



**FIRST AMENDED BY-LAWS
OF**

VILLAS OF LAKE DESTINY HOMEOWNERS ASSOCIATION, INC.

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1. IDENTITY. These are the By-Laws of the VILLAS OF LAKE DESTINY HOMEOWNERS ASSOCIATION, a not-for-profit Florida Corporation formed for the purpose of administering the VILLAS OF LAKE DESTINY subdivision (hereinafter "the Property"), which is located at 1010 Winderley Place, Maitland, Orange County, Florida, upon the lands described in Article I, Section 3, Declaration of Covenants and Restrictions. (The corporation shall hereafter be referred to as the "Association.")

1.1 Office. The office of the Association shall be at the contracted property management company as determined by the Board of Directors.

1.2 Seal. A seal of the Association may be adopted by the Board of Directors. If adopted, it may be changed by the Board of Directors and shall bear the name or abbreviated name of the Association, the word "Florida," the year of establishment, and shall identify the Association as a not-for-profit corporation.

1.3 Definitions. Unless otherwise provided herein, all terms used in these By-Laws shall have the same meaning, to the extent applicable, as set forth in the Declaration of Covenants and Restrictions for the Villas of Lake Destiny and the Florida Homeowners Association Act (Chapter 720.301, et. seq., Florida Statutes), all-as amended from time to time.

1.4 Governing Documents. The term Governing Documents shall mean the Declaration of Covenants and Restrictions, the Articles of Incorporation of the Association, these By-Laws, and the Rules and Regulations of the Association, and any other document referenced in the Declaration of Covenants and Restrictions as constituting part of the Governing Documents, all as amended from time to time.

1.5 Unit. The term "unit" means a townhouse unit, as described in the Declaration of Covenants and Restrictions, which is capable of separate conveyance.

2. MEMBERS. The Members of the Association shall be the record Owners of fee title to the Units. In the case of a Unit subject to an agreement for deed, the purchaser in possession shall be deemed the Owner of the Unit solely for purposes of determining voting and use rights. (The Members shall hereafter be referred to as Unit Owner(s))

2.1 Qualifications. Membership shall become effective upon the recording in the Public Records of a Deed or other instrument evidencing legal title to the Unit by the Unit Owner.

2.2 Voting Rights: Voting Interests. The Unit Owners are entitled to one (1) vote for each Unit owned by them. The total number of votes ("voting interests") is equal to the total number of Units. The vote of a Unit is not divisible. If a Unit is owned by one natural person, individually or as trustee, his right to vote shall be established by the record title to the Unit. If a Unit is owned jointly by two or more persons, that Unit's vote may be cast by any of the Owners. If two or more Owners of a Unit do not agree among themselves how their one vote shall be cast, that vote shall not be counted. If the Owner of a Unit is a corporation, the vote of that Unit may be cast by the president or

vice-president of the corporation. If a Unit is owned by a partnership, its vote may be cast by any general partner.

2.3 Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such Unit at an Association meeting as stated in Section 2.2 above, unless the joinder of all Owners is specifically required.

2.4 Termination of Membership. The termination of membership in the Association does not relieve or release any former Unit Owner from liability or obligation incurred under or in any way connected with the Unit during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former Unit Owner arising out of or in any way connected with such membership and the covenants and obligations incident thereto.

3. UNIT OWNERS MEETINGS. Unit Owners have the right to attend all Unit Owners meetings and to speak at any meeting with reference to all items opened for discussion or included on the agenda. A Unit Owner has the right to speak for at least 3 minutes on any item. The minutes of all meetings of the Unit Owners must be maintained in written form or in another form that can be converted into written form within a reasonable time.

3.1 Annual Meetings. The Association shall hold a meeting of its Unit Owners annually for the transaction of any and all proper business at the office of the Association, or at such other convenient location as may be determined by the Board of Directors, on the date and time determined by the Board for the purpose of transacting any business authorized to be transacted by the Unit Owners. Meetings shall not be held during average workweek hours (Monday-Friday, 8:00 a.m.-5:30 p.m.). The election of directors, if one is required to be held, must be held at, or in conjunction with, the annual meeting. The Board shall schedule each annual meeting no later than thirteen (13) months following the previous year's annual meeting.

3.2 Special Meetings. Special Unit Owners meetings shall be held whenever called by the President, by a majority of the Board of Directors, or by written notice from 25% of the voting interests of the Association. Business conducted at a special meeting is limited to the purposes described in the notice of the meeting. Meetings shall not be held during average workweek hours (Monday-Friday, 8:00 a.m.-5:30 p.m.).

