

2006 AMENDED AND RESTATED BY-LAWS
OF
HAMPTON LAKES OF DAVENPORT HOMEOWNERS ASSOCIATION, INC.

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**2006 AMENDED AND RESTATED
BY-LAWS
OF
HAMPTON LAKES OF DAVENPORT HOMEOWNERS ASSOCIATION, INC.**

WHEREAS, Hampton Lakes of Davenport Homeowners Association, Inc., f/k/a Hampton Estates Homeowners Association, Inc., and f/k/a The Palms at Hampton Lakes Community Association, Inc., a Florida not-for-profit corporation (the “Association”) previously adopted By-Laws on November 10, 1997, and recorded the same as Exhibit “F” to the Master Declaration of Covenants, Conditions and Restrictions for The Palms at Hampton Lakes, recorded on November 20, 1997, on the Public Records of Polk County, Florida, at Official Records Book 3933, Page 0225, *et seq.* (the “1997 By-Laws”); and

WHEREAS, the 1997 By-Laws were amended, as set forth in the Amendment to the Master Declaration of Covenants, Conditions and Restrictions for The Palms at Hampton Lakes, recorded on March 15, 1999, on the Public Records of Polk County, Florida, at Official Records Book 4202, Page 1785, *et seq.*; and

WHEREAS, the Association adopted the Amended and Restated By-Laws of Hampton Estates Homeowners Association, Inc., a copy of which is attached as Exhibit “F” to the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for The Palms At Hampton Lakes, recorded on September 20, 2000, on the Public Records of Polk County, Florida, at Official Records Book 04536, Page 0448 *et seq.* (the “2000 By-Laws”); and

WHEREAS, the 2000 By-Laws were amended, as set forth in the 2005 Amendment to the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Hampton Estates Homeowners Association, Inc., recorded on August 11, 2005, on the Public Records of Polk County, Florida, at Official Records Book 06340, Page 2212, *et seq.*

NOW, THEREFORE, in accordance with Article VII of the 2000 By-Laws, as amended, and upon the recommendation of the Transition Committee of the Hampton Estates Homeowners Association, Inc., and being approved by the Members of the Association at a meeting held on December 15, 2005, the Association hereby amends and restates the By-Laws of the Association in their entirety effective January 1, 2006, by replacing the 2000 By-Laws, as amended, with these 2006 Amended and Restated By-Laws, as follows:

Article I
Name, Principal Office, and Definitions

1.1. Name. The name of the corporation is Hampton Lakes of Davenport Homeowners Association, Inc. (the "Association").

1.2. Principal Office. The Association's principal office shall be located in the State of Florida in such location as the Board of Directors (the "**Board**") determines or as the Association's affairs require.

1.3. Definitions. The words used in these By-Laws shall have their normal, commonly understood definitions. Capitalized terms not otherwise defined in these By-Laws shall have the same meaning as set forth in the 2006 Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Hampton Lakes of Davenport Homeowners Association, Inc., as it may be amended, or amended and restated, from time to time ("Declaration"), unless the context indicates otherwise, which provisions are incorporated herein by this reference. The interpretation of certain references, as set forth in the Declaration, shall also apply to the words used in these By-Laws.

Article II
Membership: Meetings, Quorum, Voting, Proxies

2.1. Membership. The Association shall have one class of membership. A "Member" shall be every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject to assessment by the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. There shall be only one membership per Lot. If a Lot is owned by more than one person, all co-owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in these By-Laws and the Declaration.

2.2. Change of Membership. Change of membership in the Association shall be established by recording a deed or other instrument conveying record fee title to any Lot. The grantee named in such instrument shall, by acceptance of such instrument, become a Member of the Association, and the membership of the prior Owner shall terminate. The new Owner shall deliver a copy of the conveyance instrument to the Association within 14 days after the conveyance and the new Owner shall not be entitled to voting privileges until the same has been received by the Association. The foregoing shall not, however, limit the Association's powers or privileges, and the new Owner shall be liable for accrued and unpaid fees and assessments attributable to the Lot acquired.

2.3. Place of Meetings. The Association shall hold meetings at its principal office or at such other place as the Board may designate.

2.4. Annual Meetings. The Board shall set the date and time of subsequent regular annual meetings to occur within thirteen months of the previous meeting of the Members. Annual meetings may be conducted electronically (*i.e., via* the Internet, intranet, or teleconference) if and to the extent permitted by law.

