

AMENDMENT TO BY-LAWS OF
LAKES COMMUNITY HOME OWNERS ASSOCIATION, INC.

ARTICLE III.

MEMBERSHIP

1. Members Defined. The person or persons defined as Owners in the Declaration shall, by virtue of such interest, be "Members" of the Association. There shall be Class A and Class B Members. Class A Members shall consist of and represent each Owner of any lot by acceptance of a deed therefore, (hereinafter "Deeded Lot") whether or not it shall be so expressed in any such deed or other conveyance, shall be and hereby are deemed to be a Class A Member and each Living Unit in the Association shall also be considered a Class A Member. A Living Unit shall consist of either a single-family dwelling, one-half (1/2) of a twin home, one-third (1/3) of a triplex home, or each separately maintained and separate living quarters within a town home. Class B Members shall consist of Business Entities within the Association. A Business Entity is any business recognized and approved by the Board of Directors that owns property in the Lakes Community Home Owners Association, Inc., and operates a Business Entity thereon. Class A Members shall have one (1) vote for each Deeded Lot or Living Unit and one (1) assessment unit or allocation for each Deeded Lot or Living Unit. Class B Members shall have two (2) votes for each Business Entity and two (2) assessments or allocations for each. This recognizes the increased traffic associated with these Business Entities and their larger Lot sizes. When one or more Owners of a Deeded Lot, Living Unit or Business Entity exist, all such persons shall be Members. The vote for such Deeded Lot, Living Unit or Business Entity shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Deeded Lot, Living Unit or two (2) votes with respect to any Business Entity. A person shall cease to be a Member at such time as that person has transferred such interest or estate.

2. Registration of Owner and Occupant. It shall be the duty of each Owner and Occupant to register with the Secretary of the Association, in writing, (i) the name and address of such Owner or Occupant; (ii) the nature and satisfactory evidence of such Owner's or Occupant's interest or estate in a Deeded Lot, Living Unit or Business Entity; (iii) the addresses at which such Owner or Occupant desires to receive notice, if entitled to such notice, if entitled to such notice of any duly called meeting of the Members; (iv) the name of the Owner or Occupant, if there is more than one (1) Owner or Occupant with respect to a Deeded Lot, Living Unit or Business Entity who shall be authorized to cast the vote with respect to such Deeded Lot, Living Unit or Business Entity; and (v) the name and address of the First Mortgagee of the Deeded Lot, Living Unit or Business Entity. If an Owner or Occupant does not register as provide in this paragraph, the Company shall be under no duty to recognize the rights of such person hereunder and shall not recognize such person's right to vote as provided herein, but such failure to register shall not relieve an Owner or Occupant of any obligation, covenant or restriction under the Declaration or these By-Laws. If there is more than one (1) Owner or

Occupant of a Deeded Lot, Living Unit or Business Entity, each must execute the registration as provided in this paragraph.

ARTICLE IV.

ASSOCIATION MEETINGS OF MEMBERS

3. Special Meetings. Special meetings of the Members may be called by the President. Special meetings of the Members must be called and scheduled to be held by the President or Secretary within 45 days of the written request of a majority of the Members of the Board of Directors or of Members possessing the right to vote one-fourth (1/4) of the total votes of the Membership. The requests shall state the purpose or purposes of the meeting requested. The business transacted as a special meeting shall be confined to the purposes stated in the notice thereof.

ARTICLE V.

VOTING

1. Entitlement. The two classes of Member shall be entitled to vote as follows:

Class A. Class A Members shall have one (1) vote for each Deeded Lot or Living Unit and one (1) assessment unit or allocation for each Deeded Lot or Living Unit.

Class B. Class B Members shall have two (2) votes for each Business Entity and two (2) assessments or allocations for each.

2. Authority to Cast Vote. At any meeting of the Members, the Member, or the Occupant of the Member's Deeded Lot, Living Unit or Business Entity who has been granted a proxy as provided in Paragraph 3 of this Article, and who is included on the Voting Register presented by the Secretary in accordance with Article IV, Paragraph 7, shall be entitled to cast the vote or votes attributable to the Deeded Lot, Living Unit or Business Entity of which the Member is an Owner. If there is more than one Owner or Occupant entitled to vote with respect to a Deeded Lot, Living Unit or Business Entity, the vote attributable to that Deeded Lot, Living Unit or Business Entity may be cast only by the Owner or Occupant designated pursuant to Article IV, Paragraph 7, and any other votes for such Deeded Lot, Living Unit or Business Entity shall be disqualified.

3. Voting by Proxy. A Member may cast the vote to which the Member is entitled and be counted as present at any meeting of the Members by written proxy naming another person or persons entitled to act on that Member's behalf, and delivered to the Secretary before the commencement of any such meeting. Unless otherwise provided in writing between an Owner and Occupant, the transfer of possession of a Deeded Lot, Living Unit or Business Entity to an Occupant thereof under a contract for deed or under a lease for a term of more than one year shall, during the actual possession

and occupancy of such Deeded Lot, Living Unit or Business Entity by the Occupant, serve to automatically grant to such Occupant an irrevocable proxy authorizing such Occupant to vote at all duly called meetings of the Members in the place and stead of the Owners of such Deeded Lot, Living Unit or Business Entity; provided that no such grant shall be deemed effective with respect to any meeting of the Members, unless such Occupant has, prior to the Record Date of such meeting, registered with the Secretary of the Association as provided in Article III, Paragraph 2, of these By-Laws. An Occupant who has been granted a proxy and has registered with the Secretary of the Association as provided in this paragraph shall be entitled to notice of any duly called meeting of the Members as provided in Article IV, Paragraph 4, of these By-Laws. Except for proxies which may be granted in favor of Occupants specifically provided for under this paragraph, all proxies granted by a Member shall be revocable by that Member by written notice or by personally attending and voting at a meeting of the Members, and shall be invalid one year from the date thereof.

ARTICLE IX

OPERATION OF THE PROPERTY

2. Budget; Levy. The Board of Directors shall, from time to time, and at least annually, prepare a budget for the Association and allocate, assess and levy such assessments equally among the Deeded Lots, Living Units and Business Entities. The levy shall be deemed to occur upon the vote adopting the resolution which sets forth the common expenses and the allocation to the Deeded Lots, Living Units and Business Entities. The assessments shall include such other amounts as the Board of Directors may deem proper for the operation and maintenance of the Property; provided, however, that the assessment

ARTICLE X

AMENDMENT TO BY-LAWS

1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.