

BYLAWS
OF
SOUTHERN DUNES MASTER COMMUNITY ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is SOUTHERN DUNES MASTER COMMUNITY ASSOCIATION, INC. (hereinafter referred to as the "Association"). The principal office of the Association shall be located at 12525 U.S. Highway 27 North, Davenport, Florida 33837, but meetings of members and directors may be held at such places within the State of Florida, Counties of Polk or Orange, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Capitalized terms contained herein which are not otherwise defined shall have the definitions and meanings set forth in the Declaration of Covenants, Conditions and Restrictions of Southern Dunes (hereinafter referred to as the "Declaration") executed by Lost Grove Golf Village, Inc. (hereinafter referred to as the "Declarant") and recorded or to be recorded among the Public Records of Polk County, Florida, which Declaration provides for the creation of the Association.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within thirteen (13) months from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on a date to be determined by the Board of Directors, which date shall be within thirteen (13) months of the preceding annual meeting. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of,

the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-third (1/3) 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 power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon termination of the membership of the Member granting such proxy.

Section 6. Adjourned Meetings. If any meeting cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

Section 7. Order of Business. The order of business at annual Members' meetings and as far as practical or applicable at other Members' meetings, shall be:

- (a) call to order by President;
- (b) calling of the roll and certifying of proxies;
- (c) proof of notice of meeting or waiver of notice;
- (d) reading and disposal of any unapproved minutes;
- (e) reports of officers;
- (f) reports of committees;
- (g) determination of number of directors;
- (h) election of directors;

- (i) unfinished business;
- (j) new business;
- (k) adjournment.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of at least three (3) directors, who need not be members of the Association. The number of directors may be increased from time to time.

Section 2. Term of Office. At the first annual meeting the Members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the Members shall elect one (1) director for a term of three (3) years; provided, however, that the Declarant shall be entitled (but not obligated) to appoint one (1) director for as long as the Declarant is the owner of any portion of the Properties or the Additional Property.

Section 3. Removal. Any director may be removed from the Board with or without cause by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board (except in the event that a director appointed by the Declarant is removed, in which case a successor shall be appointed by the Declarant) and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting, by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF BOARD OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations

may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. 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. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the 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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Organizational Meeting. The organizational meeting of a newly-elected board shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

Section 2. 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 directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting. Except in the event of emergency meetings, a notice of all meetings shall be conspicuously posted 48 hours in advance for the attention of Members of the Association.

Section 3. Special Meetings. Special meetings of the Board may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting. Notice of a special meeting shall be conspicuously posted 48 hours in advance for the attention of Members of the Association except in an emergency.

Section 4. All Meetings. All meetings of the Board shall be open to all Members of the Association.

Section 5. Waiver of Notice. Any director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the giving of notice.

Section 6. Quorum. A majority of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without cause from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 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 Members at the annual meeting of the Members, or

at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

(c) as more fully provided in the Declaration:

(1) fix the amount of the annual assessment against each Lot and Residential Unit at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date and/or bring an action at law against the Owner personally obligated to pay the same.

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

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association and/or covering improvements and activities on the Common Property and/or activities of the Association otherwise provided herein or in the Articles of Incorporation or the Declaration;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Property to be maintained;

(h) perform such other functions and duties as are reserved to the Board hereby or by the Declaration, the Articles of Incorporation or at law.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 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 Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, giving written notice to the Board, 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. Except as otherwise provided in these Bylaws, the President, subject to the directions of and limitations imposed by the Board, shall perform all the duties and have all the power usually pertaining and

attributed by law or otherwise to the office of the President of an association. He shall preside at all meetings of the Board. The President, unless some other person is thereunto expressly authorized by resolution of the Board, shall execute all contracts, deeds, mortgages, bonds and other instruments and papers in the name of the Association and on its behalf; subject, however, to the control when exercised of the Board and to the requirements of the Declaration. The President shall co-sign all checks and promissory notes. He shall also see that orders and resolutions of the Board are carried out.