2.5. Special Meetings. The President may call a special meeting of the Association. It also shall be the President's duty to call a special meeting if so directed by Board resolution, or upon written petition of Members representing at least 10% of the votes in the Association, or such lower percentage as may be required in these By-Laws, or if so directed by the Declarant prior to the Turnover. If the President does not call a special meeting pursuant to this Section within 30 days after the date such written petition is delivered to the Association's Secretary, any Member signing the petition may set the time and place of the special meeting and give the Association notice pursuant to Section 2.6.

2.6. Notice of Meetings. The Association's Secretary shall cause written notice stating the place, day, and hour of any Association meeting to be given in any manner permitted by applicable law. If permitted by law, notice may be posted in a conspicuous, prominent place within the Community, delivered by hand delivery, or sent by facsimile, electronic mail, or other electronic communication device, or such other manner which is reasonably calculated, as the Board determines in its discretion, to provide personal notice to Members. Notice shall be given at least 15, but not more than 60, days before the date of the meeting, by or at the direction of the President, the Secretary, or the officers or Persons calling the meeting.

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

If posted, notice shall be deemed given when posted. If mailed, the notice of a meeting shall be deemed given when deposited in the United States mail addressed to the Member at his or her address as it appears on the Association's records, with postage prepaid. If sent by facsimile, electronic mail, or other electronic communication device, notice shall be deemed delivered when transmitted to the Member at his or her address, e-mail address or telephone or fax number as it appears on the Association's records. Failure to receive actual notice of an Association meeting shall not affect the validity of any action taken at such meeting.

2.7. Waiver of Notice. Waiver of notice of an Association meeting shall be the equivalent of proper notice. Any Member may waive, in writing, notice of any Association meeting, either before or after such meeting. A Member's attendance at a meeting, either present in person or by proxy, shall be deemed a waiver by such Member of notice of the meeting, unless the 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 a waiver of notice of all business transacted at the meeting, unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.8. Adjournment of Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the Members who are present, either in person or by proxy, may

adjourn the meeting from time to time until a reduced quorum as provided in Section 2.12 hereof is present. Proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

2.9. Voting. Members shall have such voting rights as are set forth in the Declaration, which provisions are incorporated herein by this reference.

2.10. Proxies. On any matter as to which a Member is entitled personally to cast the vote for his or her Lot, such vote may be cast in person or by proxy, subject to applicable law.

Every proxy must be in writing, specifying the Lot(s) for which it is given, signed by the Member or his or her duly authorized attorney-in-fact, dated, and filed with the Association's Secretary or person presiding over the meeting prior to or during the roll call for the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, the Secretary of the Association shall cast all proxy votes as filed. A proxy may be General or Specific. A General Proxy will allow the person voting the proxy to cast said vote as he or she deems in the best interest of the Association. A Specific Proxy shall provide the person voting the proxy with instructions on how to cast the proxy vote. A General Proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast. In the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, the later, if the timing of the execution thereof can be determined, shall prevail, otherwise both shall be deemed invalid.

Every proxy shall be revocable and shall automatically cease upon: (a) conveyance of any Lot(s) for which it was given; (b) the receipt of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is an individual by the Secretary or the person presiding over a meeting of the Association; or (c) 90 days from the meeting date for which the proxy was originally given.

2.11. 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 Members present, voting in person or by proxy, at any annual or special meeting of the Members where a quorum is present.

2.12. Quorum. Except as these By-Laws or the Declaration otherwise provide, Members or their proxies entitled to cast ten (10%) percent or more of the total votes in the Association shall constitute a quorum at all Association meetings. If no quorum is present at such a meeting, the meeting may be adjourned and reconvened at a later time. At such reconvened meeting, Members or their proxies entitled to cast five (5%) percent or more of the total votes in the Association shall constitute a quorum. Such reconvened meeting need not be noticed in accordance with Section 2.6 of these By-Laws, but rather may be noticed informally at the adjourned meeting by any available means

2.13. Conduct of Meetings. The President shall preside over all Association meetings at which he or she is present, and the Secretary shall keep (or cause to be kept) the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring

at such meetings. Declarant and Owners may record (audio and visual images) Association meetings subject to such reasonable rules as the Board may impose.

