

BY-LAWS
OF
THE HAMMOCKS OF SUGARMILL WOODS
HOMEOWNER'S ASSOCIATION, INC.
(A Florida Corporation Not-for-Profit)

SECTION I.

Identity. These are the By-laws of The Hammocks of Sugarmill Woods Homeowner's Association, Inc., hereinafter sometimes called the "Association", a Florida Corporation not-for-profit, under the laws of the State of Florida; the Articles of Incorporation of which are filed in the office of the Secretary of State.

The Association has been organized for the purpose of administering and maintaining the common areas, the pool area, the maintenance of those areas designated in the Declaration, and a portion of the "Dwelling Units" of The Hammocks of Sugarmill Woods, located upon lands in Citrus County, Florida, which is more particularly described in the Declaration of Covenants, Restrictions, and Easements for The Hammocks of Sugarmill Woods, and all amendments thereto, as recorded in OR Book 808, Pages 1662 thru 1685 of the Public Records of Citrus County, Florida (hereinafter the "Declaration") as amended from time to time.

The Association shall be responsible for the maintenance of the landscaping plan, including mowing and fertilization of the grassed areas at each Dwelling Unit and all common areas, the edging and weeding of shrub beds, trimming of shrubs and trees, repair and replacement of all portions of the sprinkler system at each Dwelling Unit and all common areas, all as are more particularly described in the Declaration.

A. Address: The office of the Association shall be 10 Byrsonima Court S; Homosassa, Florida 34446 or such other place as may be designated by the Board of Directors. The mailing address is P.O. Box 1760, Homosassa Springs, FL 34447.

B. Fiscal Year: The fiscal year of the Association shall be the calendar year.

C. Seal: The seal of the Corporation shall bear the name of the Corporation, the word "Florida", the words "not-for-profit" and the year of incorporation.

SECTION II

Members Meetings. The minutes of all meetings shall be kept in a book available for inspection by members or their authorized representatives at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

A. Annual Meetings. The annual membership meetings shall be held at 2:00 P.M. on the third Wednesday in November of each year for the purpose of electing Directors and transacting any other business to be addressed by the members.

B. Special Meetings. Special membership meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from not less than twenty percent (20%) of the voting members of the Association.

C. Notice of Meetings. The President, Vice President or Secretary shall give notice of all membership meetings stating the time and place and the purpose for which the meeting is called. Such notice shall be in writing to each member at his or her address as it appears on the books of the Association and, if for an annual meeting, shall be mailed no less than thirty (30) days, nor more than sixty (60) days prior to the date of the meeting. If the notice is for a special meeting, it shall be mailed no less than fifteen (15) days, nor more than thirty (30) days prior to the date of the meeting. Notice of the annual meeting shall also be posted at the bulletin board located at the pool area at least fourteen (14) days prior to the annual meeting. Proof of such mailing and proof of posting of notice shall be given by the Affidavit of the person giving the notice and such Affidavit shall be included in the official records of the Association. Notice of specific meetings may be waived, but 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 and the post office certificate of mailing shall be retained as proof of such mailing. However, notwithstanding the above, notice of any meeting where assessments against unit owners are to be considered shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

D. Quorum. A quorum at Association meetings shall consist of at least twenty percent (20%) of the Voting Owners (as hereinafter defined) except as otherwise provided in the Declaration. The acts approved by a majority of the votes at a meeting at which the quorum is present shall constitute the acts of the members, except when approval of a greater number of members is required by the Declaration, the Articles of Incorporation or these Bylaws.

E. Voting Rights.

Members shall be all owners of record. Members shall be entitled to one (1) vote for each Dwelling Unit in which he/she holds the interest required for membership by the Declaration and that vote, if the unit is owned by more than one person/corporation/trust, etc., is cast by the Voting Owner.

