

BY LAWS  
OF THE  
LAKES ESTATES HOMEOWNERS ASSOCIATION, INC.

O. R. 1785 PG 2088

Section 1. Identification of Lakes Estates Association

These are the By-Laws of the Lakes Estates Homeowners Association, Inc. (hereinafter referred to as the "Lakes Estates Association") as duly adopted by its Board of Directors (the "Board"). The Lakes Estates Association is a corporation not-for-profit, organized pursuant to Chapter 617, Florida Statutes.

1.1 The Office of the Lakes Estates Association shall be for the present at One Beach Drive, Suite 201 St. Petersburg, Florida 33701, and thereafter may be located at any place in Sarasota County, Florida, (the "County") designated by the Board.

1.2 The fiscal year of the Lakes Estates Association shall be the calendar year.

1.3 The seal of the Lakes Estates Association shall bear the name of the Lakes Estates Association; the word "Florida"; and the words "Corporation Not-For-Profit."

Section 2. Explanation of Terminology

The terms defined in the Articles of Incorporation of the Lakes Estates Association (the "Articles") as well as in the Declaration (as defined in the Articles) are incorporated herein by reference.

Section 3. Membership; Members Meetings; Voting and Proxies

3.1 The qualification of Members, the manner of their admission to Membership in the Lakes Estates Association and the termination of such Membership and the voting by Members shall be as set forth in the Articles.

3.2 The Members shall meet annually (the "Annual Members' Meeting"). The Annual Members' Meeting shall be held at the office of the Lakes Estates Association or at such other place in the County as the Board may determine and designate in the notice of such meeting at such time and such day and in such month of each year commencing with the year 1986, as determined by the Board; provided, however, that said date may be changed by resolution of the Board so long as the Annual Members' Meeting for any year shall be held not later than thirteen (13) months after the last preceding Annual Members' Meeting. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect Members of the Board (when that shall be appropriate as determined by the provisions of the Articles) and transact any other business authorized to be transacted at such Annual Members' Meeting.

3.3 Special meetings of the Members (meetings other than the Annual Members' Meeting) shall be held at any place within the County whenever called by the President or Vice President or by a majority of the Board. A Special meeting must be called by such President or Vice President upon receipt of a written request from Members having the right to vote, at least one-third (1/3) of the total number of votes entitled to be cast by Members. Further, Special Meetings shall be called by the President upon receipt of written notice from the Maintenance Association of a meeting of the Members thereof, which Special Meeting shall be held

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prior to the date of the noticed meeting of the Members of the Maintenance Association for the purpose of voting on the questions before the Members of the Maintenance Association.

3.4 Except as otherwise provided in the Articles, a written notice of all Members' meetings, whether the Annual Members' Meeting or special meetings (collectively "Meeting"), shall be given to each Owner and Developer at their last known address as they appear on the books of the Lakes Estates Association and shall be mailed to the said address not less than fourteen (14) days nor more than forty (40) days prior to the date of the Meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any notice given hereunder shall state the time and place of the Meeting and the purposes for which the Meeting is called. The notice of all Annual Members' Meetings shall, in addition, specify the number of Directors of the Lakes Estates Association to be designated by Developer and the number of Directors to be elected or designated by the Members, if applicable. All notices shall be signed by an officer of the Lakes Estates Association or reflect a facsimile of such a signature. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by the person entitled to receive such notice by signing a document setting forth the waiver of such notice.

3.5 The Members may, at the discretion of the Board, act by written response in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the parties entitled to receive notice of Meetings or duly waived in accordance with the provisions of these By-Laws. Unless some greater number is required under the Lakes Estates Documents and except as to the election of Directors which shall be accomplished by plurality vote, the decision of a majority of the votes cast by or on behalf of Members as to the matter or matters to be agreed or voted upon shall be binding on the Members provided a quorum is either present at such Meeting or submits a response if action is taken by written response in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written response in lieu of a Meeting shall set forth the time period during which the written responses must be received by the Lakes Estates Association.

3.6 (a) A quorum of the Members shall consist of persons entitled to cast one-third (1/3) of the total number of votes of the Members.

