

BYLAWS
OF
KENDALL CREEK OWNERS ASSOCIATION, INC.

ARTICLE I
DEFINITIONS

To the extent not otherwise specifically defined in these Bylaws, all capitalized terms contained in these Bylaws shall have the same meanings as such terms are defined by the Declaration of Covenants and Restrictions for Kendall Creek as recorded in Book 3985, Page 1897, public records of St. Johns County, Florida, as the same may be amended from time to time (the "Declaration").

ARTICLE II
LOCATION

The principal office of the Association shall be 77 Almeria Street, St. Augustine, FL 32084.

ARTICLE III
MEMBERSHIP

Section 1. Membership in the Association shall be determined in accordance with the provisions of the Articles of Incorporation of the Association (the "Articles") and the Declaration.

Section 2. Certain rights of membership are subject to the timely payment of annual and special assessments levied by the Association, the obligation of which assessment is imposed against each Owner of, and becomes a lien upon, the Lots against which such assessments are made as provided in the Declaration.

ARTICLE IV
FISCAL YEAR

Section 1. The fiscal year of the Association shall be the calendar year.

ARTICLE V
BOARD OF DIRECTORS

Section 1. Subsequent to the appointment of Directors by the Class B Member as provided in the Articles, the Directors of the Association shall be elected at the annual meeting of the Members. The election procedure is set forth in Article VI of these Bylaws.

Section 2. Any Director may be removed from office at any time with or without cause in the manner provided in Chapter 720, as such term is herein defined, except that the Directors elected by the Class B Member may be removed only by the Class B Member.

Section 3. The first meeting of the duly elected Board of Directors, for the purpose of organization, shall be held immediately after the annual meeting of Association Members, provided the majority of the Members of the elected Board of Directors are present. Any action taken at such meeting shall be by a majority of the Board of Directors. If the majority of the Members of the Board of Directors elected shall not be present at that time, or if the Directors shall fail to elect officers, the meeting of the Board of Directors to elect officers shall then be held within thirty (30) days after the annual meeting of Members.

Section 4. Regular meetings of the Board of Directors may be held at any place or places within St. Johns County, Florida, on such days and at such hours as the Board of Directors may reasonably determine.

Section 5. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board of Directors and may be held at any place or places within St. Johns County, Florida, and at any time, provided the proper notice is given pursuant to Section 6 below.

Section 6. Notices of all Board of Directors meetings must be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in an emergency. Notice of each special meeting of the Board of Directors, stating the time, place and purpose or purposes thereof, shall be given by or on behalf of the President or by or on behalf of the Secretary or by or on behalf of a majority of the Members of the Board of Directors to each Member. If notice is not posted in a conspicuous place in the community, notice of each Board of Directors meeting shall be mailed or delivered to each Member at least 7 days before the meeting, except in an emergency. If broadcast notice is used in lieu of a notice posted physically in the community, the notice shall be broadcast at least four times every broadcast hour of each day that a posted notice is otherwise required. The notice may be by electronic transmission in a manner authorized by law for meetings of the Board of Directors, committee meetings and annual and special meetings of the Members; however, a Member must consent in writing to receiving notice by electronic transmission. Emergency meetings of the Board of Directors may also be held at any place and time without notice by unanimous waiver of notice by all the Directors. Notice of any meeting in which assessments against Lots are to be established shall specifically contain a statement that assessments shall be considered and a statement of the nature of such assessments. Notwithstanding any provisions of these Bylaws to the contrary, notices of all meetings shall comply with Chapter 720, Florida Statutes, as the same may be amended from time to time ("Chapter 720").

Section 7. No Director shall receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total vote of the Association at a regular or special meeting of the Association; provided any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors.

Section 8. All meetings of the Board of Directors shall be open to all Members, who have the right to attend all meetings of the Board of Directors and to speak on any matter placed on the agenda by petition of the voting interests for at least 3 minutes. The Association may adopt written reasonable rules expanding the right of Members to speak and governing the frequency, duration, and other manner of Member statements, which rules must be consistent with Chapter 720, and may include a sign-up sheet for Members wishing to speak. The requirement that Board of Directors' meetings and committee meetings be open to the Members is inapplicable to meetings between the Board of Directors or a committee and the Association's attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege.

