

Original By-Laws

BY-LAWS OF

LAKESIDE HILLS ESTATES ASSOCIATION, INC.

(a non-profit Florida corporation)

ARTICLE I.

GENERAL

Section 1. NAME: The name of this corporation shall be LAKESIDE HILLS ESTATES ASSOCIATION, INC.

Section 2. PRINCIPAL OFFICE: The principal office of the corporation shall be Route 6, Box 1771, Lakeland, Florida, until such time as the Clubhouse being constructed for and being leased to the Association is completed, at which time the Clubhouse shall house the principal office of the corporation.

ARTICLE II.

DIRECTORS

Section 1. NUMBER AND TERM: The number of Directors which shall constitute the original Board of Directors shall be five (5). Prior to December 31, 1973, Directors are not required to be members of the Association. After December 31, 1973, Directors must be members of the Association with the exception of one Director who shall be a representative of the Lessors of the leasehold which includes the Clubhouse, held by the Association. Said Director representing such Lessors shall be a member of the Board of Directors as a matter of right and shall not be elected by the general membership as will the other Directors pursuant to the provisions of these By-Laws.

Section 2. VACANCY AND REPLACEMENT: If there is a vacancy on the Board of Directors as a result of death, resignation, retirement, disqualification removal from office, or otherwise, a majority of the remaining Directors at a special meeting of the Board of Directors called for such purpose shall choose a successor or successors who shall hold office for the unexpired term in respect to which said vacancy occurred; except, however, if the Director being replaced was the representative of said Lessors, then the Lessors shall select another Director to represent them on the Board of Directors.

Section 3. REMOVAL: The original Directors or any Directors appointed to fill a vacancy shall not be capable of being removed by a vote of the membership until after December 31, 1973. Subsequent to that date, Directors may be removed for cause by an affirmative vote of the majority of the

Section 6. MEETINGS:

A. The annual meeting of each Board of Directors newly elected by the members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practical. The annual meeting of the Board of Directors shall be held at the same place as the general members' meeting.

B. Special meetings shall be held whenever called by the direction of the President or a majority of the Board of Directors. The Secretary shall give notice of each special meeting either personally, by mail or telegram, at least five (5) days before the date of such meeting, but the Directors may waive notice of the calling of the meeting.

C. A majority of the Board of Directors shall be necessary and sufficient at all meetings to constitute a quorum for the transaction of business, and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board of Directors.

Section 7. ORDER OF BUSINESS: The order of business at all meetings of the Board of Directors shall be as follows:

- A. Roll call.
- B. Reading of minutes of the last meeting.
- C. Consideration of communications.
- D. Resignations and elections.
- E. Reports of officers and employees.
- F. Report of committees.
- G. Unfinished business.
- H. Original resolutions and new business.
- I. Adjournment.

Section 8. ANNUAL STATEMENT: The Board of Directors shall present no less often than at the annual meeting, a full and clear statement of the business and condition of the Association, including a report of the operating expenses of the Association and the assessments paid by each member.

ARTICLE III.

OFFICERS

Section 1. EXECUTIVE OFFICERS: The executive officers of the Association shall be a President, Vice President, Secretary-Treasurer, all of whom shall

be elected annually by said Board of Directors. Any two of said officers may be united in one person except that the President shall not also be the Secretary-Treasurer of the Association. If the Board so determines, there may be more than one Vice President.

Section 2. SUBORDINATE OFFICERS: The Board of Directors may appoint such other officers and agents as they may deem necessary, who shall hold office doing the pleasure of the Board of Directors and have such authority and perform such duties as from time to time may be prescribed by said Board.

Section 3. REMOVAL: All officers and agents shall be subject to removal, with or without cause at any time by action of the Board of Directors. The Board may delegate powers of removal of subordinate officers and agents to any officer.

Section 4. PRESIDENT:

A. The President shall preside at all meetings of the members and Directors; he shall have general and active management of the business of the Association; he shall insure that all Orders and Resolutions of the Board of Directors are carried into effect; he shall execute Bonds, Mortgages and other Contracts requiring the seal, under the seal of the Association; and the seal when affixed may be attested by the Secretary.

B. He shall have general superintendence and direction of all the other officers of the Association and shall see that their duties are performed properly.

C. He shall submit a report of the operations of the Association for the fiscal year to the Directors whenever called for by them and to the stockholders at the annual meeting, and from time to time shall report to the Board of Directors all matters within his knowledge which in the interest of the Association may be required to be brought to their notice.

D. He shall be an ex officio member of all of the committees and shall have the general powers and duties of supervision and management usually vested in the office of President of a corporation.

Section 5. VICE PRESIDENT: The Vice President shall be vested with all the powers and required to perform all the duties of the President in his absence, and such other duties as may be prescribed by the Board of Directors.

