

CASTEL DEL MARE CONDOMINIUM ASSOCIATION, INC.

ASSOCIATION BYLAWS

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AMENDED AND RESTATED

ASSOCIATION BYLAWS
OF
CASTEL DEL MARE CONDOMINIUM ASSOCIATION, INC.

[Substantial rewording of Association Bylaws. See original Association Bylaws and prior amendments for present text.]

ARTICLE 1.
IDENTIFICATION

1.1 Corporate Documents. These are the corporate bylaws of CASTEL DEL MARE CONDOMINIUM ASSOCIATION, INC. (herein, "the Association"), a corporation not for profit under the laws of the State of Florida. The original Articles of Incorporation of the Association were filed in the office of the Secretary of State on August 26, 1975, Charter Number 733661. The original Bylaws of the Association were recorded at Official Records Book 1088, Page 1346 et seq. of the Public Records of Sarasota County, Florida. The original Declaration of Condominium of Castel Del Mare Condominium was recorded at Official Records Book 1088, Page 1305 et seq. of the Public Records of Sarasota County, Florida.

1.2 Purposes. The purposes for which the Association is organized is to provide an entity pursuant to Chapter 718, Florida Statutes, as amended from time to time (herein, "the Condominium Act"), for the operation and management of the affairs and property of CASTEL DEL MARE CONDOMINIUM (herein, "the Condominium") and to perform all acts provided in the Declaration of Condominium, the Articles of Incorporation, these Bylaws and the Condominium Act.

1.3 Principal Office. The principal office of the Association shall be 1620 Stickney Point Road, Sarasota, Florida 34231. The Association Board of Directors may change the location of the principal office of the Association from time to time as allowed by law.

1.4 Seal. The seal of the corporation shall be in circular form, bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit" and the year of incorporation (1975).

1.5 Definitions. The word "Corporation" shall be the equivalent of "Association", as defined in the Declaration of Condominium. The terms used herein shall have the same definitions as stated in the Condominium Act, unless the context requires otherwise.

ARTICLE 2. MEMBERSHIP

2.1 Annual Meetings. The annual meetings of the Association membership shall be held at the office of the Condominium on the second Saturday in February of each year, at a time to be set by the Board of Directors from time to time, for the purpose of electing directors and to transact any other business authorized to be transacted by the members. The Association Board of Directors may change the date, time and place of the annual membership meetings as it determines to be in the interest of the membership so long as a membership meeting is held within thirteen (13) months of a previous annual membership meeting.

2.2 Special Meetings. Special meetings of the members shall be held whenever called by the President, Vice President or by a majority of the entire Board of Directors, and must be called by the President or Vice President upon receipt of a request in writing by members entitled to cast not less than twenty percent (20%) of the votes of the entire membership. As an exception to the above, ten percent (10%) of the Association membership may call a special membership meeting to recall a Director from office. With the exception of a recall special membership meeting, a meeting requested by the required number of members shall be called by the Association for a date not less than fourteen (14) days nor more than sixty (60) days after the request is received by the Board of Directors. A special membership meeting to recall one or more directors shall be noticed and called by and at the expense of the owners seeking the recall. The notice of a special membership meeting shall state the purpose or purposes of the meeting and the business conducted shall be limited to those matters.

2.3 Notice of Membership Meetings. Notice of all membership meetings shall state the date, time and place for which the meeting is called. The notice shall include a meeting agenda and shall be given by the President, Vice President, Secretary or Association Manager, except as otherwise provided herein. Such a notice and agenda shall be mailed or hand-delivered to each member at the member's address as it last appears in the records of the Association. Each member is responsible for promptly notifying the Association of any change of address. Except as otherwise provided herein for recall membership meetings, the Association shall mail or hand-deliver the meeting notice and agenda to the members not less than fourteen (14) days nor more than sixty (60) days prior to the date of the membership meeting. The Association shall also conspicuously post the meeting notice and agenda on the condominium property at least fourteen (14) continuous days prior to the membership meeting. Proof of such mailing or delivery and posting shall be given by the affidavit of the person giving the notice.

