

BY-LAWS OF FORMOSA GARDENS RESIDENTIAL COMMUNITY ASSOCIATION, INC.

Revised November 3, 2010

Article I NAME AND LOCATION

The name of the corporation is FORMOSA GARDENS RESIDENTIAL COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "Association" and "corporation". The principal office of the corporation shall be located at 2855 Sand Hill Road, Kissimmee, Florida 34747, or at such other place as determined by the Board of Directors; but meetings of members and directors may be held at such places within the State of Florida, County of Osceola, or County of Orange, as may be designated by the Board of Directors.

Article II DEFINITIONS

Section 1. "Association" shall mean and refer to FORMOSA GARDENS RESIDENTIAL COMMUNITY ASSOCIATION, , INC. its successors and assigns.

Section 2. "Property" and "Properties" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall refer to those easements and areas of land, and improvements thereon, if any, that the Association owns for the common use, benefit and enjoyment of all Owners and such other areas as may be designated as Common Areas on the Declaration or on the Plat.

Section 4. "Lot" shall refer to those portions of the Property identified as individual lots on the Plat, and all buildings and improvements thereon.

Section 5. "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declaration" shall mean and refer to the Community Declaration of Easements, Covenants, Conditions and Restrictions (Residential) applicable to the Properties recorded in O.R. Book 1037, at page 1909 et seq., Public Records of Osceola County, Florida, as amended from time to time.

Section 7. "Declarant" shall mean and refer collectively to the Declarant named in the Declaration and its successors and assigns.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation.

Section 9. "Master Association" shall mean and refer to Fomosa Gardens Master Property Owners' Association, Inc., a Florida not-for-profit corporation.

Section 10. "Plat" shall refer to that certain plat entitled Fomosa Gardens Unit 1, and recorded in Plat Book 7, Pages 19 through 24, inclusive, Public Records of Osceola County, Florida.

Section 11. All terms used herein which are defined in the Declaration, shall have the same meaning herein.

Article III MEETING OF MEMBERS

Section 1 -Annual Meeting. There shall be an annual meeting of the members of the corporation at such place as may be designated, on the second Tuesday in March of each year, if not a legal holiday under the laws of the State of Florida, and if a legal holiday, then on the next succeeding business day, at 7:00 p.m., for the transaction of such business as may come before the meeting.

Section 2 -Special Meetings. Special meetings of the members shall be held whenever called by the Board of Directors or by a written request of the members who are entitled to vote one-fourth (1/4) of all votes.

Section 3 -Notice of Meetings. Notice of each meeting, stating the time, place, and in general terms purpose or purposes therefor, shall be sent by mail or sent electronically to the last known address of all members or posted on the Formosa Gardens Website at least ten (10) days prior to the meeting, but not more than sixty (60) days prior to the meeting.

Section 4 -Proxy. Each member may cast its vote, either in person or by limited proxy, for each Lot owned in fee simple by that particular member, solely or jointly, or by a corporation owning a Lot or Lots. Any proxy granted is revocable and will automatically cease should the member granting said proxy convey his Lot. All proxies shall be in writing and signed by the member and shall be filed with the Secretary. Any proxy is effective only for the specific meeting for which the proxy is originally given and any lawfully adjourned meetings thereof. A proxy is not valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. For elections to the Board of Directors, members shall vote in person at a meeting of members or by a ballot that the member personally casts, and not by proxy.

Section 5 -Quorum. At any meeting of the members a quorum shall consist of members holding one-third (1/3) of the votes of members, for any action except as otherwise provided in the

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Articles of Incorporation, the Declaration, or these By-Laws. Proxies may be used to establish a quorum.