There shall not be more than one (1) Voting Owner for each Dwelling Unit in the Development and each may count as One (1) vote. When a Dwelling Unit is owned by only one (1) individual (not an entity), then he or she shall be the Voting Owner (the person entitled to cast the vote for any Dwelling Unit) being herein called the "Voting Owner") and no Voting Certificate (hereinafter defined) shall be required. If a Dwelling Unit is owned by more than one (1) person, except as provided in (1) below, then the Voting Owner shall be determined as follows: A Voting Certificate ("Voting Certificate") shall be filed with the Secretary of the Association or the Management Company and shall be signed by all of the unit owners with a present vested interest in the Dwelling Unit and shall state (i) the fractional interest owned by each person (as recorded in the Public Records) with a vested present interest in the fee title to the Dwelling Unit so co-owned; and (ii) the Voting Owner, who shall be designated by

persons collectively owning a majority of the fractional interest in the dwelling unit, as follows:

(1) Dwelling Unit Owners as members of a Not-For-Profit Corporation or Association. When a Dwelling Unit is owned by more than one (1) person but all such persons are members of a not-for-profit corporation or association organized to maintain and otherwise manage the Dwelling Unit, a number of Dwelling Units or some portion thereof, and having authority to vote on behalf of such persons, the Voting Owner shall be determined by filing a Voting Certificate with the Secretary of the Association, signed by the President or Vice President of said corporation or association, designating the Voting Owner.

(2) Dwelling Unit Owned by a Corporation. When a corporation owns a Dwelling Unit whether for profit or not-for-profit, the Voting Owner (on behalf of the corporation) shall be determined by filing a Voting Certificate with the Secretary of the Association, signed by the President or Vice President of said corporation, designating the Voting Owner.

(3) Dwelling Unit Owned by a General or Limited Partnership. When a Dwelling Unit is owned by a general partnership, the Voting Owner (on behalf of the partnership) shall be determined by filing a Voting Certificate with the Secretary of the Association, signed by all of the partners of the partnership, designating the Voting Owner. When a Dwelling Unit is owned by a limited partnership, the Voting Owner (on behalf of such limited partnership) shall be determined by filing a Voting Certificate with the Secretary of the Association, signed by all of the general partners, designating the Voting Owner.

(4) Dwelling Unit Owned by a Trust. When a Dwelling Unit is owned by a trust, the Voting Owner on behalf of the trust shall be determined by filing a Voting Certificate with the Secretary of the Association, signed by all of the trustees of the trust, designating the Voting Owner.

F. Voting Owners Privilege. The Voting Owner shall be the only owner owning an interest in a Dwelling Unit eligible to cast the vote allocated to the Dwelling Unit at Association membership meetings. The Voting Owner may continue to cast the vote for all Owners with an interest in the Unit until such time as another owner is properly designated as the Voting Owner in a Voting Certificate, following the procedures set forth above. Failure to file a Voting Certificate when required shall result in depriving members with an interest in such Dwelling Unit of a vote at the meeting.

G. Proxies. Votes may be cast in person, by absentee ballot, or by proxy. An absentee ballot may be cast by any person entitled to vote and will be treated in all respects as if the Voting Member were attending in person. The completed absentee ballot form must be delivered to the Association in a sealed envelope marked "Absentee Ballot" prior to the meeting. A proxy shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned meetings thereof and must be filed with the Association before the appointed time of the meeting or any adjournment of the meeting. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first scheduled meeting for which the proxy was given. Every proxy shall specifically set forth the name of the Voting Owner voting by

proxy, the name of the person authorized to vote the proxy for him/her, and the date the proxy was given and the Voting Owner's signature. Each proxy shall also contain the date, time and place of the meeting for which the proxy was given; and if a limited proxy, set forth those items concerning which the holder of the proxy may vote. If a proxy so provides, any proxy holder may appoint, as a substitute proxy, another Hammocks Property Owner to act in his place; otherwise no substitution is allowed. Proxies must be presented for certification to the Election Committee up to the time the meeting is called to order.

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

I. Order of Business. The order of business at annual members meetings and so far as practical at other membership meetings shall be as follows:

1. Calling of the roll and report of certified proxies.
2. Proof of notice of meeting or waiver of notice.
3. Reading and disposal of any unapproved minutes.
4. Election of Inspectors.
5. Election of Directors.
6. Report of Committees.
7. Reports of Officers.
8. Unfinished business.
9. New business (including consideration of the budget).
10. Report on all suggestions made to the Board by Association members.
11. Adjournment.

