

BY-LAWS
OF
PALM VILLAGE RANCH HOMEOWNERS ASSOCIATION, INC.

These By-Laws shall be read and construed in conjunction with the Articles of Incorporation of Palm Village Ranch Homeowners Association, Inc. and the Declaration of Covenants and Restrictions for Palm Village Ranch, both as amended from time to time. The meanings of these terms hereof shall be as defined in said Declaration of Covenants and Restrictions.

ARTICLE I
PRINCIPAL OFFICE

The principal office of the Corporation shall be located at 1200 S.W. 44th Blvd., Okeechobee, Florida 34974. The address of the principal office may be changed from time to time by the Board of Directors.

ARTICLE II
MEMBERS

Section 1. Initial and Subsequent Members. Those persons or Corporations who presently own or hereafter acquire title to Lots in Palm Village Ranch hereinafter referred to as the Subdivision, shall be Members.

Section 2. Voting Rights. There shall only be allowed one (1) vote per Lot, said vote, in the event of joint ownership of a Lot, to be divided equally among the joint owners thereof and cast as fractional votes, or by agreement of the joint owners, cast by one of their number.

Section 3. Termination of Membership. Whenever a member ceases to be an owner of a Lot in the Subdivision his membership shall then and there automatically terminate.

Section 4. Transfer of Membership. Membership in this corporation is not transferable or assignable.

ARTICLE III
MEETING OF MEMBERS

Section 1: Annual Meeting. An Annual Meeting of the members shall be held at the office of the corporation in the month of January of each year at a date and time to be

posted for the purpose of electing Directors and for the transaction of such other business as may become before the Meeting. If the day fixed for the Annual Meeting shall be a legal holiday in the State of Florida, such Meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any Annual Meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a Special Meeting of the members as soon thereafter as it conveniently may be held.

Section 2: Special Meetings. Special Meetings of the members may be called by the President, the Board of Directors, or not less than one-tenth (1/10th) of the members having voting rights.

Section 3: Place of Meeting. The Board of Directors may designate any place within Okeechobee County, Florida as the place of meeting for any Special Meeting.

Section 4: Notice of Meetings. Subject to the provisions of Article XI below, written or printed notice stating the place, day and hour of any meeting of members shall be delivered by mail or by personal delivery to each member entitled to vote at such meeting, not less than fourteen (14) days nor more than fifty (50) days before the day of such meeting, but or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a Special Meeting, or when required by Statute, or by these By-Laws, the purpose or purposes for which the meeting is called shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid, certified mail or by signed receipt acknowledging personal delivery of the notice. The Association shall retain the post office certificate of mailing as proof of such mailing or the receipt acknowledging personal delivery. In addition to notice as above provided, there shall be posted at a conspicuous place on the Subdivision property a notice of any such meeting at least 14 days and no more than 50 days prior to the day of such meeting, specifying the place, date and hour of such meeting.

Section 5: Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if consent in writing, setting for the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 6: Quorum. The members holding a majority of the votes which may be cast at a meeting shall constitute a quorum at such meeting. If a quorum is present, unless otherwise provided by the Declaration of Covenants and Restrictions, these By-Laws or the Charter of the Corporation, a majority of the voting rights represented in person or by proxy at such a meeting may take corporate action. If a quorum is not present at any meeting of members, a majority of such voting rights may adjourn the meeting from time to time without further notice.

Section 7: Proxies. At any meeting of members, a member entitled to vote may vote by proxy, executed in writing by the member or by his duly authorized Attorney-in-Fact. The form of such proxies shall be substantially as follows, to-wit: the proxy shall state that it is revocable at any time at the pleasure of the Lot Owner or Owners executing it, as the case may be, shall designate the Lot number owned by the person or persons granting such Proxy, shall contain a designation as to the Meeting concerning which such Proxy is to be used and shall be good only as to any such Meeting and continuation or adjournment thereof within ninety (90) days from the date of the first Meeting for which it was given unless a shorter time is specified therein, shall contain a statement that the person or persons granting such Proxy will not be available for the designated Meeting, and shall contain the name and address of the person or persons authorized to cast such Proxy vote. Only individuals shall be authorized to hold proxies. Such individuals, however, need not be members of the Corporation. Unless such requirement is waived by the Board in relation to any meeting and in advance of such meeting, all proxies must be filed with the Secretary of the Corporation no later than 5 days prior to the meeting for which such proxies are granted.

