

COPY

**BY-LAWS
OF
TAPESTRY PARK OWNERS ASSOCIATION, INC.**

ARTICLE I

THE ASSOCIATION

Section 1. Identity. These are the By-Laws of TAPESTRY PARK OWNERS ASSOCIATION, INC., a corporation not for profit (the "Association"), which was formed under the Florida Not For Profit Corporation Act (the "Act") by filing the Articles of Incorporation of the Association (the "Articles") with the Office of the Department of State of Florida, March __, 2004. The purposes for which the Association has been organized are set forth in the Articles. The provisions of these By-Laws are expressly subject to the terms, provisions, covenants and conditions contained in the Articles and the Declaration of Covenants, Conditions and Restrictions for Tapestry Park, a residential community (hereinafter referred to as the "Declaration") as filed in the Public Records of Bay County, Florida. The terms "Common Area," "Developer," "Institutional Mortgagee," "Lot," "Unit," "Owner," "Property" and any other capitalized term used in these By-Laws are used with the definitions given those terms in the Declaration.

Section 2. Principal Office. The principal office of the Association in the State of Florida shall be located in the County of Bay, with a street address of 2504 Pelican Bay Drive, Panama City, Florida 32408. The Association may have such other offices, either within or without the State of Florida, as the Board of Directors may designate or as the business of the Association may require from time-to-time.

Section 3. Registered Office. The registered office of the Association, required by the Act to be maintained in the State of Florida, may be, but need not be, identical with the principal office in the State of Florida, and the address of the registered office may be changed from time-to-time by the Board of Directors.

ARTICLE II

MEMBERSHIP

Section 1. Membership. The Members of the Association shall consist of all Owners (as defined or contemplated in the Declaration), and the membership shall be appurtenant to, and may not be separated from, ownership of any residential subdivision lot of Tapestry Park, (as defined in the Declaration). Membership shall attach automatically upon the acceptance of delivery of such instrument of transfer of ownership interest and shall terminate transfer of such ownership interest (provided such tender is accepted) or upon such ownership interest being divested in some other manner; provided that the Association shall have the right to continue to recognize the transferor of such ownership interest as a member and shall not be required to recognize the transferor of such ownership interest as a Member until such instrument of transfer is recorded in the Official Records of the county in which the Lot is located, and a true copy of such recorded instrument is delivered to the Association.

Section 2. Annual Meeting. The annual meeting of the Membership shall be held on the third Tuesday in the month of October in each year, beginning with the year 2004 at the hour of 10:00 a.m., or at such other time on such other day within such month as shall be fixed by the Board of Directors, for the purpose of electing directors and for the

transaction of such other business as may come 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 of the Membership, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Membership as soon thereafter as conveniently may be.

Section 3. Special Meetings. Special meetings of the Membership, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors and shall be called by the President or the Secretary at the request of Owners of seventy-five percent (75%) or more of the total Lots.

Section 4. Place of Meeting. The Board of Directors may designate any place, within or without the State of Florida, as the place of meeting for any annual meeting or for any special meeting of the Membership. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be the principal office of the Association in the State of Florida.

Section 5. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, or of a meeting which is required by statute to be held for any special purpose, or of an annual meeting at which special action is to be taken, the purpose or purposes for which the meeting is called, or the special action which is proposed to be taken, shall, unless otherwise prescribed by statute, be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice 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 Association, with postage thereon prepaid.

Section 6. Fixing of Record Date. The Board of Directors may fix in advance a date as the record date for the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or for any other proper purpose, such date in any case to be not more than sixty (60) days and, in case of a meeting of the Membership, not less than ten (10) days prior to the date on which the particular action, requiring such determination of Members, is to be taken. If no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of the Membership, the date on which notice of the meeting is mailed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of the Membership has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 7. Voting Lists. The officer or agent having charge of the records of Members of the Association shall make, at least ten (10) days before each meeting of the Membership, a complete list of the Members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of each Member, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any Member making written request therefor at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting.

