

BYLAWS
OF
SADDLEWOOD OWNERS ASSOCIATION, INC.

A corporation not for profit
under the laws of the State of Florida

ARTICLE I

IDENTITY

These are the Bylaws of the SADDLEWOOD OWNERS ASSOCIATION, INC., hereinafter called the "Association", a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on June 10, 1998.

The Association has been organized for the purpose of performing the functions outlined in the covenants, conditions and restrictions as may be recorded, for all phases of SADDLEWOOD, a subdivision located in Duval County, Florida ("the subdivision"), including any amendments thereto (the "covenants"), and specifically for the purpose of the continual maintenance and cleaning of the storm and/or surface water management systems required by the St. Johns River Water Management District or other governmental agencies pursuant to the permits issued and other applicable rules and regulations.

The Members of the Association shall be all lot owners, as more particularly defined in the covenants.

Initially, the office of the Association shall be at 6810 St. Augustine Road, Jacksonville, Florida 32217, but may be changed from time to time, and meetings of Members and Directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

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

The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation not for profit", and the year of incorporation. The seal shall be in the following form:

ARTICLE II

MEMBERS MEETINGS

A. Annual meeting. For so long as there is a Class B member, annual meetings shall not be required but may be held at the discretion of the Class B member.

At the termination of Class B membership, the members shall meet for the purpose of electing directors and transacting business and determining when subsequent annual meetings shall be held.

B. Special Meetings. Special meetings of the members shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast one-third (1/3) of the votes of the entire membership. At a special meeting of the Members, the Association may only conduct that business and address those matters that were stated in the notice of the special meeting to be the purpose thereof.

C. Notices. Notice of all members' meeting stating the time and place and the object for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing by all of the members. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed within the time frame as provided in the covenants. Proof of such mailing shall be given by the affidavit of the person giving the notice.

D. Quorum. A quorum at members' meetings shall be as provided in the covenants.

E. Voting Rights. The voting rights of the members shall be as specified in the covenants.

F. Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

G. Adjourned meetings may be rescheduled as provided in the covenants.

H. Written Consent and Joinder. In the event that any action is authorized to be taken by the Members at a meeting, it shall be permissible to approve such action by a written consent and joinder by the proportion of Members required to approve such action; provided, however, that notice of the Association's intent to seek written consent and joinder shall be sent to all Members in accordance with the notice provision herein.

I. Proviso. Provided, however, that until the Developer (Class B member) of the subdivision has completed all of the contemplated improvements and closed the sales of all of the lots, or until the Developer elects to terminate its control of the Association, whichever shall occur first, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors, which approval shall not be unreasonably withheld.

ARTICLE III

DIRECTORS

A. Governing Body. The affairs of the Association shall be governed by a Board of Directors. Except as provided in paragraph B of this Article, the Directors must be owners and reside in the subdivision.

B. Directors Appointed by Declarant. The Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant, so long as the Class B membership exists as set forth in the Declaration, unless the Declarant shall earlier surrender this right to select Directors. The Directors selected by the Declarant need not be Owners or residents in the subdivision. The names of the initial Directors selected by the Declarant are set forth in the Articles of Incorporation of the Association.

C. Number. The Board shall initially consist of three (3) members. After the Class B membership ceases, the Board shall consist of no less than three members who shall be elected by the membership at large at the annual meetings.

D. Term. The Directors appointed by the Class B member shall serve at its pleasure. The term of office of Directors elected by Class A members shall be the calendar year following his election and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

E. Removal. Any Director elected by the Class A members may be removed from the Board, with or without cause, by a majority vote of the Class A members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Directors and shall serve until the next annual meeting of the members.

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

G. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Class A members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

H. Proviso. The Declarant shall have veto power on any act of the Board of Directors which affects the marketability of any units still owned by the Declarant.