2.4 Quorum. A quorum at membership meetings shall be obtained by the presence, either in person or by proxy, of persons entitled to cast at least a majority of the votes of the membership (i.e., at least 93 votes). The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the members, except where approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation, these Bylaws or by law.

2.5 Waiver. Notice of any membership meeting may be waived by a member before or after a meeting. A member waives any defect or lack of notice by attending a meeting, except when that attendance is for the expressed purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

2.6 Voting Rights. At any meeting of the membership, the owners of residential units shall be entitled to cast one (1) vote for each residential Unit owned. If a residential Unit is owned by one person, the right to vote shall be established by the record title to the residential Unit.

2.7 Voting Member. A voting member shall be the person or persons entitled to vote pursuant to Article 4 of the Articles of incorporation of the Association. When unit owners have the right to vote, that unit owner designated by the owner or owners of a majority interest in the Unit or, in the case of a residential Unit being owned by a legal entity other than a natural person, the person entitled to vote must be designated by such entity on a voting certificate timely filed with the Association. As to residential units owned by a legal entity other than a natural person, a voting member must be designated on a written voting certificate filed with the Association signed by the owners of at least a majority interest of the residential Unit as the person entitled to cast the vote for the Unit. The voting certificate may be revoked and a substitute voting certificate filed at any time prior to a membership meeting. If a voting certificate is not filed with the Association Secretary by the legal entity prior to a membership meeting, no vote shall be cast at such meeting by or for said Unit.

2.8 Proxies. Votes may be cast in person or by proxy substantially complying with the requirements of the Condominium Act. A proxy must be filed in writing and signed by the person or persons authorized to cast the vote for the residential Unit. A proxy may be made by any person entitled to vote, and must be filed with the Secretary of the Association before the appointed time of the membership meeting, or prior to the reconvening of an adjourned meeting. Any proxy given shall be effective only for the specific membership meeting for which originally given and any lawfully adjournment thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the unit owner executing it. Proxies shall not be used to elect directors.

2.9 Adjourned Meetings. The members who are present, either in person or by proxy, may adjourn a membership meeting from time to time as they determine appropriate. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

2.10 Order of Business. The order of business at annual membership meetings and as far as practical at other membership meetings, shall be:

- a. Call to Order by the President
- b. At the discretion of the President, appointment by the President of a chairperson of the meeting

- c. Calling of the roll or certifying of registration and proxies
- d. Proof of notice of meeting or waiver of notice
- e. Appointment of inspectors of election
- f. Election of directors
- g. Reading and disposal of any unapproved minutes
- h. Reports of officers
- i. Reports of committees
- j. Unfinished business
- k. New business
- l. Adjournment.

Such order may be waived in whole or in part by direction of the chairperson of the meeting.

2.11 Presiding Officer. The chairperson at all membership meetings shall be the President. The President may, however, designate any other person to preside. In the absence of the President or the President's designee, the members present may designate any other person to preside as chairperson of the meeting.

2.12 Minutes of Meetings. The minutes of all membership meetings shall be kept in a book available for inspection by unit owners or their authorized representatives at any reasonable time. The Association shall maintain these minutes for a period of not less than seven (7) years or as otherwise required by the Condominium Act.

ARTICLE 3. BOARD OF DIRECTORS

3.1 Number. The affairs and operation of the Association shall be managed by a Board of Directors. The Board shall consist of seven (7) directors.

3.2 Powers and Duties of the Board of Directors. All of the powers and duties of the Association existing under the Condominium Act (Chapter 718, Florida Statutes), the Florida Not for Profit Corporation Act (Chapter 617, Florida Statutes), the Declaration of Condominium, Articles of Incorporation and these Bylaws shall be exercised exclusively by the Board of Directors, subject only to approval by unit owners when such is specifically required. The Board may delegate its authority to its officers, assistant officers, agents, contractors or employees, except where prohibited by law.