3.3 Notice of Unit Owners Meetings. The Association shall give all Unit Owners actual notice of all Unit Owners meetings, which shall be mailed, delivered, or electronically transmitted to the Unit Owners not less than 14 days prior to the meeting. A Unit Owner must consent in writing to receiving notice by electronic transmission and will not be sent any mail service notice. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the person providing the notice and filed upon execution among the official records of the Association. In addition to mailing, delivering, or electronically transmitting the notice of any meeting, the Association shall conspicuously post the notice and the agenda.

Notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. Notice of a special meeting must include a description of the purpose or purposes for which the meeting is called. Notice of specific meetings may be waived before or after the meeting and the attendance of any Unit Owner (or

person authorized to vote for such unit owner) shall constitute such Unit Owner's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the sole and express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

3.4 Adjournment. Adjournment of an annual or special membership meeting to a different date, time, or place must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to Article 3.3 of these By-Laws. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. Notice of the adjourned meeting must be given pursuant Article 3.3 of the By-Laws to persons who are entitled to vote and are Unit Owners as of the new record date but were not Unit Owners as of the previous record date.

3.5 Election of the Board of Directors.

3.5.1 Qualifications. Every Director shall be a Unit Owner of the Association.

3.5.2 Procedure. The Unit Owners have the right to vote in person or by proxy.

~~3.5.2.1~~ A ballot prepared for use at the annual meeting shall list all Director candidates in alphabetical order. Such ballots will be used by Unit Owners voting in person or by general or limited proxy at the meeting. Sample ballots may be mailed to all voting interests with notice of the annual meeting.

The Board is authorized to establish procedures to ensure that Unit Owners do not vote twice, even if such measures compromise the secrecy of ballot voting in the election of Directors, as determined by the Board.

3.5.2.2 The Board of Directors may appoint a *nominating committee* to nominate or recommend qualified Unit Owners for election to the Board, and shall generally recruit and encourage eligible persons to run as a candidate. Any eligible person desiring to be a candidate may nominate himself as a candidate for the Board at the annual meeting.

3.5.2.3 Directors shall be elected by a plurality of the votes cast.

3.5.2.4 Tie votes shall be broken by agreement among the candidates who are tied, or if there is no agreement, by lot, such as the flipping of a coin by a neutral party.

3.5.3 The same quorum requirements for the annual meeting applies for the election of Directors of the Board (see 3.6 Quorum, below)

3.5.4 In the event that the number of candidates qualified for election is equal to or less than the open seats on the Board, no election shall be held and the qualified candidates shall be elected by acclamation as Directors of the Board.

3.6 Quorum. Thirty (30) percent of the Unit Owners must be present to constitute a quorum at a meeting of the Unit Owners. Unless otherwise provided by Florida law, the articles of incorporation, covenants and restrictions, or by-laws, decisions that require a vote of the Unit Owners must be made by the concurrence of at least a majority of the voting interests present, in person or by proxy, at a meeting at which a quorum has been attained.

3.7 Proxies. Votes may be cast in person or by proxy for any matter arising at any Unit Owner meeting, as authorized by law or the governing documents. To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it was given, and must be signed by the authorized person who executed the proxy. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and automatically expires 90 days after the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of the person who executes it. If the proxy form expressly so provides, any proxy holder may appoint, in writing, a substitute to act in his or her place.

3.8 No Quorum. If any meeting of Unit Owners cannot be organized because a quorum is not present, the Unit Owners who are present, either in person or by proxy, may, but are not required to adjourn the meeting from time to time until a quorum, is present, according to procedures set forth in By-Law Section 3.4.

3.9 Order of Business. The order of business at annual Unit Owners meetings and, as far as applicable at all other Unit Owners meetings, shall be:

- (a) Election of Chair of the meeting, if the President is unable to preside.
- (b) Proof of Notice of meeting
- (c) Introduction of nominees, to include nominee comments lasting up to three (3) minutes per nominee and up to ten (10) minutes of questions and answers for all nominees from the Unit Owners.
- (d) Election of Directors
- (e) Calling of the roll and certifying of proxies
- (f) Reading and disposing of any unapproved minutes
- (g) Public period for non-agenda issues from Unit Owners
- (h) Reports of Directors
- (i) Reports of Committees
- (j) Unfinished Business (to include public comment)
- (k) New business (to include public comment)
- (l) Adjournment

4. BOARD OF DIRECTORS. This Association operates a community as defined in Florida Statute (F.S) 720.301, and as such, must be operated by an association that is a Florida corporation.

