

B Y L A W S
OF
GROVES AT BAYTREE
HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is GROVES AT BAYTREE HOMEOWNERS ASSOCIATION, INC., a Florida Corporation Not-For-Profit, hereinafter referred to as the "Association". The principal office of the Corporation shall be located at 129 Juniper Way, Tavares, Florida 32778, but meetings of members and directors may be held at such place within the State of Florida, County of Lake, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "ASSOCIATION" shall mean and refer to GROVES AT BAYTREE HOMEOWNERS ASSOCIATION, INC., a Florida Corporation Not-For-Profit, its successors and assigns.

Section 2. "PROPERTY" shall mean the real property designated as "GROVES AT BAYTREE, PHASE I" as described on Exhibit "A" attached, and personal property subject to the Declaration.

Section 3. "LOT" shall mean and refer to a subdivided portion of the Property shown as a lot on any plat of the property as filed in the Public Records of Lake County, Florida, and as submitted to this Declaration, either as described on Exhibit "A" or by Supplemental Declaration, which is improved or to be improved by a Dwelling unit and which is subject to private fee simple ownership.

Section 4. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 5. "DEVELOPER" shall mean and refer to the fee simple owner of the property, UNITED PARTNERSHIP GROUP, LTD., A FLORIDA LIMITED PARTNERSHIP, its successors and assigns.

Section 6. "DECLARATION" shall mean and refer to the Declaration of Covenants for GROVES AT BAYTREE, PHASE I.

Section 7. "MEMBER" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III
MEMBERS' MEETINGS

Section 1. The annual members' meeting shall be held at such location in Lake County, Florida, as shall be designated in the Notice of Meeting on the last Wednesday of April of each year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next date that is not a legal holiday.

Section 2. Special members' meeting shall be held at such location in Lake County, Florida, as shall be designated in the Notice of Meeting whenever called by the President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast ten per cent (10%) of the votes of the Class A members.

Section 3. A written notice of all members' meetings (annual or special) shall be posted at the recreation facility of **GROVES AT BAYTREE** stating the time and place of the meeting and shall be given by the President or Vice President or Secretary unless waived in writing. In respect to a special meeting, the purposes for the meeting will be designated in the Notice of the meeting and no other business shall be conducted.

Section 4. A quorum of the members shall consist of those parties entitled to cast at least 30% of the votes for the entire membership which includes Class A and Class B members.

The acts approved by a majority of the votes present at a meeting at which a quorum is present, shall constitute the acts of the members, except when approval by a greater number of members if required by the Articles of Incorporation and these Bylaws.

Section 5. Minutes of all meetings of the members shall be kept in a business-like manner, and shall be available, upon reasonable notice and at reasonable times, for inspection by the members and directors at the office of the Association.

Section 6. Voting.

(a) In any meeting of members, the voting shall be in accordance with the voting rights of Membership as specified in the Articles of Incorporation of **GROVES AT BAYTREE HOMEOWNERS ASSOCIATION, INC.**, a Florida corporation not-for-profit.

(b) If a Lot is owned by one person, his right to vote shall be established by the record title to his Lot. If a Lot is owned by more than one person, or is under lease, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by all of the record owners of the Lot and filed with the Secretary of the Association.

If a Lot is owned by a corporation, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by the President or Vice President and attested to by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned. A certificate designating the person entitled to cast the vote of a Lot may be revoked by any Owner of a Lot. If such certificate is not on file, the vote of such Owner shall not be considered in determining the requirements for a quorum nor for any other purpose.

(c) Votes may be cast in person or by proxy. A proxy must be designated in writing by any person entitled to vote, and shall be valid only for the particular meeting designated in the proxy. It must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting.

(d) No member shall be allowed to exercise his vote or serve as a director unless he is current on all assessments.

ARTICLE IV BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. The affairs of this Association shall be managed by a Board of not less than three (3) nor more than five (5) directors. All Directors must be members of the Association, however, Declarant's employees may serve as Directors until the Class B membership of the Association ceases. The Developer shall be entitled to elect at least one member of the Board of Directors as long as the Developer still holds for sale at least five (5%) of the Lots.

Section 2. At the first annual meeting, the members shall elect three (3) directors for a term of one (1) year, and at each annual meeting thereafter, the member shall elect three (3) directors for a term of one year.

Section 3. Any director, after the turnover as provided for in the Declaration, 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 and shall serve for the unexpired term of his predecessor.

Section 4. 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. 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 DIRECTORS**

Section 1. 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 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 elections 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.

Section 2. Election to the Board of Directors shall be made 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. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each Director.

Section 3. A majority of the number 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.