Section 6 - Voting Rights. Notwithstanding any contrary language in the Articles or these By-Laws, "Declarant" may, in Declarant's sole discretion: Appoint and remove all members of the Board of Directors; appoint and remove all officers; otherwise control the Association; and Declarant shall otherwise retain control of the Association until the earlier of the following events:

1. Six (6) months after fee title for one hundred percent (100%) of the "Lots" has been conveyed by Declarant to an Owner other than Declarant; or
2. Such earlier date as Declarant may determine in Declarant's sole discretion.

Until one of the foregoing events occurs, Declarant will be deemed to possess no less than all of the votes that may be necessary to allow Declarant to control the outcome of any decision or vote of the Association. For purposes of this instrument, the term "Declarant" means the declarant of the Declaration and any successors in interest to such declarant. After one of the above described events occurs, Declarant shall be entitled to one vote for each Lot then owned by Declarant.

Section 7 -Actions of Association that Impair Declarant's Interests. Notwithstanding any contrary provision in the Articles or By-Laws, as long as Declarant owns any portion of the Property, Declarant shall have the right to veto any action or decision of the Board or the Association that may in Declarant's opinion impair or adversely affect Declarant's right or interests in development of the Property. Declarant shall at all times have the right to appoint one member of the Board which member shall have authority to exercise the veto power reserved for Declarant under this provision.

Article IV OFFICERS

Section 1 -Executive Officers. The executive officers of the Association shall be President, Vice-President, Secretary and Treasurer. Subject to Sections 6 and 7 of Article III, the executive officers shall be elected annually by the Board of Directors. They shall take office immediately after the election.

Section 2 -The President. Subject to the direction of the Board of Directors, the President shall be the chief executive officer of the Association, and shall perform such other duties as from time to time may be assigned to him by the Board.

Section 3 -The Vice-President. The Vice-President shall have such power and perform such duties as may be assigned to him by the Board of Directors or the President. In case of the absence or disability of the President, the duties of the President shall be performed by the Vice-President.

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Section 4 -The Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and of all committees and the minutes of the members' meetings in books provided for that purpose; he shall have custody of the corporate seal and such books and papers as the Board may direct, and he shall in general perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors and the President; and he shall also perform such other duties as may be assigned to him by the President or by the Board.

Section 5 -Treasurer. The Treasurer shall have the custody of all the receipts, disbursements, funds and the securities of the Association and shall perform all duties incident to the office of the Treasurer, subject to the control of the Board of Directors and the President. He shall perform such other duties as may from time to time be assigned to him by the Board or the President. If required by the Board, he shall give a bond, at the expense of the Association, for the faithful discharge of his duties in such sum as the Board may require. He shall cause the annual financial statements of the Association, which are required by law or sound accounting practice, to be promptly prepared after the end of each fiscal year of the Association.

Section 6 - Subordinate Officers. Subject to Sections 6 and 7 of Article III, the President, with the approval of the Board of Directors, may appoint such other officers and agents as the Board may deem necessary, who shall have such authority and perform such duties as from time to time may be prescribed by the President or by the Board.

Section 7 -Term. Subject to Sections 6 and 7 of Article III, the officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless they sooner resign, or are removed, or otherwise become disqualified to serve by sale of property, death, non-payment of dues or other cause.

Section 8 -Resignation and Removal. Subject to Sections 6 and 7 of Article III, any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9 -Vacancies. Subject to Sections 6 and 7 of Article III, a vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Article V BOARD OF DIRECTORS

Section 1 -Number of Members. Subject to Sections 6 and 7 of Article III, the business and affairs of this Association shall be managed by a Board of not less than three (3) and nor more than (13) Directors. Directors need not be members of the Association.

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Section 2 -Regular Meetings. The Board may meet at such regular times for the transaction of business as designated by the Board from time to time, at such place as may be designated from time to time.

Section 3 - Meetings. Special Meetings of the Board of Directors may be called by the President or by two (2) members of the Board for any time and place, provided reasonable notice of such meeting shall be given to each member of the Board before the time appointed for such meetings.