The President of the Board of Directors shall preside at all meetings. In the President's absence, the next officer present in the following order will preside: Vice President, Secretary, Treasurer, and Director at Large.

SECTION III.

Directors. The affairs of the Association shall be managed by a Board of not less than three (3) nor more than five (5) Directors. The Board of Directors will make a concerted effort to have at least five (5) Directors at all times. The number of members of the Board of Directors may change at any time, but shall always be an odd number, by amending the By-laws as provided herein. Only one Owner from a single household may serve on the Board at any one time. The Terms "Board", "Board of Directors", and "Board of Administration" are synonymous.

A. Election. Election of Directors shall be conducted in the following manner:

- (1) Election of Directors shall be held at the annual membership meeting.

- (2) A nominating committee of three (3) members shall be appointed by the Board of Directors not less than ninety (90) days prior to the annual members meeting. The committee shall endeavor to nominate persons for each vacancy and other nominations may be made from the floor.
- (3) The election shall be by secret written ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. Each Voting Owner is entitled to cast his/her votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.
- (4) Except as to vacancies created by removal of Directors by Dwelling Unit Owners, vacancies on the Board of Directors shall be filled by appointment of an Interim Director and/or Directors by the remaining Directors until the next regular election.
- (5) If a majority or more of the Board members are recalled, the Members of the Association shall fill such vacancy.
- (6) The special meeting of the Unit Owners to remove a Director may be called by a quorum of the Unit Owners giving notice of the meeting as required for a special meeting of the Unit Owners, and the notice shall state the purpose of the meeting.

B. Term. Each Director is elected at an annual meeting of the Members, and shall serve a term of three (3) years. The director's terms shall be staggered, according to policies and procedures to be adopted by the Board of Directors. A Director may not serve more than nine (9) consecutive years and must remain a Member in good standing throughout the term.

Each Director shall hold office for the term to which he/she is elected and qualified or appointed, and until his/her successor has been elected or appointed or until his/her resignation, removal from office or death.

C. Organizational Meeting. The organizational meeting of a newly elected Board shall be held within forty-eight (48) hours of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary. The first order of business at this meeting will be the election of officers per Section IV below.

D. Regular Board 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. Notice of regular meetings shall be given to each Director, personally by mail, or telephone, at least three (3) days prior to the day named for such meeting. All meetings of the Board shall be open to all Owners, and adequate notice of all meetings, regular and special, shall be posted on the bulletin board at the pool area at

least forty-eight (48) hours in advance, except in an emergency. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Owners, or their authorized representatives, at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

E. Special Board Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Except in an emergency, not less than three (3) days' notice of the meeting shall be given personally by mail, or telephone which notice shall state the time, place and purpose of the meeting. Any Director may waive notice of a Meeting before or after the Meeting and such waiver shall be deemed equivalent to the receipt of notice.

F. Quorum At Board Meetings. A quorum at Directors meetings shall consist of a minimum of three (3) members of the Board of Directors. The acts by a majority of those present at the meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Declaration, the Articles of Incorporation or these By-laws.

G. Adjourned Board Meetings. If at any meeting of the Board of Directors there be less than a quorum present, the Directors present shall adjourn the meeting from time to time until a quorum is present. Any business that might have been transacted at the adjourned meeting as originally called may be transacted at another meeting at which a quorum is present, which meeting may be called without further written notice.

H. Presiding Officer At Board Meeting. The Presiding Officer at Directors meetings shall be the President. In the President's absence, the meeting will continue with the next designated officer i.e., Vice President or Secretary.

I. Order of Business At Board Meetings. The order of business at Directors meetings shall be as follows:

1. Calling of the roll.
2. Proof of notice of meeting.
3. Election of Officers pursuant to Section IV.
4. Reading and disposal of any unapproved minutes.
5. Reports of officers and committees.
6. Unfinished business.
7. New business.
8. Consideration of all suggestions made to the Board by Association Members.
9. Adjournment.