2.14. Action Without a Meeting. Notwithstanding any provision in Section 2.11 and 2.12 and without holding a meeting pursuant to Sections 2.4 or 2.5, Members may take any action that applicable law requires or permits the Members to take at a meeting (subject to any limitations in the Governing Documents), if approved by Members representing at least the minimum number of votes in the Association necessary to authorize such action at a meeting, if all Members entitled to vote were present and voted. Such approval shall be evidenced by one or more written consents specifically authorizing the proposed action, dated and signed by Members holding the requisite votes and delivered to the Association's principal place of business or to any officer of the Association having custody of the book in which proceedings of meetings of members are recorded. Written consent shall not be effective to take the corporate action referred to in the consent unless the consent is signed by members having the requisite number of votes necessary to authorize the action within 60 days of the date of the earliest dated consent and is delivered in the manner required by this section. The Association need not give prior notice before soliciting such consent. The Association's Secretary shall file (or cause to be filed) such consents with the Association's minutes and the consents shall have the same force and effect as a vote of the Members at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give (or cause to be given) written notice to all Members entitled to vote who did not give their written consent, fairly summarizing the material features of the authorized action.

2.15. Order of Business. The order of business at all annual meetings of the Members shall be as follows: (a) roll call to determine whether a quorum is represented; (b) proof of notice of the meeting or waiver of notice; (c) reading of (or waiver of reading) minutes of the preceding meeting; (d) reports of officers, if any; (e) reports of committees, if any; (f) election of inspector(s) of election if an election is to be held; (g) election of directors if applicable; (h) unfinished business, if any; and (i) new business.

Article III

Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1. Governing Body; Composition. The Board shall govern the Association's affairs. Each director shall have one vote. Directors must be Members, or authorized representatives of Members, in good standing within the Community, except in the case of directors that the Declarant appoints prior to the Turnover. A director must be an individual who is at least 18 years old. No more than one representative of any Member which is a legal entity, nor more than one occupant of any Lot, shall serve on the Board at a time, except in the case of directors that the Declarant appoints.

3.2. Number of Directors. The affairs of this Association shall be governed by a Board of Directors composed of not less than three (3) nor more than nine (9) persons as is determined from time to time by the Members.

3.3. Directors During Declarant Control Period. The Declarant shall have complete discretion in appointing, removing, and replacing directors during the Declarant Control Period, except as otherwise provided in Section 3.5.

3.4. Director 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 every eligible person who has an interest in serving as a director may file as a candidate for any director position. Nominations for election to the Board also may be made by a nominating committee. The nominating committee, if any, shall consist of a Chairman, who shall be a Member, and two or more Members or representatives of Members, all appointed by a majority of the Board. The nominating committee, if any, may make as many nominations for election to the Board as it shall in its discretion determine. The Board also shall permit nominations from the floor at any election meeting.

The Board shall give each candidate a reasonable, equal opportunity to communicate his or her qualifications to the Members and to solicit votes.

(b) Election Procedures. A Member may cast the vote(s) assigned to the Lot(s) which he or she owns for each position to be filled at an election. Cumulative voting is not allowed. Proxy voting is allowed. That number of candidates equal to the number of positions to be filled who receive the greatest number of votes shall be elected.

3.5. Election and Term of Office. Except as these By-Laws may otherwise specifically provide, election of directors shall take place at the Association's annual meeting. Notwithstanding any other provision of these By-Laws:

Prior to the Turnover, all directors shall be appointed by the Declarant.

After the Turnover, the Declarant shall have no authority within the Association.

At the first meeting of the Members at or following the Turnover, whether a special or annual meeting (the "Turnover Meeting"), the Members shall elect a new slate of directors which shall be divided into two classes for purposes of the term of office, with each class having, if possible, the same number of Board members. The initial members of the first class of directors shall be the persons who received the greatest number of votes at the election of directors at the Turnover Meeting constituting the majority of the total number of directors elected. The initial members of the second class of directors shall be the persons who received the next greatest number of votes at the election of directors at the Turnover Meeting constituting the minority of the total number of directors elected. The initial members of the first class of directors shall serve until the annual meeting of the Members held on or about the date two years following

their election. The member(s) of the second class of directors shall serve until the annual meeting of the Members held on or about the date one year following their election.

