

**CHELtenham HOMEOWNERS
ASSOCIATION, INC.**

BY-LAWS

BYLAWS

OF

CHELTENHAM HOMEOWNERS ASSOCIATION, INC.

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BYLAWS
OF
CHELTENHAM HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of this corporation is Cheltenham Homeowners Association, Inc. (the "Association"). The principal office of the Association is 4005 Maronda Way, Sanford, Florida 32771, but meetings of Members and directors may be held at such places within the State of Florida, County of Orange, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

When used in these Bylaws, capitalized terms shall have the same meanings as are set forth for same in the Articles of Incorporation of the Association.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Association shall be held within one year from the date of incorporation of the 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. 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. Business transacted at the Annual Meeting shall include the election of directors of the Association.

Section 2. Special Meeting. Special meetings of the Members may be called at any time by the president or by the Board of Directors, and shall be called upon written request of Members entitled to vote one-fourth (1/4) of all votes in the Association.

Section 3. Notice of Meeting. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the 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. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If such quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented.

Section 5. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of title to that Member's Lot.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors. The number of directors may be changed by amendment to these Bylaws.

Section 2. Term of Office. So long as the Class "B" membership shall exist, the terms of the directors shall be concurrent. At the first Annual Meeting of the Members after termination of the Class "B" membership, the directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three (3) classes, each class consisting of as near one-third of the whole number of directors as practicable, and all directors of the Association shall hold office until their successors are elected and qualified. At that first Annual Meeting of the Members after termination of the Class "B" membership, the directors shall be classified for staggered terms of 1, 2 and 3 years, respectively, and at each successive Annual Meeting the successors to the class of directors whose terms expire that year shall be elected to hold office for the term of three (3) years, so that the term of office of only one class of directors shall expire in each year. Any vacancy which shall occur in a class of directors prior to the expiration of the term of such class may be filled by the Board of Directors for the remainder of the full term. An increase in the number of directors shall be deemed to create vacancies for the purpose of this section.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. 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 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 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

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be

elected. Cumulative voting is not permitted and votes must be made in person at a Members' meeting or by ballots the Members personally cast.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and at such place and hour as may be fixed from time to time by a majority of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director (unless waived).

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.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(a) adopt and publish rules and regulations governing the use of the Common Property and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles, or the Declaration;

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

(d) employ a manager, an independent contractor, or such other employees as they deem necessary, 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 at least one-fourth (1/4) of the Class "A" Members who are entitled to vote;

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

(c) as more fully provided in the Declaration, to:

1. fix the amount of the annual assessment against each Lot;
2. send written notice of each assessment to every Owner subject thereto in advance of each annual assessment period; and

3. foreclose the lien against any Lot for which assessments are not paid or to bring an action at law against the Owner personally obligated to pay same.

(d) 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 as against third parties relying thereon;

(e) procure and maintain adequate liability, hazard and other insurance on any Common Property;

(f) cause all officers or employees having fiscal responsibilities to be bonded, if the Board deems appropriate;

(g) cause the Common Property, Areas of Common Responsibility, and the Master Surface Water Management System for the Property, to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary, and a 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 this Association shall be elected annually by the Board and each shall hold office for one year and until their successors are elected and qualified, unless any such officer shall sooner resign, be removed by the Board of Directors, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the 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 after 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. The holding of multiple offices shall be permitted.

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

(a) President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Members and of the Board of Directors. Except where otherwise provided by law or these Bylaws, the president shall have the general powers and duties of supervision and management of the Association, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments, shall co-sign all promissory notes, and shall perform all such other duties as are incidental to his or her office or as are required by the Board.

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

(c) Secretary. 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 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 Association together with their addresses, and shall perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; keep proper books of account; 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 IX

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual, special and individual assessments which are secured by a lien upon the property against which the assessment is made.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: "Cheltenham Homeowners Association, Inc., a Florida not for profit corporation", and the year of incorporation in the center of that circle.

ARTICLE XIII

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, without regard to class of membership, present in person or by proxy; provided, however, the United States Department of Housing and Urban Development, Federal Housing Administration, and Veterans Administration shall have the right to veto any amendments to these Bylaws as long as a Class "B" membership exists.

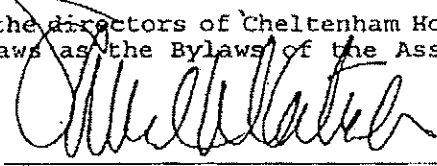
Section 2. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV

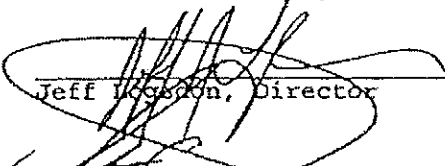
FISCAL YEAR

The fiscal year of the 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.

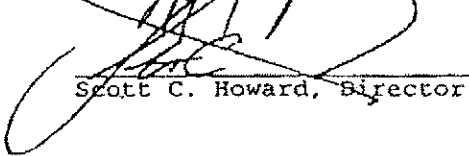
IN WITNESS WHEREOF, we, being all of the directors of Cheltenham Homeowners Association, Inc. have adopted these bylaws as the Bylaws of the Association this 16th day of January, 1997.



Samuel L. Katanich, Director



Jeff Johnson, Director



Scott C. Howard, Director