Section 6. SECRETARY-TREASURER:

A. The Secretary-Treasurer shall keep the minutes of the meetings of the members and of the Board of Directors.

B. He shall see that all notices are duly given in accordance with all provisions of these By-Laws or as required by law.

C. He shall be custodian of the corporate records and of the seal of the Association and shall see that the seal of the Association is affixed to all documents, the execution of which on the behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-Laws.

D. He shall keep the register of the post office addresses of each lot owner which shall be furnished to the Secretary-Treasurer by such lot owner.

E. He shall keep full, accurate accounts of receipts and disbursements, all books belonging to the Association and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

F. He shall disburse the funds of the Association as ordered by the Board of Directors, get proper vouchers for such disbursements, shall render to the President and Directors at the regular meeting of the Board of Directors or whenever they may require an account of all his transactions as Secretary-Treasurer and of the financial condition of the Association.

G. He may be required to give the Association a bond in the sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of his office and the restoration to the Association, in the case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association.

H. In general, he shall perform all duties incident to the office of Secretary-Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 7. VACANCIES: If the office of the President, Vice President or Secretary-Treasurer, one or more, becomes vacant by reason of death, resignation, disqualification or otherwise, the remaining Directors by a majority vote of the whole Board of Directors provided for in these By-Laws may choose a successor or successors who shall hold office for the unexpired term.

Section 8. RESIGNATIONS: Any Director or other officer may resign his office at any time, such resignation to be made in writing, and to take effect from the time of its receipt by the Association, unless the time of resignation is fixed in the notice thereof.

ARTICLE IV.

MEMBERSHIP

Section 1. DEFINITION: Membership in the Association shall be limited to

owners of lots in Lakeside Hills Estates, which will be platted as a subdivision in the Public Records of Polk County, Florida. The developer, Lakeside Hills Estates, Inc., a Florida corporation, or its successor, shall be considered a member and shall be entitled to one (1) vote for each lot owned by the developer, except in those instances where these By-Laws specifically require a vote only by members of sold lots. Those persons who are not lot owners but who are granted by Lakeside Hills Estates, Inc., its successors or assigns, the right to use the Clubhouse and other recreational facilities, whether or not for compensation to said Corporation, shall not be considered members of the Association.

Section 2. TRANSFER OF MEMBERSHIP AND OWNERSHIP: Membership in the Association may be transferred only as and incident to the transfer of the subdivision lot, and such transfer shall be subject to the procedures set forth in these By-Laws.

ARTICLE V.

MEETINGS OF THE MEMBERSHIP

Section 1. PLACE: All meetings of the Association membership shall be held at the office of the Association or such other place as may be stated in the notice.

Section 2. ANNUAL MEETING:

A. The first annual meeting of the membership shall be held no later than December 31, 1973; and, thereafter, it shall be held on the first Monday in December of each year.

B. If the annual meeting date should fall on a legal holiday, then the meeting shall fall on the next weekday thereafter.

C. All annual meetings shall commence at 2:00 P. M. in the afternoon.

D. At the annual meetings, except as hereinabove set forth and as otherwise provided in the Articles of Incorporation, the members shall elect by majority vote a Board of Directors and transact such other business as may properly come before the meeting.

E. Written notice of the annual meeting shall be served upon or mailed by the Secretary to each member entitled to vote thereat, at such address as appears on the books of the Association at least ten (10) days prior to the meeting.

Section 3. MEMBERSHIP LIST: At least ten (10) days before every election of

Directors, a complete list of members entitled to vote at said election, arranged numerically by subdivision lot, with the residence of each, shall be prepared by the Secretary. Such list shall be produced and kept for said ten (10) days and throughout the election at the office of the Association and shall be open to examination by any member throughout such time.

Section 4. SUBDIVISION LOT OWNED BY MORE THAN ONE PERSON OR BY A CORPORATION:

The vote of the owners of a subdivision lot owned by more than one (1) person or by a corporation or other entity shall be cast by the person named in the certificate signed by all of the owners of the lot and filed with the Secretary of the Association. Such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

Section 5. RIGHT TO VOTE AND PROXIES: At any meeting of the members, every member having the right to vote shall be entitled to vote in person or by proxy. Such proxies shall only be valid for such meeting or subsequent adjourned meeting thereof. When an individual or a corporation owns more than one (1) subdivision lot, he or it shall be entitled to the number of votes equal to the number of lots owned.

Section 6. SPECIAL MEETINGS:

A. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President and shall be called by the President or Secretary-Treasurer at the request in writing of the majority of the Board of Directors or at the request in writing of twenty-five (25) members. Such request shall state the purpose or purposes of the proposed meeting.

B. Written notice of a special meeting of members stating the time, place and object thereof shall be served upon and mailed to each member entitled to vote thereat, at such address as appears in the books of the Association, at least five (5) days prior to such meeting.