J. Directors Fees. No Director shall receive compensation for his/her services.

K. Powers and Duties of the Directors. All of the powers and duties of the Association existing under the Declaration, Articles of Incorporation, laws of the State of Florida and these Bylaws shall be exercised exclusively by the Board of Directors, the agents, contractors, or employees of the Board of Directors, subject only to approval by Dwelling Unit Owners when such is specifically required.

SECTION IV.

Officers. The executive officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer and a Director at Large, all of whom shall be Directors of the Association.

A. Election. Only Directors shall be elected Executive Officers of the Association. The officers will be elected by the Board of Directors at its first meeting (See Section III C) following the annual meeting of the members of the Association where the Directors were elected. The officers shall serve with equal voting rights unless he/she/they shall be removed by a majority of the Board of Directors at any regular or special meeting of the Board duly called.

B. Resignation – Vacancy. Any director/officer may resign at any time. Such resignation shall be made in writing, submitted to the Secretary and shall take effect as specified in the instrument. Acceptance of a resignation shall not be required to make it effective. Any vacancy resulting from the removal or resignation of an officer as herein provided may be filled by the Board of Directors at the same meeting or at a meeting held subsequent to the time the vacancy arose by appointing an interim director until the next regular annual meeting or a special election called for that purpose. The Board will elect officers to fill the vacant position and any other resulting from filling the vacated office. (See Section IV A and IV D)

C. President. The President shall be the chief executive officer of the Association. He/She shall have all of the powers and duties usually vested in the office of President of an Association including, but not limited to, the power to appoint committees from the membership from time to time, as he or she, in his/her discretion, may determine appropriate, to assist in the conduct of the affairs of the Association.

D. Vice President. The Vice President, in the absence or disability of the President, (including resignation), shall exercise the powers and perform the duties of the President. The Vice President also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

E. Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He/she shall also attend to the giving and serving of all notices to the members and Directors and other notices required by law. The Secretary shall have custody of the seal of the Association and shall affix it to the instrument requiring a seal when duly signed. The Secretary also shall keep the records of the Association and shall perform all such other duties incident to the office as Secretary of an Association and as may be required by the President and/or other Directors.

F. Treasurer. The Treasurer shall have custody of all property of the Association in accordance with good accounting practices and shall perform all other duties incident to the office of the Treasurer.

G. Compensation. No officer shall receive any compensation in his/her capacity as an officer of the Association.

SECTION V.

Fiscal Management. The provisions for fiscal and property management of the Association as set forth in the Declaration and Articles of Incorporation shall be supplemented by the following provisions:

A. Management Services: It shall be the policy of the Association to contract the services of a managing agent to assist the Officers and Directors of the Association in caring for the Association in the most efficient manner for the benefit of all Owners. (See Hammocks Rules and Regulations)

B. Association Receipts and Expenditures. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as appropriate, all of which expenditures shall be common expenses for the purposes of these Bylaws.

(1) Current expense, which shall include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds, or to meet expected losses, except expenditures chargeable to reserves, or to additional improvements. The balance of this fund at the end of each year may be applied to reduce the assessments for the succeeding year or put into a contingency account at the discretion of the Directors depending on future needs with the approval of a majority of the Voting Members represented at the meeting at which this matter is presented for a vote.

(2) Reserve for maintenance and replacement that shall include funds for maintenance items that occur less frequently than annually in accordance with Article V, Section 4 of the Declaration.

(3) Special assessments for only capital improvements, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common area facilities; provided, however, that any such special assessment shall have the approval of at least (60) sixty Voting Owners.

(4) Subject to B (1), B (2), and B (3) above, the managing agent or the management service company will make recommendations to the Board regarding the operating budget and adequate reserve accounts. The Board will make every effort to keep all the Hammocks homeowners informed of the financial condition of the Association.

C. Adoption of Budget. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of common expenses to the unit owners not less than thirty (30) days prior to the meeting at which the budget will be considered. The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, signage and wall repair and replacement, maintenance and repair of sprinkler systems, pavement

repair and resurfacing, recreational facilities, wells and well appurtenances and maintenance and/or improvements to the common areas. The amount to be reserved shall be computed by means of a formula that is based upon estimated life and estimated replacement costs of each reserve item.