Section 8. Quorum. The presence at any meeting of the Membership of the Members entitled to cast at least fifty-one percent (51%) of the votes in the Association, represented in person or by proxy, shall constitute a quorum. If a quorum is not present at any meeting, a majority of the Members so represented may adjourn the meeting from time-to-time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The Members present or represented at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 9. Majority Vote. The vote of Members entitled to cast a majority of the votes represented at a meeting of the Membership at which a quorum is present shall be the act of the Members of the Association, unless the vote of a greater number is required by law, the Declaration, the Articles or these By-Laws.

Section 10. Proxies. At all meetings of the Membership, a Member may vote in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after ninety (90) days from the date of its execution, unless otherwise provided in the proxy.

Section 11. Voting Rights. Subject to the restrictions hereinafter set forth, each Member shall be entitled to one (1) vote for each Lot, in which he holds the interest required for Membership. When one or more persons holds such interest, all such persons may be Members, but in no event shall more than one vote be cast with respect to any one Lot. There shall be no fractional voting. The votes of a Member who is an Owner of more than one Lot cannot be divided for any issue and must be voted as a whole. Except where otherwise required under the provisions of the Declaration, the Articles or these By-Laws, the affirmative vote of Members who own a majority of the total Lots within the Property which is represented at any meeting of Members duly called, and at which a quorum is present, shall be binding upon the Members. Voting may take place by proxy executed and delivered in the manner set forth herein.

Section 12. Informal Action by Members. Any action required to be taken at a meeting of the Membership, or any other action which may be taken at a meeting of the Membership, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the Members having not less than the minimum number of votes entitled to vote with respect to the subject matter thereof. In order to be effective, one or more written consents describing the action taken must be dated and signed by the approving Members having the requisite number of votes and entitled to vote on such action, and must be delivered to the Secretary of the Association; provided that the written consent shall not be effective unless all of the consents are signed by the Members having the requisite number of votes necessary to authorize the action within sixty (60) days of the date of the earliest dated consent. The written consent of a Member may be revoked by such Member prior to the date that the Association receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the Secretary of the Association. Within ten (10) days after obtaining the authorization for any action by written consent, notice must be given to those Members who are entitled to vote on the action but who have not consented in writing. The notice shall include fair summary of the material features of the authorized action.

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by or under the direction of its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of directors of the Association shall consist of three (3) directors. Directors must be natural persons who are eighteen years or older. Directors need not be Owners.

Section 3. Election of Directors.

(a) Election of Directors shall be held at the annual meeting of the Membership. The election shall be by secret ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. Each Member shall be entitled to cast the number of votes fixed by Section 11 of Article II for each of as many nominees as there are vacancies to be filled at the time of election. There shall be no cumulative voting.

(b) Notwithstanding the provisions of subparagraph (a) above, the Developer (as defined in the Declaration) shall elect and appoint the members of the Board of Directors of the Association, and in the event of vacancies, the Developer shall fill vacancies until ninety percent (90%) of all Lots are owned by Owners other than Builders or until the Developer elects, at its option, to terminate control of the Association. Within sixty (60) days after the date of termination of control of the Association by the Developer, the Board of Directors shall call and give not less than ten (10) nor more than thirty (30) days' notice of a special meeting of the Membership for the purpose of electing the Board of Directors to serve until the next annual meeting of the Membership.

Section 4. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of the Membership, provided, however, any such regular meeting may be held at any other time or place which shall be specified in a notice given as hereinafter provided for special meetings, or in a consent and waiver of notice thereof, signed by all directors. The Board of Directors may provide, by resolution, the time and place, within or without the State of Florida, for the holding of additional regular meetings without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors.

Section 6. Notice. Notice of any special meeting shall be given at least three (3) days previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail 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 a 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. Neither the business to be transacted at, nor the purpose of, any regular or

special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 7. Quorum. A majority of the number of directors fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majorities present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 8. Manner of Acting. The act of the directors present at a meeting at which a quorum is present is necessary to constitute the act of the Board of Directors unless a greater number is required under the Act.

