required therefore.

5.20.7 Obtaining and reviewing insurance for the property owned and/or maintained by the Master Association.

5.20.8 The making of repairs, additions and improvements to, or alterations of, property owned and/or maintained by the Master Association.

5.20.9 Purchasing or leasing a Property Unit for use by a resident superintendent

5.20.10 Borrowing money on behalf of the Master Association provided however, that the consent of the Members having at least two-thirds (2/3) of the votes of the entire membership, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of \$25,000.00.

5.20.11 Contracting for the management and maintenance of property owned and/or maintained by the Master Association. Authorizing a management agent

or company to assist the Master Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules, and maintenance, repair and replacement of the Common Areas with such funds as shall be made available by the Master Association for such purposes. The Master Association and its officers shall, however, retain at all times the powers and duties granted by all Governing Documents, including but not limited to, the making of Assessments, promulgation of rules, and execution of contracts on behalf of the Master Association.

5.20.12 Exercising all powers specifically set forth in the Governing Documents, and as otherwise provided by statute or law, and all powers incidental thereto or implied therefrom.

5.20.13 Entering into and upon any portion of the Property, including Property Units, when necessary to maintain, care and preserve any property in the event the respective Community Association or Owner fails to do so.

5.20.14 Collecting delinquent Assessments by suit or otherwise, abating nuisances, and enjoining or seeking damages from the Members and/or Owners for violations of these Bylaws and the terms and conditions of the Declaration or of the Rules and Regulations of the Master Association.

5.20.15 Acquiring and entering into agreements whereby the Master Association acquires leaseholds, memberships, and other possessory or use interests in lands or facilities, whether or not contiguous to the lands operated by the Master Association, intended to provide for the enjoyment recreation, or other use and benefit of the Members and/or Owners and declaring expenses in connection therewith to be Common Expenses; all in such form and in such manner as may be deemed by the Board to be in the best interest of the Master Association; and the participation in the acquisition of any interest in lands or facilities for the foregoing purposes may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in a corporation owning land.

6. Officers.

6.1 Positions and Qualifications. The Officers of the Master Association shall include a President, A Vice President, a Treasurer and a Secretary, all of whom shall be elected by the Board and may be preemptively removed from office with or without cause by vote of the Board at any meeting by concurrence of a majority of the Members of the Board. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board may, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be appropriate to manage the affairs of the Master Association. Each officer shall hold office until his successor shall have been elected, qualified, or until his death, resignation, or removal.

6.2 Resignation. Any officer of the Master Association may resign at any time by giving written notice of his resignation to any member of the Board, the President or the Secretary. Any resignation shall take effect at the time specified therein, or if there is no time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

6.3 Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these Bylaws for the regular election or appointment of such office.

6.4 The President. The President shall be the chief executive officer of the Master Association. He shall have all of the powers and duties which are usually vested in the office of president of an association or corporation including, but not limited to, the power of appointment committees to assist in the conduct of the affairs of the Master Association.

6.5 The Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also assist the President generally and exercise such other powers and perform such other duties as may be prescribed by the Board.

6.6 The Secretary. The Secretary shall be responsible for preparing and keeping the minutes of all proceedings of the Board and the Members. He shall be responsible for attending to the giving and serving of all notices to the Members and the Members of the Board and other notices required by law. He shall have custody of the seal of the Master Association and affix the same to instruments requiring a seal. He shall keep the records of the Master Association, except those of the Treasurer, and shall perform or direct performance of all other duties incident to the office of Secretary of the Master Association, and as may be required by the Board or the President.

6.7 The Treasurer. The Treasurer shall have custody of all property of the Master Association, including funds, securities, and evidences of indebtedness. He shall oversee the keeping of books of account for the Master Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board for examination at reasonable time. He shall cause a Treasurer's Report to be submitted to the Board at reasonable intervals and shall perform or cause to be performed all other duties incident to the office of Treasurer. He shall collect, or direct collection of, all Assessments and shall report promptly to the Board the status of collections.

7. Finances and Assessments.

7.1 Adoption of the Budget.

7.1.1 By October 31st of each year, or as soon thereafter as is reasonably possible, the Board shall adopt a budget for the next fiscal year, necessary to defray the Common Expenses of the Master Association for such fiscal year as set out in the Declaration. The Common Expenses of the Master Association shall include all expenses of any kind or nature whatsoever anticipated to be incurred, by the Master Association for the next fiscal year. In the event the Board fails to adopt an annual budget for any year, the prior year's budget shall remain in effect until a new budget is adopted or the exiting budget is amended or revised.