4.1 POWERS AND DUTIES OF THE BOARD OF DIRECTORS. The officers and directors of this Association have a fiduciary relationship to the Unit Owners who are served by the Association. The powers and duties of the Association include those set forth in Chapters 617 and 720, F.S. and in the governing documents, including, but not limited to, the following:

4.1.1.1 To adopt budgets and make and collect assessments against Unit Owners to defray the costs of the Association. The Board shall prepare and adopt an annual budget. The proposed budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational facilities, whether owned by the Association, or another party. The Association shall either provide each Unit Owner with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the Unit Owner. The copy must be provided to the Unit Owner within the time limits set forth in subsection 4.2.3.

4.1.1.2 To use the proceeds of assessments in the exercise of its powers and duties.

4.1.1.3 To maintain, repair, replace, and operate the property.

4.1.1.4 To enact Rules and Regulations concerning the transfer, use, appearance, and occupancy of the property subject to any limitations contained in the Declaration of Covenants and Restrictions.

4.1.1.5 To reconstruct any association property improvements after casualty and to further improve the property.

4.1.1.6 To review, and approve or disapprove, proposed unit leases in the manner provided by the Declaration of Covenants and Restrictions, and to charge a preset fee in connection with such right of review.

4.1.1.7 by legal means the laws and the Governing Documents, and to interpret said Governing Documents, as the final arbiter of their meaning.

4.1.1.8 To contract for management of the Properties.

4.1.1.9 To carry insurance for the protection of the common area and Association property against casualty and liabilities, as desired, and pursuant to requirements contained in Chapter 617, Florida Statutes, to the extent such statutory requirements may exist from time to time.

4.1.1.10 To pay, the cost of all utility services rendered to the common area and not billed to owners of individual townhouses.

4.1.1.11 To employ personnel to be paid a reasonable compensation and grant them such duties as seem appropriate for proper administration of the purposes of the Association.

4.1.1.12 To bring and defend suits, make and execute contracts, deeds, mortgages, notes, and other evidence of indebtedness, leases, and other instruments by its officers and to purchase, own, lease, convey, and encumber real and personal property. To grant easements and licenses over the Properties necessary or desirable for proper operation of the Association.

4.1.1.13 To Enter Into Contracts for Products and Services. All contracts for the purchase, lease, or renting of materials or equipment, or *which are* not to be fully performed within one year, and all contracts for services shall be in writing.

4.1.1.14 To Suspend Use Rights and Levy Fines. The Board of Directors may, pursuant to F.S. 720.305, suspend, for a reasonable period of time, the rights of a Unit Owner, or a Unit Owner's tenants, guest, or invitees, or both, to use the common area and recreational facilities, and may levy reasonable fines against a unit not to exceed the maximum permissible by law, for failure to comply with the Governing Documents, including the Rules and Regulations, by owners,, occupants, licensees, tenants, and invitees. A fine may be imposed for each day of continuing violation at the highest rate allowed by law per violation, with a single notice and opportunity for hearing, provided that no fine shall in the aggregate exceed the maximum amount permissible by law.

4.1.1.14.1 A fine or suspension may not be imposed without notice of at least 14 days to the person sought to be fined or suspended, and an opportunity for a hearing before a committee appointed by the Board comprised of at least three members who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.

4.1.1.14.2 The requirements of this subsection do not apply to the imposition of suspensions or fines upon any Unit Owner because of the failure of the Unit Owner to pay assessments or other charges when due which may be levied or imposed without a hearing.

4.1.1.14.3 Suspension of common-area-use rights shall not impair the right of a Unit Owner or tenant of a unit to have vehicular and pedestrian ingress to and egress from the unit, including, but not limited to, the right to park.

4.1.1.14.4 The Association may not suspend the voting rights of a Unit Owner, unless otherwise permitted by law.

4.1.1.15 To Appoint Committees. The Board may, by resolution duly adopted, create committees by appointing Unit Owners thereto. Any committee shall have and may exercise such powers, duties, and

functions as may be determined by the Board from time to time, which may include any powers which may be exercised by a committee. All committees and committee members shall serve at the pleasure of the Board. A quorum at committee meetings shall consist of a majority of the appointed Unit Owners. A majority of the Board of Directors shall not serve on a committee.

4.1.1.16 To borrow money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Common Area or the acquisition of property, and granting mortgages and/or security interests in the Common Area or Association owned property; provided, however, that the *consent* of the Unit Owners of at least two-thirds (2/3rds) of the Units represented at a meeting at which a quorum has been attained in accordance with the provisions of these By-Laws shall be required for the borrowing of any sum in excess of twenty-five thousand dollars (\$25,000). If any sum borrowed by the Board of Directors on behalf of the Association pursuant to the authority contained in this subparagraph is not repaid by the Association, a Unit Owner who pays to the creditor such portion thereof as his interest in his Common Area bears to the interest of all the Unit Owners in the Common Area shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against, or which will affect, such Unit Owner's Unit.