At each annual meeting of the Members following the Turnover Meeting, the class of directors whose term has expired shall be elected to serve until the annual meeting of the Members held on or about the date two years following their election. Prior to the election of directors, the Members may act to change the number of directors to be elected to serve for the following year. Should the Members decide to increase the number of directors, the term of those elected shall be determined based on two criteria; 1) the primary intent will be that as close to half of the directors shall stand for election at each annual meeting, 2) the number of candidates with the greatest number of votes shall serve a two-year term. For example, if at the first annual meeting following Turnover, the Members decide to increase the number of directors from three to four, the candidate receiving the greatest number of votes shall be elected to serve a two-year term. If the Members decide to increase the number of directors from three to nine, the two candidates receiving the greatest number of votes shall serve a two-year term, with the candidates receiving the next greatest number of votes serving a one-year term.

Should the Members decide to lower the number of directors at subsequent annual meetings, then the primary intent of having as close to one-half of the director positions stand for election each year shall be maintained. The Members present shall determine how such reduction in directors shall be accomplished, but there shall never be less than three directors.

Notwithstanding anything contained in this Section to the contrary, each director shall continue to serve until his or her successor shall be duly elected and qualified to serve, unless such director resigns, dies, is judicially adjudicated mentally incompetent or is removed in the manner provided in Section 3.6 below before the expiration of his or her term of office. Any person serving as a director may be reelected, without restriction, and there shall be no limitation on the number of terms during which he may serve. In the event that an annual meeting of the Members is not held, or, if at the annual meeting, the class of directors up for election is not so elected, the class of directors up for election may be elected at a special meeting of the Members held for that purpose.

3.6. Removal of Directors and Vacancies. Any director may be removed, with or without cause, by the vote of at least two-thirds (2/3) of the Members present, voting in person or by proxy, at any annual or special meeting of the Members where a quorum is present. 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 Members to fill the vacancy for the remainder of such director's term. The applicable provisions of Florida Statutes shall control any removal of directors.

Any director who has three consecutive unexcused absences from Board meetings, or who is more than 60 days delinquent (or occupies a Lot for which assessments are so delinquent) in the payment of any assessment or other charge due the Association may be suspended or removed by a majority vote of the Board, excluding the director at issue. If the director is removed by the Board pursuant to this provision, 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 Members may elect a successor for the remainder of the term. If they fail to do so, the Board may appoint another director to fill the vacancy until filled by election.

This Section shall not apply to directors the Declarant appoints nor to any director serving as Declarant's representative prior to Turnover. Such directors may be removed and replaced only by the Declarant. 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 Declarant.

B. Meetings.

3.7. Organizational Meetings. The Board shall hold a meeting promptly after the Turnover Meeting, at such time and place as the Board shall fix.

3.8. Regular Meetings. The Board may hold regular meetings at such time and place as the Board shall determine.

3.9. Special Meetings. The Board shall hold special Board meetings when called by written notice signed by the President, Vice President, Secretary or any two directors. Prior to Turnover, the Declarant may also call a special Board meeting.

3.10. Notice; Waiver of Notice.

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The Board shall give notice to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone (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 (iv) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address, each as shown on the Association's records. Notices sent by first class mail shall be deposited into a United States mailbox at least 7 business days before the time set for the meeting, except in the event of an emergency. 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.

(b) Except for emergency meetings, notice of a Board meeting shall be posted in a conspicuous place within the Community at least 48 hours in advance of the meeting or provided in any other manner reasonably anticipated to provide notice to all Members, including, without limitation, publication in an Association newsletter with Community-wide circulation, posting on a Community cable television channel, or posting on a Community Internet or intranet page. In lieu of notice of each regular Board meeting, the Board may post or publish a schedule of upcoming Board meetings. 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.

(c) Transactions of any Board meeting, 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 (i) a quorum is present, and (ii) either before or after the meeting each director 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 meeting's purpose. 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.

(d) Notice of any meeting at which assessments are to be established shall state that fact and the nature of the assessment.

3.11. Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a Board or committee meeting by means of telephone or other electronic means, through which all persons participating in the meeting can hear each other at the same time. Participation in this manner shall constitute presence at the meeting for all purposes. Participants attending by electronic means may vote by electronic transmission.

3.12. Quorum of Board. At all Board meetings, 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 Board's decision, unless these By-Laws or the Declaration specifically provide otherwise. A meeting at which a quorum is initially present may continue, notwithstanding the withdrawal of directors, if at least a majority of the required quorum for that meeting approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.13. Conduct of Meetings. The President shall preside over all Board meetings at which he or she is present, and the Secretary shall keep (or cause to be kept) a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.14. Open Meetings; Executive Session. Subject to the provisions of Section 3.15, all Board meetings shall be open to all Members. However, attendees other than directors may not participate in any discussion or deliberation unless a director requests that they be granted permission to speak, and the Board concurs. In such case, the President (or other officer conducting the meeting) may limit the time any such individual may speak. Declarant and Owners may record (audio and video images) Board meetings subject to reasonable rules the Board imposes.

