

**BY-LAWS**  
**OF**  
**VISTA LAKES COMMUNITY ASSOCIATION, INC.**

**TABLE OF CONTENTS**

**PAGE**

Article I Name, Principal Office, and Definitions .....1  
Article II Association: Membership, Meetings, Quorum, Voting, Proxies .....1  
Article III Board of Directors: Number, Powers, Meetings .....4  
Article IV Officers.....15  
Article V Committees .....16  
Article VI Miscellaneous .....17

**BY-LAWS OF**  
**VISTA LAKES COMMUNITY ASSOCIATION, INC.**

**Article I**  
**Name, Principal Office, and Definitions**

1.1 Name. The name of the corporation is Vista Lakes Community Association, Inc. (the "Association").

1.2 Principal Office. The principal office of the Association shall be located in Orange County, Florida. The Association may have such other offices, either within or outside the State of Florida, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that certain Declaration of Master Covenants, Conditions and Restrictions of Vista Lakes filed in the Public Records, as it may be amended (the "Declaration"), unless the context indicates otherwise.

**Article II**  
**Association: Membership, Meetings, Quorum, Voting, Proxies**

2.1 Membership. The Association shall have three classes of membership, Class "A," Class "B," and Class "C," as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

2.2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Properties or as convenient as possible and practical.

2.3 Annual Meetings. Annual meetings shall be held on a date to be determined by the Board which date shall be within 13 months of the preceding annual meeting.

2.4 Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Neighborhood Representatives and/or Class "A" members and Class "B" Members representing at least 10% of the combined Class "A" and Class "B" votes in the Association.

2.5 Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Association shall be delivered, either personally or by mail, to each Neighborhood Representative and Class "B" Member entitled to vote at such meeting, not less than 10 nor more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. The Board shall post a notice of any meeting of the Association at the Association's office and broadcast notice to the Association via cable or community information television channel, or other medium readily available throughout the community.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Neighborhood Representative or Class "B" Member at his address as it appears on the records of the Association, with postage prepaid.

2.6 Waiver of Notice. Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Neighborhood Representative or Class "B" Member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting by a Neighborhood Representative or Class "B" Member shall be deemed waiver by such Neighborhood Representative or Class "B" Member of notice of the time, date, and place thereof, unless such Neighborhood Representative or Class "B" Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the combined Neighborhood Representatives and Class "B" Members who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Neighborhood Representatives and Class "B" Members in the manner prescribed for regular meetings.

The Neighborhood Representatives and Class "B" Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Neighborhood Representatives and Class "B" Members to leave less than a quorum, provided that any action taken is approved by at least a majority of the votes required to constitute a quorum

2.8 Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference.

2.9 Proxies. Neighborhood Representatives may not vote by proxy but only in person or through their designated alternates. On any matter as to which a Member is entitled to personally cast the vote for his Unit or Rental Property, such vote may be cast in person or by proxy, subject to the limitations of Florida law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these By-Laws. No proxy shall be valid unless signed by the Owner of the Unit or Rental Property for which it was given or his duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Proxies shall be valid only for the specific meeting for which given and lawful adjournments of such meeting. In no event shall a proxy be valid more than 90 days after the date of the original meeting for which it was given. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit or Rental Property for which it was given or upon receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person.

2.10 Majority. As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than 50% of the total eligible number.

2.11 Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence of Neighborhood Representatives and Class "B" Members entitled to cast 10% of the combined Class "A" and Class "B" votes in the Association, and the presence of a duly appointed representative of the Class "C" Member, if any, shall constitute a quorum at all meetings of the Association.

2.12 Conduct of Meetings. The President shall preside over all meetings of the Association (a Vice President may conduct the meeting in the absence of the President), and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13 Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Association may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the

proposed action is signed by Neighborhood Representatives and Class "B" Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Neighborhood Representatives and Class "B" Members entitled to vote thereon were present. Such consents shall be signed within 60 days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Florida. Such consents shall be filed with the minutes of the Association, and shall have the same force and effect as a vote of the Neighborhood Representatives and Class "B" Members at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give written notice to all Neighborhood Representatives and Class "B" Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

### **Article III** **Board of Directors: Number, Powers, Meetings**

#### **A. Composition and Selection.**

3.1 **Governing Body; Composition.** The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one equal vote. Except with respect to directors appointed by the Class "C" Member, if any, the directors shall be Members or spouses of Members; provided, however, no Member and spouse representing the same Unit or Rental Property may serve on the Board at the same time. In the case of a Member which is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Class "C" Member, if any.

3.2 **Number of Directors.** The Board, upon the date these By-Laws are adopted, shall consist of three directors, selected as provided in Sections 3.3 and 3.5 below.