4.1.1.17 At its discretion, to authorize Unit Owners or other persons to use portions of the Common Area for private parties and gatherings and imposing reasonable charges for such private use.

4.1.1.18 Exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws and in any Act specifically governing homeowner Associations, (ii) all powers incidental thereof and (iii) all other powers to a Florida corporation not for profit.

4.1.1.19 Contract for the services of an on-site rental manager and otherwise operate an on-site voluntary rental program.

4.1.1.20 Convey a portion of the Common Area to a condemning authority for the purpose of providing utility easements, right-of-expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

4.1.2 Number and Terms. The Board of Directors shall be comprised of three (3) duly elected Directors. To provide for a continuity of experience, a system of staggered terms of office is adopted. At the first election after which Unit Owners amend the by-law for terms of office for the Board of Directors to three (3) years, shall be as follows: Directors whose term of office expire in 2008, will run for a three (3) year term, to expire in 2011; Directors whose term of office expire in 2009, will run for either a one (1) year term or three (3) year term, to be determined by lot, such as the flipping of a coin by a neutral party, to expire in 2010 and 2012, respectively. Thereafter, all Directors shall be elected for three (3) year terms. A Director's term ends at the adjournment of the annual election at which his successor is to be duly elected, or at such

other time as may be provided by law. At the conclusion of his/her term, a Director is eligible for re-election to serve another three (3) year term, or fill a vacant Director position. All officers of a corporation, trust, partnership, or other such owner shall be deemed to be Unit Owners so as to be eligible for Board membership. A seat held by a Director who ceases to be a Unit Owner, shall thereby automatically become vacant.

4.1.3 Executive Officers. The executive officers of the Association shall be a President, Secretary, and Treasurer.

4.1.3.1 President. The President shall be the chief executive officer of the Association. The President shall have general supervision over the affairs of the Association and shall have all of the powers and duties which are usually vested in the office of President of a corporation.

4.1.3.2 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Unit Owners. He shall attend to the giving and serving of all notices to the Unit Owners and Directors and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He shall keep and have custody of the records of the Association except those of the Treasurer. He shall perform all other duties incident to the office of Secretary of the Association and as may be required by the Directors or the President.

4.1.2.3 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Unit Owners. He shall keep the books of the Association in accordance with good accounting practices and shall perform all other duties incident to the office of the Treasurer of a corporation.

4.1.2.4 Limitation of Financial Authority. Contracts in excess of five (5) percent of the operating budget of the Association must be approved by two (2) out of three (3) Directors. Section 720.3055, Fla. Stat., provides rules for competitive bids.

4.1.2.5 Compensation. Directors and Officers shall serve in their offices without pay, but shall be entitled to reimbursement for expenses reasonably incurred; provided that this provision shall not preclude the Board of Directors from employing a Director or Officer as an employee of the Association, nor preclude contracting with a Director or Officer for management services or any other service to be supplied by such Director or Officer.

4.1.4 Board Vacancies. Vacancies on the Board of Directors shall be filled by appointment by a majority vote of the remaining Directors for the remainder of the unexpired term as provided in Article 4.1.2; provided that, when a Director has been recalled by the membership, the vacancy created by his removal cannot be filled with the same person as has been removed from the Board.

4.2 Meetings. A meeting of the Board of Directors of the association occurs whenever a quorum of the Board gathers to conduct/discuss association business. All meetings of the Board must be open to all Unit Owners except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege.

4.2.1 Presiding Officer. The presiding officer at Directors meetings shall be the President. In the absence of the presiding Officer, the Directors present shall designate one of their number to preside.

4.2.2 Organizational Meeting. The organizational meeting of each newly-elected Board of Directors shall be held immediately following the annual meeting of the Unit Owners for the purpose of electing officers, unless otherwise noticed.

4.2.3 Regular Meetings. Regular meetings of the Board of Directors shall be held no less than once a quarter, at the office of the Association, or at such other convenient location as may be determined by the Board of Directors, on the date and time determined by the Board for the purpose of transacting any business authorized to be transacted by the Board. Meetings shall not be held during average workweek hours (Monday-Friday, 8:00 a.m.-5:30 p.m.). Written notice of a regular meeting must be mailed, delivered, or electronically transmitted to the Unit Owners and posted conspicuously on the property not less than seven (7) days before the meeting. A Unit Owner must consent in writing to receiving notice by electronic transmission and will not be sent any mail service notice.