Notwithstanding the above, the President may call a special Board meeting, or adjourn any Board meeting and reconvene in executive session, and may exclude persons other than directors, to discuss with the Association's attorney matters relating to pending or threatened litigation which are protected by the attorney-client privileges, or to discuss among the Board any other matter of a sensitive nature, if applicable law permits. In such cases, no recording will be permitted.

3.15. Action Without a Formal Meeting. Any action to be taken or which may be taken at a Board meeting may be taken without a meeting if all directors sign a consent in writing, setting forth the action so taken. Such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.16. Powers. The Board shall have all of the powers and duties necessary for administering the Association's affairs and for performing all of the Association's responsibilities and exercising all of the Association's rights as set forth in the Governing Documents, and as provided by law. The Board may do or cause to be done on the Association's behalf all acts and things except those which the Governing Documents or applicable law require to be done and exercised exclusively by the membership generally.

3.17. Duties. The Board's duties shall include, without limitation:

- (a) those obligations set forth in the Declaration and elsewhere in these By-Laws;
- (b) depositing all funds received on the Association's behalf in a bank depository which it shall approve, and using such funds to operate the Association; however, any reserve funds may be deposited, in the Board's business judgment, in depositories other than banks;
- (c) after termination of the Declarant Control Period, submitting for bid any planned Association expenditure (whether for capital items, services, maintenance, or otherwise) anticipated to exceed \$25,000.00 in any fiscal year; however, the Board is not obligated to contract with or otherwise retain the services of the lowest bidder nor is it obligated to submit for bid the renewal of existing contracts;
- (d) 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 if, in the exercise of its business judgment, it deems it prudent to do so;
- (e) keeping books with detailed accounts of the Association's receipts and expenditures; and
- (f) maintaining, and retaining for the time periods required, the "official records" of the Association, as provided in Chapter 720, Florida Statutes, or such other applicable law.

3.18. Compensation. The Association shall not compensate a director for acting as such. The Association may reimburse any director for expenses incurred on the Association's behalf if approved by a majority of the other directors. In addition, nothing herein shall prohibit the Association from compensating a director for services or supplies he or she furnishes to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association. The foregoing also applies to any entity with which a director is affiliated.

3.19. Right of Declarant to Disapprove Actions. During the Declarant Control Period, the Declarant shall have a right, to the extent not prohibited by law, to veto any action, policy, or program of the Association, the Board, and/or any committee which, in the Declarant's discretion, would tend to impair rights or interests of Declarant, or any Affiliate of Declarant's, interfere with development or construction of any portion of the Community, or diminish the level of services the Association provides.

(a) Notice. The Association, the Board, and each committee shall give the Declarant written notice of their meetings and proposed actions to be approved at their meetings (or by written consent in lieu of a meeting). The notice shall comply with the requirement for notice to directors under Section 3.10 and 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.

(b) Opportunity to be Heard. The Association, the Board, and each committee shall give the Declarant the opportunity at any meeting to join in, or to have its representatives or agents join in, discussion from the floor concerning any prospective action, policy, or program which would be subject to the veto right described in this Section.

(c) Exercise of Rights. The Declarant may exercise its veto right at any time within 30 days following the meeting at which such action was proposed or, if the action is approved without a meeting, at any time within 30 days following receipt of written notice of the proposed action. 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. This veto right may be used to block proposed actions but shall not include a right to require any action or counteraction by the Association, the Board, or any committee. The Declarant shall not use its veto right to prevent expenditures required to comply with applicable laws.

(d) Condition of Implementation. No action, policy, or program subject to the Declarant's veto right shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met, and then subject to the Declarant's rights under subsection (c).

3.20. Management. The Board may employ a professional managing agent or agents, at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize and as are otherwise within the scope of the Board's authority. The Board may delegate such powers as are necessary to perform the manager's duties, but shall not delegate policy-making authority or the obligation to adopt a budget. The Board may contract with or employ Declarant or any of its Affiliates as managing agent or manager.