Section 4. Notices of all Board meetings shall be posted at the recreation facility of GROVES AT BAYTREE at least 48 hours in advance of a meeting.

**ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

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

(a) Adopt and publish rules and regulations governing the maintenance of common areas and the lawn and landscape plantings for each Lot.

(b) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, The Article of Incorporation, or the Declaration;

(c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. 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-third (1/3) of the Class A members who are entitled to vote after the turnover;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to:

1. Fix the amount of the annual assessment against each Lot 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 fifteen (15) days in advance of each annual assessment period; and

3. File a claim lien against any property for which assessments are not paid within thirty (30) days after the due date and thereafter to bring an action at law against the Owner 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 an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) If deemed necessary, procure and maintain adequate officer's and director's liability insurance;

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

ARTICLE VIII
OFFICERS AND THEIR DUTIES

Section 1. 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, Assistant Secretary, a Treasurer and Assistant Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. 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. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless one sooner resigns or is removed, or is otherwise disqualified to serve.

Section 4. 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. Any officer may be removed from office with or without cause by a vote of a majority of 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 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. A vacancy in any office may be filled by appointment by a majority of the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. The offices of Secretary and Treasurer may be held by the same person, however no other offices shall be simultaneously held by the same person.

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

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

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

(c) The Secretary, or the Assistant Secretary in the absence

of the Secretary, shall record the votes and keep the minutes of meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) The Treasurer, or the Assistant Treasurer in the absence of the Treasurer, or such person as the Board of Directors designates, shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the members.

ARTICLE IX COMMITTEES

The Association shall appoint 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 official records of the Association shall be subject to inspection and photocopying by members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. The Association may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspection and may impose fees to cover the costs of providing copies of the official records.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each member is 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.

ARTICLE XII CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:

GROVES AT BAYTREE HOMEOWNERS ASSOCIATION, INC.

**ARTICLE XIII
AMENDMENTS**

These Bylaws may be amended in the following manners:

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

(b) A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by at least 30% of the Class A members. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by not less than a two-thirds (2/3) vote of the membership.

(c) A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the Bylaws, which certificate shall be executed by the officers of the Association with the formality of the execution of a deed.

(d) These Bylaws shall not be amended in any manner which shall amend, abridge, modify, or conflict with the provisions of any institutional mortgage, constituting a first mortgage on a Lot, without the prior written consent of the institutional mortgagee affected.

(e) In the case of any conflict between the Article 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 (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**ARTICLE XV
FISCAL MANAGEMENT**

The provision for fiscal management of the Association set forth in the Articles of Incorporation shall be supplemented by the following provisions:

(a) The Board of Directors shall prepare an annual budget for adoption by the Board of Directors that shall include the estimated revenues and expenses for the year and the estimated surplus or deficit as of the end of the current year.

(b) Copies of the budget and proposed assessments shall be available for inspection by the members of the Association before the end of the calendar year, preceding the year for which the budget is made. If the budget is amended subsequently, a copy of the amended budget shall be available for inspection by the members and the Association shall notify members when a copy of the foregoing is available. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessment.

(c) Assessments against the Lot Owners for their shares of the budget shall be made for the year annually in advance before the end of the calendar year preceding the year for which the assessments are made in the manner set forth in the Declaration. Special assessments, as well as the method of payment and enforcement of annual and special assessments, shall be in the manner as set forth in the Declaration.

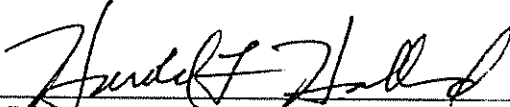
(d) The depository of the Association shall be such bank or banks and/or savings and loan associations as shall be designated from time to time by the directors. Withdrawals of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

(e) Fidelity Bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for the Association funds. The amount of such bonds shall be set by the Board of Directors. The premium for such bonds shall be paid by the Association.

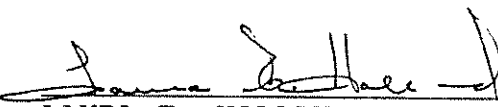
(f) The Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year and notify the members the same is available of inspection.

The foregoing document was adopted as the Bylaws of GROVES AT BAYTREE HOMEOWNERS ASSOCIATION, INC., a Florida Corporation Not For Profit, under the laws of the State of Florida, at the first meeting of the Board of Directors on the 8 day of FEBRUARY, 2000.

GROVES AT BAYTREE HOMEOWNERS ASSOCIATION, INC.

By: 
HAROLD F. HOLLAND, ITS PRESIDENT

ATTEST:


LAURA E. HOLLAND, ITS SECRETARY

(CORPORATE SEAL)