Unit Owners have the right to attend all meetings of the board and to speak on any matter placed on the agenda by petition of the Voting Interests for at least three (3) minutes. The Association may adopt written reasonable rules expanding the right of Unit Owners to speak and governing the frequency, duration, and other manner of Unit Owner statements, which rules must be consistent with this paragraph and may include a sign-up sheet for Unit Owners wishing to speak.

4.2.4 Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of any two (2) Directors. Meetings shall not be held during average workweek hours (Monday-Friday, 8:00 a.m.-5:30 p.m.). Notice shall state the time, place, and purpose of the meeting. Except in an emergency, written notice of any special meeting must be mailed, delivered, or electronically transmitted to the Unit Owners and posted conspicuously on the property not less than seven (7) days before the meeting. A Unit Owner must consent in writing to receiving notice by electronic transmission and will not be sent any mail service notice. Business conducted at a special meeting is limited to the purposes described in the notice of the meeting.

4.2.5 Notice of Board Meetings Which Address Assessments and Use of Parcels. An assessment may not be levied at a board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments (refer to s. 720.303 (2)(C)(1), Fla. Stat.). Written notice of any meeting at which special assessments will be considered or at which amendments to rules regarding parcel use will be

considered must be mailed, delivered, or electronically transmitted to the Unit Owners and posted conspicuously on the property not less than 14 days before the meeting. A Unit Owner must consent in writing to receiving notice by electronic transmission and will not be sent any mail service notice. A written notice concerning changes to the rules that regulate the use of parcels in the community must include a statement that changes to the rules regarding the use of parcels will be considered at the meeting.

4.2.6 Quorum, and Voting. A quorum at Directors' Meetings shall consist of a majority of the Directors. The acts approved by a majority of Directors present at a meeting shall constitute the acts of the Board. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. A vote or abstention for each Director present shall be recorded in the minutes. Directors may not abstain from voting except in the case of an asserted conflict of interest. If at any meeting of the Board there is less than a quorum present, the Director(s) present may adjourn the meeting from time to time until a quorum is present.

4.3 Minutes of Meetings. The minutes of all meetings of the Board must be maintained in written form or in another form that can be converted into written form within a reasonable time. A vote or abstention from voting on each matter voted upon for each Director present at a Board meeting must be recorded in the minutes.

4.4 OFFICIAL RECORDS. The Association shall maintain each of the following items, when applicable, which constitute the official records of the Association:

- (a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the common areas or other property that the association is obligated to maintain, repair, or replace.
- (b) A copy of the bylaws of the Association and of each amendment to the bylaws.
- (c) A copy of the articles of incorporation of the association and of each amendment thereto.
- (d) A copy of the declaration of covenants and a copy of each amendment thereto.
- (e) A copy of the current rules of the Homeowners' Association.
- (f) The minutes of all meetings of the board of directors and of the Unit Owners, which minutes must be retained for at least seven (7) years.
- (g) A current roster of all Unit Owners and their mailing addresses and parcel identifications. The Association shall also maintain the electronic mailing addresses and the numbers designated by Unit Owners for receiving notice sent by electronic transmission of those Unit Owners consenting to receive notice by electronic transmission. The electronic mailing addresses and numbers provided by Unit Owners to receive notice by electronic transmission shall be removed from Association records when consent to receive notice by electronic transmission is revoked. However, the Association is not liable for an erroneous disclosure of the electronic mail address or the number for receiving electronic transmission of notices.

(h) All of the Association's insurance policies or a copy thereof, which policies must be retained for at least 7 years.

(i) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility. Bids received by the Association for work to be performed must also be considered official records and must be kept for a period of 1 year.

(j) The financial and accounting records of the Association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

1. Accurate, itemized, and detailed records of all receipts and expenditures.
2. A current account and a periodic statement of the account for each Unit Owner, designating the name and current address of each Unit Owner who is obligated to pay assessments, the due date and amount of each assessment or other charge against the Unit Owner, the date and amount of each payment on the account, and the balance due.
3. All tax returns, financial statements, and financial reports of the Association.
4. Any other records that identify, measure, record, or communicate financial information.

(k) A copy of the disclosure summary described in s. 720.401(1).

(l) All other written records of the Association not specifically included in the foregoing which are related to the operation of the Association.

4.5 INSPECTION AND COPYING OF RECORDS. The official records shall be maintained within the state and shall be open to inspection and available for photocopying by Unit Owners or their authorized agents, at reasonable times and places within ten (10) business days after receipt of a written request for access. This subsection may be complied with by having a copy of the official records available for inspection or copying at the office of the Association. If the Association has a photocopy machine available where the records are maintained, it must provide Unit Owners with copies on request during the inspection if the entire request is limited to no more than 25 pages.