C. Business transacted at all special meetings shall be confined to the object stated in the notice thereof.

Section 7. QUORUM: Members entitled to vote and representing owners of fifty-one (51) per cent of the subdivision lots present in person or by written proxy shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by the statutes, Articles of Incorporation, or by these By-Laws. If, however, such a quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time without notice other than the announcement at the meeting until a quorum shall be

present or represented. 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 originally called.

Section 8. VOTE REQUIRED TO TRANSACT BUSINESS: When a quorum is present at any meeting, the vote of a majority of the lot owners present in person or represented by written proxy, shall decide any question brought before the meeting unless the question is one upon which by express provision of the statutes or the Articles of Incorporation or by these By-Laws a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 9. WAIVER AND CONSENT: Whenever the vote of members at a meeting is required or permitted by any provision of the statutes of the State of Florida or the Articles of Incorporation or these By-Laws, to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if all members who would have been entitled to vote if such meeting were held, shall consent in writing to such action being taken.

ARTICLE VI.

NOTICES

Section 1. DEFINITION: Whenever under the provisions of the statutes or of the Articles of Incorporation or of these By-Laws, notice is required to be given to any Director or member, it shall not be construed to mean personal notice; but such notice shall be given in writing by mail by depositing the same in the post office or letter box in a postpaid sealed wrapper addressed to such Director or member as his name appears on the books of the Association.

Section 2. WAIVER OF NOTICE: Whenever any notice is required to be given under the provisions of the statutes or the Articles of Incorporation or these By-Laws, a waiver thereof in writing signed by the person or person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereof.

ARTICLE VII.

FISCAL MANAGEMENT

Section 1. FISCAL MANAGEMENT OF THE ASSOCIATION: Fiscal Management of the Association shall be governed by the following provisions:

- A. A fiscal year shall be established by the Board of Directors.

B. All checks or notes of the Association shall be signed by the President or Secretary-Treasurer or by such officer or officers as the Board of Directors may designate.

C. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

1. Current expense, which shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance of this fund at the end of the year shall be applied to reduce the assessments for current expense for the succeeding year.

2. Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

3. Reserve for replacement which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

D. The Board of Directors shall adopt a budget for each fiscal year which shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follows:

1. Current expense, the amount for which shall not exceed one hundred five (105) per cent of the budget for this account for the prior year, except that if such increase is required because of the rent adjustment under the Cost of Living Index under the Lease of the recreation area or the management contract, a larger increase shall be permissible.

2. Reserve for deferred maintenance, the amount for which shall not exceed one hundred five (105) per cent of the budget for this account for the prior year.

3. Reserve for replacement, the amount for which shall not exceed one hundred five (105) per cent of the budget for this account for the prior year.

4. The amount for each budgeted item may be increased over the foregoing limitations when approved by seventy-five (75) per cent. Until the developer has completed and sold all of the existing subdivision lots in Lakeside Hills Estates, or until December 31, 1973, whichever shall occur first, the Board of Directors may omit from the budget all allowances for contingencies and reserves.

5. The Directors may, if they so elect, contract with an outside party for the furnishing of services required by the Association for a flat fee or upon a cost plus arrangement as they may choose.

6. Copies of the budget and proposed assessments shall be transmitted to each member on or before thirty (30) days prior to the date of the annual meeting. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each member.

Section 2. ASSESSMENTS: Assessments against the subdivision lot owner for such owner's share of the items of the budget shall be made for the fiscal year, annually in advance within thirty (30) days preceding the close of the prior fiscal year. Such assessment shall be due in monthly payments. 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 if the accounts of the amended budget do not exceed the limitations thereon for that year. Any account which does exceed such limitations shall be subject to the approval of the membership of the Association.

Section 3. ACCELERATION OF ASSESSMENT INSTALLMENTS UPON DEFAULT: If a lot owner shall be in default in the payment of any installment of an assessment for a period in excess of fifteen (15) days, the Board of Directors may accelerate the remaining installments of the annual assessment upon written notice thereof to the lot owner and thereupon, the unpaid balance of the assessment shall become due upon the date stated in such notice, but in no event less than ten (10) days after delivery of said notice to the owner. Such delivery may be made by personal service or by mail. If by mail, three (3) days shall be added.

Section 4. ASSESSMENTS FOR EMERGENCIES: Assessments for common expenses for emergencies which cannot be paid from the annual assessments for expenses which will benefit the members of the Association shall be made only after notice of the need thereof is given and a majority of the members entitled to vote approve such emergency assessment.

Section 5. THE DEPOSITORY: The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors. Withdrawals shall be made by checks signed by such persons as are authorized by the Directors.

Section 6. AUDITS: An audit of each of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the report shall be furnished to each member no later than ninety (90) days following the close of the fiscal year for which the report is made.