ARTICLE IV

BOARD OF DIRECTORS

Section 1: General Powers. The affairs of the Corporation shall be managed by its Board of Directors. Said Board shall have and execute all powers necessary to accomplish its duties and obligations relative to the Corporation and the Homeowners Association, Directors shall be members of the Corporation.

Section 2: Number, Tenure and Qualifications. The number of directors for the Corporation shall be seven (7). The Directors shall be elected at the meeting by the

members of the Corporation, the appropriate number of candidates receiving the plurality of the votes cast to be fully elected Directors of the Corporation. The present members of the Board of Directors or successors of the present members of the Board of Directors as appointed by them in the event of the removal or disability of one or all of said Directors, shall hold office until the next Annual Meeting of the members at which time the successors shall be elected. Each Director thereafter shall hold office until the next Annual Meeting of the members and until his successors shall be elected at a Special Meeting of the members called by 10% of the Lot owners for that purpose.

The term of Directors shall be three (3) years after 2007. The three (3) Directors elected in 2007 receiving the greatest number of votes shall serve three (3) years. The two (2) Directors that receive the next greatest number of votes shall serve two (2) years. The other two (2) Directors will serve one (1) year; thereby establishing staggered terms to provide continuity to the Board. No Director may succeed himself or herself on the Board for more than two (2) terms, but may run again in future elections.

Section 3: Regular Meeting. A regular Annual Meeting of the Board of Directors shall be held immediately after and at the same place as the Annual Meeting of members. Regular Monthly Board of Director Meetings shall be held on the last Thursday of each month at a time to be posted.

Section 4: Special Meetings. Special Meetings of the Board of Directors may be called by or at the request of the President and any two (2) Directors.

Section 5: Notice. Notice of any Special Meeting of the Board of Directors shall be given at least ten (10) days previous thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mails in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the

notice or waiver of notice of such meeting. Unless specifically required by law or by these By-Laws.

Section 6: Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 7: Manner of Acting. The act of a majority of the Directors present at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these By-Laws.

Section 8: Attendance of Members. All meetings of the Board of Directors of the Association shall be open to all Lot Owners and notices of such meetings shall be posted conspicuously at least 48 hours in advance of such meeting for the attention of Lot Owners except in the case of any emergency. Such notices shall specify the day, hour and place of all such Board of Director's Meetings.

Section 9: Vacancies. Any vacancy in the Board of Directors and any directorship to be filled by reason of death, disability, resignation or removal, shall be filled through election by the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 10: Compensation. Directors shall not receive any compensation for acting as such, but nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefore.

ARTICLE V

OFFICERS

Section 1: Officers. The Officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer, and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Vice Presidents, one or more assistant secretaries, and one or more assistant treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 2: Election and Term of Office. The present officers of the corporation or their successors as elected by the Board of Directors of the corporation in the event of resignation or disability, shall serve until the next annual meeting of the Board of Directors or the corporation. Thereafter, the Officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such elections shall be held as soon thereafter as convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

Section 3: Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4: Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5: President. The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business affairs of the corporation. He shall preside at all meetings of the members and of the Board of Directors and shall execute any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or their By-Laws or by statute to some other officer or agent of the corporation; and, in general, he shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6: Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President, (or, in the event there be more than one Vice President, the Vice Presidents in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as, from time to time, may be assigned to him by the President or by the Board of Directors.

Section 7: Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these By-Laws; and in general perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8: Secretary. The Secretary will prepare and distribute Board meeting notices and record all meeting minutes and resolutions. He accepts and verifies all proxies for annual and special membership meetings. The Secretary affixes the corporation seal to legal documents and witnesses and verifies signatures on documents. The Secretary maintains all of the Association's records and files necessary forms with State Agencies. He performs all duties incidental to the office of Secretary and other such duties as from time to time may be assigned to him by the President or the Board of Directors.

Section 9: Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer of the Secretary, or by the President of the Board of Directors.

Section 10: Compensation. Officers of the Corporation shall not receive any compensation for acting as such, but nothing herein contained shall be construed to preclude any officer from serving the Corporation in any other capacity and receiving compensation therefore.

ARTICLE VI

COMMITTEES

Section 1: Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees, each of which shall consist of two or more Directors, which committees, to the extent

provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Corporation; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or by law.

Section 2: Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors present.