The Association may adopt reasonable written rules governing the frequency, time, location, notice, records to be inspected, and manner of inspections, but may not impose a requirement that a Unit Owner demonstrate any proper purpose for the inspection, state any reason for the inspection, or limit a Unit Owner's right to inspect records to less than one 8-hour business day per month. The Association may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The Association may charge up to 50 cents per page for copies made on the association's photocopier. If the Association does not have a photocopy machine available where the records are kept, or if the records requested to be copied exceed 25 pages in length, the Association may have copies made by an outside vendor and may charge the actual cost of copying. The Association shall

maintain an adequate number of copies of the recorded governing documents, to ensure their availability to Unit Owners and prospective Unit Owners. Notwithstanding the provisions of this paragraph, the following records shall not be accessible to Unit Owners:

1. Any record protected by the lawyer-client privilege as described in F.S. 90.502 and any record protected by the work-product privilege, including, but not limited to, any record prepared by an Association attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the Association and was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceedings.
2. Information obtained by the Association in connection with the approval of the lease, sale, or other transfer of a parcel.
3. Disciplinary, health, insurance, and personnel records of the Association's employees.
4. Medical records of Unit Owners or community residents.

4.6 FINANCIAL REPORTING. The Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The Association shall, within the time limits set forth in subsection (4.5), provide each Unit Owner with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the Unit Owner. Financial reports shall be prepared as required by s. 720.303 (7), Fla. Stat.

4.7 Recall of Directors. Any member of the board of directors may be recalled and removed from office with or without cause by a majority of the total voting interests in accordance with s. 720.303 (10), Fla. Stat.

4.9 Indemnification.

4.9.1 The Association shall indemnify any officer, director, or committee member who was or is a party or is threatened to be made a party to any threatened, pending, or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, or committee member of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, unless (a) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court also determines specifically that indemnification should be denied. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not

act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. It is the intent of the membership of the Association, by the adoption of this provision, to provide the most comprehensive indemnification possible to their officers, directors, and committee members as permitted by Florida law.

4.9.2 Defense. To the extent that a director, officer, or committee member of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceedings referred to in Section 4.9.1 above, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

4.9.3 Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of the affected director, officer, or committee member to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized by this Article.

4.9.4 Miscellaneous. The indemnification provided by this Section 4.9 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members, or otherwise, and shall continue as to a person who has ceased to be a director, officer, or committee member and shall inure to the benefit of the heirs and personal representatives of such person.

4.9.5 Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee, or agent of the Association, or a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

4.9.6 Amendment. Anything to the contrary herein notwithstanding, the provisions of this Section may not be amended without the approval in writing of all persons whose interest would be adversely affected by such amendment.

4.9.7 Delegation. To the extent permitted by law, the powers and duties of the directors and officers may be delegated for the purpose of management.

5. FISCAL MANAGEMENT. The Association's fiscal management shall be in accordance with the following provisions:

5.1 Assessments/Acceleration. The annual assessment of the unit owners for common expenses shall be made payable in installments due monthly, quarterly or annually (as determined by the Board) in advance and shall become due on the first day

of each such period and shall become delinquent 10 days thereafter. The Association shall have the right to accelerate installments of an owner delinquent in the payment of assessments. Accelerated installments shall be due and payable on the date a claim of lien is filed and may include the amounts due for the remainder of the fiscal year for which the claim of lien was filed.

5.2 Special Assessments. Assessments for common expenses which are not provided for and funded in the Budget or an amendment to the Budget may be made by the Board of Directors, and the time of payment shall likewise be determined by them. Notice of the Board meeting at which such assessments shall be considered shall be posted and mailed to each unit owner as provided in Section 4.2.5 hereof. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice. However, upon completion of such specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the Board, either be returned to the unit owners or applied as a credit towards future assessments.

5.3 Assessment Roll. The assessments for common expenses and charges shall be set forth upon a roll of the units which shall be available for inspection at all reasonable times by unit owners. Such roll shall indicate for each unit the name and address of the owner, and the assessments and charges paid and unpaid. A certificate made by a duly authorized representative of the Association or by the Board of Directors as to the status of a unit's account may be relied upon for all purposes by any person for whom made.

5.4 Liability for Assessments and Charges. A unit owner shall be liable for all assessments and charges coming due while the owner of a unit, and such owner and owner's grantees or successors after a voluntary conveyance or other disposition of title, shall be jointly and severally liable for all unpaid assessments and charges due and payable up to the time of such voluntary conveyance. Liability may not be avoided by waiver of the use or enjoyment of any Association property or by abandonment of the unit for which the assessments are due.