ARTICLE IV

MEETINGS OF DIRECTORS

Directors appointed by Class B member:

A. The Directors meetings shall be scheduled by the Directors at their discretion.

Directors elected by Class A members:

A. Organization Meeting. The first meeting of the members of a newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

B. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors.

C. Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less

than three (3) days notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

D. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

E. Quorum. A quorum at a Director's meeting shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Articles of Incorporation or the Covenants or these By-laws.

F. Adjourned Meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

G. Action Taken Without a Meeting. The Board of Directors may take any action without a meeting which it could take at a meeting by obtaining the written consent and joinder of all Directors. Any action so taken shall have the same effect as though taken at a meeting of the Directors.

H. Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

I. Presiding Officer. The presiding officer at a Directors' meeting shall be the Chairman of the Board if such an officer has been elected; and, if none, the President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

ARTICLE V

POWER AND DUTIES OF BOARD OF DIRECTORS

Subject to the provisions of the Covenants, the Board of Directors shall have the following powers and duties:

A. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions in the Covenants or Articles of Incorporation, and specifically comply with all requirements of the surface and stormwater management permits;

B. 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;

C. Employ a manager, an independent contractor, or such other employees as the Board deems necessary, and to prescribe the duties and compensation of any such employee, and to provide for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties;

D. Prepare and adopt an annual budget in which there shall be established the contribution of each Owner to the common expenses, subject to the provisions in the covenants;

E. Make assessments to defray the common expenses, establish the means and methods of collecting such assessments, and establish the period of the installment payments of the annual assessment, send written notice of each assessment to every owner subject thereto, and to file and foreclose liens against any property for which assessments are not paid, all as provided in the Covenants;

F. Provide for the operation, care, upkeep and maintenance of all areas which are the maintenance responsibility of the Association, as set forth in the covenants;

G. Collect the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to administer the Association;

H. Open bank accounts on behalf of the Association and designate the signatories required;

I. Enforce by legal means the provisions of the Covenants and these Bylaws, and bring any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

J. Pay the cost of all services rendered to the Association or its members which are not directly chargeable to Owners;

K. Keep books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specify the maintenance and repair expenses and any other expenses

incurred, which books and records shall be open for inspection by any of the members at reasonable times and upon reasonable notice;

L. Contract with any person or entity for the performance of various duties and functions;

M. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

N. Cause any or all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;

O. To present to the members at the annual meeting, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote, a statement of all acts and corporate affairs;

P. To oversee the common areas, enforce rules and regulations, and such other duties relating to the common areas as may be necessary from time to time.

ARTICLE VI

OFFICERS AND THEIR DUTIES

A. Enumeration of Offices. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create. The President and Treasurer shall be elected from among the members of the Board of Directors.

B. Election of Officers. Until termination of the Class B membership, officers shall be appointed by the Board of Directors and shall serve at the pleasure of the Board of Directors. Thereafter, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

C. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless sooner removed or otherwise disqualified to serve.

D. 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.

E. 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.

F. 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 vacancy.

G. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to paragraph D of this Article.

H. Duties. The duties of the officers are as follows:

President

The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the members from time to time as he, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association. He shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

The Vice President shall act in the place and stead of the President in the event of the President's absence or inability to act, shall assist the President generally, and shall exercise and discharge such other duties as may be required of him by the Board.

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 perform such other duties as required by the Board.

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 co-sign all checks and promissory notes of the Association; keep proper books of account; upon request of the Board of Directors, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and 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.

In addition, the Treasurer shall, when requested on behalf of any lot owner, furnish a certificate setting forth whether or not the assessments on a specified lot have been paid, which certificate shall be binding upon the Association as of the date of its issuance, as provided in the Covenants.

ARTICLE VII

COMMITTEES

The Association may appoint an Architectural Control Committee as provided in the Covenants and such other committees as deemed appropriate in carrying out its purpose.

ARTICLE VIII

AMENDMENTS

These By-laws may be amended as provided in the Articles of Incorporation or any amendment thereto.