(b) Vice-President. The Vice-President shall have the powers and perform such duties as may be delegated to him by the Board, or in the absence of such action by the Board, by the President. In case of the death, absence, or inability of the President to act, except as may be expressly limited by action of the Board, the Vice-President may perform the duties and exercise the powers of the President.

(c) Secretary. The Secretary shall keep the minutes of all meetings of the Members and the Board in a book or books to be kept for such purposes, and also, when so requested, the minutes of all meetings of committees in a book or books to be kept for such purposes. He shall attend to giving and serving of all notices, and he shall have charge of all books and papers of the Association, except those hereinafter directed to be in charge of the Treasurer, or except as otherwise expressly directed by the Board. The Secretary shall be the custodian of the seal of the Association and cause to be affixed the seal of the Association on all papers requiring said seal. Subject to the requirements of the Declaration, the Secretary may sign as Secretary of the Association, with the President, in the name of the Association and on its behalf, all contracts, deeds, mortgages, bonds, notes and other papers, instruments and documents, except as otherwise expressly provided by the Board, and as such Secretary he shall affix the seal of the Association thereto. The Secretary shall keep appropriate current records showing the Members of the Association together with their addresses. Under the direction of the Board, or the President, the Secretary shall perform all the duties usually pertaining to the office of Secretary; and he shall perform such other duties as may be prescribed by the Board, or the President.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by

the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy to each of the Members.

ARTICLE IX

COMMITTEES

The Association shall appoint a Design Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, subject to the terms of the Declaration certain Members are obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability from the assessments provided for herein by nonuse of the Common Property or abandonment of his Lot or Residential Unit.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: SOUTHERN DUNES MASTER COMMUNITY ASSOCIATION, INC.

ARTICLE XIII

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class C membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association 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.

IN WITNESS WHEREOF, we, being all of the directors of the Southern Dunes Master Community Association, Inc., have hereunto set our hands this 8th day of December, 1993.

Deborah L. Campbell
Spencer D. Hobbs

Richard M. Woodley
Richard M. Woodley, Director

Deborah L. Campbell
Spencer D. Hobbs

Ralph H. Forrest
RALPH H. FORREST, Director

Deborah L. Campbell
Spencer D. Hobbs

Terry W. Donley
TERRY W. DONLEY, Director

STATE OF FLORIDA

COUNTY OF Seminole

The foregoing instrument was acknowledged before me this 7th day of December, 1993, by Richard M. Woodley, who is personally known to me or who has produced _____ as identification and who did not take an oath.

Gloria H. Allison
Notary Public

Name: GLORIA H. ALLISON

Commission No.: AA 754293

My Commission Expires: _____

Notary Public, State of Florida

(SEAL) My Commission Expires March 4, 1994

Bonded Thru Troy Pain - Insurance Inc.

STATE OF FLORIDA

COUNTY OF Polk

The foregoing instrument was acknowledged before me this 8th day of December, 1993, by James W. Donley, who is personally known to me or who has produced _____ as identification and who did not take an oath.

Deborah L. Campbell
Notary Public

Name: Deborah L. Campbell

Commission No.: _____

My Commission Expires: _____

(SEAL)

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. APR. 19, 1994
BONDED THRU GENERAL INS. UND.

STATE OF FLORIDA

COUNTY OF Polk

The foregoing instrument was acknowledged before me this 8th day of December, 1993, by Ralph P. Gonest, who is personally known to me or who has produced _____ as identification and who did not take an oath.

Deborah L. Campbell
Notary Public

Name: Deborah L. Campbell

Commission No.: _____

My Commission Expires: _____

(SEAL)

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. APR. 19, 1994
BONDED THRU GENERAL INS. UND.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the SOUTHERN DUNES MASTER COMMUNITY ASSOCIATION, INC., a Florida corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 8th day of December, 1993.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 8th day of December, 1993.

Deborah L. Campbell
Deborah L. Campbell, Secretary