

BY-LAWS

OF

GRENELEFE COUNTRY HOME OWNERS ASSOCIATION, INC.

ARTICLE I

NAME, MEMBERSHIP APPLICABILITY AND DEFINITIONS

SECTION A. NAME. The name of the Corporation shall be GRENELEFE COUNTRY HOME OWNERS ASSOCIATION, INC. (hereinafter referred to as "Association") and its initial mailing address shall be Post Office Box 7056, Grenelefe, FL 33844-7056.

SECTION B. MEMBERSHIP. All owners of Country Homes (sometimes referred to as "Townhouses") located in the Country Homes Area on the Westside of the Grenelefe Golf & Tennis Resort, Polk County, Florida, are eligible for membership in the Association upon compliance with the requirements hereinafter set forth or as may hereinafter be adopted. Ownership of a Country Home is required in order to be a member. Memberships are not transferable. Membership terminates automatically when a member ceases to be an owner of a Country Home. Membership can be terminated for failure to pay dues and assessments.

ARTICLE II

MEETINGS, QUORUM, VOTING AND PROXIES

SECTION A. PLACE OF MEETINGS. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors.

SECTION B. ANNUAL MEETINGS. The Association shall meet annually at least thirty (30) days prior to the close of the fiscal year as herein provided or initially set by the Board of Directors. After the first Annual Meeting, the succeeding meetings shall be held on the anniversary date or within one (1) week thereof in each year on such day as may be formally set by the Board.

SECTION C. SPECIAL MEETINGS. It shall be the duty of the President to call a Special Meeting of the Association if so directed by Resolution of the Board of Directors or upon a Petition signed by at least twenty-five percent (25%) of the votes of the members of the Association. The notice of any Special Meeting shall state the time and place of such meeting and the purpose thereof. No business shall be conducted at a Special Meeting except as stated in the notice.

SECTION D. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail or cause to be delivered to the owners of record of each Country Home a notice of Annual or Special Meeting of the

Association stating the purpose of the Special Meeting as well as the time and place where it is to be held. If an owner wishes notices to be given at an address other than his or her Country Home, the owner shall designate by notice, in writing, to the Secretary such other address. The mailing or delivering of a notice of Meeting in the manner provided in this Section shall be considered service of notice. Notices shall be served not less than five (5) nor more than forty (40) days before a meeting.

**SECTION E. ADJOURNMENT OF MEETINGS.** If any meetings of the Association cannot be held because a quorum is not present, a majority of the owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been conducted at the meeting originally called may be acted upon without further notice.

**SECTION F. VOTING.** Each Country Home shall be entitled to one (1) vote per home. If the Country Home is owned by two (2) or more natural persons, the owners shall designate which person shall cast the vote for that Country Home. If the Country Home is owned by another type of entity, such as a partnership or a trust, the owning entity shall appoint the voting representative.

**SECTION G. PROXIES.** Homeowners may vote by limited proxy. General proxies are not allowed. Limited proxies may be used to establish a quorum. Limited proxies may be used for votes taken to amend the Articles of Incorporation or By-Laws or for any matter that requires a vote of the homeowners. Any limited proxies shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. A limited proxy is not valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Limited proxies are revocable at any time at the pleasure of the homeowner who executed it. For election of members of the Board of Directors, homeowners shall vote in person at a meeting of the homeowners or by a ballot that the homeowner personally casts.

**SECTION H. MAJORITY OF OWNERS.** As used in these By-Laws, the term "majority" shall mean those votes, owners or other group as the context may indicate totaling more than fifty percent (50%) of the whole.

**SECTION I. QUORUM.** Except as otherwise provided in these By-Laws or in the Articles of Incorporation, the presence in person or by proxy of a majority of the members shall constitute a quorum at all meetings of the Association. Any provision in the Articles of Incorporation concerning quorums is specifically incorporated herein.

**SECTION J. CONDUCT OF BUSINESS.** The President shall preside over all meetings of the Association and the Secretary

shall keep the Minutes of the meeting and record in a Minute Book all Resolutions adopted by the meeting as well as a record of all actions occurring thereat. Robert's Rules of Order (most current edition) shall govern the conduct of all meetings of the Association when not in conflict with the Articles of Incorporation or these By-Laws.

**ARTICLE III**  
**BOARD OF DIRECTORS -- NUMBER, POWERS AND MEETINGS**

**SECTION A. GOVERNING BODY.** The affairs of the Association shall be governed by a Board of Directors.

**SECTION B. NUMBER OF DIRECTORS.** The number of Directors in the Association shall be at least three (3) but may be as high as seven (7), the exact number to be set from time to time by the Shareholders. ✓

**SECTION C. NOMINATION OF DIRECTORS.** Nominations for election to the Board of Directors shall be made by a nominating committee. 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 not less than thirty (30) days prior to each Annual Meeting and shall serve until a new nominating committee is appointed. The nominating committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine but in no event less than the number of vacancies or terms to be filled. Nominations shall be permitted from the floor.

**SECTION D. ELECTION AND TERM OF OFFICE.**

1. At the first Annual Meeting of the membership and at each Annual Meeting thereafter, Directors shall be elected to serve for such term as determined by the membership. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve a term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

2. Only owners of Country Homes who are also members of the Association shall be eligible to serve on the Board of Directors.

**SECTION E. REMOVAL OF DIRECTORS.** At any regular or Special Meeting of the Association duly called, any one (1) or more of the members of the Board of Directors may be removed with or without cause by a majority of the members and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be

heard at the meeting.

**SECTION F. VACANCIES.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by a vote of a majority of the remaining Directors at a Special Meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy even though the Directors present at such meeting may constitute less than a quorum and each person so elected shall be a member of the Board of directors for the remainder of the term of the member so removed and until a successor shall be elected at the Annual Meeting of the Association, at which time such Director's position would be filled in accordance with Section D of the Article III.

