

BYLAWS
OF
THE PRESERVE AT LAKE CHARM HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
Members

The qualification of the members, the manner of their admission to membership, termination of such membership, and voting by members shall be as follows

A. The Declarant and owners of all Lots in the Subdivision shall be members of the Corporation, and no other persons or entities shall be entitled to membership. Membership is appurtenant to, and inseparable from, ownership of a Lot.

B. Membership shall be established by the acquisition of fee title to a Lot in the Subdivision or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of a party shall be automatically terminated upon his or her being divested of all title to his or her entire fee ownership interest in any Subdivision Lot, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more Subdivision Lots, so long as such party shall retain title to or a fee ownership interest in any Lot.

C. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his or her Lot. The funds and assets of the Corporation shall belong solely to the Corporation, subject to the limitation that the same be expended, held or used for the benefits of the membership and for the purposes authorized herein in the Declaration and in the Bylaws.

D. The Association shall have two classes of voting membership:

1. CLASS A. Class A members shall be all Lot owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest to any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

2. CLASS B. Class B members shall be the Declarant, who shall be entitled to nine (9) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership ("Turnover") on the happening of any of the following events, whichever occurs earlier:

(a) the date exactly ten (10) years after the recording of the Declaration; or

(b) at the election of the Declarant, whereupon the Class A Members shall be obligated to elect the Board of directors and assume control of the Association; or

(c) three (3) months after 90% of the Lots have been conveyed to Owners.

Alternatively, Declarant may elect to convert its Class B Membership to Class A Membership upon thirty (30) days notice to the Board, whereupon the Class A Members shall be obligated to elect the Board and assume control of the Association.

ARTICLE II

Meetings of Members

Section 1. Annual Meeting. The annual meeting of the members of this Corporation shall take place each calendar year at a date, time and location as selected by the Board of Directors for transaction of any business as stated in the agenda for the meeting. The annual meeting may be held at the principal office of the Corporation or at any other place designated by the Board of Directors.

Section 2. Special Meeting. A special meeting of the members, at the principal office of the Corporation or at any other place designated by the Board of Directors, may be called at any time by the President, or in his absence, by the Vice-President, or by at least three Directors. It shall be the duty of the Board of directors to call such a meeting whenever requested by a majority of the members.

Section 3. Notice. Notice of the time and the place of all annual meetings and specials meetings shall be delivered, either personally or by mail, to each member by the Secretary or by the Officer or persons calling the meeting at least fourteen (14) days before the date thereof. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the members at the address as it appears on the records of the Corporation, with first class postage thereon prepaid.

Section 4. Presiding Officer. The President of the Corporation, or in his absence any other persons designated by the Board of Directors, shall preside at all meetings.

Section 5. Member Quorum and Voting. Thirty percent (30%) of the members entitled to vote shall constitute a quorum at a meeting of the members, except that the Class B member, if any, must be present at the meeting to make a quorum. Every member shall have the right to vote in person or by proxy. If a quorum is present, either in person or by proxy, the affirmative vote of the majority of the members constituting the quorum and entitled to vote on a subject matter shall be the act of the members unless the vote of a greater number is

required. If less than a quorum is present at any meeting, the meeting shall not be called to order, and the Board of Directors shall reset the date for the meeting. Notice shall be provided as stated in Section 3 of this Article.

ARTICLE III

Voting

Section 1. Class A. Subject to the restrictions and limitations hereinafter set forth, each Class A member shall be entitled to one (1) vote for each Lot in which he holds the interest required for membership. When more than one person holds such interest, all such persons shall be members, and the votes for such property shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. The votes of a member cannot be divided for any issue and must be voted as a whole. Except where otherwise required under these Bylaws, by the Declaration of Covenants and Restriction for THE PRESERVE AT LAKE CHARM, or by law, the affirmative vote of the owners of the majority of lots represented at any meeting of the members duly called at which a quorum is present, shall be binding upon the members. In the event of an even split of votes by the members, the presiding officer, or whoever was appointed in his absence, shall have one vote which upon exercise shall constitute the deciding/majority vote.

Section 2. Class B. So long as the Class B member is the owner of any portion of the property in THE PRESERVE AT LAKE CHARM, the Class B member shall be entitled to nine (9) votes for each lot owned by the Declarant.