5.5 Liens for Assessments. The unpaid portion of an including accelerated installments, which is due, together with all costs, interest, late fees, and reasonable attorneys' fees for collection, including appeals, shall be secured by a continuing lien upon the unit, and any tangible personal property located in the unit, except that such lien shall be subordinate to provisions and security interests of record.

5.6 Lien for Charges. Unpaid charges and fines due the Association, together with costs, interest, late fees, and reasonable attorneys' fees, shall be secured by a common law and contractual lien upon the unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association.

5.7 Collection – Interest. Administrative Late Fee; Application of Payments. Assessments, installments or charges paid on or before ten (10) days after the date due shall not bear interest, but all sums not paid on or before ten (10) days shall bear interest at the highest lawful rate from the date due until paid. In addition to such interest, the Association may charge an administrative late fee in an amount not to exceed the greater of \$25 or 5% of each installment of the assessment for which payment is late, or the maximum late fee otherwise permissible by law. All payments upon account shall be first applied to interest, then to late fees, then to any costs and reasonable attorneys' incurred, and then to the assessment payment first due.

5.8 Collection - Suit. The Association, at its option, may enforce collection of delinquent assessments or charges by suit law, by foreclosure of the lien securing the assessments or charges, or by any other remedy available under the laws of the State of Florida, and in any event the Association shall be entitled to recover the payments which are delinquent at the time of collection, judgment, or decree, together with those which have become due by acceleration or which have thereafter become due, plus interest thereon, and all costs incident to the collection and the proceedings, including reasonable attorneys' fees, incurred before trial, at trial, and on appeal. The Association may attach rental income for delinquent units and may withhold approval for the sale, lease, or other transfer of a unit, or any interest therein, until all past due assessments, interest, late fees, costs, and attorneys' fees have been paid in full. The Association shall deliver or mail by certified mail to the unit owner a written notice of its intention to foreclose the lien as provided by law.

5.9 Association Depository. The depository of the Association shall be a bank or banks or state or federal savings and loan associations with offices in Florida and other insured depositories as shall be designated -from time to time by the Directors and in which the monies for the Association shall be deposited.

5.10 Check Signing Authority. Checks written from Association accounts must have the signatures of two (2) Directors. In lieu of the unavailability of one Director, the second signature can be from a duly appointed, bonded officer of the contracted property management company.

5.11 Commingling of Funds Prohibited. All funds shall be maintained separately in the Association's name. No community association manager or business entity required to be licensed or registered under F.S. 468.432 and no agent, employee, officer or director of the association shall commingle any other homeowners' association or community association as defined in F.S. 468.431, or with those of any other entity.

5.12 Fidelity Bonds. Fidelity bonds may be obtained by the Board of Directors for those officers, Directors and employees of the Association who control or disburse Association funds. The amount of such bonds shall be determined by the Directors.

5.13 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year. The Board may adopt a different fiscal year in accordance with law and the regulations of the Internal Revenue Service.

6. PARLIAMENTARY RULES. Robert's Rules of Order (latest edition) shall be used as a guide to ensure fairness, impartiality, and respect for minority views, without unduly burdening majority rights, when not in conflict with the Not-for-Profit Corporation Act, case law, or the governing documents. The meetings of the Members shall otherwise be conducted in accordance with these By-Laws and the procedures established by the Board from time to time, including the form of voting, documents to be used. The ruling of the Chairman of the Unit Owners' meetings, who shall be the President, or Vice-President in the President's absence, of the Association unless he or the Board of Directors designates a third person, shall be binding unless contrary to law.

7. BY-LAW AMENDMENTS. Amendments to the By-Laws shall be advanced in the following manner:

7.1 Initiation. An amendment may be proposed either by a majority of the Board of Directors or by twenty-five percent (25%) of the Unit Owners.

7.2 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment will be considered.

7.3 Approval. A resolution regarding a proposed amendment must receive the approval of a majority of the voting interests of the Association, in person or by proxy, at a duly called meeting at which a quorum is present, in order to be adopted.

7.4 Effective Date. An amendment, when adopted, shall become effective only after being recorded in the Public Records of Orange County. Rules and Regulations are not required to be recorded in order to be effective.

7.5 Automatic Amendment. These By-Laws shall be deemed if necessary, so as to make the same consistent with the provisions of the Declaration of Covenants and Restrictions and the Articles of Incorporation. The Board of Directors, without a vote of the owners, may adopt, by majority vote, amendments to these By-Laws as the Board deems necessary to comply with such operational changes as may be established by future amendments to Chapters 720 and 617 of the Florida Statutes, or such other statutes or administrative regulations regulating the operation of the Association.