The Association by a majority vote of the Voting Owners present at the annual meeting where the budget is presented may utilize the reserve funds for general operating expenses or to purchase capital improvements. The Board shall adopt the budget at the annual meeting.

If the budget adopted by the Board requires assessments against the Members in any fiscal or calendar year exceeding 115% of the assessments for the preceding year, the Board, upon written application of Voting Owners representing at least twenty percent (20%) of the Voting Owners, shall call a special meeting of the unit Members within thirty (30) days of said application and upon not less than fifteen (15) days written notice to each unit Member. At the special meeting, the Voting Owners shall consider and may enact an alternative budget that shall replace that adopted by the Board. The adoption of such alternative budget shall require a vote at the special meeting of not less than a majority of all Voting Owners present in person, by absentee ballot or by proxy; absent such a vote, the budget adopted by the Board shall stay in effect as scheduled.

D. Levy of Assessments. After adopting an annual budget and determining the annual assessment and monthly installment per dwelling unit, the Association shall assess such sums by promptly notifying all Owners by delivering or mailing notice thereof to the Voting Owners representing each Dwelling unit at such Voting Owner's most recent address as shown by the books and records of the Association. Such assessments shall be due in advance in twelve (12) equal installments, on the first day of each month of the year for which the installment payments are made. In lieu of a monthly statement, during the month of December, a payment assessment booklet consisting of twelve (12) coupons will be provided to each Dwelling Unit Owner for the following year's assessment. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly installments on such assessments shall be due upon each installment payment date until changed by an amended assessment. In the event the monthly or annual assessment proves to be insufficient, the Board of Directors in the manner elsewhere provided may amend the budget and assessments at any time.

E. Acceleration of Assessment Installments Upon Default. If a Dwelling Unit Owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the Dwelling Unit Owner, and then the unpaid balance of the assessment shall come due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the Dwelling Unit Owner, or not less than twenty (20) days after the mailing of such notice to him by registered or certified mail, whichever shall occur first.

F. Liens. Every assessment, together with such interest thereof and cost of collection thereof as are hereinafter described, shall constitute a personal obligation and debt from the Owners of the Dwelling Unit payable to the Association without demand, and shall be secured by a lien upon such Dwelling Unit and all improvements thereon. Said lien shall attach annually as hereinafter provided and shall be enforceable by the

Association in a court of competent jurisdiction. If any such assessments are not paid by the fifteenth (15th) day of the month of which it was due, such assessments shall bear interest from the fifteenth (15th) day of the month of which it was due and payable at the maximum rate allowed by law. Refer to Declaration of Covenants, Restrictions and Easements, Article V, Section 6.

G. Penalties. It will be the responsibility of Dwelling Unit Owners to utilize their monthly assessment coupon to make a payment for the appropriate month. Any such assessment (monthly installment) which is not paid by the fifteenth (15th) of the month in which the assessment is due, shall bear a late fee in a dollar amount pursuant to current Florida Statute Chapter 720, in addition to any interest due as covered in SECTION V, F. Liens above.

H. Enforcement of Assessment Obligation. The Association may bring a legal action against any Dwelling Unit Owner personally obligated to pay any assessment and/or may enforce or foreclose the Association's lien against the dwelling unit for which any assessment, and/or interest and penalties thereof has not been paid. In the event a judgment is obtained by the Association, such judgment shall include interest on the assessment as provided above and a sum, to be fixed by the court, to reimburse the Association for all costs, disbursements and expenses (including, without limitation, reasonable attorney's fees, including appellate attorney's fees and costs) incurred by the Association in connection with said action.

I. Special Assessments. Assessments for common expenses, emergencies, or special assessments for capital expenditures for additional improvements that cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such is given to the Owners concerned. Notice shall be in writing and sent to all members not less than fifteen (15) days or more than thirty (30) days in advance of the meeting called for that purpose. After such notice and upon approval in writing by at least sixty (60%) of the Voting Owners, the assessment shall become effective as fixed in the resolution authorizing the assessment.