3.3 **Directors During Class "C" Control Period.** Subject to the provisions of Section 3.5, the directors shall be selected by the Class "C" Member acting in its sole discretion and shall serve at the pleasure of the Class "C" Member until the termination of the Class "C" Control Period, as provided in Section 6.3 of the Declaration.

#### **3.4 Nomination and Election Procedures.**

(a) **Nominations and Declarations of Candidacy.** Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has a bona-fide

interest in serving as a director may file as a candidate for any position to be filled by Class "A" and Class "B" votes. The Board shall also establish such other Rules and Regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient and cost-effective manner.

Except with respect to directors appointed by the Class "C" Member, nominations for election to the Board may also be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a Chairman, who shall be a member of the Board, and three or more Members or representatives of Members, with at least one representative from a Neighborhood with Exclusive Common Areas, and one representative of the Class "B" membership. The members of the Nominating Committee shall be appointed by the Board not less than 30 days prior to each annual meeting to serve a term of one year and until their successors are appointed, and such appointment shall be announced in the notice of each election.

The Nominating Committee may make as many nominations for election to the Board as it shall in its discretion determine. After the expiration of the Class "C" Control Period, the Nominating Committee shall nominate separate slates of candidates for the directors, if any, to be elected at large by all Class "A" votes, and for the designated directorships as discussed in Section 3.5 below. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates. Each candidate shall be given a reasonable, uniform opportunity to communicate his or her qualifications to the Members and to solicit votes.

(b) Election Procedures. All elections shall be held at the Association's annual meeting. Each Neighborhood Representative and Class "B" Member may cast all votes assigned to the Units which it represents for each position to be filled from the slate of candidates on which such Neighborhood Representative and Class "B" Member is entitled to vote. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

### 3.5 Election and Term of Office.

(a) Current Board. There shall be three initial directors which shall be appointed by the Class "C" Member. In addition to the initial three directors, the Board may include up to four additional directors. Up to two of the additional directors on the Board are elected by the Class "A" and Class "B" Members at the annual meeting in accordance with the election procedures set forth in the Declaration and By-Laws for election of directors. Up to two of the additional directors on the Board are selected by the Class "C" Member. The terms of the up to four additional members are one year. Until the termination of the Class "C"

Control Period (as defined in the Declaration), successors shall be selected in the same manner. All directors shall hold office until their respective successors have been selected and take office.

(b) Upon Termination of the Class "C" Control Period. Within 90 days after termination of the Class "C" Control Period, at least three of the Class "C" directors shall resign and the President shall call for an election of directors at either an annual or special meeting. The Board elected after termination of the Class "C" Control Period shall consist of three to seven members as determined by the Board in their discretion. Such Board shall be constituted as follows: two directors shall be elected by Neighborhood Representatives from portions of the Properties under the jurisdiction of Neighborhood Associations; two directors shall be elected by Neighborhood Representatives from portions of the Properties with Exclusive Common Areas and one-third (but not less than two) of the members on the Board shall be elected by Class "B" Members. Any additional directorships shall be elected at-large by all Neighborhood Representatives representing all of the Class "A" Members.

Any director elected by the Class "A" or Class "B" members who is currently serving an unexpired term upon the termination of the Class "C" Control Period shall continue to serve on the Board. Such director(s) shall fill either a designated Exclusive Common Area directorship, or a Class "B" directorship, as each director's ownership interest dictates. The remaining directorships shall be filled as set forth above in the course of the election. If the Association's annual meeting is scheduled to occur within 90 days after termination of the Class "C" Control Period, such election shall take place at the annual meeting.

Each director elected after the termination of the Class "C" Control Period shall be elected for a two year term and shall hold office until their respective successors have been elected. Approximately half of the directorships shall be filled at each annual meeting.

3.6 Removal of Directors and Vacancies. Any director elected by the Neighborhood Representatives or Class "B" Members may be removed, with or without cause, by the vote of Neighborhood Representatives or Class "B" Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Neighborhood Representatives or Class "B" Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Neighborhood Representatives or Class "B" Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent (or is the representative of a Member who is so



delinquent) in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Neighborhood Representatives or Class "B" Members entitled to fill such directorship may elect a successor for the remainder of the term.

Any director which the Board appoints shall be selected from among Members situated similarly to the director who vacated the position.

This Section shall not apply to directors appointed by the Class "C" Member nor to any director serving as a representative of the Declarant. The Class "C" Member or the Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "C" Member or the Declarant.

#### B. Meetings.

3.7 Organizational Meetings. The organizational meeting of the Board following each annual meeting of the membership shall be held at the next regularly scheduled Board meeting unless a special meeting of the Board is called.