ARTICLE IV

Board of Directors

Section 1. Powers and Duties. All corporate powers shall be exercised by or under the authority of, and the affairs of the corporation shall be managed under the direction of, the Board of Directors.

Section 2. Election. So long as there is a Class B member, the Board of Directors shall be appointed by the Class B member. When there is no longer a Class B member, the Board of Directors shall be elected by the members of the corporation at the annual meeting of the members and shall hold office for a term of one year.

Section 3. Number of Directors. The number of Directors may be increased or decreased from time to time by a majority vote of those Directors present at any regular meeting or at any special meeting duly called for that purpose, provided that (i) a quorum of the Board is present, (ii) no decrease shall have the effect of shortening the term of any incumbent Director, and (iii) the number of Directors shall not be less than three (3); provided, however, the Board of Directors shall be composed of not less than three (3) and not more than five (5) Directors.

ARTICLE V
Meetings of the Board of Directors

Section 1. **Regular Meetings.** A regular quarterly meeting of the Board of Directors for the election and appointment of officers and for the transaction of any other business shall be held without other notice than this bylaw; provided, however, one of these four quarterly meetings shall coincide with the annual meeting of the members of the Corporation. This meeting of the Board of Directors that coincides with the annual meeting of the members shall be referred to as the Annual Meeting of the Board of Directors and shall immediately follow, and be at the same place as, the annual meeting of the members. The Board may provide by resolution the time and place for the holding of additional regular meetings of the Board without other notice than such resolution.

Section 2. **Special Meetings.** Special Meeting of the Board of Directors may be called by the President, or in his absence by the Vice-president, or by any three Directors. The person or persons calling a special meeting of the Board may fix any place for holding the special meeting.

Section 3. **Unanimous Consent.** Unless otherwise provided in the Articles of Incorporation or these Bylaws, any action that is required or permitted to be taken at a meeting of the Board of Directors or a committee of Directors may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by all the Directors or all the Directors on the committee, as applicable. The consent shall be filed in the minutes of the proceedings of the Board of directors, or committee as applicable. The consent shall have the same effect as a unanimous vote.

Section 4. **Notice.** Notice of all meetings shall be delivered, either personally or by mail to each Director by the Secretary or by the officer or persons calling the meeting at least three (3) days before the date thereof. All notices shall include an Agenda, which shall include specific items to be addressed by the Board of Directors and voted upon at the duly called meeting. Items not on the Agenda shall not be discussed at the meeting unless it is an item, which constitutes an emergency, which shall include any threat to life or property. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Director at the address as it appears on the records of the Corporation, with first class postage thereon prepaid. No meeting may be held without proper notice except for meetings with counsel for the Corporation.

Section 5. **Director Quorum and Voting.** A majority of the number of Directors then authorized shall constitute a quorum for the transaction of any business at any meeting of the Board of Directors, and the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the Articles of Incorporation or these Bylaws otherwise expressly require.

Section 6. Vacancies. Any vacancy occurring in the Board of Directors, including any vacancy created by reason for an increase in the number of Directors, shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall hold office only until the next election of Directors by the members.

ARTICLE VI Officers

Section 1. Officers. The officers of the Corporation shall be a President, Vice-president, Secretary, and Treasurer. The offices of Secretary and Treasurer may be combined in one individual.

Section 2. Election. All officers shall be elected from among persons who are Directors. Officers shall be elected by the Board of Directors at the Annual Meeting of the Board and shall take office immediately following their election. An officer shall serve until a successor is elected or until his or her earlier resignation, removal from office, or death.

Section 3. Removal. Any officer may be removed by the Board of Directors, with or without cause, at any duly called meeting of the Board of Directors.

Section 4. Compensation. The officers of the Corporation shall be entitled to the reimbursement of reasonable expenses incurred by them as officers in the administration of the Corporation.

Section 5. Vacancies. If any office becomes vacant for any reason, the Board of Directors shall fill such vacancy. Any officer so appointed or elected by the Board of Directors shall serve only until such time as the unexpired term of his predecessor shall have expired unless reelected by the Board of Directors.

Section 6. President. The President shall be the chief executive officer of the Corporation. The President shall be an ex officio member of all standing committees. The President shall preside at all meetings of the members and of the Board of Directors. The President shall serve at the pleasure of the Board of Directors, shall be subject to the control of the Board of Directors, and shall see that all orders, resolutions, and policies of the Board of Directors are carried into effect.