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

After termination of the Declarant Control Period, the Association shall not be bound, either directly or indirectly, by any management contract executed during the Declarant Control Period unless such contract contains a right of termination, which the Association may exercise with or without cause and without penalty at any time after termination of the Declarant Control Period upon not more than 90 days written notice. After the Declarant Control Period terminates, the Association may not terminate any management contract, or retain a new managing agent, without the approval of a majority of the Board of Directors.

The Members shall have no right to terminate a management contract during the Declarant Control Period. Unless the Board otherwise grants such right, or unless the management contract otherwise provides, the Board may act in its discretion with respect to executing and terminating management contracts during the Declarant Control Period. Any management contract may, among other things, authorize the managing agent to act as the Association's agent with respect to the expenditure of Association funds within the scope of the approved Association budget; however, the managing agent shall not be permitted to spend money in excess of the budget or reallocate greater than 10% of any budget line item without the Board's prior written approval.

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

- (a) The Board may prepare financial reports for the Association at least quarterly containing:
 - (i) an income statement reflecting all income and expense activity for the preceding period on a cash or 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

(b) An annual financial report consisting of at least the following shall be prepared within 60 days (or such longer period as is permitted by law) after the close of the fiscal year: (i) a balance sheet showing actual receipts and expenditures; (ii) an operating (income) statement; and (iii) 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.

The Association shall provide each Owner, or its authorized agent, a copy of the final annual financial report that has been prepared as required under the preceding paragraph within 20 business days following receipt of a written request for same. In addition, if applicable law requires, the Association shall send a copy of the annual financial report to each Member by secure e-mail, mail or personal delivery following the close of the fiscal year.

3.22. Right To Contract. Contracts for products and services; in writing; bids; exceptions. 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 other owners or residents associations.

- (a) All contracts as further described in this section or any contract that is not to be fully performed within 1 year after the making thereof for the purchase, lease, or renting of materials or equipment to be used by the Association in accomplishing its purposes under this chapter or the Governing Documents, and all contracts for the provision of services, shall be in writing. If a contract for the purchase, lease, or renting of materials or equipment, or for the provision of services, requires payment by the Association that exceeds 10 percent of the total annual budget of the Association, including reserves, the Association must obtain competitive bids for the materials, equipment, or services. Nothing contained in this section shall be construed to require the Association to accept the lowest bid.
- (b) Notwithstanding the foregoing, contracts with employees of the Association, and contracts for attorney, accountant, architect, community association manager, engineering, and landscape architect services are not subject to the provisions of this section.
- (c) A contract executed before October 1, 2004, and any renewal thereof, is not subject to the competitive bid requirements of this section, and shall not be invalidated due to lack of such competitive bid process. If a contract was awarded under the competitive bid procedures of this section, any renewal of that contract is not subject to such competitive bid requirements if the contract contains a provision that allows the board to cancel the contract on 30 days' notice. Materials, equipment, or services provided to an association under a local government franchise agreement by a franchise holder are not subject to the competitive bid requirements of this section. A contract with a manager, if made by a competitive bid, may be made for up to 3 years.

- (d) Nothing contained in this section is intended to limit the ability of the Association to obtain needed products and services in an emergency.
- (e) This section does not apply if the business entity with which the Association desires to enter into a contract is the only source of supply within the county serving the Association.
- (f) Nothing contained in this section shall excuse a party contracting to provide maintenance or management services from compliance with s. 720.309, Florida Statutes, or any successor provision.

3.23. Enforcement. The Association may impose fines, in such amounts as permitted by law, for any violation of the Governing Documents except with regard to assessments. Should the Board of Directors elect to impose fines, the Board shall comply with all applicable provisions of Florida Statutes.

Subject to any limitations set forth in the Declaration, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, towing vehicles that violate parking rules) or, following compliance with the Declaration's dispute resolution procedures, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both. 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, without limitation, reasonable Legal Costs actually incurred, including but not limited to pre-suit legal fees and costs.

3.24. Board Training Seminar. The Board may provide, or provide for, as a Common Expense, seminars and continuing educational opportunities designed to educate and inform directors of their responsibilities as directors. Such programs may include instruction on applicable corporate and fiduciary law principles, other issues relating to administering the Community's affairs, and upholding and enforcing the Governing Documents. The Board may retain industry professionals, including property managers, attorneys, and accountants, as appropriate or necessary for such purpose. Each newly elected director and each re-elected director may be required to complete a training seminar within the first six months of assuming the director position.

3.25. Board Standards. In performing their duties, directors and officers shall act as fiduciaries and are entitled to insulation from liability as provided for directors and officers of corporations by applicable law and as otherwise provided by the Governing Documents.

A director or officer acting in accordance with the business judgment rule shall not be personally liable to the Association or its Members for errors in judgment made in the director's or officer's capacity as such. Unless the Governing Documents require that specific action be taken, the failure to take such specific action shall not, without further showing that the Board acted in violation of the business judgment rule, be deemed a violation of a Board duty. A director or officer shall be considered to be acting in accordance with the business judgment rule so long as the director or officer:

(a) acts within the expressed or implied scope of the Governing Documents and his or her actions are not *ultra vires*;

(b) affirmatively undertakes to make decisions which are necessary for the Association's continued and successful operation and, when decisions are made, they are made on an informed basis;

(c) acts on a disinterested basis, promptly discloses any real or potential conflict of interests (pecuniary or other), and avoids participation in such decisions and actions; and

(d) acts in a non-fraudulent manner and without reckless indifference to the Association's affairs.

Board determinations of the meaning, scope, and application of Governing Document provisions shall be upheld and enforced so long as such determinations are reasonable. The Board shall exercise its power in a fair, nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

3.26. Conflicts of Interest; Code of Ethics. Unless otherwise approved by a majority of the other directors, no director may transact business with the Association or the Association contractor during his or her term as director. A director shall promptly disclose in writing to the Board any actual or potential conflict of interest affecting the director relative to his or her performance as a director. A director's failure to make such disclosure shall be grounds for removal by a majority vote of the other Board members. The Board may void any contract which creates a prohibited conflict of interest.

Article IV **Officers**

4.1. Officers. The Association's officers shall include a President, Vice President, Secretary, and Treasurer. The officers shall be Board members; The Board may appoint such other officers, including, without limitation, one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Such other Officers shall be Board Members, Owners or Residents. Any two or more offices may be held by the same person, except the offices of President and Secretary, and the offices of President and Vice President.

4.2. Election and Term of Office. The Board shall elect the Association's officers at the first Board meeting following the Turnover Meeting and each Association annual meeting. Officers shall serve until their successors are elected.

4.3. Removal and Vacancies. Any officer may be removed by a vote of at least a majority of the directors. The Board shall appoint a replacement to fill any vacancy in any office for the unexpired portion of the term.

4.4. Powers and Duties. The Association's officers each shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. 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, 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 Association instruments shall be executed by an officer, unless the Board provides otherwise, or by such other person or persons as the Board may designate by resolution.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.18.

4.8. President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board at which he or she is present. He or she shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including, but not limited to, the power, subject to the provisions of Article V, to appoint committees from among the Members from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association. The President shall, subject to the control of the Board, have general supervision, direction, and control of the business of the Association. The President shall be ex-officio a member of all standing committees, and shall have such other powers and duties as may be prescribed by the Board or these By-Laws.

4.9. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President is absent, disabled, or refuses or is unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be conferred upon him or her by the Board or these By-Laws.

4.10. Secretary. The Secretary shall prepare or supervise the preparation of meeting minutes as required by applicable law. The Secretary shall keep (or cause to be kept) the minutes of all meetings of the Board and the minutes of all meetings of the Association at the Association's principal office or at such other places as the Board may order. The Secretary shall have charge of such books and papers as the Board may direct. The Secretary shall, in general, perform all of the duties incident to the office of Secretary. The Secretary shall give, or cause to be given, notice of meetings of the Members of the Association and of the Board required by these By-Laws or by law to be given. The Secretary shall maintain (or cause to be maintained) a book of record Owners, listing the names and addresses of the Owners furnished by the Association, and such books shall be changed only at such time as satisfactory evidence of a change in ownership of a Lot is presented to the Secretary. The Secretary shall perform such

other duties as may be prescribed by the Board or these By-Laws. The Secretary may delegate all or a part of such duties to the managing agent.

4.11. Treasurer. The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records, and business transactions of the Association, including accounts of all assets, liabilities, receipts, and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board, in accordance with the Declaration and these By-Laws, shall render to the President and the Board, upon request, an account of all of his or her transactions as Treasurer and of the financial conditions of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these By-Laws. The Treasurer may delegate any part or all of such duties to the managing agent. The Treasurer shall supervise the preparation of the Association's budget, but may delegate all or part of the preparation and notification duties to a finance committee, managing agent, or both.