Section 3: Term of Office. Each member of a committee shall continue as such until the next Annual Meeting of the members of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee by the person or persons authorized to appoint such member, or unless such member shall cease to qualify as a member thereof.

Section 4: Chairman. One member of each committee shall be appointed Chairman by the person or persons authorized to appoint the members thereof.

Section 5: Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of majority of the members present at the meeting at which a quorum is present shall be the act of the committee.

Section 7: Rules. Each committee may adopt rules for its own government not inconsistent with these By-Laws or with the rules adopted by the Board of Directors.

ARTICLE VII

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1: Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2: Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation, and in such

manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer, and countersigned by the President or Vice President of the Corporation.

Section 3: Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such Banks, Trust Companies, or other depositories as the Board of Directors may select.

Section 4: Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE VIII

CERTIFICATE OF MEMBERSHIP

Section 1: Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the Corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice President and by the Secretary or Assistant Secretary, and shall be sealed with the Seal of the Corporation. All certificates shall be consecutively numbered. One certificate shall be issued for each Lot and shall contain the names of the Owner or Owners thereof. The name or names appearing on such certificate and Lot number shall be entered into the records of the Corporation.

Section 2: Issuance of Certificates. When a person or corporation has become a member, a certificate of membership shall be delivered to such member or members, as described above, by secretary, if the Board of Directors has provided for the issuance of certificates under the provision of Section 1 of this Article.

ARTICLE IX

BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the members

entitled to vote. All books and records of the Corporation may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE X

FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XI

ANNUAL REPORT

Within 60 days following the end of the fiscal or calendar year or annually on such date as is otherwise provided in the By-Laws of the Association, the Board of Directors of the Association shall mail or furnish by personal delivery to each Lot owner a complete financial report of actual receipt and expenditures for the previous 12 months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications including if applicable, but not limited to the following:

- (a) Cost for security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Cost for maintenance of common areas;
- (e) Expenses for refuse collection and utility services for the common areas;
- (f) Expenses for lawn care;
- (g) Cost for building maintenance and repair;
- (h) Insurance Costs;
- (i) General reserves, maintenance reserves, and depreciation reserves.

ARTICLE XII

ASSESSMENTS

Section 1: Assessments. The Board of Directors shall prepare annually a proposed operating budget of common expenses reflecting the sums estimated for the forthcoming corporate year required to provide the services and facilities hereinafter mentioned. Said budget shall be detailed and shall show the amounts budgeted by accounts and expense clarifications. The same shall be construed to mean and include

Reserve Accounts for capital expenditures and deferred maintenance. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item; provided however that said reserves may be waived or modified by a majority vote at a duly called meeting of the Association. Said budget shall be distributed to the members no less than 30 days prior to the meeting of the members at which such budget shall be considered, together with a notice of such meeting. The budget shall be approved by the members at such meeting. The members shall have the right at such meeting to modify said budget in any way that the members deem appropriate before granting such approval. In any event, such meeting shall be held annually and such budget modified and/or approved in advance of the corporate year for which such budget was created. Once the budget is so approved the Board of Directors shall collect from each Lot either semi annually or annually, in advance, as the Board may determine, such Lots share of such assessments being the common expenses relative to such Lot in accordance with the Declaration of Covenants and Restrictions as amended from time to time.

In addition to the assessments levied pursuant to the Annual budget, the Board of Directors shall have the power from time to time, as may be necessary, to levy special assessments which said assessments shall be payable in the uniform manner determined by the Board relative to such assessments for the purpose of satisfying deficiencies which may occur during the corporate year relative to the regular budget items. Any such special assessments for satisfying deficiencies in regular budget items shall be payable no less than 90 days after making of such assessment unless earlier payment is provided for by the Board. The Board may also levy such special assessments in order to provide funds for the Corporation to meet obligations of the Corporation which were not contemplated in the budget but which the Board deems appropriate and in the best interest of the Association to incur and pay. The Board may further levy such special assessments for the purpose of replacement of Corporate property and/or improvements constituting part of the common areas and for the acquisition of such real and/or personal property as the Board deems necessary for protection of the Association and Subdivision property and/or necessary for the purpose of carrying out the powers and duties of the Board of Directors and/or the Corporation, provided however, that in the event that the

purpose of a special assessment is to provide funds for the acquisition of property, either real or personal or mixed, which property is not being acquired as replacement or repair or for maintenance purposes, and the special assessment for such acquisition shall not exceed \$100.00 per Lot, then and in that event the Board shall first give notice of the intended acquisition to the members and shall call a Special Membership Meeting relative to the same wherein all members shall have the right to vote in person or by Proxy on ratification of such acquisition. No such acquisition shall be made unless so ratified.