Section 7. FIDELITY 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 Directors, and the premiums on such bonds shall be paid by the Association.

ARTICLE VIII.

RULES OF PROCEDURE

The latest edition of Roberts Rules of Order in print at the time of any meeting shall govern the conduct of such meeting of the Association and its Board of Directors when such edition is not in conflict with the Articles of Incorporation or these By-Laws.

ARTICLE IX.

SEAL

The seal of this Association shall have inscribed thereon the name of the Association, the year of its organization and the words "non profit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed or reproduced.

ARTICLE X.

TRANSFER OF MEMBERSHIP

Section 1. MEMBERSHIP COMMITTEE: Annually, the Board of Directors shall appoint a Membership Committee consisting of as many members as the Board deems desirable but not less than seven (7). The Membership Committee shall execute all duties of the Association relative to the transfer of membership which necessarily includes the transfer of lots in Lakeside Hills Estates. The right to approve or disapprove actions of the Membership Committee shall vest in the Board of Directors, and the Board shall have the right to substitute its judgment for that of the Membership Committee and remove any member of the Membership Committee and replace such member at any time and without cause, it being the intention that such Committee serves at the pleasure of the Board of Directors. Until December 31, 1973, the developer, Lakeside Hills Estates, Inc., shall constitute the Membership Committee unless said developer relinquishes such right at an earlier date.

Section 2. CONDITIONS OF SALE OR TRANSFER: As each lot owner in Lakeside Hills Estates shall be a member of the Association, the transfer of ownership of each lot shall be governed by the following provisions and conditions:

A. No lot owner may sell, lease or make a gift of his lot without approval of the Association.

B. If a lot owner should devise or in any other way transfer his ownership in any manner not mentioned herein, the continuance of the new ownership shall be subject to the approval of the Association.

C. The approval of the Association for a transfer of ownership shall be obtained in the following manner:

(I) An owner intending to make a transfer shall give the Association notice of such intention, and shall furnish the Association with a written copy of a bona fide offer of purchase, or lease as the case may be, which contract shall show the full name and address of the intended purchaser, and such other information concerning the intended purchaser, or lessee, as the Association may reasonably require.

(II) Within thirty (30) days after receipt of such notice, the Association shall either approve or disapprove the transaction. If approved, approval shall be stated in written form and shall be delivered to the purchaser in recordable form. If the Association fails to take any action within the said thirty (30) day period, the transaction shall be deemed approved. In lieu of approving a sale, the Association may elect to purchase the unit upon the terms and conditions set forth in the sales contract and shall have thirty (30) days, or the time permitted by the contract, whichever is longer, to close the transaction in accordance with the terms hereof. If the transaction is a conveyance of an interest not involving consideration, said purchase shall be for cash upon a mutually agreeable price, and if said price cannot be agreed upon then the value shall be determined by three (3) appraisers, one selected by the lot owner, one selected by the Association and the third by the appraisers appointed by each party.

(III) The Association shall have the absolute right to disapprove any proposed lease.

(IV) The provisions of this Article and each Section and subparagraph shall not apply to a transfer to, nor a purchase by a bank, life insurance company or federal savings and loan association or other institutional lender which acquires its title as a result of owning a mortgage upon the unit concerned, and this shall be so whether the title is acquired by Deed from the mortgagor or his successor in title, or through foreclosure proceedings; or shall such provisions apply to a transfer, sale or lease by a bank, life insurance company or savings and loan association which so acquires its title. Neither shall such provisions apply to the approval of a purchaser who acquires title to a lot at a duly advertised public sale with open bidding as part of any foreclosure sale, such as but not limited to, execution sale, foreclosure sale and tax sale.

(V) Any sale, mortgage or lease not authorized pursuant to the terms of this Article and each Section and subparagraph shall be void unless subsequently approved by the Association.

(VI) The foregoing rights of approval and disapproval shall be vested in the developer, Lakeside Hills Estates, Inc., prior to December 31, 1973.

ARTICLE XI.

AMENDMENTS

These By-Laws may be amended by seventy-five (75) per cent of the record owners of the lots sold in Lakeside Hills Estates, except that until December 31, 1973, the Developer, Lakeside Hills Estates, Inc., may amend these By-Laws with the approval of twenty-five (25) per cent of the record owners of the lots sold.

ARTICLE XII.

CONSTRUCTION

Should any of the covenants and conditions set forth in these By-Laws be void or become unenforceable at law, the remaining provisions of these By-Laws shall, nevertheless, remain in full force and effect.

THE UNDERSIGNED hereby certifies that the foregoing By-Laws of Lakeside Hills Estates Association, Inc., were adopted by the Board of Directors of said Association on the 1st day of April, 1971.

s/ Morton H. Rainey
MORTON H. RAINEY,
Secretary