Section 7. Vice-President. The vice-president, in addition to the duties hereinafter set forth, shall perform such duties as may be assigned by the Board of Directors from time to time. In the case of the absence or disability of the President, the Vice-president shall perform the President's duties.

Section 8. Secretary. The Secretary, in addition to the duties hereinafter set forth,

shall perform such duties as may be assigned by the Board of Directors from time to time. The Secretary shall attend all meetings of the Board of Directors and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall keep a membership book containing the name and mailing address of each member. A termination of membership shall be recorded in the membership book. The Secretary shall give, or cause to be given, notice of all meetings of the members and the Board of Directors; shall have charge of all corporate books, records and papers; shall be custodian of the corporate seal; shall attest by signature and impress with the corporate seal all written contracts of the corporation; and shall perform all such other duties as are incident to the office.

Section 9. Treasurer. The Treasurer, in addition to the duties hereinafter set forth, shall perform duties as may be assigned by the Board of Directors from time to time. The Treasurer shall have the care and custody of the monies of the Corporation and other valuable effects, including securities, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation at such banks, trust companies or other depositories as may be designated by the President of the Board of Directors. He shall disburse the monies of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and Directors at an annual meeting of the Board, or whenever required, an account of all transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall give bond in such sum and with such surety as the Directors may require, conditioned upon the faithful performance of the duties of maintaining vouchers, receipts, records and other papers for the Directors for their examination and approval, as often as they may require; and shall perform all other such duties as are incident to the office.

Section 10. Delegation of Duties. At the discretion of the Board of Directors, duties of the officers of the Corporation may be delegated from time to time to persons approved by the Board of Directors.

Section 11. Rules of Procedure. Robert's Rules of Procedure shall be the standard for the conduct of all meetings provided for under these Bylaws, except where to do so would otherwise interfere with the Articles of Incorporation, these Bylaws or the Declarations of Covenants, Conditions and Restrictions of THE PRESERVE AT LAKE CHARM Homeowners Association to be recorded in the Public Record of Seminole County, Florida.

ARTICLE VII

Seal

The seal of the Corporation shall be in the form and style adopted from time to time by the Board of Directors.

ARTICLE VIII

Waiver of Notice

Whenever any notice is required to be given under the provisions of these Bylaws or under the prohibitions of the Articles of Incorporation or the Florida Not For Profit Corporation Act as currently in effect and as it may be amended, a waiver thereof in writing signed by the person or persons entitled to such notice shall waive the right to such notice, whether before or after the meeting or other event for which notice must be given. Attendance at a meeting shall constitute waiver of any right to notice of such meeting except when the person attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of business at the meeting because the meeting is not lawfully called or convened.

ARTICLE X

Amendments

These Bylaws may be amended, altered or rescinded by the Board of Directors at any regular or special meeting of the Board.

ARTICLE XI

Indemnification

Every member of the Board of Directors and every officer of the corporation shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a member of the Board of Directors or an officer of the corporation whether or not he is a member of the Board of Directors or an officer at the time such expenses are incurred, except in such cases wherein the member of the Board of Directors or the officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the member of the Board of Directors or an officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Board of Directors approves such settlement and reimbursement as being in the best interests of the corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such member of the Board of Directors or officer may be entitled.

ARTICLE XI

Dissolution

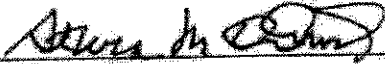
Upon dissolution of the Association, all of its assets remaining after provisions for creditors and payment of all costs and expenses of such dissolution shall be distributed in accordance with Article XIII of the Articles of Incorporation.

ARTICLE XII

Contracts

No contract or transaction between the Corporation and one or more of its Directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its Directors or officers are Directors, Trustees, or officers, have a financial interest, shall be invalid, void or avoidable solely for this reason, or solely because the Director or officer is present at or participates in the meeting of the Board or committee hereof that authorized the contract or transaction, or solely because his or their votes are counted for such purposes. No Director or officer of the Corporation shall incur liability by reason of the fact that he is or may be interested in any such contract or transaction.

THE PRESERVE AT LAKE CHARM HOMEOWNERS' ASSOCIATION, INC.
a Florida not-for-profit corporation



Steven M. O'Dowd
President