Section 2: Default. When any member shall be in default of the assessments levied pursuant to Section 1, of this Article, such member (and the member's Lot) shall be subject to the liability for collection of the same, together with all costs of collection including a reasonable Attorney's Fees, and any sums in default shall bear interest at the highest rate permitted by law. In the event of foreclosure being instituted to enforce collection of defaulted assessments the Association is authorized to apply to the Court for an Order requiring payment of a reasonable rental by the Lot Owner for use of the Lot being so foreclosed and appointment of a Receiver to collect the same.

Section 3: Notice. Notwithstanding anything contained in these By-Laws to the contrary notice of any meeting where assessments against Lot owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

ARTICLE XIII

SEAL

The Board of Directors shall provide a Corporate seal, which shall be in a form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporation Not For Profit Seal 1989 Florida".

ARTICLE XIV

AMENDMENTS TO BY-LAWS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the owners of at least two thirds (2/3rds) of the Lots. Such action may be taken at a regular Annual Meeting or a Special Meeting called on no less than fourteen (14) days written notice for that purpose. No By-Law may be amended by reference to

its title or number only. Proposals to amend By-Laws shall contain the full text of the By-Law to be amended, the new words to be inserted in the text underlined and words to be deleted lined through with hyphens, unless the proposed change is so extensive as to hinder the understanding of the amendment, in which event the underlining and hyphening procedure may be omitted, and, instead a citation inserted preceding the proposed Amendment as follows: "Substantial rewording of By-Law, See By-Law... for present text."

ARTICLE XV
INDEMNIFICATION

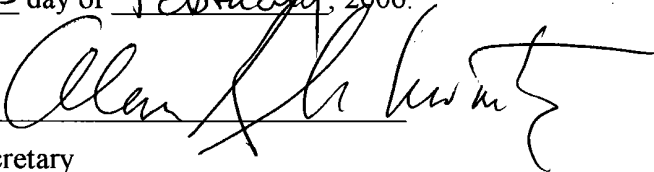
The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil or criminal, administrative or investigative (whether or not by or in the right of the Corporation), by reason of the fact that he is or was a director or officer of the Corporation, against any and all expenses (including attorney's fees, court costs and appellate costs and fees), judgments, fines and amounts paid in settlement incurred by him in connection with such action, suit or proceeding, except for an officer or director who is adjudged guilty of willful misfeasance or willful malfeasance in the performance of his duties and except for officers or directors designated or appointed by the Developer. Such right of indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs and personal representatives of such person. Provided, however, that is any past or present officer or director sues the corporation, other than to enforce this indemnification, such past or present director or officer instituting such suit shall not have the right of indemnification hereunder in connection with such suit. The Corporation is authorized to purchase insurance to provide funds for the indemnification hereinabove set forth, and, if such insurance is purchased but the proceeds of the same are not sufficient to cover the cost of indemnification, then the deficiency shall be paid from corporate funds. If there are no funds available to pay the cost of the indemnification or deficiency resulting from insufficient insurance coverage then the Board of Directors shall assess the membership to cover such costs. This indemnification is an absolute right, and such assessments shall be made notwithstanding any other provisions contained in here to the contrary.

ARTICLE XVI

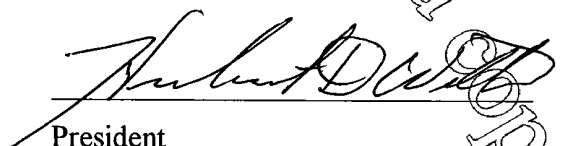
FIDELITY BONDING

All officers or directors of the Corporation who control or disburse the funds of the Corporation shall be bonded by a good and sufficient fidelity bond issued by a reputable insurance or bonding company, licensed to do business in the State of Florida. The Association shall bear the cost of such bonding.

The foregoing was adopted as By-Laws of Palm Village Ranch Homeowners Association, Inc., a corporation (not for profit) under the laws of the State of Florida at the meeting of the Board of Directors on the 23 day of February, 2006.


Secretary

Approved By:


President

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