Section 9. 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 as provided by law and in accordance with the Association's governing documents. In addition to the duties imposed by Chapter 720, together with these Bylaws, the Board of Directors shall have the power to and be responsible for the following, by way of explanation, but not limitation:

a. preparation and adoption of an annual budget in which there shall be established the obligation of each Owner for the payment of Assessments in accordance with the provisions of the Declaration;

b. levying Assessments in accordance with the provisions of the Declaration, establishing the means and methods of collecting such Assessments, and establishing the period of the installment payments of the General assessments, which shall be as reasonably determined by the Board of Directors;

c. providing for the operation, care, upkeep, and maintenance of all of the Common Property;

d. designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Association, its property, and the Common Property where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

e. collecting the Assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association (reserve or contingency funds may be deposited, in the Directors' reasonable business judgment, in depositories other than banks);

f. making and amending rules and regulations;

g. opening of bank accounts on behalf of the Association and designating the signatories required;

h. making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Property in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

i. enforcing by legal means, the provisions of the Declaration, the Articles, these Bylaws, and the rules and regulations adopted by the Board of Directors and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association after receiving the proper authorization, if any, required by the Declaration;

j. obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

k. paying the cost of all services rendered to the Association or its Members;

l. maintaining the official records of the Association in accordance with Chapter 720. The official records of the Association shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys in accordance with the requirements of Chapter 720;

m. making available for review to any prospective purchaser of a Lot, any Owner of a Lot, any first Mortgagee, and the holders, insurers, and guarantors of a first mortgage on any Lot, current copies of the Declaration, the Articles, the Bylaws, the Association's rules and regulations and all other books, records, and financial statements of the Association;

n. permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Property;

o. taking any actions allowed or required to be taken under the terms of the Master Declaration; and

p. exercising for and on behalf of the Association all powers, duties and authority vested in or delegated to the Association, except those reserved to Members in the Declaration or in the Articles.

Section 10. The Board of Directors may employ for the Association a professional management agent or agents, for compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board of Director's supervision, all of the powers granted to the Board of Directors by these Bylaws.

Section 11. The following policies will be followed unless the Board of Directors shall specifically determine otherwise:

a. generally accepted accounting principles shall be employed with respect to the Association's financial records;

b. no remuneration shall be accepted by any member of the Board of Directors from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; and

c. financial reports shall be prepared and distributed in accordance with the requirements of Chapter 720.

Section 12. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Property without the approval of the Members of the Association; provided however, the Board of Directors shall obtain Member approval in the same manner provided in the Declaration for special assessments requiring approval by the Members, in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for the fiscal year in which the funds are to be borrowed.

Section 13. The Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, the Articles, these Bylaws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation for which abatement is sought, shall pay all costs incurred by the Association, including reasonable attorney's fees for pre-trial preparation, trial, appeal and in bankruptcy proceedings. The failure of the Board of Directors to enforce any provision of the Declaration, the Articles, these Bylaws, or any rule or regulation shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

ARTICLE VI ELECTION OF DIRECTORS

Section 1. Nominations for the election of members of the Board of Directors (other than members appointed by the Developer) shall be made by the Nominating Committee described in Article IX hereof, or upon petition in accordance with Section 3 of this Article VI. The Nominating Committee shall make as many nominations as it shall in its discretion determine.

Section 2. The Developer shall, within fourteen (14) days of the date set for the annual meeting of the Association, notify the Secretary of the names of the Directors that such Owner is appointing to the Board of Directors.

Section 3. Owners may nominate themselves in the manner provided by Chapter 720. Nominations shall be placed on the written ballot referenced in Section 4 of this Article VI.

Section 4. All elections to the Board of Directors shall be made on written ballots to be voted at the annual meeting, or in the discretion of the Board of Directors, by mail, provided such ballots are mailed to the Members not less than fifteen (15) days prior to the date fixed for the annual meeting. The ballots shall (i) describe the vacancies to be filled by the Class A. Members, and (ii) set forth the names of those nominated for each such vacancy. Each Member may cast the number of votes to which such Member is entitled as set forth in the Articles of Incorporation. For purposes of Chapter 720, mailed ballots shall be deemed to be absentee ballots.

Section 5. In order for an election of members of the Board of Directors to be valid and binding, the election must occur at a meeting of the Members at which a quorum is present; or if the election is conducted by mail, the Association must receive as of the date established by the Board for receipt of ballots, a number of ballots representing not less than a quorum of the Members.

