

BYLAWS
OF
TERRA VERDE RESORT VILLAS
HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is **TERRA VERDE RESORT VILLAS HOMEOWNERS' ASSOCIATION, INC.**, a Florida not for profit corporation (hereinafter referred to as the "Neighborhood Association"). The principal office of the corporation shall be located at 5200 Vineland Road, Suite 200, Orlando, Florida 32811, but meetings of the Board of Directors of the Neighborhood Association may be held at such places within the State of Florida, County of Osceola, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

All terms used in these Bylaws shall have the same meaning as defined in the Neighborhood Declaration of Covenants, Conditions, Restrictions and Easements for Terra Verde Villas, as the same may be amended and supplemented from time to time ("Neighborhood Declaration"), unless these Bylaws specifically provide otherwise, or unless the context dictates a contrary meaning.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Neighborhood Association and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 p.m., or on such other day and at such other time and place as the Board may determine. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President of the Neighborhood Association, by a majority of the Board of Directors, or upon written request of the Members that are entitled to vote one-fourth (1/4) of all of the votes of the Class A Membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary of the Neighborhood Association or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member, addressed to the Member's address last appearing on the books of the

Neighborhood Association, or supplied by such Member to the Neighborhood Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Master Association Representation. The President of the Neighborhood Association shall be the Neighborhood Association's appointed member to the Terra Verde Resort Master Association, Inc.'s, board of directors.

Section 5. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Neighborhood Association's Articles of Incorporation, the Neighborhood Declaration, or these Bylaws. Every act or decision done or made by an affirmative vote of a majority of the votes entitled to be cast by the Members present shall be regarded as the act of the Neighborhood Association. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote in attendance shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Neighborhood Association. Every proxy shall be revocable by the Member executing such proxy.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number. The affairs of the Neighborhood Association shall be managed by a Board of not less than three (3) Directors, who need not be Members of the Neighborhood Association and who shall be appointed by the Declarant. So long as Declarant owns at least five percent (5%) of the Lots platted or to be platted in the Properties, the Declarant shall be entitled to appoint one member of the Board. At such time as Declarant no longer owns any Lots within the Properties, the number of Directors may be increased or decreased by amendment to these Bylaws provided there shall never be less than three (3) Directors. All affairs of the Neighborhood Association shall be governed by the affirmative vote of a majority of the Directors in attendance at a duly called meeting unless otherwise specifically provided for in the Neighborhood Declaration.

Section 2. Term. Directors shall be appointed to serve for three (3) year terms, unless a Director sooner dies, resigns, or is removed. There shall be no limit to the number of terms any one Member may serve as a director.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by an affirmative vote of a majority of the outstanding votes entitled to be cast by the Members of the Neighborhood Association. Prior to termination of Class B Membership, the Declarant shall be entitled to remove Directors with or without cause and appoint replacement Directors. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Neighborhood Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held not less frequently than quarterly, at such place and hour as may be fixed from time to time by resolution of the Board. All meetings of the Board shall be open to all Members except meetings between the Board and its attorney with respect to proposed or pending litigation covering matters which would be governed by the attorney/client privilege. Except as otherwise provided in the Neighborhood Declaration, the Articles of Incorporation or these Bylaws, notices of all Board meetings shall be posted in a conspicuous place within the Subdivision at least forty-eight (48) hours prior to any meeting except in an emergency. Notices of any Board meeting at which assessments will be considered and levied shall include a statement to that effect.

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

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Voting. The Directors shall not vote by proxy or secret ballot at Board meetings except for purposes of election of officers. The Secretary of the Neighborhood Association shall record in the minutes of each meeting the vote of each Director on each matter brought before the Board.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) Assess a Lot Owner for improvement, maintenance and repairs upon the Lot Owner's Lot as provided in the Declaration;

(b) Suspend the rights of Owners to use the Common Areas, if any, and/or impose fines on such Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the Neighborhood Association. Such rights may also be suspended and/or fines levied in an amount of up to One Hundred Dollars (\$100.00) per violation after notice and hearing in accordance with applicable law, for a reasonable period for infraction of published rules and regulations.

Any such fines shall bear interest at ten percent (10%) per annum from the date due until paid and may be the subject of a claim of lien treated as any other assessment under the Neighborhood Declaration. Upon fourteen (14) days notice to any Owner, tenant, guest or invitee against whom a fine or suspension is to be imposed, a committee of at least three (3) panel members, appointed by the Board who are not officers, directors or employees of the Neighborhood Association, shall hold a hearing upon any proposal by the Board to suspend for a reasonable period of time the rights of any Owner, his tenant, guest or invitee to use Common Areas and amenities, if any, and/or to levy reasonable fines, not to exceed One Hundred Dollars (\$100.00) per violation against any Owner, or an Owner's tenant, guest or invitee for violations of the Neighborhood Declaration or any rules of the Neighborhood Association. This hearing shall not apply with respect to suspensions or fines against any Owner for failure to pay assessments or other charges when due;

(c) Exercise for the Neighborhood Association all powers, duties and authority vested in or delegated to the Neighborhood Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Neighborhood Declaration;

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

(e) Employ a manager, an independent contractor, or such other employees or consultants as may be deemed appropriate, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members;

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

(c) Fix, levy, collect and enforce payment of assessments, as more fully described in the Neighborhood Declaration;

(d) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(e) When appropriate, file and foreclose a lien against any Lot for which assessments, fines or costs to cure violations of the Neighborhood Declaration are not paid within thirty (30) days after due date and/or to bring an action at law against the Owner personally obligated to pay the same.