(b) Any Member may join in the action of any Meeting by signing and concurring in the minutes thereof and such a signing shall constitute the presence of such Member for the purpose of determining a quorum. When a quorum is present at any Meeting and a question which raises the jurisdiction of such Meeting is presented, the holders of a majority of the voting rights present in person or represented by written proxy shall be required to decide the question. However, if the question is one upon which a vote other than the majority vote of a quorum is required by express provision of the Lakes Estates Documents, then such express provision shall govern and control the required vote on the decision of such question.

3.7 At any Annual Members' Meeting when elections of Directors are to occur, written ballots are to be supplied for such purposes. Furthermore, at any Annual Members' Meeting at which Directors are to be elected, the Board shall appoint an Election Committee consisting of three (3) Owners who are not Board Members under the supervision of one (1) officer of the Lakes Estates Association to supervise the election, prepare ballots, count and verify

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ballots and proxies, disqualify votes if such disqualification is justified under the circumstances and to certify the results of the election to the Board. This Committee shall be able to determine questions within its jurisdiction by plurality vote of all three (3) Members.

3.8 If a quorum is not in attendance at a Meeting, the Members who are present, either in person or by proxy, may adjourn the Meeting from time to time until a quorum is present with no further notice of such adjourned Meeting being required unless otherwise determined by the Board.

3.9 Minutes of all Meetings shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times.

3.10 Voting rights of Members shall be as stated in the Articles with respect to the election of all Boards other than the First Board. Such votes may be cast in person or by proxy. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted in the place and stead of the person or entity entitled to vote. Proxies shall be in writing signed by the person or entity giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof. A Proxy must be filed with the Secretary of the Lakes Estates Association before the appointed time of the Meeting in order to be effective. Any Proxy may be revoked prior to the time a vote is cast according to such Proxy.

3.11 Except as provided in Paragraph 3.7 above, regarding the election of Directors, the voting on any matter at a Meeting shall be by secret ballot upon request of the holders of ten (10%) percent of the votes represented at such Meeting and entitled to be cast on such matter if such request is made prior to the vote in question. The presiding officer (the "Chairman") of the Meeting shall call for nominations for Inspectors of Election to collect and tally written ballots upon the completion of balloting upon that matter.

Section 4. Board of Directors;  
Directors' Meetings

4.1 The business and administration of the Lakes Estates Association shall be by its Board of Directors. The "First Board" and the "Initial Elected Board" shall each be comprised of three (3) Directors. All Boards subsequent to the Initial Elected Board may be expanded to have five (5) Directors, and at no time shall there be fewer than three (3) Directors on the Board.

4.2 The election and, if applicable, designation of Directors shall be conducted in accordance with the Articles.

4.3 Any person elected or designated as a Director shall have all the rights, privileges, duties and obligations of a Director of the Lakes Estates Association.

4.4 Subject to Section 4.6 below and to Developer's rights as set forth in the Articles and as set forth in Section 4.6(c) below, vacancies in the Board shall be filled by persons elected by the remaining Directors. Any such person shall be a Director and have all of the rights, privileges, duties and obligations as a Director elected at an Annual Members' Meeting and shall serve for the term prescribed in Section 4.5 of these By-Laws.

4.5 The term of the Director's service shall be as stated in the Articles and if not so stated, shall extend until the next Annual Members' Meeting and thereafter until his successor is duly elected and qualified or until he resigns or is removed in the manner elsewhere provided in the Articles or herein.

4.6 (a) A Director elected by the Members may be removed from office upon the affirmative vote or the agreement in writing of a majority of the Members at a Meeting for any reason deemed by the Members to be in the best interests of the Lakes Estates Association. A Meeting to so remove a Director elected by them shall be held, subject to the notice provisions of Section 3.6 hereof, upon the written request of ten (10%) percent of the Members. However, before any Director is removed from office, he shall be notified in writing prior to the Meeting at which a motion will be made to remove him that such a motion will be made, and such Director shall be given an opportunity to be heard at such Meeting should he be present prior to the vote on his removal.

(b) Members shall elect, at a Meeting, persons to fill vacancies on the Board caused by the removal of a Director elected by Members in accordance with Section 4.6(a) above.

(c) A Director designated by Developer, as provided in the Articles, may be removed only by Developer in its sole and absolute discretion and without any need for a meeting or vote. Developer shall have the unqualified right to name a successor for any Director designated and thereafter removed by it or for any vacancy on the Board as to a Director designated by it and Developer shall notify the Board of the name of the respective successor Director and the commencement date for the term of such successor Director.

