

EXHIBIT #3

BYLAWS OF SUN LAKE CONDOMINIUM ASSOCIATION, INC.

1. GENERAL:

1.1 Name: The name of the corporation shall be SUN LAKE CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the "Association" or "Corporation".

1.2 Principal Office: The principal office of the Association shall be at 7836 West Irlo Bronson Highway, Kissimmee, Florida 34747. All books and records of the Association shall be kept at the principal office.

1.3 Definitions: As used herein, terms defined in the Declaration of Condominium for Sun Lake Condominium, hereinafter referred to as the "Condominium", shall mean the same herein.

2. DIRECTORS:

2.1 Powers: The property and business of the Association shall be managed by the Board of Directors ("Board"), which may exercise all corporate powers not specifically prohibited by statute, the Articles of Incorporation or the Declaration of Condominium.

2.2 Number and Term: The number of Directors which shall constitute the Board of Directors shall be not less than three nor more than seven as determined by the Unit Owners at any annual or special meeting called for that purpose. Except for the initial directors designated in the Articles of Incorporation, any other directors selected by the Developer, a director shall be appointed to serve for a term of one year or until his successor has been elected and qualified. The first board of directors shall have three members. If the number of directors falls below the minimum of three, a special Unit Owners' meeting shall be called for the purpose of filling vacancies on the Board of Directors.

2.3 Election of Directors: The members of the Board shall be elected by written ballot or voting machine. Proxies shall in no event be used in electing the Board, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise, unless otherwise provided in these Bylaws. At all regular and special elections of Directors, those candidates for Directors' positions receiving the largest plurality of the votes cast by ballot by the Unit Owners shall be elected. There shall be no meeting quorum requirement in order to hold elections, however; at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election of Directors. No Unit Owner shall permit any other person to vote his ballot

and any such ballots improperly cast shall be deemed invalid. A Unit Owner who needs assistance in casting the ballot for the reasons stated in Section 101.051, Florida Statutes, may obtain assistance in casting the ballot. Any Unit Owner violating this provisions may be fined by the Association in accordance with Section 11 of the Bylaws. The regular election shall occur on the date of the annual meeting. Notwithstanding the foregoing, an election and balloting are not required unless more candidates file notices of intent to run or are nominated than vacancies exist on the Board. ~~A person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for Board membership.~~ The validity of an action by the Board is not affected if it is later determined that a member of the Board is ineligible for Board membership due to having been convicted of a felony.

At least 60 days prior to any meeting at which Directors will be elected, the Association shall mail or deliver (whether by separate Association mailing or included in another Association mailing or delivery, including regularly published newsletters) a first notice to each Unit Owner, notifying them of the vacancies on the Board and the date of elections. Any Unit Owner or other eligible person desiring to be a candidate for the Board of Directors must give written notice to the Association not less than forty (40) days prior to the scheduled election. Together with the written notice and agenda as set forth in Section 6.2(c) of these Bylaws, the Association shall mail or deliver a second notice of the election to all Unit Owners, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8 1/2 inches by 11 inches, which must be furnished by the candidate no less than 35 days before the election, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. However, the Association has no liability for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper.

2.4 Vacancy and Replacement: If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors may appoint a replacement Director who shall serve until the next regularly scheduled election, and, if no such replacement Director is appointed, the size of the Board shall be reduced by one Director until the next annual election of Directors, provided, however, that at no time shall the number of directors be fewer than three. The Developer shall be empowered to remove or replace at any time any Director originally selected by the Developer. If a majority of the Board of Directors simultaneously becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a special meeting of the Unit Owners shall be called by the remaining directors to replace the vacancies in accordance with Florida Statutes §718.112(2)(j).

2.5 Removal:

(a) Directors may be recalled and removed from office with or without cause by the vote or agreement in writing of a majority of all voting members. A special meeting of the voting members to recall a director or directors may be called by ten percent (10%) of the voting members giving notice of the meeting as required in Article 6 of these Bylaws. The notice shall: (i) state the purpose of the meeting; (ii) ~~specify a person other than a Board member subject to recall who shall call the meeting~~ to order and establish a quorum; and (iii) shall be accompanied by a dated copy of the signature list of the Unit Owners calling for the special meeting. The proposed recall of more than one member of the Board shall require a separate vote for each member sought to be recalled.

(b) If the recall is approved by a majority of all voting members by a vote at a meeting, the recall will be effective as provided herein. The Board shall duly notice and hold a Board meeting within 5 full business days of the adjournment of the Unit Owner meeting to recall one or more Board members. At the meeting, the Board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within 5 full business days any and all records and property of the Association in their possession, or shall proceed as set forth in subparagraph (d).

(c) If the proposed recall is by an agreement in writing by a majority of all voting members, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by Chapter 48, Florida Statutes, and the Florida Rules of Civil Procedure. The Board shall duly notice and hold a meeting of the Board within 5 full business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within 5 full business days any and all records and property of the Association in their possession, or proceed as described in subparagraph (d).

(d) If the Board determines not to certify the written agreement to recall a member or members of the Board, or does not certify the recall by a vote at a meeting, the Board shall, within 5 full business days after the meeting, file with the Division of Florida Land Sales, Condominiums and Mobile Homes a petition for arbitration pursuant to the procedures in Section 718.1255, Florida Statutes. For the purposes of this section, the Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board, the recall will be effective upon mailing of the final order of arbitration to the Association. If the Association fails to comply with the order of the arbitrator, the Division of Florida Land Sales, Condominiums and Mobile Homes may take action pursuant to Section

718.501, Florida Statutes. Any member or members so recalled shall deliver to the Board any and all records of the Association in their possession within 5 full business days of the effective date of the recall.

(e) If the Board fails to duly notice and hold a Board meeting within 5 full business days of service of an agreement in writing or within 5 full business days of the adjournment of the Unit Owner recall meeting, the recall shall be deemed effective and the Board members so recalled shall immediately turn over to the Board any and all records and property of the Association.

(f) If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining Directors, notwithstanding any provision to the contrary contained in this subsection. If vacancies occur on the Board as a result of a recall and a majority or more of the Board members are removed, the vacancies shall be filled in accordance with the procedural rules adopted by the Division.

2.6 First Board of Directors:

(a) The first Board of Directors designated in the Articles of Incorporation shall hold office and exercise all the power of the Board of Directors, until their successors shall be elected and qualified.

(b) The Developer shall be entitled to appoint all members of the Board of Directors except for those directors that the Unit Owners other than the Developer shall be entitled to elect as set forth below. When Unit Owners other than the Developer own fifteen percent (15%) or more of the Units in the Condominium, the Unit Owners other than the Developer shall be entitled to appoint no less than one third of the members of the Board of Directors of the Association. Unit Owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Directors upon the first to occur of any of the following events:

- (i) Three years after fifty percent (50%) of the Units that will be operated ultimately by the Association have been conveyed to purchasers;
- (ii) Three months after ninety percent (90%) of the Units that will be operated ultimately the Association have been conveyed to purchasers;
- (iii) When all of the Units that will be operated ultimately by the Association have been completed, some of them have been

conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; or

- (iv) When some of the Units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business.

- (v) ~~Seven (7) years after recordation of the Declaration of Condominium.~~

(c) Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call (and give not less than 60 days nor more than 80 days notice of) a meeting of the Unit Owners to elect the members of the Board of Directors. The meeting may be called and notice given by any Unit Owner if the Association fails to do so. The Developer is entitled to elect at least one member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units in the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned Units in the same manner as any other Unit Owner, except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Directors.

2.7 Compensation: Neither Directors nor officers shall receive compensation for their services as such.

2.8 Meetings:

(a) The first meeting of each Board of Directors newly elected by the voting members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Directors shall be held at the same place as the voting members' annual meeting, and immediately after the adjournment of same.

(b) Special meetings shall be held whenever called by the President or a majority of the Board of Directors. The Secretary shall give notice of each special meeting either personally, by mail, telefax or telegram to each Director at least three (3) days before the date of such meeting, but the Directors may waive notice of the calling of the meeting.

(c) Meetings of the Board of Directors at which a quorum of the members is present shall be open to all unit owners. Any unit owner may utilize a video or audio recording device at such meetings. The right to attend Board meetings shall include the

right to speak at such meetings with reference to designated agenda items; provided however, the Board of Directors shall have the power to adopt reasonable rules governing the frequency, duration and manner of unit owner statements. Adequate notice of all meetings of the Board of Directors and its committees shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours in advance, except in an emergency, which notice shall specifically incorporate an identification of agenda items. 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.~~ Such emergency action shall be noticed and ratified at the next regular meeting of the Board. However, written notice of any meeting where non-emergency special Assessments against unit owners or at which amendment to rules regarding unit use are scheduled to be proposed, discussed or approved shall be mailed or delivered to the Unit Owners and posted conspicuously on the condominium property not less than fourteen (14) days prior to the meeting and shall specifically contain a statement that such assessments and/or changes will be so proposed, discussed or voted upon and the nature of any such assessments or changes. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the Association. Upon notice to the Unit Owners, the Board shall by duly adopted rule designate a specific location on the condominium property upon which all notice of Board meetings shall be posted. Notice of any meeting at which regular assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Meetings of a committee to take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are subject to the provisions of this paragraph. Meetings of a committee that does not take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are not subject to the provisions of this section. Notwithstanding any other law, the requirement that Board meetings and committee meetings be open to the Unit Owners is inapplicable to meetings between the Board or a committee and the Association's attorney, with respect to proposed or pending litigation, when the meeting is held for the purpose of seeking or rendering legal advice.

(d) A majority of the Board of Directors shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board of Directors. Directors may not vote by proxy or by secret ballot at Board meetings and a vote or abstention for each Director present shall be recorded in the minutes of the meeting. If a quorum shall not be present at the meeting, the Directors then present may adjourn the meeting without notice, until such time as the meeting may be reconvened following proper notice in the manner set forth in this Section 2.8 of these Bylaws.

(e) A member of the Board or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that the member did not

attend. This agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purposes of creating a quorum.

(f) When any 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 must be used 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 any Unit Owners present at a meeting.

2.9 Order of Business: The order of business at all meetings of the Board of Directors shall be as follows:

- (a) Roll call and quorum determination;
- (b) Reading of minutes of last meeting;
- (c) Consideration of communications;
- (d) Resignations and elections;
- (e) Reports of officers and employees;
- (f) Reports of committees;
- (g) Unfinished business;
- (h) Original resolutions and new business;
- (i) Adjournment.

3. OFFICERS:

3.1 Executive Officers: The executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary, all of who shall be elected annually by the Board of Directors. Any two of said offices may be united in one person, except that the President shall not also be the Secretary or an Assistant Secretary of the Association.

3.2 Subordinate Officers: The Board of Directors may appoint such other officers and agents as they may deem necessary, who shall hold office at the pleasure of the Board of Directors and have such authority and perform such duties as from time to time may be prescribed by the Board.

3.3 Tenure of Officers; Removal: All officers and agents shall be subject to removal, with or without cause, at any time by action of the Board of Directors. The Board may delegate powers of removal of subordinate officers and agents to any officer.

3.4 The President:

(a) ~~The President shall preside at all meetings of the members and Directors;~~ he shall have general and active management of the business of the Association; he shall see that all orders and resolutions of the Board are carried into effect; he shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the Association; the seal when affixed may be attested by the signature of the Secretary;

(b) The President shall have general superintendence and direction of all the other officers of the Association, and shall see that their duties are performed properly;

(c) The President shall submit a report of the operation of the Association for the fiscal year to the Directors whenever called for by them, and to the members at the annual meeting, and from time to time shall report to the Board all matters within his knowledge which the interest of the Association may require to be brought to their notice;

(d) The President shall be an ex officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation.

3.5 The Vice-President:

The Vice-President shall be vested with all powers and required to perform all duties of the President in the President's absence and such other duties as may be prescribed by the Board of Directors.

3.6 The Secretary:

(a) The Secretary shall keep the minutes of the meetings of the voting members and of the Board of Directors in one or more books provided for that purpose; the minute books shall be available for inspection by Unit Owners, or their authorized representatives, and Directors at any reasonable time; the minutes shall be retained for a period of not less than seven (7) years;

(b) The Secretary shall see that all notices are duly given in accordance with the provisions of the Condominium Documents or as required by law;

(c) The Secretary shall be custodian of the corporate records and of the seal of the Association and shall see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws;

(d) The Secretary shall keep a register of the post office address of each Unit Owner, which shall be furnished to the Secretary by each Unit Owner;

(e) In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

(f) An Assistant Secretary may perform the duties of the Secretary when the Secretary is absent.

3.7 The Treasurer:

(a) The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

(b) The Treasurer shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors, at regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association.

(c) The Treasurer may be required to give the Association a bond in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of the Treasurer's office, and the restoration to the Association, in case of death, resignation or removal from office, all books, papers, vouchers, money or other property of whatever kind in the Treasurer's possession belonging to the Association.

3.8 Vacancies: If the office of the President, Vice-President, Secretary or Treasurer, one or more, becomes vacant by reason of death, resignation, disqualification or otherwise, the Directors, by a majority vote, may choose a successor who shall hold office for the unexpired term.

3.9 Resignations: Any Director or Officer may resign his or her office at any time, such resignation to be made in writing, and to take effect from time of its receipt by the Association, unless some time be fixed in the resignation, and then from that date.

4. POWERS AND DUTIES OF THE ASSOCIATION:

The Association shall have all powers granted to a Condominium Association by law and the Condominium Act, and the Articles of Incorporation and these Bylaws, if not inconsistent with the Condominium Act, all of which shall be exercised by its Board of Directors.

5. MEMBERSHIP:

5.1 Definition: Voting membership in the Association shall be limited to Owners of Units in the Condominium as more particularly provided in Article 14 of the Declaration.

5.2 Transfer of Membership and Ownership: Membership in the Association shall be transferred only as an incident to the transfer of the transferor's Condominium Parcel, and such transfer shall be subject to the procedures set forth in the Declaration of Condominium.

5.3 Plural Ownership: Membership may be held in the names of more than one person, in which event, all of the plural owners of the unit shall be entitled collectively to only one vote in the management of the affairs of the Association, and the vote may not be divided between the plural owners. The plural owners must file a certificate designating a Voting Member in accordance with Section 6.7 of these Bylaws.

5.4 Ownership by a Legal Entity: Membership may be held by a corporation, partnership, trust or other legal entity. Such entity must designate a voting member in accordance with Section 6.7 of these Bylaws.

6. MEETINGS OF MEMBERSHIP:

6.1 Place: All meetings of the Association membership shall be held at the office of the Association or such other place as may be stated in the notice of the meeting.

6.2 Annual Meeting:

(a) The first annual meeting of the members shall be held within seven days of the recording of the Declaration of Condominium in the Public Records of Osceola County, Florida. Each subsequent regular annual meeting of the members shall be held on the second Tuesday of the month of November of each year thereafter, at the hour of 7:30 P.M. 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 first day following which is not a legal

holiday. If the meeting is rescheduled, the officers elected at the first Directors' meeting will hold office until the annual meeting is held.

(b) At the annual meeting, the members, by a majority vote, shall transact such business as may properly come before the meeting.

(c) Written notice, which notice must include an agenda, shall be mailed or delivered to each Unit Owner at least 14 days prior to the annual meeting and shall be posted in a conspicuous place on the condominium property at least 14 continuous days preceding the annual meeting. Upon notice to the Unit Owners, the Board shall by duly adopted rule designate a specific location on the condominium property upon which all notices of Unit Owner meetings shall be posted. Unless a Unit Owner waives in writing the right to receive notice of the annual meeting by mail, the notice of the annual meeting shall be sent by mail to each Unit Owner. Where a Unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to that one address which the Developer initially identifies for that purpose and thereafter as one or more of the Owners of the Unit shall so advise the Association in writing, or if no address is given or the Owners of the Unit do not agree, to the address provided on the deed of record. An officer of the Association, or the manager or other person providing notice of the Association meeting, shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the Association affirming that the notice was mailed or hand delivered, in accordance with this provision, to each Unit Owner at the address last furnished to the Association. Notice of the annual meeting of members shall include those items set forth in Section 2.3 of these Bylaws concerning election of Directors, together with voting designation forms, forms of general proxy and limited proxy for any agenda item as described in Florida Statutes §718.112(2)(b)(2).

6.3 Membership List: At least ten (10) days before every regular meeting of the membership, a complete list of members entitled to vote at said meeting shall be prepared by the Secretary. Such list shall be produced and kept for said ten (10) days at the office of the Association, and shall be open to examination by any member throughout such time.

6.4 Special Meetings:

(a) Special meetings of the members, for any purpose(s) unless proscribed by law, the Declaration of Condominium, or the Articles of Incorporation, may be called by the President, and shall be called by the President or Secretary at the written request of one third of the Voting Members. Such request shall state the purpose(s) of the proposed meeting. Special meetings concerning Association budgets which exceed 115% of the prior year's budget as set forth in Section 718.112(2)(e), Florida Statutes and the recall of board members as set forth in Section 718.112(2)(j), Florida Statutes,

may be called upon written application to the Board of ten percent of the voting interests of the Members.

(b) Written notice of a special meeting of the unit owners stating the time, place and purpose(s) thereof, including an agenda, shall be served upon or mailed to each unit owner at the address as it appears on the books of the Association at least fourteen (14) days before such meeting and shall be posted conspicuously on the ~~Condominium property at least fourteen (14) continuous days before such meeting.~~ Such notice shall specifically incorporate an identification of all agenda items.

(c) Business transacted at all special meetings shall be confined to the purpose(s) stated in the notice of the meeting.

(d) Unit Owners may waive notice of special meetings and may take action by written agreement without meetings, if allowed by law, the Declaration of Condominium, and the Articles of Incorporation.

6.5 Quorum: Twenty percent (20%) of the Voting Members of the Association, present in person or represented by written proxy, shall be required for and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute, by the Articles of Incorporation or by these Bylaws. If, however, such quorum shall not be present or represented at any meeting of the members, the voting members present in person or represented by written proxy, shall have the power to adjourn the meeting to a time not earlier than fourteen (14) days from the time of the original meeting and shall post notice of such adjourned meeting in accordance with the provisions of Section 6.4(b) above. There shall be no quorum requirement necessary for the meeting at which the election of the members of the Board of Directors is to be held and in the event that a quorum as may be necessary for other business is not achieved, the President shall convene the meeting for the limited purpose of the election of Directors, after which the meeting shall immediately thereafter be adjourned.

6.6 Vote Required to Transact Business: When a quorum is present at any meeting, a majority of the votes cast, in person or represented by written proxy, shall decide any question brought before the meeting, unless the question is one upon which, by express provision of law, the Declaration of Condominium, the Articles of Incorporation or these Bylaws a different vote is required, in which case such express provision shall govern and control the decision of such question. Cumulative voting is prohibited.

6.7 Entitled and Qualified to Vote; Plural Ownership; General and Limited Proxies: Each unit owner shall be entitled to one (1) vote for each unit owned by him. At any meeting of the Owners, every Owner entitled to vote may vote in person, by limited proxy in regard to any agenda item as described in Florida Statutes

§718.112(2)(b)(2), and by general proxy in regard to matters other than those described in said statute. In no event shall proxies be used in electing Directors, either in general elections, or elections to fill vacancies caused by recall, resignation, or otherwise, unless otherwise provided in Florida Statutes Chapter 718. Any proxy given shall be effective only for the specific meetings for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy is revocable at any time at the pleasure of the Unit Owner executing it. If more than one person or a corporation, partnership, trust or other entity owns a unit, such multiple owners or the officers, partners, trustees or other legal representatives of such entity shall file a designation form with the Secretary of the Association naming one person authorized to cast votes for said unit. If such a designation form is not on file, the owner(s) shall not be qualified to vote and the vote of such unit shall not be considered, nor shall the presence of said unit owner(s) or designees of an entity be considered in determining whether the quorum requirement has been met. If a unit shall be owned by husband and wife as tenants by the entirety, no designation form need be filed with the Secretary naming the person authorized to cast votes for said unit, and either spouse, but not both, may vote in person or by proxy (for those agenda items for which proxies are permitted,) and be considered in determining whether the quorum requirement has been met at any meeting of the Owners unless prior to such meeting, either spouse has notified the Secretary in writing that there is a disagreement as to who shall represent the unit at the meeting, in which case the voting designation requirements set forth above shall apply.

6.8 Written Consent: Whenever the vote of members at a meeting is required or permitted by any provision of law, the Declaration of Condominium, the Articles of Incorporation or these Bylaws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with, if and only if all members who would have been entitled to vote upon the action of such meeting, if such meeting were held, shall have consented in writing to such action being taken.

6.9 Waiver of Notice: Unit Owners may waive notice of specific meetings.

6.10 Participation of Members: Unit Owners shall have the right to participate in meetings of Unit Owners with reference to all designated agenda items. However, the Association may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner participation.

6.11 Recording: Any Unit Owner may tape record or videotape a meeting of the Unit Owners subject to reasonable rules adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes.

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

- (a) Election of Chairman
- (b) Roll Call and Quorum Determination
- (c) Proof of Notice of Meeting or Waiver of Notice
- (d) ~~Reading of Minutes of Prior Meeting~~
- (e) Officers' Reports
- (f) Committee Reports
- (g) Elections of directors
- (h) New Business
- (i) Adjournment

6.13 Procedure: Roberts Rules of Order (latest edition) shall govern the conduct of Association proceedings when not in conflict with the Articles of Incorporation, these Bylaws or any provision of law.

7. NOTICES:

7.1 Definition: Except where expressly provided to the contrary, whenever under the provisions of law, the Declaration of Condominium, the Articles of Incorporation or these Bylaws, notice is required to be given to any Directors or member, it shall not be construed to mean personal notice; but such notice may be given in writing by certified mail return receipt requested, by depositing the same in a post office or letter box in a postpaid, sealed envelope, addressed as appears on the books of the Association.

7.2 Service of Notice; Waiver: Whenever any notice is required to be given under the provisions of these Bylaws, a waiver thereof, in writing, signed by the person(s) entitled to such notice, whether before or after the time stated herein, shall be deemed the equivalent of such notice.

7.3 Association Address: The address for notice to the Association is 7836 West Irlo Bronson Highway, Kissimmee, Florida 34747.

8. FINANCES:

8.1 Fiscal Year: The fiscal year of the Association shall be the calendar year, commencing January 1 of each year, provided, however, that the Board of Directors is authorized to change to a different fiscal year at such time as the Board deems advisable.

~~8.2 Checks: All checks or demands for money and notes of the Association~~ shall be signed by either the President or Treasurer, or by such officer(s) or such other person(s) as the Board of Directors may from time to time designate.

8.3 Depositories: The funds of the Association shall be deposited in a bank or banks in Osceola or Orange County, Florida, in an account for the Association under resolutions approved by the Board of Directors, and shall be withdrawn only over the signature of the President or the Treasurer or such other person(s) as the Board may authorize. The Board may require more than one signature on checks and bank drafts. The Association's funds shall be used only for Association purposes.

8.4 Inspection and Records: The Association shall maintain good accounting records. All such records and any legal documents, policies of insurance, and books of the Association shall be open to inspection at reasonable times by members, their authorized representatives, and all Institutional Mortgagees. Upon request, Institutional Mortgagees shall have the right to receive an unaudited financial statement of the Association within ninety (90) days following the end of the fiscal year.

8.5 Annual Statement: The Board of Directors shall present at each annual meeting a full and clear statement of the business and condition of the Association.

8.6 Insurance: The Association shall procure, maintain and keep in full force and effect all insurance required by and in accordance with the Declaration of Condominium.

8.7 Fidelity Bonds: The Board of Directors of the Association, as an Association expense, shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The term "persons who control or disburse funds of the Association" shall include, but not be limited to, those individuals authorized to sign checks, and the president, secretary and treasurer of the Association.

8.8 Assessments:

(a) The Board of Directors shall have the power to and shall from time to time fix and determine the amounts necessary to pay the Common Expenses of the Condominium. Common Expenses include those expenses described in Paragraph 2.6 of the Declaration of Condominium and any other expenses designated as Common Expenses by the Board of Directors.

(b) Funds for the payment of Common Expenses shall be assessed and shall be a lien against the condominium parcels in the proportion of percentage of sharing Common Expenses as provided in the Declaration of Condominium.

(c) Regular assessments shall be paid by the members on a monthly basis unless the Board of Directors shall approve a different period for payment.

(d) Special assessments, when required by the Board of Directors, shall be levied and paid in the same manner as regular assessments, unless the Declaration of Condominium shall otherwise provide. The Board of Directors or its managing agent may make special assessments in emergencies and upon such conditions as the Board may authorize.

(e) When the Board of Directors has determined the amount of any assessment, the Secretary or Treasurer shall transmit a statement of such assessment to each condominium parcel Owner. All assessments shall be made payable to and at the office of the Association and upon request the Secretary or Treasurer shall give a receipt for each payment made.

(f) Assessments are necessarily made upon projections and estimates of the Board of Directors, and may be in excess of or less than the sums required to meet the cash requirements of the Condominium, in which event the Board of Directors may increase or decrease the amount of an assessment, and make such adjustments in cash or otherwise, as they shall deem proper, including the assessment of each member of his proportionate share of any deficiency. Notice of all changes in assessments shall be given to all Unit Owners.

(g) Assessments shall not include charges for utilities separately charged and metered to each Condominium Unit, nor charges for such alterations, repairs, maintenance, improvements or decorating within the interior of any Unit as are the obligation of the Unit Owner and not the obligation of the Association. The Board of Directors may provide certain maintenance and repairs that would otherwise be the obligation of the individual Unit Owners, by the undertaking of contracts with business establishments providing repair and maintenance services, and in such cases the cost or price of such contractual services may be treated as a Common Expense and assessed against the members as part of their regular maintenance. The specific contracts or

undertakings need not be submitted by the Board of Directors to the membership for approval once the membership has approved the policy of having a specific type of repair or maintenance undertaken by the Association which would otherwise be the individual Unit Owner's responsibility.

(h) Assessments are due on the dates stated in the notice of assessment, and thereafter shall bear interest at the highest rate allowed by the Florida usury laws until paid.

(i) In the event an assessment is not paid within thirty (30) days of the date it is due and payable, the Association through the Board of Directors, may proceed to enforce and collect said assessment from the delinquent owner in any manner provided by the Condominium Act, the Declaration and these Bylaws. Each condominium parcel Owner shall be individually responsible for the payment of reasonable attorneys' fees and costs incurred by the Association in the collection of sums due and enforcement of any lien held by the Association.

(j) All sums collected by the Association from assessments may be commingled in a single fund or divided into more than one fund, as determined by the Board of Directors, provided, however, that if a single fund is used, separate ledgers shall be maintained for each required account. All assessment payments by a Unit Owner shall be applied as provided herein and in the Declaration of Condominium.

(k) Any Unit Owner shall have the right to require from the Association a certificate showing the amount of unpaid assessments against him with regard to his Condominium Parcel. The holder of a mortgage or other lien shall have the same right as to any condominium parcel upon which it has a lien. Any person other than the owner who relies upon such certificate shall be protected thereby.

8.9 Budget and Financial Report:

(a) The Board of Directors is empowered to propose and adopt the budget for the Condominium.

(b) Each proposed annual budget of common expenses shall be detailed, setting forth the beginning and ending dates covered by the budget, and shall show the amounts budgeted by accounts and expenses classifications, including, but not limited to, the following:

- (1) Administration of the Association.
- (2) Management fees.
- (3) Maintenance.

- (4) Rent for recreational and other commonly used facilities, if any.
- (5) Taxes upon Association property, if any.
- (6) Taxes upon leased areas, if any.
- (7) ~~Insurance.~~
- (8) Security provisions.
- (9) Utilities.
- (10) Other expenses.
- (11) Operating capital.
- (12) Reserves, if applicable.
- (13) Fees payable to Division of Florida Land Sales, Condominiums and Mobile Homes.

(c) In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but shall not be limited to roof replacement, building painting, pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000.00. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item and the Association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance.

(d) The Board shall hand deliver to each Unit Owner, or mail to each Unit Owner at the address last furnished to the Association, a meeting notice and copies of the proposed annual budget of common expenses not less than 14 days prior to the meeting of the Unit Owners or the Board at which the budget will be considered. Evidence of compliance with this 14-day notice must be made by an affidavit executed by an officer of the Association or the manager or other person providing notice of the meeting and filed among the official records of the Association. The meeting must be open to the Unit Owners. If an adopted budget requires assessments against the Unit Owners in any fiscal or calendar year which exceed 115 percent of the assessments for the preceding year, the Board, upon written application of 10 percent of the voting

members to the Board, shall call a special meeting of the Unit Owners within 30 days upon not less than 10 days' written notice to each Unit Owner. At the special meeting, Unit Owners shall consider and enact a budget. The adoption of the budget requires a vote of not less than a majority vote of all the voting members. The Board may propose a budget to the Unit Owners at a meeting of members or in writing, and if the budget or proposed budget is approved by the Unit Owners at the meeting or by a majority of all the voting members in writing, the budget is adopted. If a meeting of the Unit Owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board goes into effect as scheduled. In determining whether assessments exceed 115 percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium property must be excluded from the computation. However, as long as the Developer is in control of the Board, the Board may not impose an assessment for any year greater than 115 percent of the prior fiscal or calendar year's assessment without approval of a majority of all the voting members.

(e) This subsection does not apply to budgets in which the members of the Association have, by a majority vote at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. However, prior to turnover of control of the Association by the Developer to Unit Owners other than the Developer, the Developer may vote to waive the reserves or reduce the funding of reserves for the first 2 years of the operation of the Association, after which time reserves may be waived or reduced only upon the vote of a majority of all nondeveloper voting members voting in person or by limited proxy at a duly called meeting of the Association. If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

(f) Regular assessments shall be made against Unit Owners not less frequently than monthly, in an amount no less than required to provide funds in advance for payment of all the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the Association. Prior to turnover of control of the Association by the Developer to Unit Owners other than the Developer, the Developer-controlled Association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all nondeveloper voting members, voting in person or by limited proxy at a duly called meeting of the Association. Nothing in this paragraph shall preclude the right of an Association to accelerate assessments of an Owner delinquent in payment of

common expenses. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.

(g) Notwithstanding anything in these Bylaws or the Declaration which authorizes expenditures, no single expenditure for the capital improvement of the Common Elements exceeding \$10,000.00, nor multiple expenditures totaling more than \$50,000 per annum shall be made without the approval of seventy-five (75%) percent of the membership, except for the repair of the condominium property due to casualty loss, emergency repairs immediately necessary for the preservation and safety of the property, for the safety of persons, or as required to avoid suspension of any necessary service to the condominium.

(h) Within 90 days after the end of the fiscal year, the Association shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within 21 days after the financial report is completed or received by the Association from the third party, the Association shall mail to each Unit Owner at the address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner. Financial reports shall be prepared as follows:

(1) The Association shall prepare or cause to be prepared a complete set of financial statements in accordance with generally accepted accounting principles. The financial statements shall be based upon the Association's total annual revenues, as follows:

(A) If the Association has total annual revenues of \$100,000 or more, but less than \$200,000, it shall prepare compiled financial statements.

(B) If the Association has total annual revenues of at least \$200,000, but less than \$400,000, it shall prepare reviewed financial statements.

(C) If the Association has total annual revenues of \$400,000 or more it shall prepare audited financial statements.

(2) (A) If the Association has total annual revenues of less than \$100,000, it shall prepare a report of cash receipts and expenditures.

(B) A report of cash receipts and disbursements must disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications, including, but not limited to, the following, as applicable: costs for security, professional and management fees and expenses, taxes,

costs for recreation facilities, expenses for refuse collection and utility services, expenses for lawn care, costs for building maintenance and repair, insurance costs, administration and salary expenses, and reserves accumulated and expended for capital expenditures, deferred maintenance, and any other category for which the Association maintains reserves.

(3) The Association may prepare or cause to be prepared, without a meeting of or approval by the unit owners:

(A) Compiled, reviewed, or audited financial statements, if the Association is required to prepare a report of cash receipts and expenditures;

(B) Reviewed or audited financial statements, if the Association is required to prepare compiled financial statements; or

(C) Audited financial statements if the Association is required to prepare reviewed financial statements.

(4) If approved by a majority of the voting interests present at a properly called meeting of the Association, the Association may prepare or cause to be prepared:

(A) A report of cash receipts and expenditures in lieu of a compiled, reviewed, or audited financial statement;

(B) A report of cash receipts and expenditures or a compiled financial statement in lieu of a reviewed or audited financial statement; or

(C) A report of cash receipts and expenditures, a compiled financial statement, or a reviewed financial statement in lieu of an audited financial statement.

Such meeting and approval must occur prior to the end of the fiscal year and is effective only for the fiscal year in which the vote is taken. If the Developer has not turned over control of the Association, all Unit Owners, including the Developer, may vote on issues related to the preparation of financial reports for the first two fiscal years of the Association's operation, beginning with the fiscal year in which the Declaration is recorded. Thereafter, all Unit Owners except the Developer may vote on such issues until control is turned over to the Association by the Developer.

9. CORPORATE SEAL:

The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "Not-for-Profit." The seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

10. DEFAULT:

10.1 Enforcement of Lien: In the event a Unit Owner does not pay any sums, charges or assessments required to be paid to the Association within thirty (30) days from the due date, the Association, acting on its own behalf or through its Board of Directors, may enforce its lien for assessments to which it is entitled, in accordance with the Declaration and the provisions of law.

10.2 Proceeds of Sale: If the Association becomes the Owner of a Unit by reason of foreclosure, it shall offer said Unit for sale and at such time as a sale is consummated, it shall deduct from the proceeds of said sale all sums of money due it for assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorneys' fees, and any and all expenses incurred in the resale of the Unit, which shall include but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit.

10.3 Arbitration: The Unit Owners and the Association shall submit any applicable dispute to mandatory nonbinding arbitration as provided for in Section 718.1255, Florida Statutes.