Section 9. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

Section 10. Vacancies. Subject to the provisions of subparagraph (b) of Section 3 of this Article III, any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors may be filled by a majority of the remaining directors or by the sole remaining director. A director elected or appointed, as the case may be, shall be elected or appointed for the unexpired term of his predecessor in office.

Section 11. Compensation. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as a director or both. No such payment shall preclude any director from serving the Association in any other capacity and receiving compensation therefor.

Section 12. Committees. The Board of Directors may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of which shall consist of two or more directors and which to the extent provided in said resolution or resolutions or in the By-Laws of the Association shall have and may exercise all of the powers of the Board of Directors in the management of the activities and affairs of the Association, except that no such committee shall have the authority to approve or recommend to Members actions or proposals required by the Act to be approved by the Members; fill vacancies on the Board of Directors or any committee thereof; or adopt, amend or repeal these By-Laws. The designation of such committee or committees or 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 him by law.

Section 13. Resignations. Any director of the Association may resign at any time by giving written notice thereof to the Board of Directors or the Association. Such resignation shall take effect at the time of delivery unless a later date is specified therefor. The acceptance of such resignation shall not be necessary to make it effective.

Section 14. Place of Meeting. The Board of Directors may designate any place within or without the State of Florida as the place of meeting for any regular or special meeting of the Board of Directors.

Section 15. Removal of Director. A director of the Association may be removed, with or without cause, at any time, by the affirmative vote of a majority of the Members. Any vacancy created by such removal shall be filled in the manner prescribed in Section 10 of this Article III.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the Association shall be a President, one or more Vice President(s) (the number thereof to be determined by the Board of Directors), a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person. The failure of the Board of Directors to elect any officer other than a President and a Secretary shall not constitute a violation of these By-Laws. The officers of the Association need not be owners of Lots.

Section 2. Election and Term of Office. The officers of the Association to be elected by the Board of Directors shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the Membership. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall have resigned or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of the Board of Directors. Any such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not of itself create any contract rights in favor of such officer.

Section 4. Vacancies. A vacancy in any office elected or appointed by the Board of Directors 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 chief executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the Membership. He may sign, with the Secretary or an Assistant Secretary, 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 by these By-Laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of 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 death, 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 designated at the time of their election, or

in the absence of any designation, then 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. Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the Members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) keep an alphabetical register of the names of Members with the post office addresses which shall be furnished to the Secretary by such Members; (e) have general charge of the records of the Members of the Association; and (f) in general perform all duties incident to the office of Secretary 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. Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for monies due and payable to the Association from any source whatsoever and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article V of these By-Laws; and (c) in general perform all of the duties as from time-to-time may be assigned to him by the President or by the Board of Directors. 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 as the Board of Directors shall determine.

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

Section 10. Salaries. The salaries of the officers shall be fixed from time-to-time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Association.

ARTICLE V

CONTRACTS, LOANS, CHECK AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Loans.

(a) No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

(b) No loans shall be made by the Association to any of its directors, officers or employees, nor to any corporation, firm, association or other entity in which one or more director, officer or employee is a director, officer or employee or holds a substantial financial interest. Any director or officer who assents to or participates in the making of such loan shall be deemed to be in violation of his duty to the Association, but the obligation of the borrower for the amount of such loan shall not be affected thereby.

Section 3. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time-to-time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time-to-time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

Section 5. Proxies. Unless otherwise provided by resolution of the Board of Directors, the President may from time-to-time appoint an attorney or agent of the Association, in the name and on behalf of the Association, to cast the votes which the Association may be entitled to cast as the holder of stock or other securities in any other corporation any of whose stock or other securities may be held by the Association, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing, in the name and on behalf of the Association, as such holder, to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed, in the name and on behalf of the Association and under its corporate seal or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

ARTICLE VI

BOOKS AND RECORDS

Section 1. Accounting. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the Members, Board of Directors and committees thereof and shall keep at its registered or principal office in Florida, a copy of the Article and the By-Laws of the Association, as each has been amended, and a record of the names and addresses of Members entitled to vote in alphabetical order. The accounting records shall be maintained in written form or in another form capable of conversation to written form within a reasonable time. All books and records of the Association shall be open to inspection by the members or their authorized representatives for any proper purpose at any reasonable time.

Section 2. Budget. The Board of Directors shall adopt a budget for each calendar year that shall include the estimated funds required to defray Common Expenses (as defined in the Declaration) and such other obligations as the Association may leave under

the Declaration, and to provide reasonable reserves therefor, according to good accounting practices. Copies of the budget and proposed assessments shall be transmitted to each Member on or before December 1, preceding the year for which the budget is made. If the budget is amended substantially, a copy of the amended budget shall be furnished to each Member.

Section 3. Assessments. Assessments against the Members as provided in the Declaration shall be made for the calendar year annually in advance on or before December 31, preceding the year for which the assessments are made. Such assessments shall be due in annual, quarterly or monthly installments, as may be determined by the Board of Directors of the Association. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors.

Section 4. Assessments for Emergencies. Assessments for emergencies that cannot be paid from the annual assessments for Common Expenses shall be made only after notice of the need for such is given to the Members concerned, and it shall be due thirty (30) days after such notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

Section 5. Bonds. Fidelity bonds shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Board of Directors, but shall not be less than three times the amount of the total annual assessments against Members for Common Expenses. The premiums of such bonds shall be paid by the Association.

ARTICLE VII

SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association and the state of incorporation and such other words as the Board of Directors may prescribe.

ARTICLE VIII

WAIVER OF NOTICE

Whenever any notice is required to be given to any Member or Director of the Association under the provisions of these By-Laws, the Articles of Incorporation, the Declaration, the provisions of the Act, and any act amendatory thereof, supplementary thereto or substituted therefor, or the Florida Constitution, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX
FISCAL YEAR

The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

ARTICLE X
INDEMNIFICATION

Section 1. Indemnity. The Association 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, criminal, administrative or investigative whether formal or informal (other than an action by or in the right of the Association) by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Extended Indemnity. The Association 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 or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication or liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Section 3. Conditions of Indemnity.

(a) To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(b) Any indemnification under Sections 1 and 2 (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 and 2. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) by a majority vote of a committee duly designated by the Board of Directors (in which directors who are parties may participate) consisting of two or more directors not at the time parties to the proceeding; or (iii) by independent legal counsel selected by the Board of Directors as prescribed in (i) above or by the committee as prescribed in (ii) above, or if a quorum of the Board of Directors cannot be obtained for (i) and the committee cannot be designated under (ii), then selected by a majority of the full Board of Directors (in which directors who are parties may participate); or (iv) by the Members by a majority vote of a quorum consisting of Members who were not parties to such proceeding, or if no such quorum is obtainable, by a majority of the Members who were not parties to such proceeding.

(c) Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this section. Expenses of other employees and agents may be paid in advance upon such terms and conditions as the Board of Directors deems appropriate.

(d) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of Members or disinterested director or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(e) Notwithstanding the foregoing, no indemnification or advancement of expense shall be made to or on behalf of any officer, director, employee or agent if a judgment or other final adjudication establishes that his actions, or omissions to actions, were material to the cause of action so adjudicated and constitute:

(i) a violation of the criminal law, unless the director, officer, employee or agent had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful;

(ii) a transaction from which the director, officer, employee or agent derived an improper personal benefit; or

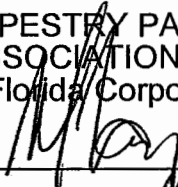
(iii) willful misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the Association to procure a judgment in its favor or in a proceeding by or in the right of a member.

ARTICLE XI
AMENDMENT

The By-Laws may be amended, altered or repealed by the Developer until such time as all Lots are owned by Owners other than Builders or until the Developer elects, at its option, to terminate control of the Association. Upon termination of Developer's control as aforesaid, the By-Laws may be amended by the Members at any regular or special meeting upon the affirmative vote of the Owners of not less than two-thirds (2/3) of the total Lots of the Property.

DATED this __ day of _____, 2004.

TAPESTRY PARK OWNERS
ASSOCIATION, INC.,
a Florida Corporation

By:  MARK J. TANNEY
Its President

Attest:

By: _____
Its Secretary