7.6 Proposed Amendment Format. Ballots for voting on resolutions to amend the 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; provided that, if the proposed amendment is so extensive that this procedure would hinder rather than assist understanding, a notation may be inserted in a By-Law amendment resolution immediately preceding the proposed amendment stating: "SUBSTANTIAL REWORDING OF BY-LAW PROVISION. SEE BY-LAW ARTICLE ____ FOR PRESENT TEXT." In the event that it is proposed that the By-Laws be amended in whole, such as by adoption of Second Amended By-Laws or subsequent amended By-Laws, copies of the By-Laws then in effect and the proposed amended By-Laws shall be provided with notice of the meeting at which the adoption of the proposed amended By-Laws is to be voted upon by the Unit Owners. In the event that it is proposed that the By-Laws be amended in whole, the ballot shall not be required to set forth the proposed amended By-Laws or to otherwise comply with the ballot requirements set forth in this Article 7.6 of the By-Laws."

8. DISPUTE RESOLUTION. Nothing herein shall preclude the Association from pursuing any remedy, for the violation of the Governing Documents or dispute with a unit owner or other party, as may be available to the Association under the laws of the State of Florida or the Governing Documents.

9. MISCELLANEOUS. The following miscellaneous provisions shall apply to these By-Laws and the Homeowners' Governing Documents.

9.1 Conflicts. The term "Governing Documents," as used in these By-Laws and elsewhere shall include the Declaration of Covenants and Restrictions for the Properties, the Articles of Incorporation, these By-Laws, the Rules and Regulations of the Association, the Plats, Surveys, Plot Plans, and graphic descriptions of improvements of record, and all other exhibits to the original Declaration of Covenants and Restrictions. In the event of a conflict between the language in the Declaration of Covenants and Restrictions and the graphic descriptions of record, the graphic descriptions of record shall control. In the event of a conflict between languages in any of the other Governing Documents, the following priorities shall apply:

1. Declaration of Covenants and Restrictions;
2. Articles of Incorporation;
3. By-Laws; and
4. Rules and Regulations.

9.2 Gender. The use of the term "he," "she," "his," "hers," "their," "theirs" and all other similar pronouns should be construed to include all genders and encompass the plural as well as the singular.

9.3 Severability. In the event that any provisions of these By-Laws is deemed invalid, the remaining provisions shall be deemed in full force and effect.

10. EMERGENCY BOARD POWERS. In the event of any "emergency" as defined in Section 10(g) below, the Board of Directors may exercise the emergency powers described in this section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes, as amended from time to time.

(a) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Association.

(b) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

(c) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

(d) Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Association shall bind the Association; and shall have the rebuttable presumption of being reasonable and necessary.

(e) Any officer, director, or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency Bylaws shall incur no liability for doing so, except in the case of willful misconduct.

(f) These emergency Bylaws shall supersede any inconsistent or contrary provisions of the Bylaws during the period of the emergency.

(g) For purposes of this Section only, an "emergency" exists only during a period of time that the properties, or the immediate geographic area in which the properties are located, is subjected to:

- (1) A state of emergency declared by local civil or law enforcement authorities;
- (2) A hurricane warning;

(3) A partial or complete evacuation order;

(4) Federal or state "disaster area" status; or

(5) A catastrophic occurrence, whether natural or manmade, which seriously damages or threatens to seriously damage the physical existence of the properties, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or act of terrorism.

An "emergency" also exists for purposes of this Section during the time when a quorum of the Board cannot readily be assembled because of the occurrence of a catastrophic event, such as a hurricane, earthquake, act of terrorism, or other similar event. A determination by any two (2) Directors, or by the President, that an emergency exists shall have presumptive quality.

The foregoing constitute the first amended By-Laws of the Villas of Lake Destiny Homeowners Association, Inc., and were duly adopted at a meeting of the Board of Directors held the 4 of June 2007

DATE

VILLAS OF LAKE DESTINY HOMEOWNERS ASSOCIATION, INC.

ATTEST

By: <signed [Signature]>
135 West Pineview St.
Altamonte Springs, Florida, 32714

STATE OF FLORIDA
COUNTY OF ORANGE

Before me on this 4 th day of June, 2007 David Girard, President Villas of Lake Destiny Homeowners Association, Inc. personally executed the foregoing instrument and is personally known to me. He did take an oath.

<Signed x [Signature] Notary Public

Name:

[Signature]
KRIS MAHONEY

MY COMMISSION: DD376421
EXPIRES: Dec 2, 2008
Bonded Thru Notary Public Underwriters

This document was prepared by:

