

Bylaws of
Lily Lake Property Owners Association, Inc.
(A corporation not for profit)
Amended March 2008

These Bylaws of Lily Lake Property Owners Association, Inc. are made and adopted by the board of directors of the corporation for the regulation of the business and for the conduct of the affairs of the Corporation.

It is intended that these Bylaws conform to the provisions of Chapter 720, Florida Statutes, as amended from time to time. In the event of any conflict between these Bylaws and Chapter 720, the provisions of 720 shall control.

Article I
Meetings of the Corporation Members

Section 1 Annual Meetings: An annual meeting of the members of this corporation shall be held at a time and place designated by the board of directors of the corporation during the month of March of each year. This meeting shall be held for the purpose of the election of the directors of the corporation and the transaction of such other business as may come before the meeting.

Section 2 Special Meetings: Special meetings of the members of the corporation shall be held when directed by the president, the board of directors or not less than 10% of the members having voting rights, when requested in writing. A meeting requested by the members of the corporation shall be called for a date not less than 14, nor more than 60 days after the request is made, unless the members of the corporation requesting the meeting shall designate a later date. The notice of the meeting shall be issued by the secretary, unless the president, board of directors or the members requesting the meeting shall designate another person to do so.

Section 3 Place: Meetings of members of the corporation shall be held at a location designated by the president.

Section 4 Notice of Meetings: Written or printed notice stating the place, day, and hour of any meeting of members of the corporation and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by mail or personally, by first class mail, or electronically transmitted to each member entitled to vote at such meetings, not less than 10 nor more than 60 days before the date of such meeting, by the president, the secretary or board of directors or any other persons calling the meeting. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the US mail addressed to the member at their address as it appears on the records of the

corporation, with postage thereon prepaid. Said notice, however, may be waived in writing by any or all members of the corporation.

Section 5 Membership records: The secretary of the corporation shall make and maintain, a current and complete list of the members of the corporation and the number of the votes each said member has at all corporation meetings. The secretary shall also maintain to the best of their knowledge, information and belief, current mailing addresses and parcel identifications for all members. The association shall also maintain electronic mailing addresses, and the numbers designated by members for receiving notice sent by electronic transmission of those members consenting to receive notice by electronic transmission. The electronic mailing addresses and numbers provided by unit owners to receive by electronic transmission shall be removed from the 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.

Section 6 Membership Quorum and Voting: Thirty (30%) percent of the general membership entitled to vote, represented in person or proxy, shall constitute a quorum at a meeting of the general membership.

If a quorum of votes is present in person or by proxy, the affirmative vote of the majority, of said votes represented by person or by proxy at said meeting shall constitute the action of the members of this corporation, unless the vote of a greater number is required by law.

Section 7 Proxies: Every member entitled to vote at a meeting of corporation members may authorize another person to act for him by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid beyond the expiration of six (6) months from the date thereof, unless otherwise provided in the proxy.

Section 8 Membership Voting: At any annual or special meeting of the members of the corporation, each member owner, owning a lot, shall be entitled to one vote for each lot owned by such member owner. If there shall be more than one member owning a particular lot, any one of the member owners present at a meeting may vote for such lot as a member; provided, that if there shall be more than one member owner present for any one lot, then the vote for such lot may be by such member owner who shall be designated in writing by a majority of the owners of the lot.

Article II Directors

Section 1 Function: All corporate power shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of the board of directors.

Section 2 Qualification: Directors need not be residents of the State of Florida however, they must be a member of the corporation.

Section 3 Duties of Directors: A director shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the corporation, and with such care as an ordinary prudent person in a like position would use under similar circumstances. In performing his duties, a director shall be entitled to rely on information, opinion, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented.

(b) Counsel, public accountants or their persons as to matters which the director reasonably believes to be reliable and competent in the matters presented.

(c) A committee of the board upon which he does not serve, duly designated in accordance with a provision of the Articles of Incorporation or the Bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

A person who performs his duties in compliance with this section shall have no liability by reason of being or having been a director of the corporation.

Section 4 Presumption of Assent: A Director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken, shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

Section 5 Number: This corporation shall have 5 directors. Each term will be for 2 years. The number may be increased or decreased from time to time by amendment to these Bylaws, but no decrease shall have the effect of shortening the terms of incumbent directors, and the number of directors shall never be less than 5 (five).

Section 6 Election & Term: At each annual meeting of the members of the corporation, the members shall elect directors to hold office until the next succeeding meeting. Each director shall hold office for the term for which he was elected and until his successor shall have been elected and qualified or until his earlier resignation, removal from office, or death.

Section 7 Vacancies: Any vacancy occurring in the board of directors, including any vacancy created by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the remaining directors. A director appointed to fill a vacancy shall hold office only until the next election of directors or his or her earlier resignation, removal from office, or death.

Section 8 Quorum: A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board, but if less than a majority of the directors are present at any meeting, a majority of the directors present may adjourn the meeting to another time and place, without further notice. The act of a majority of directors present at a meeting at which a quorum is present shall constitute the act of the board of directors.

Section 9 Board Meetings:

(a) A meeting of the Board of Directors of an association occurs whenever a quorum of the Board gathers to conduct association business. Meetings of the board must be open to all members 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.

(b) Members have rights 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 3 minutes. The association may adopt written reasonable rules expanding the right of members to speak and governing the frequency, duration and other manner of member statement, which rules must be consistent with this paragraph and may include a sign-up sheet for the members wishing to speak. Notwithstanding any other law, the requirement that board meetings and committee meetings be open to the members is inapplicable to meetings between the board or a committee and the association's attorney, with respect to meetings of the board held for the purpose of discussing personnel matters.

(c) The bylaws provide for giving notice to parcel owners and members of all board meetings.

1. Notice of all board meetings will be posted in a conspicuous place at least 48 hours in advance of a meeting, except in an emergency. Also, a schedule of board meetings may be posted as well. Notice of meetings may be given by electronic transmission in a manner authorized by law for meetings of

the board of directors, committee meetings requiring notice under this section, and annual and special meetings of the members, however a member must consent in writing to receiving notice by electronic transmission.

2. An assessment may not be levied at a board meeting unless a written notice of the meeting is provided to all members at least 14 days before the meeting, which notice includes a statement that assessments will be considered at the meeting and the nature of the assessments. Written notice of any meeting at which special assessments will be considered or at which rules that regulate the use of parcels in the community may be adopted, amended, or revoked, must be mailed, delivered, or electronically transmitted to the members and parcel owners and posted conspicuously on the property or broadcast on closed circuit cable television not less than 14 days before the meeting. 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.

3. 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. This subsection also applies to the meetings of any committee or other similar body, when a final decision will be made regarding the expenditure of association funds, and to anybody vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the community.

(d) If 20 percent of the total voting interests petition the board to address an item of business, the board shall at its next regular board meeting or at a special meeting of the board, but not later than 60 days after the receipt of the petition, take the petitioned item up on an agenda. The board shall give all members notice of the meeting at which the petitioned item shall be addressed in accordance with the 14-day notice requirement pursuant to subparagraph (c) 2. Each member shall have the right to speak for at least 3 minutes on each matter placed on the agenda by petition, provided that the member signs the sign up sheet, if one is provided, or submits a written request to speak prior to meeting. Other than addressing the petitioned item at the meeting, the board is not obligated to take any other action requested by the petition. Meetings of the board of directors may be called by the president or by any two (2) directors.

Article III **Officers**

Section 1 Officers: The officers of this corporation shall consist of a (1) President, (2) Vice President, (3) Secretary, (4) Treasurer, and (5) Director at large each of whom will be elected by the board of directors at the first meeting of directors immediately following the annual meeting of members of this corporation, and they shall serve until their successors are chosen and qualified.

Officers may be, but need not be, a member of the board of directors. Such other officers and assistant officers and agents as may be deemed necessary by the board of directors may be elected or appointed by the board of directors from time to time. Any two (2) or more offices may be held by the same person.

Section 2 Removal of Officers: Any officer or agent elected or appointed by the board of directors may be removed by the board whenever, in its judgment, the best interests of the corporation will be served thereby. Any vacancy, however occurring, in any office may be filled by the Board 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.

Section 3 Powers & Duties: The officers of the corporation shall have the following powers and duties:

President and the Vice President in the absence of the president, shall be the chief executive officer of the corporation, shall have general and active management of the business and affairs of the corporation, subject to the direction of the board of directors, and shall preside at all meetings of the members and board of directors.

The Secretary shall have custody of, and maintain, all corporate records except the financial records, shall record the minutes of all the meetings of members and board of directors. Send all notices of meetings and perform such other duties as may be prescribed by the board of directors or the president.

The Treasurer shall have custody of all corporation funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the annual meeting of the general membership and whenever else required by the board of directors, and shall perform such other duties as may be prescribed by the board of directors or the president.

Article IV **Books and Records**

Section 1 Books and Records: Minutes of all meetings of the members of the association and of the board of directors of the association will 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.

Official Records: The association shall maintain each of the following items when applicable, which constitutes the official records of the association:

(a) Copies of 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 by-laws.

(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) A current roster of all members and their mailing addresses and parcel identifications. The association shall also maintain the electronic mailing addresses and the numbers designated by members for receiving notice sent by electronic transmission of those members consenting to receive notice by electronic transmission. The electronic mailing addresses and numbers provided by unit owners to receive by electronic transmission shall be removed from the 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.

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

(h) 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.

(i) 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 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 member, designating the name and current address of each member who is obligated to pay assessment, the due date and the

amount of each assessment or other charge against the member, 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.

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

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

1. Inspection and copying of records: The official records are open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within 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 in the community. If the association has a photocopy machine available where the records are maintained, it must provide parcel owners with copies on request during the inspection if the entire request is limited to no more than 25 pages.

Article V **Corporate seal**

The corporate seal of the corporation shall be in a circular form and shall be in the same form as that affixed to the margins of these by-laws.

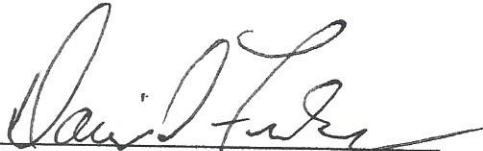
Article VI **Rules and Regulations**

The board of Directors of the corporation shall have the authority, at any time and from time to time, to adopt and promulgate rules and regulations governing the use and occupancy of the property of Lily Lake POA, provided, however, these rules and regulations do not alter or are not in contravention of any of the provisions of any restrictions of record in the public records for Polk County Florida. These rules and regulations may be amended, modified or revoked, in whole or in part, at any time and from time to time, by the board of directors of the corporation.

Article VII
Amendment

These bylaws may be repealed or amended, and new bylaws may be adopted, by a vote of a majority of the directors, necessary to constitute a quorum as set forth in Section 8 of Article 2 hereof.

THE FOREGOING BYLAWS WERE ADOPTED AS THE BYLAWS OF LILY LAKE PROPERTY OWNERS ASSOCIATION, INC. A FLORIDA NON-PROFIT CORPORATION, BY THE BOARD OF DIRECTORS OF THE CORPORATION.


Secretary of the Corporation

Approved:


President of the Corporation