7.1.2 If, after the adoption of any budget, it shall appear that the adopted budget is insufficient to provide adequate funds to defray the Common Expenses of the Master Association for the fiscal year in which the adopted budget applies, the Board may adopt an amended budget to provide such funds. All of the above provisions shall apply to the adoption of an amended budget.

7.2 Assessments and Assessment Roll.

7.2.1 Pursuant to the terms of the Declaration, the Board shall fix and determine the amount and frequency of the Members' Assessments for Common Expenses. Such Assessments shall be due not more frequently than monthly, and shall each be in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operation expenses previously incurred. Any monthly, or otherwise, shall be equal unless the Board determines unequal Assessments are required to provide funds in advance of the expenses of the Master Association. As soon as practicable after the determination of the Assessments for Common Expenses, the Master Association shall notify each Member, in writing, of the amount, frequency and due date of such Members' Assessments, provided, however, that no Assessment shall be due in less than ten (10) days from the date of such notification.

7.2.2 In the event the expenditure of funds by the Master Association is required that cannot be paid from the Assessments for Common Expenses, the Board may make Special Assessments in the manner as set out in the Declaration.

7.2.3 The Master Association shall maintain an Assessment roll for each Member, designating the name and current mailing address of the Member, the amount of each Assessment payable by such Member, the dates and amounts in which the Assessments come due, the amounts paid upon the account of the Member, and balance due.

7.3 Depositories. The funds of the Master Association shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, Members of the Board or other persons as may be designated by the Board.

7.4 Application of Payments and Commingling of Funds. All sums collected by the Master Association from Assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board. Reserve Funds shall be deposited in separate interest bearing accounts.

8. Parliamentary Rules.

8.1 Robert's Rules of Order (latest edition) shall govern the conduct of the meetings of Members when not in conflict with the Governing Documents.

9. Amendments.

9.1 Initiation. A resolution to amend these Bylaws may be proposed by any member of the Board, or by Members holding not less than ten (10%) of the votes of the entire membership of the Master Association.

9.2 Notice. 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.

9.3 Adoption of Amendments.

9.3.1 As long as the Developer appoints a majority of the Members of the Board; the Developer shall have the right to unilaterally amend these Bylaws without the joinder of approval of any member of the Board or any Member. No amendment to these Bylaws shall be effective without the written approval of the Developer as long as the Developer owns any portion of the Property.

9.3.2 A resolution for the adoption of the proposed amendment shall be adopted by Members having not less than a majority of the votes of the entire membership of the Master Association.

9.4 No Amendment shall make any change in the qualification for membership nor in the voting rights or property rights of Members without approval by all of the Members. So long as the Developer owns any portion of the Property, no amendments shall make any changes which would in any way effect any of the rights, privileges, powers or options herein provided in favor of or reserved to the Developer, unless the Developer shall join in the execution of the amendment.

9.5 Execution and Recording. No modification of, or amendment to, these Bylaws shall be valid unless recorded in the Public Records of Osceola County, Florida.

10. Rules and Regulations. The board may, from time to time, adopt or previously adopted, Rules and Regulations concerning the use of the Common Areas and concerning the use, operation and maintenance of other portions of the Property in order to further implements and carry out the intent of the Governing Documents. The Board

shall make available to any member, upon request, a copy of the Rules and Regulations adopted from time to time by the Board.

11. Miscellaneous.

11.1 Tenses and Genders. The use of any gender or of any tense in these Bylaws shall refer to all genders or to all tenses, wherever the context so requires.

11.2 Partial Invalidity. Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

11.3 Conflicts. In the event of any conflict, any applicable Florida statute, the Declaration, Articles, and Bylaws, and the Rules and Regulations of the Master Association shall govern, in that order.

11.4 Captions. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these Bylaws or the intent of any provisions hereof.

11.5 Waiver of Objections. The failure of the Board or any officers of the Master Association to comply with any terms and provisions of the Governing Documents which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such defect shall be waived if it is not objected to by a Member within thirty (30) days after the Member is notified, or becomes aware of the defect. Furthermore, if such defect occurs at a general or special meeting, the defect shall be waived as to all Members who received notice of the meeting and failed to object to such defect at the meeting.