4.7 The organizational meeting of a newly elected Board 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. No further notice of the organizational meeting shall be necessary.

4.8 Regular meetings of the Board may be held at such times and places in the County, as shall be determined from time to time by a majority of Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President. Special meetings must be called by the Secretary at the written request of at least one-third (1/3) of the Directors. Such special meeting may be held in the County, at such time and place as determined by the Directors requesting such meeting or in such other place as all Directors shall agree upon.

4.9 Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.10 A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. A Director may join in the action of a meeting of the Board by signing the minutes thereof, and such signing shall constitute the presence of such Director for the purpose of determining a quorum. Matters approved by a majority of the Directors present at a meeting at which

a quorum is present shall constitute the official acts of the Board, except as may be otherwise specifically provided by law, by the Articles or elsewhere herein. If at any meetings of the Board there shall 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 meeting that takes place on account of a previous adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given unless otherwise determined by the Board.

4.11 The presiding officer at all Board meetings shall be the President. In the absence of the President, the Directors shall designate any one of their numbers to preside.

4.12 Directors' fees, if any, shall be determined by the Members at a meeting held in accordance with the provisions of these By-Laws.

4.13 Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times.

4.14 Meetings of the Board may be open to all Members on such terms as the Board may determine. The Board may also hold closed meetings. In the event that a Member not serving as a Director, or not otherwise invited by the Directors to participate in a meeting, attempts to participate rather than observe as such meeting, or conducts himself in a manner detrimental to the conduct of such meeting the Board shall have the right to exclude such Member by any reasonable means which may be necessary to accomplish such expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient evidence that he is a Member or that he was specifically invited by the Directors to participate in such meeting.

4.15 Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, specifically setting forth the action to be taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of Directors.

#### Section 5. Powers and Duties of the Board of Directors

All of the powers and duties of the Lakes Estates Association shall be exercised by the Board. Such powers and duties of the Board shall include, but not be limited to, all powers and duties set forth in the Lakes Estates Documents, as well as all of the powers and duties of a director or governor of a corporation not-for-profit.

#### Section 6. Officers of the Lakes Estates Association

6.1 Executive Officers of the Lakes Estates Association shall be the President, who shall be a Director, the Vice President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by vote of the Directors at any meeting of the Board. The Board may, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Lakes

Estates Association. One person may hold any two offices simultaneously except where the functions of such offices are incompatible, but no person shall hold the office of the President and any of the following offices simultaneously: Vice President, Secretary or Assistant Secretary.

6.2 The President shall be the chief executive officer of the Lakes Estates Association. He shall have all of the powers and duties which are usually vested in the office of the President of an association or a corporation not-for-profit, including, but not limited to, the power to appoint such committees at such times from among the Members as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Lakes Estates Association. If in attendance, the President shall preside at all meetings of the Board. The President, or such Person as the President shall designate in writing, shall serve as the "Representative" of the Lakes Estates Association and the Members at meetings of the Maintenance Association and shall be entitled to vote and such other rights as and to the extent provided for in the Maintenance Covenants and the other Lakes of Sarasota Documents.

6.3 In the absence or disability of the President, a Vice President shall exercise the powers and perform the duties of the President. The Vice President(s) shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then they shall be designated "First," "Second," etc., and shall exercise the powers and perform the duties of the Presidency in such orders.

6.4 The Secretary shall keep the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times. He shall have custody of the seal of the Lakes Estates Association and affix the same to instruments requiring such seal when duly authorized and directed to do so. He shall be custodian for the corporate records of the Lakes Estates Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Lakes Estates Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary under the supervision of the Secretary.

6.5 The Treasurer shall have custody of all of the monies of the Lakes Estates Association, including funds, securities and evidence of indebtedness. He shall keep the assessment rolls and accounts of the Members and shall keep the books of the Lakes Estates Association in accordance with good accounting practices and he shall perform all of the duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall assist the Treasurer under the supervision of the Treasurer.

6.6 The compensation, if any, of the officers and other employees of the Lakes Estates Association shall be fixed by the Board. This provision shall not preclude the Board from hiring a Director as an employee of the Lakes Estates Association or preclude the contracting with a Director or a party affiliated with a Director for the management or performance of contract services for all or any part of Homeowners Property.

Section 7. Accounting Records, Fiscal Management

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7.1 The Lakes Estates Association shall maintain accounting records in accordance with good accounting practices, which shall be open to inspection by Developer, Members and Institutional Mortgagees or their respective authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Such records shall include, but not be limited to, (a) a record of all receipts and expenditures; and (b) an account for each Contributing Unit which shall designate the name and address of the Contributing Unit Owner thereof, the amount of Contributing Unit Assessments and all other Assessments, if any, charged to the Contributing Unit, the amounts and due dates for payment of same, the amounts paid upon the account and the balance due.

7.2 After the termination of the Guarantee Period described in the Declaration, the Board shall adopt a Budget (as provided for in the Declaration) of the anticipated Operating Expenses of the Lakes Estates Association for each forthcoming calendar year (the fiscal year of the Lakes Estates Association being the calendar year) at a regular or special meeting of the Board ("Budget Meeting") called for that purpose to be held during the first two weeks of November of the year preceding the year to which the Budget applies, provided that the first Budget Meeting is to be held within thirty (30) days from the expiration of the Guarantee Period for purposes of adopting a Budget for the remainder of the calendar year during which the Guarantee Period expires. Prior to the Budget Meeting, a proposed Budget for the Operating Expenses shall be prepared by or on behalf of the Board. Within thirty (30) days after adoption of the Budget, a copy thereof shall be furnished to Developer and to each Owner at his last known address as shown in the records of the Lakes Estates Association. The copy of the Budget shall be deemed furnished and the notice of the Contributing Unit Assessment shall be deemed given upon its delivery or upon its being mailed as aforesaid. The failure of the Board to adopt a Budget in a timely fashion shall not abrogate or alter the obligation to pay Operating Expenses.

7.3 In administering the finances of the Lakes Estates Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any monies received by the Lakes Estates Association in any calendar year may be used by the Lakes Estates Association to pay expenses incurred in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for Operating Expenses which cover more than such calendar year; (iv) Assessments shall be made monthly or quarterly, as determined by the Board, in amounts no less than are required to provide funds in advance for payment of all of the anticipated current Operating Expenses and for all unpaid Operating Expenses previously incurred; and (v) items of Operating Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, the Assessments for Operating Expenses and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any fiscal year as such expenses are incurred in accordance with good accounting practices.

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7.4 The Contributing Unit Assessment shall be payable as provided for in the Declaration.

7.5 No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Operating Expenses not budgeted or which shall exceed budgeted items, and no Board is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Operating Expenses than monies from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of an adjustment to the applicable Assessment (e.g., Contributing Unit Assessment or Special Assessment).

7.6 Maintenance Expenses charged by the Maintenance Association against the Lakes Estates Association or the Lots or Dwelling Units shall be collected from the Owners with and like Operating Expenses, unless otherwise determined by the Maintenance Association.

7.7 The depository of the Lakes Estates Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Lakes Estates Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

7.8 A financial report of the accounts of the Lakes Estates Association shall be made annually by an auditor, accountant or Certified Public Accountant and a copy of the report shall be available for inspection in the office of the Lakes Estates Association upon reasonable notice by Developer and each Owner no later than the first day of April of the year following the year for which the report is made.

#### Section 8. Rules and Regulations

The Board may at any meeting of the Board adopt rules and regulations or amend, modify or rescind then existing rules and regulations for the operation and use of the Lakes Estates Common Areas; provided, however, that such rules and regulations are not inconsistent with the terms or provisions of the Lakes Estates Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to Developer, and each Owner and shall not take effect until forty-eight (48) hours after such delivery or mailing. Notwithstanding the foregoing, where rules and regulations are to regulate the use of specific portions of the Lakes Estates Common Areas, same shall be conspicuously posted on such portion and such rules and regulations shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily read and that posted signs or announcements are designed with a view towards protection from weather and the elements. Posted rules and regulations which are torn down or lost shall be promptly replaced.

#### Section 9. Enforcement Procedures

(a) The Lakes Estates Association, by the Board, shall have the right to assess reasonable fines against an Owner or its guests, relatives, or lessees, in the manner provided herein, and such fines shall be collectible as any other assessment.