10.4 Violations: In the event of violation of the provisions of the Declaration, Articles of Incorporation or these Bylaws, continuing for ten (10) days after notice from the Association to the Unit Owner to correct said breach or violation, the Association, on its own behalf or through its Board of Directors, may bring appropriate action to enjoin such violation or may enforce the provisions of said documents, or may sue for damages, or take such other courses of action, or other legal remedy, as it or they may deem appropriate. An Institutional Mortgagee of a Unit shall be entitled to written notice from the Association of any default by the mortgagor of such Unit under the condominium documents which is not cured within thirty (30) days.

10.5 Binding Effect: Each Unit Owner, for himself or herself, his or her heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance, regardless of harshness of the remedy available to the Association and regardless of the availability of other equally adequate legal procedures. It is the intent of all Owners of the Units to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from the Owners of Units, and to

preserve each Unit Owner's right to enjoy his Unit, free from unreasonable restraint and nuisance.

11. FINES:

In accordance with Florida Statutes Section 718.303(3) the Association, by and through the Officers and/or the Manager, may levy reasonable fines against a unit for the failure of the owner of the unit, or its occupant, licensee or invitee, to comply with any provision of the Declaration, the Association Bylaws or the reasonable regulations of the Association. No fine will exceed One Hundred Dollars (\$100.00) for each such failure, and One Hundred Dollars (\$100.00) per day for a continuing violation, nor shall any such fine become a lien against a unit. Prior to the levy of any such fine, the unit owner, and any occupant, licensee or invitee, if applicable, shall be afforded no less than fourteen days' notice thereof, which notice shall include: (i) a statement of the date, time and place of the hearing; (ii) a statement of the provisions of the Declaration, Association Bylaws or Association rules which allegedly have been violated; and (iii) a short and plain statement of the matters asserted by the Association. The party against whom the violation is asserted shall have an opportunity for a hearing before a committee of not less than three Unit Owners, at which hearing that party shall have an opportunity to respond, to present evidence and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material to be considered by the Association.

12. WRITTEN INQUIRY BY UNIT OWNER:

When a Unit Owner files a written inquiry by certified mail with the Board, the Board shall respond in writing to the Unit Owner within 30 days of receipt of the inquiry. The Board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the Division of Florida Land Sales, Condominiums and Mobile Homes. If the Board requests advice from the Division of Florida Land Sales, Condominiums and Mobile Homes, the Board shall, within 10 days of its receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the Board shall, within 60 days after the receipt of the inquiry, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the Board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry. The Association may through its Board adopt reasonable rules and regulations regarding the frequency and manner of responding to Unit Owner inquiries, one of which may be that the Association is only obligated to respond to one written inquiry per unit in any given 30-day period. In such a case, any additional inquiry or inquiries must be responded to in the subsequent 30-day period, or periods, as applicable.

13. TRANSFER FEES:

The fee charged by the Association in connection with the sale, mortgage, or other transfer of a unit shall be \$100 per applicant other than husband/wife or parent/dependent child, which are considered one applicant.

14. CERTIFICATE OF COMPLIANCE:

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the Units to the applicable fire and life safety code.

15. LIMITED POWER TO CONVEY COMMON ELEMENTS:

The Association has a limited power to convey a portion of the common elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

16. AMENDMENT OF BYLAWS:

These Bylaws may only be amended at a duly called meeting of the Owners; provided (1) that the notice of the meeting shall contain a full statement of the proposed amendment; and (2) that the quorum requirement for such purposes shall be seventy-five percent (75%) of all Owners in person or by limited proxy. It shall be necessary that there be an affirmative vote of a majority of the Owners as well as an affirmative vote of a majority of the Board of Directors, in order to amend these Bylaws. No amendment to these Bylaws shall be passed which would operate to materially impair or prejudice the rights or liabilities of any Institutional Mortgagee without the consent of said Institutional Mortgagee, which consent may not be unreasonably withheld or delayed.

No bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that the above procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead a notation must be inserted immediately preceding the proposed amendment is substantially the following language: "Substantial rewording of bylaw. See bylaw _____ for present text".

Following approval of any amendment to these Bylaws, the President and Secretary of the Association shall execute and record in the Public Records of Osceola

County, Florida, a notice of amendment to the Bylaws, as set forth above, which shall include the official records book and page in which the original Declaration of Condominium was recorded in the Public Records of Osceola County, Florida. Non-material errors or omissions in the Bylaws amendment process shall not invalidate an otherwise properly promulgated amendment.

17. CONSTRUCTION:

Wherever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Should any of the covenants herein imposed be void or unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect. These Bylaws and the Articles of Incorporation shall be construed in the event of any ambiguity consistent with the provisions of the Declaration of Condominium.

The foregoing were adopted as the Bylaws of SUN LAKE CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, at the first meeting of the Board of Directors held on the ____ day of _____, _____.

SUN LAKE CONDOMINIUM ASSOCIATION, INC.
a Florida not-for-profit corporation

By: _____
George Chen, President

(CORPORATE SEAL)