Article V **Committees**

5.1. General. The Board may create such committees and appoint its members as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Committee members need not be directors, but must be either a Member or the duly authorized representative of a Member. Committees shall exercise only such authority as granted by Board resolution within the limitations prescribed by Florida law, provided the Board may elect not to follow a committee's advice on any matter. Committees may not act without specific Board authority and may not bind the Association contractually or financially. The Board may establish by resolution the specific scope and limitations on the authority of any and all committees.

Article VI **Miscellaneous**

6.1. Fiscal Year. The Association's fiscal year shall be the calendar year unless otherwise established by Board resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, *Robert's Rules of Order* (the edition published on the date closest to the meeting) shall govern the conduct of Association proceedings when not in conflict with applicable law or the Governing Documents.

6.3. Conflicts. Conflicts between or among the Governing Documents and applicable law shall be resolved as directed in the Declaration.

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Lot, any Member, or the duly appointed representative of any of the foregoing at reasonable times: the Governing Documents, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the Association's office or at such other place within the Community as the Board shall designate.

(b) Rules for Inspection. The Board may establish reasonable rules with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; (iii) payment of the cost of reproducing documents requested; and (iv) such other matters as the Board deems appropriate. Records shall be made available within 10 business days of the receipt of a written request by an Owner or his or her authorized agent, or as otherwise required by law.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all Association books, records, and documents and the physical properties the Association owns or controls. The director's right of inspection includes the right to make a copy of relevant documents at the Association's expense. The Board shall provide for such inspection to take place at the Association's office, the managing agent's office, or at a place within the Community as the Board shall designate.

6.5. Notices.

(a) Form of Notice and Method of Delivery. Except as otherwise provided in the Declaration or these By-Laws or by applicable law, all notices, demands, bills, statements, or other communications under the Declaration or these By-Laws shall be in writing and may be delivered in person, by United States mail, by private carrier, by facsimile, electronic mail or other electronic communication device with written confirmation of transmission.

(b) Delivery Address. Notices shall be delivered or sent to the intended recipient as follows:

(i) if to a Member, at the address, facsimile number, or e-mail address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of such Member;

(ii) if to the Association, the Board, or a committee of either, at the address, facsimile number, or e-mail address of the principal office of the Association or its managing agent, or at such other address as the Association shall designate by notice in writing to the Members pursuant to this Section; or

(iii) if to the Declarant, at the principal address of the Declarant as it appears on the Secretary of State's records, or at such other address as the Declarant shall designate by notice in writing to the Association pursuant to this Section.

(c) Effective Date. Notice sent in accordance with subsections (a) and (b) shall be deemed to have been duly given and effective:

(i) if sent by United States mail, when deposited with the U. S. Postal Service, correctly addressed, with first class or higher priority postage prepaid;

(ii) if delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; however, if such delivery is refused or if the intended recipient has contracted with the private carrier to leave any deliveries without obtaining a signature evidencing receipt, the notice shall be deemed duly given and effective if the attempt to deliver was timely made;

(iii) if sent by facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation of transmission.

6.6. Amendment.

(a) By Declarant. During the Declarant Control Period, the Declarant may amend these By-Laws unilaterally, subject to the approval requirements in Article XVI of the Declaration, if applicable; however, if the U.S. Department of Veterans Affairs ("VA") or the U.S. Department of Housing and Urban Development ("HUD") has issued project approval for VA-guaranteed or HUD-insured Mortgages, respectively, then either shall have the right to veto amendments to these By-Laws during the Declarant Control Period.

(b) By the Membership. Except as provided above, these By-Laws may be amended only by the affirmative vote of a Majority of Members. 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. The approval requirements set forth in Article XVI of the Declaration also shall be met, if applicable.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon recordation unless a later effective date is specified therein. 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 Declarant without the written consent of Declarant or the assignee of such right or privilege.

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing 2005 Amended and Restated Bylaws of Hampton Lakes of Davenport Homeowners Association, Inc. was adopted by the Members of the Association effective January 1, 2006.

Debbie Riggs, Secretary

STATE OF FLORIDA '
 '
COUNTY OF _____ '

The foregoing instrument was acknowledged before me on this the ____ day of _____, 20__, by Debbie Riggs, Secretary of Hampton Lakes of Davenport Homeowners Association, Inc. He/she is personally known to me and did (did not) take an oath.

Print Name _____
Title: Notary Public
Serial Number, if any: _____
My Commission Expires: _____