3.8 Regular Meetings Regular meetings of the Board may be held at such time and place a majority of the directors shall determine, but at least four such meetings shall be held during each fiscal year with at least one per quarter. Notice of the time and place of a regular meeting shall be communicated to directors not less than four days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

3.9 Special Meetings. Special meetings of the Board shall be held when called by the President or Vice President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) facsimile, computer, fiber optics or such other communication device. All such notices shall be given at the director's telephone number, fax number, electronic mail number, or sent to the director's address as shown on the records of the Association. Notices of

special meetings of the Board shall be posted in a prominent place within the Properties. Notices sent by first class mail shall be deposited into a United States mailbox at least seven business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

3.10 Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors who did not receive notice and was not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.11 Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors present at such meeting may reschedule the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the rescheduled meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.12 Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by a majority of the combined Class "A" and Class "B" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board of Directors, excluding the interested director.

3.13 Conduct of Meetings. The President or Vice President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings

occurring at such meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone calls or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

3.14 Notice to Owners; Open Meetings. Except in an emergency, notice of Board meetings shall be posted at least 48 hours in advance of the meeting at a conspicuous place within the Properties which the Board establishes for the posting of notices relating to the Association. Notice of any meeting at which assessments are to be established shall state that fact and the nature of the assessment. Subject to the provisions of Section 3.15, all meetings of the Board shall be open to all Members, but attendees other than directors may not participate in any discussion or deliberation unless permission to speak is requested on their behalf by a director. In such case, the presiding officer may limit the time any such individual may speak. Notwithstanding the above, the presiding officer may adjourn any meeting of the Board and reconvene in executive session for purposes permitted by State law.

3.15 Action Without a Formal Meeting. Subject to State law, any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by a majority of the directors, and such consent shall have the same force and effect as a vote on such issue at a regularly held meeting.

### C. Powers and Duties.

3.16 Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these By-Laws, the Articles, and as provided by law. The Board may do or cause to be done all acts and things which the Declaration, Articles, these By-Laws, or Florida law do not direct to be done and exercised exclusively by the Neighborhood Representatives or the membership generally.

3.17 Duties. The duties of the Board shall include, without limitation:

(a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses and any Neighborhood Expenses;

(b) levying and collecting such assessments from the Owners;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending Use Restrictions and Rules and Regulations in accordance with the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any prospective purchaser of a Unit or Rental Property, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit or Rental Property, current copies of the Governing Documents and all other books, records, and financial statements of the Association as provided in Section 6.4 and by State law;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(o) hosting or sponsoring events and functions (with or without charging fees), publishing and distributing information and newsletters (in whatever medium it deems suitable) and promoting, enhancing, and carrying on any activities which it believes to be in the best interests of the Association;

(p) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is permitted by Florida law, the Articles of Incorporation or the Declaration; and

(q) assisting in the resolution of disputes between owners and others without litigation, as set forth in the Declaration.

3.18 Right of Declarant to Disapprove Actions. So long as the Declarant owns any property described on Exhibits "A" or "B" to the Declaration, the Declarant shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or Builders under the Declaration or these By-Laws, or interfere with development or construction of any portion of the Properties, or diminish the level of services being provided by the Association.

(a) The Declarant shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, which notice complies as to the Board meetings with Sections 3.7, 3.8, 3.9, and 3.10 and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting; and

(b) The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Declarant, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject

committee. The Declarant, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

**3.19 Management.** The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policymaking authority or those duties set forth in Sections 3.17(a), 3.17(b), 3.17(f) 3.17(g) and 3.17(i). The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

The Association shall not be bound, either directly or indirectly, by any management contract executed during the Class "C" Control Period unless such contract contains a right of termination exercisable by the Association, with or without cause and without penalty, at any time after termination of the Class "C" Control Period upon not more than 90 days' written notice.

**3.20 Accounts and Reports.** The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles; .

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(e) commencing at the end of the quarter in which the first Unit or Rental Property is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution); and

(f) an annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any first Mortgage on a Unit or Rental Property, the Association shall provide an audited financial statement. During the Class "C" Control Period, the annual report shall include certified financial statements.

3.21 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain approval for borrowing in the same manner as Special Assessments are approved pursuant to Section 8.4 of the Declaration if the proposed borrowing shall be greater than 50% of the budget of Common Expenses.

3.22 Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, within and outside the Properties; provided, any common management agreement shall require the consent of a majority of the total number of directors of the Association.

3.23 Enforcement. Prior to exercising certain enforcement rights set forth in Section 7.4 of the Declaration and taking other actions specified in the Governing Documents, the Association shall comply with the following notice and hearing procedures:

(a) Notice. Prior to imposition of any sanction hereunder or under the Declaration, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 14 days within which the alleged violator may present a written request for a hearing to the Covenants Enforcement Committee appointed pursuant to Article V; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 14 days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; provided the Covenants Enforcement Committee may, but shall not be obligated to, suspend any proposed sanction. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(b) Hearing. If a hearing is requested within the allotted 14-day period, the hearing shall be held before the Covenants Enforcement Committee in executive session at its next regularly scheduled meeting. Prior to such hearing, the Association shall offer the alleged violator a mediation session before a mediation committee appointed by the council of directors, which session the alleged violator may accept or reject in his or her discretion. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. Following a hearing before the Covenants Enforcement Committee, the violator shall have the right to appeal the decision to the Board of Directors. To exercise this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within 10 days after the hearing date.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Governing Documents by selfhelp (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules) or, following compliance with the dispute resolution procedures set forth in Article XIV of the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary



damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

#### Article IV Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The officers shall be elected from among the members of the Board. The Board may appoint such other assistant officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. These assistant officers may but need not be members of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the Association, to serve until their successors are elected.

4.3 Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served; however, membership on the Board shall be retained. The Board may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6 Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

4.7 Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12.

## **Article V** **Committees**

5.1 General The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

5.2 Covenants Enforcement Committee. In addition to any other committees which the Board may establish pursuant to Section 5. 1, the Board shall appoint a Covenants Enforcement Committee consisting of at least three and no more than seven members which complies with the requirements of chapter 617.301 et seq. Florida Statutes. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Enforcement Committee shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.23 of these By-Laws.

5.3 Neighborhood Committees. In addition to any other committees appointed as provided above, each Neighborhood which has no formal organizational structure or association shall elect a Neighborhood Committee to determine the nature and extent of services, if any, to be provided to the Neighborhood by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Neighborhood Committee may advise the Board on any other issue, but shall not have the authority to bind the Board. Such Neighborhood Committees, if elected, shall consist of three to five Members, as determined by the vote of at least 10% of the combined Class "A" and Class "B" votes within the Neighborhood. If at least 10% of the combined Class "A" and Class "B" votes within the Neighborhood fail to attend the Neighborhood election at which the Neighborhood Committee is to be elected, the Board shall appoint such committee members.

Neighborhood Committee members shall be elected for a term of one year or until their successors are elected. Any director elected to the Board of Directors from a Neighborhood shall be an ex officio member of the Neighborhood Committee. The Neighborhood Representative representing such Neighborhood shall be the chairperson of the Neighborhood Committee, shall preside at its meetings, and shall be responsible for transmitting any and all communications to the Board.

In the conduct of its duties and responsibilities, each Neighborhood Committee shall abide by the procedures and requirements applicable to the Board of Directors set forth in Sections 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14, and 3.15;

provided, however, the term "Neighborhood Representative" shall refer to the Owners of Units or Rental Property within the Neighborhood.

## **Article VI Miscellaneous**

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Declaration, or these By-Laws.

6.3 Conflicts. If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Florida law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

### 6.4 Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make the books and records of the Association, as defined by State law, available for inspection and copying by any Person entitled under State law. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate. The rules for inspection of the Association's books and records shall follow State law.

(b) Inspection by Directors. Every director shall have the right at any reasonable time with advanced written notice or scheduled appointment to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5 Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, or other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member or Neighborhood Representative, at the address which the Member or Neighborhood Representative has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit or Rental Property of such Member or Neighborhood Representative; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

#### 6.6 Amendment.

(a) By Class "C" Member. Prior to termination of the Class "C" Control Period and subject to the approval requirements of Article XVI of the Declaration, if applicable, the Declarant may unilaterally amend these By-Laws, provided the amendment has no material adverse effect upon any right of any Member. After termination of the Class "C" Control Period, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units or Rental Property; or (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units or Rental Property; provided, however, any such amendment shall not adversely affect the title to any Unit or Rental Property unless the Owner shall consent thereto in writing.

(b) By Members Generally. In addition and subject to the amendment procedures set forth above, these By-Laws may be amended at a regular or special meeting of the Board, by a vote of a majority of the Board; provided that any such amendment adopted by the Board shall not be materially adverse to the rights or interests of any Member without a vote of the membership. Material amendments to these By-Laws may be adopted with the affirmative vote or written consent, or any combination thereof, of (i) at least 51% of the combined Class "A" and Class "B" votes in the Association, and (ii) the Class "C" Member, if any. In addition, the approval requirements set forth in Article XVI of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon recordation in the Public Records, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "C" Member, so long as the Declarant owns any property

within the Properties without the written consent of the Declarant, the Class "C" Member, or the assignee of such right or privilege.

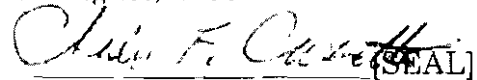
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Vista Lakes Community Association, Inc., a Florida corporation;

That the foregoing By-Laws constitute the By-Laws of said Association, as duly adopted in that Consent in Lieu of Organizational Meeting of the Directors of Vista Lakes Community Association, Inc.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 11 day of August, 2000.

 (SEAL)

Charles F. Cavaretta  
Secretary