Section 6. The members of the Board of Directors elected or appointed in accordance with the procedures set forth in this Article VI shall be deemed elected or appointed as of the date of the annual meeting of the Members.

ARTICLE VII OFFICERS

Section 1. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 2. Any officer may be removed at any time by the affirmative vote of a majority of the Board of Directors at any duly called regular or special meeting of the Board of Directors.

Section 3. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Members of the Association and of the Board of Directors. He shall have the general powers and duties of supervision and management of the Association which usually pertain to his office, and shall perform all such duties as are properly required of him by the Board of Directors. The Board of Directors shall elect one Vice President, who shall have such powers and perform such duties as usually pertain to such office or as are properly required of him by the Board of Directors. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President. The Secretary shall issue notices of all meetings of the Membership of the Association and the Board of Directors where notice of such meetings is required by law or in these Bylaws. He shall keep the minutes of the meetings of the Membership and of the Board of Directors.

Section 4. The Treasurer shall have the care and custody of all the monies and securities of the Association. He shall enter on the books of the Association, to be kept by him for that purpose, full and accurate accounts of all monies received by him and paid by him on account of the Association. He shall sign such instruments as require his signature and shall

perform all such duties as usually pertain to his office or as are properly required of him by the Board of Directors.

Section 5. Vacancies in any office arising from any cause may be filled by the Board of Directors for the unexpired portion of the term.

Section 6. 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 VIII MEETINGS OF MEMBERS

Section 1. An annual meeting of Members shall be held at such time and place as shall be determined by the Board of Directors.

Section 2. Members may not vote by general proxy, but may vote by limited proxy. Limited proxies and general proxies may be used to establish a quorum. Limited proxies may also be used for votes taken to amend the articles of incorporation or bylaws or for any matter that requires or permits a vote of the Members.

Section 3. Special meetings of the Members may be called for any purpose at any time by the President or a majority of the Members of the Board of Directors. Notice of a special meeting must include a description of the purpose or purposes for which the meeting is called.

Section 4. Notice may be given to the Member either personally, or by sending a copy of the notice through the mail (postage thereon fully paid), by overnight courier, by telecopy transmittal, or by any other means permissible under Chapter 720, to his address appearing on the records of the Association. Each member shall register his address with the Secretary, and notices of meetings shall be provided to him at such address. Notice of any meeting, regular or special, shall be mailed, personally delivered, overnight couriered or telecopied at least six (6) days in advance of the meeting and shall set forth the general nature of the business to be transacted.

Section 5. The presence in person or by proxy of Members entitled to cast thirty percent (30%) of the Class A membership votes at a meeting of the Members, shall constitute a quorum for any action governed by these Bylaws.

Section 6.

a. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for

reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

b. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that Members representing at least twenty (20%) percent of the total votes of the Association remain present, and provided further that any action taken shall be approved by at least a majority of the Members required to constitute a quorum.

Section 7. The President or the President's designee 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 at the meeting, as well as a record of all transactions occurring thereat.

ARTICLE IX COMMITTEES

Section 1. The Architectural Review Committee (the "ARC") shall be a standing committee of the Association. The ARC shall be appointed, shall serve and shall have the duties and functions as described in the Declaration. A party aggrieved by a decision of the ARC shall have the right to make a written request to the Board of Directors, within thirty (30) days of such decision, so that the Board of Directors may review such decision. The determination of the Board of Directors, upon reviewing such decision of the ARC, shall in all events be dispositive.

Section 2. The Nominating Committee shall be a standing committee of the Association. The Nominating Committee shall have the duties, authority and functions as described in the Declaration and these Bylaws.

Section 3. The Board of Directors shall have the power and authority to appoint such other committees as it deems advisable. Any committee appointed by the Board of Directors shall consist of a chairman and two (2) or more other members.

Section 4. All committee members shall serve at the pleasure of the Board of Directors, and shall perform such duties and functions as the Board of Directors may prescribe.

ARTICLE X BOOKS AND PAPERS

Subject to the provisions of Chapter 720, the books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any Member of the Association.

ARTICLE XI
AMENDMENTS

Section 1. These Bylaws may be altered, amended or rescinded by majority vote of the Board of Directors at a duly constituted meeting of the Board. Amendments shall be effective on the date of passage by the Board and no amendment need be recorded in the public records of St. Johns County, Florida.

Section 2. In case of any conflict between the Articles 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.