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

(g) Cause all officers or employees of the Neighborhood Association having fiscal responsibilities to be bonded, as it may deem appropriate;

(h) Cause the Common Areas, if any, to be maintained in accordance with the Neighborhood Declaration;

(i) Perform all such other duties as may be set forth herein or in the Neighborhood Declaration or as may be required by law.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Neighborhood Association shall be a President, Vice-President, Secretary, and Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Neighborhood Association shall be elected annually by the Board and each shall hold office for one (1) year unless such officer sooner dies, resigns, or is removed.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Neighborhood Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. 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 6. Vacancies. 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.

Section 7. Multiple Offices and Positions. The offices of President, Vice President, Secretary and Treasurer may be held by the same person. Any officer may also serve on the Board.

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

President

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

Vice-President

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

Secretary

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

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Neighborhood Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Neighborhood Association; keep proper books of account; cause an annual audit of the Neighborhood Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VIII

BOOKS AND RECORDS

The Neighborhood Association shall maintain all official records (including, but not limited to, current copies of the Neighborhood Declaration, Articles of Incorporation and these Bylaws) as required by §617.303(4), Florida Statutes. These records shall be made available for inspection and photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access from a Member. The Board may adopt reasonable written rules governing access to, inspection and copying of Neighborhood Association records and may impose reasonable fees for such services as published by the Board from time to time to cover the costs of providing copies of Neighborhood Association records.

ARTICLE IX

ASSESSMENTS

As more fully provided in the Neighborhood Declaration, the Neighborhood Association shall levy annual, special, and individual assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, at the option of the Association a late charge not greater than FIFTY AND NO/100 DOLLARS (\$50.00) per installment may be imposed and all such sums shall bear interest from the date of delinquency at the highest lawful rate, and the Neighborhood Association may bring an action at law against the Owner or Member personally obligated to pay the same and/or file and foreclose a lien against the Lot and the improvements

thereon, together with interest, costs, and reasonable attorney's fees of any such action which shall be added to the amount of such assessment. No Owner or Member may waive or otherwise escape liability for the assessments provided for herein by nonuse of any Common Area, abandonment of a Lot or for any other reason.

ARTICLE X

CORPORATE SEAL

The Neighborhood Association shall have a seal in circular form having within its circumference the words: **TERRA VERDE RESORT VILLAS HOMEOWNERS' ASSOCIATION, INC.**

ARTICLE XI

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership. Such amendment shall be recorded in the Public Records of Osceola County, Florida.

ARTICLE XII

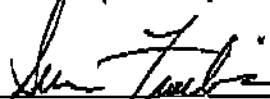
MISCELLANEOUS

Section 1. The fiscal year of the Neighborhood Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Neighborhood Association.

Section 2. In the 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 Neighborhood Declaration and these Bylaws, the Neighborhood Declaration shall control.

IN WITNESS WHEREOF, we hereby certify that the foregoing Bylaws were duly adopted at a meeting of the Board of Directors thereof, held on the 12th day of November, 2002.

**TERRA VERDE RESORT VILLAS
HOMEOWNERS' ASSOCIATION, INC., a
Florida not-for-profit corporation**

By: 
Print Name: Sean Froelich
As Its: President

This instrument was prepared by:
Gary M. Kaleita, Esquire
Lowndes, Drosdick, Doster,
Kantor & Reed, P.A.
Post Office Box 2809
Orlando, Florida 32802-2809

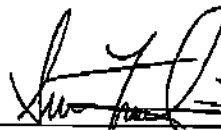
AFFIDAVIT

STATE OF FLORIDA
COUNTY OF ORANGE

BEFORE ME, the undersigned Notary Public, personally appeared **SEAN FROELICH** (the "Affiant") who, having been duly sworn deposes and says to wit:

1. That the Affiant is the President of The Manors at Terra Verde Resort Homeowners' Association, Inc., a not-for-profit Florida corporation (the "Association").
2. That the Association is the homeowners' association formed to operate a subdivision known as The Manors at Terra Verde which is being developed on the property platted by certain Plats known as Terra Verde, recorded in Plat Book 14, Pages 90 through 92, respectively, of the Public Records of Osceola County, Florida, as well as other property to be annexed thereto.
3. That attached hereto as Exhibit "A" is a true and correct copy of a certified copy of the Articles of Incorporation of the Association filed with the Florida Secretary of State on August 28, 2002.
4. That attached hereto as Exhibit "B" is a true and correct copy of the Bylaws of the Association, dated as of September 26, 2002.

FURTHER AFFIANT SAYETH NOT.



Sean Froelich, President of The Manors At
Terra Verde Resort Homeowners' Association,
Inc., a not-for-profit Florida corporation

Address:
5200 Vineland Road, Suite 200
Orlando, FL 32811

The foregoing instrument was sworn to and subscribed before me, the undersigned Notary Public, on the 25th day of April, 2003, by Sean Froelich, in his capacity as the President of The Manors At Terra Verde Resort Homeowners' Association, Inc., a Florida not-for-profit corporation, on behalf of said corporation. He is personally known to me or has produced _____ as identification.

(NOTARY SEAL)



Shawn Jackson
My Commission 00032219
Expires June 07 2005

Shawn Jackson

Notary Public, State of Florida

Print: Shawn Jackson

My Commission Expires: June 7, 2005