J. Depository. The depository of the Association shall be a federally insured bank, banks or savings and loan associations as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board of Directors. All expenditures will require at least two (2) signatures as designated by the Board of Directors.

K. Year End Financial Status. A compilation of the accounts of the Association shall be made annually by an accountant selected by the Board, and a copy of the compilation or other authorized financial report shall be made available to each member not later than April 1 of the year following the year for which the review is made.

L. Fidelity Bonds. Fidelity Bonds shall be required by the Board of Directors for all such persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors. The Association shall pay the premiums on such bonds.

M. Authorization to Borrow Funds. The Board of Directors is authorized to enter into loan agreements with a bank or banks to provide funds to cover the financial needs of the Association when, in the opinion of the Board, the current financial situation of the Association is inadequate to provide sufficient funds in a timely manner to resolve a problem or perceived need of the Association. Details of such loans must be provided to all members within sixty (60) days after each such loan has been made, and in no case may such loans be made for more than a total of \$25,000 without obtaining majority approval of members at an annual or special meeting.

SECTION VI

Parliamentary Rules. Robert's Rules or Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Covenants, Articles of Incorporation or these Bylaws.

SECTION VII

Amendments. Except as elsewhere otherwise provided, these Bylaws may be amended in the following manner:

A. Notice. Notice in writing of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered. The proposal 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. However, if the proposed changes are so extensive that this 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 in substantially the following language: "Substantial Rewording of Bylaws. See Bylaws dated _____ for present text". Nonmaterial errors or omissions in the Bylaws amendment review process shall not invalidate an otherwise properly promulgated amendment.

B. Amendment Resolution. A resolution for the adoption of a proposed amendment may be proposed by either the Board of Directors of the Association or by not less than a majority of the Voting Owners of the Association. 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.

Such approvals must be:

(1) Less than sixty (60) votes of the Voting Owners

OR

(2) A majority_of the Directors.

C. Proviso. No amendment shall discriminate against any Dwelling Unit Owner nor against any dwelling unit or class or group of dwelling units, unless the Dwelling Unit Owners so affected shall consent; and no amendment shall change any dwelling unit or decrease the share in the common areas appurtenant to it, unless the record owner of the dwelling unit concerned and all record owners of the mortgages on such dwelling unit shall join in the execution of the amendment.

SECTION VIII

Voluntary Binding Arbitration. In the event of any internal disputes arising from the operation of the Association among Voting Owners, the Board of Directors or their agents and assigns, the parties to the dispute may submit the dispute to voluntary binding arbitration. The non-prevailing party shall pay the cost of arbitration. In cases where the parties cannot agree upon which party is the non-prevailing party, the decision of the arbitrator concerning same shall be conclusive and binding upon the parties.

The foregoing were adopted as the Bylaws of THE HAMMOCKS OF SUGARMILL WOODS HOMEOWNER'S ASSOCIATION, INC., a Corporation not-for-profit under the laws of the State of Florida, by the Directors of THE HAMMOCKS OF SUGARMILL WOODS HOMEOWNER'S ASSOCIATION, INC. on the 15th day of November, 2001.

/s/
John M. Rhoades, Secretary

APPROVED

/s/
President
Sugarmill Woods
Inc.

/s/
Ralph L. Walker
34447

WITNESSES:
The Hammocks of
Homeowner's Association,
P.O. Box 1760
Homosassa Springs, FL

/s/
Leanne Hadsell

STATE OF FLORIDA
COUNTY OF CITRUS

I HEREBY CERTIFY that on this 15th day of November, 2001 personally appeared before me, a Notary Public duly authorized by the laws of the State of Florida to take acknowledgements John M. Rhoades as Secretary of The Hammocks of Sugarmill Woods Homeowner's Association, Inc. a Florida Corporation, to me well known to be the person who executed the foregoing Amended Bylaws and acknowledged before me that he executed the same for the purposes therein expressed and as the free act and deed of the corporation.

s/s