

BY-LAWS
OF
THE LAKES OF TALLAHASSEE HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

IDENTITY

These are the By-Laws of THE LAKES OF TALLAHASSEE HOMEOWNERS' ASSOCIATION, INC. (the Association), a corporation not for profit under the laws of the State of Florida, organized for the purpose of operating and maintaining the common areas and facilities of The Lakes, a townhome development, located in Leon County, Florida.

1. Principal Office. The principal office of the Association shall be temporarily located at the office of the Developer, or at such other place as may be designated by the Board of Directors.

2. Fiscal Year. The fiscal year of the association shall be the calendar year.

3. Seal. The seal of the Association shall bear the name of the corporation, the word "Florida", the words "corporation not for profit" and the year of incorporation.

4. Definitions. For convenience, these By-Laws shall be referred to as the "By-Laws"; the articles of incorporation of the Association as the "articles"; and the declaration of covenants, conditions and restrictions as the "declaration". The other terms used in these By-Laws shall have the same definitions and meaning as those set forth in the declaration and the articles, unless provided to the contrary in these By-Laws, or unless the context otherwise requires.

ARTICLE II

PROXIES, ACTIONS SPECIFICALLY
REQUIRING UNIT OWNER VOTES AND SECRET BALLOTS

1. Proxies; Powers of Attorney. Votes at any meeting of the members may be cast in person or by proxy. Each proxy shall set forth specifically the name of the person voting by proxy and the name of the person authorized to vote the proxy for him. Each proxy shall contain the date, time and place of the meeting for which the proxy is given. If the proxy is a limited proxy, it shall set forth those items that the holder of the proxy may vote and the manner in which the

vote is to be cast. The proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings. No proxy shall be valid for a period longer than 90 days after the date of the first meeting for which it was given, and it may be revoked at any time at the pleasure of the member executing it. The proxy shall be signed by the unit owner or owners (if more than one) or by the president, vice-president or partner of a corporation or partnership or other person designated in a written certificate filed with the secretary of the Association and signed by a president or vice-president of a corporation, or a partner of a partnership, or the duly authorized attorney-in-fact of that person or persons (provided the power of attorney is filed with the secretary of the Association). The proxy shall be filed with the secretary before or at the meeting for which the proxy is given. One holding a power of attorney from a unit owner, properly executed and granting such authority, may vote that unit.

2. Actions Specifically Requiring Unit Owner Votes. The following actions require approval by the members and may not be taken by the Board of Directors acting alone:

A. Amendments to the Declaration, except those made by the Developer adding additional property to The Lakes or recording a certificate of surveyor.

B. Amendments to these By-Laws.

C. Other matters contained in the Declaration, the articles or these By-Laws that specifically require a vote of the members.

3. Secret Ballots. If, at any meeting of members, one-third (1/3rd) of the members request a secret ballot for a vote on a particular issue, then the vote shall be by secret ballot. A secret ballot is required, regardless of the one-third (1/3rd) requirement above, for any vote to amend the provisions on assessments contained in the Declaration.

4. Secret Ballots by Proxy. Members wishing to vote a secret ballot by proxy shall be mailed a ballot slip on a paper separate from that containing the proxy and notice of meeting. The proxy shall be only for the purpose of establishing a quorum at the meeting at which the secret ballot is to be conducted, and shall not contain on its face instructions as to how the proxy holder should vote the secret ballot. Provision shall be made for the secret ballot slip to be returned to the secretary of the Association in a sealed, unmarked envelope, separate from the proxy, which shall be placed in a larger

envelope containing the sealed ballot. At the meeting at which the secret ballot is to be taken, the secretary will present the unopened envelopes to the inspectors of election, who will then examine and verify the proxies separately from the secret ballots in a manner that will ensure the integrity of the secret vote. The inspectors of election will then tally the secret ballots of those present at the meeting together with those of the members voting by proxy and announce the results.

ARTICLE III

MEETINGS OF MEMBERS

1. Annual Meeting. The annual meeting of the members shall be held on the date and at the place and time as determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and no later than 13 months after the last annual meeting. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the members.

2. Special Meetings. Special meetings of the members shall be held at such places as provided for annual meetings and may be called by the president or by a majority of the Board of Directors of the Association, and must be called by the president or secretary on receipt of a written request from at least 10% of the members of the Association entitled to vote at the meeting. Requests for a meeting by the members shall state the purpose for the meeting and business conducted at any special meeting shall be limited to the matters stated in the notice for it.

3. Notice of Annual Meeting. Written notice of the annual meeting shall be mailed to each member at least 14 days and not more than 60 days before the annual meeting. A copy of the notice shall be posted in a conspicuous place on The Lakes property at least 14 days before the annual meeting. Members may waive notice of the annual meeting.

4. Notice of Special Meetings, Generally. Except as modified by the specific requirements for special kinds of members' meetings as set out in the Declaration or these By-Laws, notice of special meetings, generally, shall be in writing, shall state the place, day and hour of the meeting and the purpose or purposes for which the meeting is called. The notice shall be delivered to each member entitled to vote at the meeting not less than ten or more than 60 days before the date of the meeting, either personally or by first class mail,

by or at the direction of the president, the secretary or the officer or persons calling the meeting. Payment of postage for notice of any special meeting, by whomever called, shall be an obligation of the Association. Members may waive notice of any special meeting.

5. Quorum. A quorum at meetings of members shall consist of persons entitled to cast, either in person or by proxy, a majority of the votes of the entire membership. Absentee ballots, alone, may not be counted in determining a quorum.

6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice shall be posted in a conspicuous place on The Lakes property as soon thereafter as may be practical stating the time and place to which the meeting is adjourned.

7. Mail Notices. Any notice required to be sent by mail to any member under the provisions of the Declaration or these By-Laws shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as member on the records of the Association at the time of such mailing. The post office certificate of mailing shall be retained as proof of the mailing.

8. Waiver of Notice. Members may waive their right to receive notice of any meeting, whether annual or special, by a writing signed by them to that effect. The waiver shall be filed with the secretary of the Association either before, or after the meeting for which the waiver is given.

9. Action by Members Without a Meeting. Members may take action by written agreement without a meeting, as long as written notice is given to the members in the manner prescribed elsewhere in the Declaration or these By-Laws appropriate to the subject matter to be agreed on, unless that notice is waived as provided in these By-Laws. Subject to Article III of the Declaration, the decision of a majority of the members, or a larger percentage vote as otherwise may be required by the Declaration, the articles or these By-Laws (the decision to be evidenced by written response to be solicited in the notice), shall be binding on the membership, provided a quorum submits a response. The notice shall set forth a time period within which responses must be made by the members.

10. Minutes of Meetings. The minutes of all meetings of members shall be kept in a book available for inspection by members or their authorized representatives, and board members at any reasonable time. The minutes shall be retained by the Association for a period of not less than seven years. Members and their authorized representatives shall have the right to make handwritten notations from the minutes.

11. Order of Business. The order of business at annual meetings and as far as practical at other members' meetings shall be:

A. Call to order;

B. Election of a chairman of the meeting, unless the president or vice president is present, in which he shall preside;

C. Calling of the roll, certifying of proxies, determination of a quorum;

D. Proof of notice of the meeting or waiver or notice;

E. Reading and disposal of any unapproved minutes;

F. Reports of officers;

G. Reports of committees;

H. Appointment of inspectors of election;

I. Determination of number of Directors;

J. Election of Directors;

K. Unfinished business;

L. New business; and

M. Adjournment.

ARTICLE IV

DIRECTORS

1. Number and Qualifications. The affairs of the Association shall be managed initially by a board of three

Directors selected by the Developer. When unit owners other than the Developer are entitled to elect a majority of the Directors (see Article III of the Declaration), the board shall be composed of any odd number of Directors that the unit owners may decide. The number of Directors, however, shall never be less than three (3) or more than nine (9). Other than those selected by the Developer, Directors must be either unit owners; tenants residing in a unit; officers of a corporate unit owner; or partners of a partnership unit owner. No director (except those selected by the Developer) shall continue to serve on the board after he ceases to be a unit owner or tenant residing in a unit.

2. Election of Directors. Subject to Article III of the Declaration and to Section 3 below, Directors shall be elected at the annual meeting. Subject to Article III of the Declaration, Directors shall be elected by a plurality of the votes cast. There shall be no cumulative voting.

3. Election of Directors by Unit Owners Other than the Developer.

A. One-third (1/3rd). Subject to Article III of the Declaration, the first time unit owners other than the Developer own ten (10) or more units, there shall be a special meeting of the members as provided in C. below. At such special meeting, unit owners other than the Developer shall be entitled to elect no less than one-third (1/3rd) of the members of the Board of Directors. After the first time, unit owners other than the Developer can elect no less than one-third (1/3rd) of the Directors, Directors shall be elected at the regular annual meeting.

B. Majority. The first time unit owners other than the Developer are entitled to elect a majority of the Board of Directors (when the provisions of Article III of the Declaration have been met), there shall be a special meeting of the members as provided in C. below. At such special meeting, unit owners other than the Developer shall be entitled to elect a majority of the Board of Directors. After the first time, unit owners other than the Developer can elect a majority of the Directors, Directors shall be elected at the regular annual meeting.

C. Election. Within sixty (60) days after the unit owners other than the Developer are entitled to elect a member or members of the Board of Directors as provided in A. and B. above, the Association shall call and give not less than thirty (30) days nor more than forty (40) days notice of a special meeting of the unit owners to elect the member or

members of the Board of Directors. The meeting may be called and the notice given by any unit owner if the Association fails to do so.

4. Nominations. Not less than forty (40) days before a meeting of the members to elect director(s), a nominating committee of five members shall be appointed by the Board of Directors and the committee shall nominate one person for each Directorship to be filled. Nominations for additional Directorships created at the meeting shall be made from the floor. Other nominations also may be made from the floor.

5. Term. Each director's term of service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or, except for those Directors selected by the Developer, until he is removed in the manner provided in Section 7 below. The members, however, at any annual meeting after the Developer is no longer able to select a majority of the Directors under Article III of the Declaration and in order to provide a continuity of experience, may vote to create classes of Directorships having a term of one, two or three years so that a system of staggered terms will be initiated.

6. Vacancies. Except as to vacancies resulting from removal of Directors by members (see Section 7 below), and except as to vacancies created by the resignation of Directors selected by the Developer (see Section 8 below), vacancies in the Board of Directors occurring between annual meetings of members shall be filled by majority vote of the remaining Directors. Any director elected to fill a vacancy shall hold office only until the next election of Directors by the members; irrespective of the length of the remaining term of the vacating director.

7. Removal. Any director, except those selected by the Developer, may be recalled and removed from office with or without cause by the vote or agreement in writing of a majority of all members. A special meeting of the members to recall a member or members of the Board of Directors may be called by 10% of the members giving notice of the meeting as required under Article III, Section 4. The notice shall state the purpose of the meeting. Any vacancy on the Board of Directors thus created shall be filled by the members of the Association at the same meeting. If more than one director is subject to recall, there shall be a separate vote on the question to remove each director.

8. Resignation of Director Selected by Developer. If a director selected by the Developer resigns, then the

Developer shall select a replacement who will assume his duties immediately.

9. Disqualification and Resignation. Any director may resign at any time by sending or personally delivering a written notice of resignation to the Association, addressed to the secretary. The resignation shall take effect on receipt by the secretary, unless it states differently. Any board member elected by the unit owners other than the Developer who is absent from more than three consecutive regular meetings of the board, unless excused by resolution of the board, shall be deemed to have resigned from the Board of Directors automatically, effective when accepted by the board. Any board member more than 30 days delinquent in the payment of an assessment or an installment thereon shall be deemed to have resigned from the board, effective when the resignation is accepted by the Board of Directors.

10. Organizational Meeting. The organizational meeting of a newly elected Board of Directors shall be held within ten days of their election at a place and time that shall be fixed by the Directors at the meeting at which they were elected and without further notice.

11. Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at a time and place as a majority of them shall determine from time to time. Notice of regular meetings, however, shall be given to each director personally or by mail, telephone or telegraph, at least three days before the day named for the meeting with the notice of each meeting posted conspicuously on The Lakes property at least 48 hours before the meeting, except in an emergency.

12. Special Meetings. Special meetings of the Board of Directors may be called by the president and, in his absence, by the vice president, and must be called by the secretary at the written request of one-third of the Directors. The notice shall state the time, place and purpose of the meeting and shall be transmitted not less than three days before the meeting. A copy of the notice of any special meeting shall be posted conspicuously on The Lakes property at least 48 hours before the meeting, except in an emergency. *3 days*

13. Notice. Any notice required to be sent by mail to any Director under the provisions of these By-Laws shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Director on the records of the Association at the time of such

mailing. The post office certificate of mailing shall be retained as proof of the mailing.

14. Waiver of Notice. Any director may waive notice of a meeting before, at or after the meeting and that waiver shall be deemed equivalent to the giving of notice. Attendance by any director at a meeting shall constitute a waiver of notice of the meeting, except when his attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

15. Quorum. A quorum at the meetings of the directors shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Declaration, the articles or these By-Laws.

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

17. Joinder in Meeting by Approval of Minutes. A director may join in the action of a meeting by signing and concurring in the minutes of that meeting. That concurrence, however, shall not constitute the presence of that director for the purpose of determining a quorum.

18. Meetings Open to Members. Meetings of the Board of Directors shall be open to all members to attend and observe. No member, however, shall be entitled to participate in the meeting unless specifically invited to do so by the board. Notice of any meeting in which assessments against unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and set out the nature of the assessments.

19. Presiding Officer. The presiding officer at board meetings shall be the president or, in his absence, the vice president, and in his absence, the Directors present shall designate any one of their number to preside.

20. Minutes of Meeting. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by members or their authorized repre-

sentative and board members at any reasonable time. The association shall retain these minutes for a period of not less than seven years. Members and their authorized representatives shall have the right to make written notations from the minutes.

21. Executive Committee. The Board of Directors, by resolution, may appoint an executive committee to consist of three or more members of the board. The executive committee shall have and may exercise all of the powers of the board in the management of the business and affairs of the association during the intervals between the meetings of the board insofar as may be permitted by law. The executive committee, however, shall not have power to:

A. determine the common expenses required for the operation of The Lakes;

B. determine the assessments payable by the unit owners to meet the common expenses of The Lakes;

C. adopt or amend rules and regulations covering the details of the operation and use of The Lakes property;

D. purchase, lease or otherwise acquire units in The Lakes in the name of the Association;

E. approve or recommend to members any actions proposals required by the Declaration, the articles or these by-Laws to be approved by unit owners; or

F. fill vacancies on the Board of Directors. Meetings of the executive committee shall be open to members.

22. Compensation. Directors shall serve without pay but shall be entitled to reimbursement for expenses reasonably incurred in the discharge of their duties.

23. Order of Business. The order of business at meetings of Directors shall be:

A. calling of roll;

B. proof of notice of meeting or waiver of notice;

C. reading and disposal of any unapproved minutes;

D. reports of officers and committees;

E. election of officers; and

F. unfinished business.

24. Failure to Elect Director Quorum. If the association or the Board of Directors fails to fill vacancies on the Board of Directors sufficient to constitute a quorum, any unit owner may apply to the circuit court within whose jurisdiction The Lakes is situated for the appointment of a receiver to manage the affairs of the Association. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all the powers and duties of a duly constituted Board of Directors and shall serve until the Association fills vacancies on the board sufficient to constitute a quorum.

ARTICLE V

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. Maintenance, Management and Operation of The Lakes Property.
2. Contract, Sue or be Sued. After the Developer is no longer able to select a majority of the Directors under Article III of the Declaration, the Association may institute, maintain, settle or appeal actions or hearings in its name on behalf of all unit owners concerning matters of common interest, including but not limited to the common areas and facilities. The statute of limitations for any actions in law or equity that the association may have shall not begin to run until the unit owners have selected a majority of the members of the Board of Directors.
3. Maintain Units if Necessary and Right of Access to Units.
4. Make and Collect Assessments.
5. Lease, Maintain, Repair and Replace the Common Areas and Facilities.
6. Lien and Foreclosure for Unpaid Assessments.
7. Purchase Units. The Association generally has the power to purchase units and to acquire, hold, lease, mortgage and convey them.

8. Modify Easements. The Association, without the joinder of any unit owner, may modify or move any easement for ingress and egress or for utilities purposes if the easement constitutes part of or crosses The Lakes property.

9. Purchase Land. Subject to Article VIII, Section 3, of the Declaration, the Association may purchase additional land.

10. Adopt Rules and Regulations. The Association may adopt reasonable rules and regulations for the use, operation, maintenance and enjoyment of the common areas and facilities serving The Lakes.

11. Maintain Accounting Records.

12. Obtain Insurance. The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association and the common areas and facilities.

13. Furnish Annual Financial Reports to Members.

14. Give Notice of Liability Exposure. If the Association may be exposed to liability in excess of insurance coverage in any legal action, it shall give notice of the exposure to all unit owners, who shall have the right to intervene and defend.

15. Provide Certificate of Unpaid Assessment. Any unit owner, mortgagee or other record lienholder has the right to require from the Association a certificate showing the amount of unpaid assessments respecting the owner's unit.

16. Contract for Maintenance and Management of The Lakes.

17. Pay Taxes or Assessments Against the Common Areas and Facilities or Association Property.

18. Pay Costs of Utilities Services Rendered to The Lakes and Association Property and Not Billed Directly to Individual Unit Owners.

19. Employ Personnel. The Association may employ and dismiss personnel as necessary for the maintenance and operation of The Lakes property and may retain those professional services that are required for those purposes.

20. Impose Fines.

21. Repair or Reconstruct Improvements after Casualties.

22. Lien for Labor and Materials Furnished to the Common Areas and Facilities. Labor performed on or materials furnished to the common areas and facilities, if authorized by the Board of Directors, may be the basis for the filing of a lien against all units in the proportions for which the owners are liable for common expenses.

ARTICLE VI

OFFICERS

1. Executive Officers. The executive officers of the Association shall be a president, who shall be a director, a vice president, who shall be a director, a treasurer, a secretary and an assistant secretary. The officers shall be elected annually by the Board of Directors and may be removed without cause at any meeting by a vote of a majority of all of the Directors. A person may hold more than one office except that the president may not also be the secretary or assistant secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect other officers and designate their powers and duties as the board shall find to be required to manage the affairs of the Association.

2. President. The president shall be the chief executive officer of the Association. He shall have all of the powers and duties that usually are vested in the office of president of an Association, including but not limited to the power to appoint committees from among the members to assist in the conduct of the affairs of the Association as he, in his discretion, may determine appropriate. He shall preside at all meetings of the board.

3. Vice President. The vice president shall exercise the powers and perform the duties of the president in the absence or disability of the president. He also shall assist the president and exercise those other powers and perform those other duties as shall be prescribed by the Directors.

4. Secretary. The secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the serving of all notices to the members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep

the records of the Association, except those of the treasurer, and shall perform all other duties incident to the office of the secretary of an Association and as may be required by the directors or the president.

5. Treasurer. The treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a treasurer's report to the board at reasonable intervals and shall perform all other duties incident to the office of treasurer. All money and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the board in accordance with the Declaration.

6. Compensation. The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the board from employing a director as an employee of the Association or preclude the contracting with a director for the management of The Lakes.

ARTICLE VII

ASSOCIATION CONTRACTS, GENERALLY

1. Fair and Reasonable, Cancellation. Any contracts made by the Association before the unit owners other than the Developer elect a majority of the Board of Directors under Article III of the Declaration must be fair and reasonable. All contracts for the operation, maintenance or management of the Association or property serving the unit owners, made by the Association, whether before or after unit owners other than the Developer elect a majority of the Board of Directors under Article III of the Declaration must not be in conflict with the powers and duties of the Association or the rights of the unit owners. All such contracts must provide for termination by either party with or without cause and without payment of a termination fee on ninety (90) days' written notice to the other party.

2. Vending Equipment. The Developer may obligate the Association under lease agreements or other contractual arrangements for vending equipment. The leases or agreements for the vending equipment may not be subject to cancellation by

unit owners other than the Developer, unless they violate state or local law.

3. Escalation Clauses in Management Contracts Prohibited. Written contracts for operation, maintenance and management entered into by the Association must contain certain elements in order to be valid and enforceable. These include, but are not limited to:

A. Specification of the services, obligations and responsibilities of the service provider.

B. Specification of costs for services performed.

C. An indication of frequency of performance of services.

D. Specification of minimum number of personnel to provide the services contracted for.

E. The disclosure of any financial or ownership interest that the Developer has in the service provider, if the Developer is able to select a majority of the Board of Directors under Article III of the Declaration.

ARTICLE VIII

ROSTER OF UNIT OWNERS AND MORTGAGEES

Each unit owner shall file with the Association a copy of the deed or other instrument showing his ownership, together with a copy of any mortgage on his unit and any satisfaction of that mortgage. The Association shall maintain these documents in a suitable binder for reference as required in the exercise of its powers and duties.

ARTICLE IX

PARLIAMENTARY RULES

ROBERTS' RULES OF ORDER (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration, the articles or these By-Laws.

ARTICLE X

RULES AND REGULATIONS

1. Board May Adopt. The Board of Directors may adopt and amend, from time to time, reasonable rules and regulations governing the details of the use, operation and maintenance of the common areas and facilities of The Lakes.

2. Posting and Furnishing Copies. A copy of the rules and regulations adopted from time to time by the Board of Directors, and any amendments to existing rules and regulations, shall be posted in a conspicuous place on The Lakes property and a copy furnished to each unit owner. No rule, regulation or amendment shall become effective until 30 days after posting, except in the case of an emergency, in which case the rule, regulation or amendment shall become effective immediately on posting.

3. Limitations on Authority. The Board of Directors may not unreasonably restrict any unit owner's right to peaceably assemble or right to invite public officers or candidates for public office to appear and speak in common areas and facilities. The board may not deny any resident, whether tenant or owner, access to any available franchised or licensed cable television service or exact a charge or anything of value in excess of charges normally paid for like services by residents of single-family homes within the same franchise or license area.

4. Reasonableness Test. Any rule or regulation created and imposed by the Board of Directors must be reasonably related to the promotion of the health, happiness and peace of mind of the unit owners and uniformly applied and enforced.

ARTICLE XI

RESTRICTIONS ON AND REQUIREMENTS
FOR USE AND MAINTENANCE OF THE UNITS

1. Where Contained. Restrictions on the use, and maintenance of the individual units shall be as stated in the Declaration and no amendments or additions shall be contained elsewhere than in the Declaration as adopted by a vote of the unit owners in the manner prescribed in the Declaration.

2. Tests for Validity of Restrictions. Restrictions contained in the Declaration and any amendments duly adopted by a vote of the unit owners shall be valid and in the

nature of covenants running with the land, unless it is shown that they:

- A. Are wholly arbitrary in their application;
- B. Are in violation of public policy; or
- C. Abrogate some fundamental constitutional rights.

ARTICLE XII

PRIORITIES IN CASE OF CONFLICT

In the event of conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest:

1. The Declaration;
2. The Articles;
3. These By-Laws;
4. The Rules and Regulations.

ARTICLE XIII

INDEMNIFICATION

Every officer and director of the Association shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees incurred and imposed in connection with any proceedings to which he may be a party, or in which he may become involved by reason of his being or having been an officer or director of the Association, whether or not he is an officer or director at the time the expenses are incurred. The officer or director shall not be indemnified if he is adjudged guilty of gross negligence or willful misconduct or shall have breached his fiduciary duty to the members of the Association. The Association shall not be liable, however, for payment of a voluntary settlement unless it is first approved by the Board of Directors. The foregoing rights shall be in addition to and not exclusive of all other rights to which the director or officer may be entitled.

ARTICLE XIV

DEFECTIVE DOCUMENTS, CURATIVE PROVISIONS

The Association or a unit owner may petition the circuit court having jurisdiction in the county in which The Lakes' property is situated to correct an error or omission in the Declaration or any other documents required to establish The Lakes, affecting its valid existence, and which errors or omissions are not correctable by the amendment procedures in the Declaration.

ARTICLE XV

AMENDMENTS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

1. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

2. Proposal of Amendments. An amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3rd) of the members of the Association.

3. Adoption of Amendments. The amendment shall be adopted if it is approved by not less than two-thirds (2/3rds) of the entire membership of the Association.

4. Effective Date. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the By-Laws. The certificate shall be executed by the president or vice president and attested by the secretary or assistant secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are filed in the minute book for members' meetings.

6. Format. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended. New words shall be underlined and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying "SUBSTANTIAL REWORDING OF BY-LAWS. SEE BY-LAW ARTICLE ____ FOR PRESENT TEXT".

7. Amendment to the Declaration May be Required. These By-Laws shall not be amended to conflict with or be inconsistent with the Declaration unless the Declaration is also amended.

8. Consistent with Other Laws. These By-Laws shall be deemed amended in those particulars as may be required to make them consistent with any federal, state or local law or ordinance.

ARTICLE XVI

CONSTRUCTION

Whenever the context permits or requires, the singular shall include the plural, the plural shall include the singular and the use of any gender shall be deemed to include all genders.

The foregoing were adopted as the By-Laws of The Lakes Homeowners' Association, Inc., on the 8th day of February, 1984.

THE LAKES OF TALLAHASSEE
HOMEOWNERS' ASSOCIATION, INC.

By: [Signature] (SEAL)
President

ATTEST:

[Signature]
Secretary