Section 4 -Quorum. The Directors shall act only as a Board, and the individual Directors shall have no power as such. A majority of, or a minimum of five Directors shall constitute a quorum for the transaction of business. The act of a majority of Directors present at a meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise provided by law. All Board members may vote equally on all Board matters. The President may cast one vote.

Section 5 - Meeting Chairman. At all meetings of the Board of Directors, the President, or in his absence, the Vice-President, or in the absence of both, either the Secretary or the Treasurer shall preside.

Section 6 -Terms of Members of the Board. The first Board of Directors named in the Articles of Incorporation shall serve until the first annual meeting of the members. Subject to Sections 6 and 7 of Article III, at the first annual meeting of members and at each annual meeting thereafter, the

members of the Board of Directors shall be elected by the members of the Association and serve until the next valid Annual Meeting election. Notwithstanding any contrary language in these By-Laws, the Declarant may appoint all members of the Board until the earlier of the following events:

1. Six (6) months after fee title for one hundred percent (100%) of the Lots has been conveyed by the Declarant to owners other than Declarant; or
2. Such earlier date as Declarant may determine in Declarant's sole discretion.

Any directors appointed by the Declarant shall serve at the pleasure of the Declarant and may be removed and substituted by the Declarant, at Declarant's sole option and discretion.

Section 7 - Annual Reports. The Board of Directors, after the close of the fiscal year, shall submit to the members a report as to the condition of the Association and its property and shall submit also an account of the financial transactions of the past year.

Section 8 - Vacancies in Board. Subject to Sections 6 and 7 of Article III, whenever a vacancy in the membership of the Board shall occur, the remaining members of the Board, even though not constituting a quorum, shall have the power, by a majority vote, to select a member of the Association to serve the unexpired term of the vacancy.

Section 9 - Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

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Section 10 - Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written or electronic approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 11 - Powers and Duties of the Board of Directors.

A. Powers. Subject to Sections 6 and 7 of Article III, the Board of Directors shall have the power to:

- (1) Adopt and publish reasonable rules and regulations governing the use of the common area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
- (2) Suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.
- (3) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration.
- (4) 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.

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

B. Duties. It shall be the duty of the Board of Directors to:

(1) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of all votes held by members who are entitled to vote.

(2) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.

(3) As more fully provided in the Declaration to:

(a) Fix the amount of annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; which annual assessment may be increased or decreased during each year provided that the total annual assessment per Lot for each year shall not exceed the maximum annual assessment then in effect.

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(b) Send notice of each assessment and adjustment thereto to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period and the effective date of each adjustment, provided, that failure to timely send said notification shall not invalidate any such annual assessment or adjustments thereto.

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

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

(5) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

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

(7) Cause the common areas to be properly maintained.

(8) Send two (2) notices to any member for any non-monetary violation of the restrictions and covenants, prior to referral to counsel for legal action.

Section 12 -Notice of Meetings. Notice of each meeting, stating the time, place, and in general purposes therefor, shall posted on the Formosa Gardens Web site at least five (5) days prior to the meeting.

Article VI MEMBERSHIP

Section 1 - Qualifications. Only Lot owners shall be members of this Association. When two (2) or more persons are the joint owners of Lots, all such persons shall be members.

Whenever a member shall cease to own a Lot such member shall automatically be dropped from the membership of the Association.

Section 2 -Members. A member shall have no vested right, interest, or privilege of, in or to the assets, functions, affairs or franchises of the Association, or any right, interest, or privilege which may be transferable or inheritable, or which shall continue after his membership ceases, or while he is not in good standing.

Section 3 -Manner of Admission. Every person buying a Lot shall become a member of the Association upon the acquisition of his Lot.

Section 4 - Memberships Not Transferable. No membership may be sold, assigned, or transferred, voluntarily or by will or by operation of law.

Section 5 -Termination of Membership. Each membership shall cease when the member sells, assigns, transfers, or otherwise disposes of his Lot.