**SECTION G. ORGANIZATION MEETINGS.** The first meeting of the members of the Board of Directors following each Annual Meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board and no formal notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting provided a majority of the whole Board of Directors shall be present thereat.

**SECTION H. REGULAR MEETINGS.** Regular Meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year.

**SECTION I. SPECIAL MEETINGS.** Special Meetings of the Board of Directors may be called by the President or a Vice President upon five (5) days' notice to each Director given personally or by mail or telegraph or telephone, which notice shall state the time, place and purpose of the meeting. Special Meetings of the Board of Directors shall be called by the President, a Vice President or Secretary in like manner and on like notice upon the written request of at least two (2) Directors.

**SECTION J. WAIVER OF NOTICE.** Any Director may, at any time, in writing, waive notice of the meeting of the Board of Directors and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by him or her of the time, place and purpose of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be acted at such meeting.

**SECTION K. QUORUM OF BOARD OF DIRECTORS.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the action of business and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

Members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment by which all persons participating can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

SECTION L. COMPENSATION. No Director shall receive any compensation from the Association for acting as such unless approved by a majority vote of those present in person or by proxy at a regular or Special Meeting of the Association.

SECTION M. CONDUCT OF MEETING. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a Minute Book of the Board of Directors recording therein all Resolutions adopted by the Board of Directors and a record of all actions and proceedings occurring at such meetings. Robert's Rules of Order (most current edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Articles of Incorporation or these By-Laws.

SECTION N. POWERS. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and as provided by law and may do all acts and things directed to be done and exercised exclusively by the members pursuant to the Articles of Incorporation or these By-Laws. If the Association shall own road rights-of-way and other common areas, the Board of Directors shall be empowered to adopt reasonable rules, regulations and restrictions for the use of the roadways and the common areas and have the power to assess members and non-members who are owners of Country Homes for their pro-rata share for maintenance, repair, rebuilding and replacement of roadways and other common areas and facilities. The Directors shall be empowered to enforce and implement all rights vested in the Association by assignment and conveyance to it by Sports Shinko (Florida) Co., Ltd. of easement and other rights. The Board of Directors shall also have the power to enforce applicable restrictions to all Country Homes.

SECTION O. ACTION WITHOUT A FORMAL MEETING. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent, in writing, setting forth the action so taken shall be signed by all of the Directors.

#### ARTICLE IV OFFICERS

SECTION A. OFFICERS. The officers of the Association shall be a President, one (1) or more Vice Presidents, a Secretary and a Treasurer. The Board of Directors may elect such other officers, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, such officers to

have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

SECTION B. ELECTION, TERM OF OFFICE AND VACANCIES. The officers of the Association shall be elected by the Board of Directors annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

SECTION C. REMOVAL. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby.

SECTION D. POWERS AND DUTIES. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be Chief Executive Officer of the Association. The Treasurer shall have the primary responsibility for the preparation of the budget as provided for in the Articles of Incorporation and may delegate all or part of the preparation and notification duties to a finance committee or management agent or both.

SECTION E. RESIGNATION. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the 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.

#### ARTICLE V COMMITTEES

Committees shall be appointed to perform such tasks and to serve for such periods as may be designated by Resolution adopted by a majority of the Directors present at a meeting at which a quorum is present and are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the Resolution. Each committee shall be composed as required by law and shall operate in accordance with the terms of the Resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

**ARTICLE VI**  
**MISCELLANEOUS**

**SECTION A. FISCAL YEAR.** The initial fiscal year of the Association shall be set by Resolution of the Board of Directors.

**SECTION B. CONFLICTS.** If there are any conflicts or inconsistencies with the provisions of Florida law, the Articles of Incorporation and these By-Laws, the provisions of Florida law and the Articles of Incorporation (in that order) shall prevail.

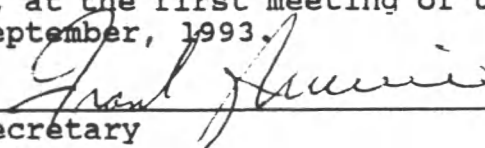
**SECTION C. BOOKS AND RECORDS.** The books, records and papers of the Association shall at all times be subject to inspection by any member of the Association upon reasonable notice and at such times as shall not disrupt Association activities.

**SECTION D. BUDGET.** The first budget shall be prepared by the Board of Directors. The Board may amend and/or replace such budget from time to time until the members adopt a budget.

**SECTION E. DUES AND ASSESSMENTS.** Dues shall be as initially set by the Board of Directors. Except for assessments to deal with emergencies, dues and assessments shall be as provided in the budget adopted by the members.

**SECTION F. AMENDMENT.** These By-Laws may be amended by the members of the Association at any regular or Special Meeting duly called for that purpose by the affirmative vote of a majority of the members of the Association in attendance in person or by limited proxy. Written notice of any meeting called for the purpose of amending these By-Laws shall be sent to the holders of any and all first mortgages affecting any of the Country Homes owned by members not less than thirty (30) days in advance of the meeting, if the holders of said mortgages shall have given notice to the Association of their desire to receive such notices. A reasonable charge may be assessed to cover the cost of such notices. No amendment to these By-Laws shall alter, modify or rescind any right, title, interest or privilege herein granted or accorded to the holder of any mortgage affecting any Country Home, unless such holder shall consent, in writing, thereto.

The foregoing was adopted as the By-Laws of GRENELEFE COUNTRY HOME OWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors on 4<sup>th</sup> day of September, 1993.

  
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Secretary

APPROVED:

  
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President