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Section 6 -Annual Maintenance Assessment. Every member shall be required to pay an annual assessment, the amount of which shall be determined by the Board of Directors and may be changed from year to year by the Board of Directors or by the members. Annual assessments for new members shall be pro-rated from the date ownership is acquired to the last day of the year.

Article VII LOSS OF PROPERTY

Section 1 -Liability. The Board of Directors shall not be liable or responsible for the destruction of, loss of, or damage to the property of any member or the guest of any member, or visitor, or any other persons.

Article VIII MAINTENANCE CHARGES

Section 1 - Fees. Subject to Sections 6 and 7 of Article III, the Board of Directors shall have the right and power to subject the property to an annual assessment which assessment shall constitute the annual assessment provided for in the Declaration. It shall be the duty of the Board of Directors to enforce and implement the provisions of the Declaration.

Section 2 -Use of Funds. The funds raised by dues and assessments may be used for the following purposes:

- (1) For lighting, improving, and maintaining the streets and dedicated right-of- way areas maintained for the general use of the owners and occupants of land included in such subdivision.
- (2) For operating and maintaining any storm-water drains now or hereafter constructed in such subdivision that are not or will not be under the direct supervision of the State or County.
- (3) For collecting and disposing of garbage, ashes and rubbish.
- (4) For employing policemen and watchmen.
- (5) For doing any other thing necessary or desirable, in the opinion of the Board of Directors, to keep the property neat and in good order and eliminate fire hazards, or which in the opinion of the Board of Directors may be of general benefit to the owners or occupants of the land included in the Properties, or additions brought within the jurisdiction of the Association.

Section 3 -Certificate of Liens. Upon request, the Association shall furnish to any owner or mortgagee, or person interested, a certificate showing the unpaid maintenance charges against any Lot or Lots.

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Article IX NOTICE

Section 1 -Notice. Whenever according to these By-Laws, or the Declaration, a notice shall be required to be given to any member, it shall not be construed to mean personal notice, but such notice may be sent electronically or may be given in writing by depositing the same in a post office in Osceola or Orange County, Florida, in a postpaid, sealed wrapper, addressed to such member at his address as the same appears on the books of the Association, and at the time when such notice is mailed shall be deemed the time of the giving of such notice.

Section 2 -Waiver of Notice. Any notice required to be given by these By-Laws may be waived by the person entitled thereto.

Article X COMMITTEES

Section 1 -Committees. The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors may appoint such other committees as deemed appropriate in carrying out the Association's purposes.

Article XI BOOKS AND RECORDS

Section 1 -Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

Article XII CORPORATE SEAL

Section 1 -Seal. The Association shall have a seal in circular form having within its circumference the words: FORMOSA GARDENS RESIDENTIAL COMMUNITY ASSOCIATION, INC., SEAL 1993, CORPORATION NOT FOR PROFIT, FLORIDA.

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Article XIII ASSESSMENTS

Section 1 -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 assessment which is not paid within thirty (30) days after the due date, shall bear interest from the date of delinquency at the highest rate permitted by Florida law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No such action at law will be brought against the Owner unless two (2)

delinquency letters are sent to the Owner's address as found in the books of the association and verified by the records of the County Tax Assessor's Office. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Article XIV ELECTIONS

Section 1 -Nomination. Subject to Sections 6 and 7 of Article III, 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 election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members or non-members.

Section 2 -Election. Election to the Board of Directors shall be by secret written ballot. Subject to Sections 6 and 7 of Article III, at such election the members 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 XV AMENDMENTS

Section 1. These By-Laws may be repealed or amended by either the Board of Directors or the members, but the Board of Directors may not amend or repeal any by-law adopted by members if the members specifically provide such by-law is not subject to amendment or repeal by the Board, at a regular or special meeting.

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

Certification: The undersigned hereby certifies this copy to be a true and accurate copy of the By-Laws of the Association as adopted by the Board of Directors as of August 11,1993.