3.3 Qualifications. Every Director must be an owner, a co-owner, an owner's spouse or the designated voter of a unit owner who is not a natural person (i.e., a corporation, partnership, trust, etc.), shall be at least eighteen (18) years of age and must fulfill all other requirements of eligibility provided in the Declaration of Condominium. A grantor of a trust described in section 733.707(3), Florida Statutes, or a beneficiary (as defined in section 737.303(4)(b), Florida Statutes) of a trust which owns a Unit shall be eligible to serve as a Director of the Association, provided that said trustee or beneficiary occupies the Unit.

3.4 Election of Directors. The election of directors shall be held at the annual membership meetings, in the manner provided by law.

a. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or hand-delivery, including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Association not less than forty (40) days before the scheduled election. If provided to the Association not less than thirty-five (35) days prior to the scheduled election, the Association shall include with the second notice a one-sided information sheet, not larger than 8 ½ inches by 11 inches. The Association is not responsible for the content of the candidate information sheet. Not less than fourteen (14) days before the election meeting, the Association shall mail or hand-deliver a second notice of the meeting to all unit owners entitled to vote, together with all timely provided candidate information sheets and a written ballot which shall list alphabetically by surname all candidates who timely provided written notice to the Association. The costs of mailing and copying of the candidate information sheets shall be borne by the Association. The Association may copy candidate information sheets on both sides of a sheet of paper.

b. At the discretion of the Board of Directors, either written ballots or a voting machine will be available for use by those owners attending the meeting in person. A unit owner who needs assistance in voting due to blindness, disability or inability to read or write may obtain assistance, but no unit owner shall permit another person to cast his or her ballot, and any such improperly cast ballot shall be deemed invalid.

c. If more persons are timely nominated than there are Director positions to be filled, the election shall be by secret ballot. The nominees receiving the greatest number of votes cast shall be elected. Voting shall be non-cumulative. Tie votes shall be broken by agreement among the Director candidates who are tied, or absent such an agreement, by lot, such as the flipping of a coin by a neutral third party or the drawing of straws.

d. There shall be no quorum requirement for an election of directors; however, at least twenty percent (20%) of the eligible voters must cast a ballot to have a valid election.

3.5 Term of Office. Directors shall be elected to serve a staggered two (2) year term of office. During odd numbered years, four (4) directors shall be elected to fill the four (4) Director terms then expiring, and during even numbered years, three (3) directors shall be elected to fill the three (3) Director terms then expiring. A Director's term of service shall extend until the Director's successor is duly elected and qualified, or until the Director's earlier resignation, removal or death.

3.6 Candidate Search Committee. A Director candidate search committee composed of at least three (3) members may be appointed by the Association President with the approval of the Board of Directors. The candidate search committee shall seek out and encourage qualified

members to nominate themselves to be a Director candidate. However, in no event shall the candidate search committee nominate Director candidates. Director candidates shall not be nominated from the floor of the membership meeting.

3.7 Vacancies. Except as to vacancies provided by removal of a majority of the directors by members (which shall be filled in the manner provided by the Condominium Act), vacancies in the Board of Directors occurring between annual meetings of the members shall be filled by the Board of Directors to serve for the remainder of the unexpired term of the individual Director, unless otherwise provided by law.

3.8 Removal. Any Director may be recalled or removed from office with or without cause, by a majority vote at a duly-convened special membership meeting or by an agreement in writing signed by a majority of all the voting interests, in the manner provided by law. A special meeting of the unit owners to recall a member of the Board may be called by at least ten percent (10%) of the voting interests. The owners seeking the director's recall shall give notice of the meeting as required for a special meeting of the membership, and the notice shall state the purpose of the meeting in the manner provided in the Condominium Act.

3.9 Quorum. A quorum at Board of Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of the votes present at a meeting when a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of directors is required by the Declaration of Condominium, Articles of Incorporation, these Bylaws or by law. Directors may not vote by proxy. Directors may vote by secret ballot only for the election of officers. Directors may not abstain from voting except in the case of an asserted conflict of interest. Directors may appear at a Board meeting by telephone conference call, with a two-way speaker attached at the meeting place.

3.10 Adjourned Meetings. At any meeting of the Board of Directors the majority of those present may adjourn the meeting from time to time, provided that the notice of the date, time and location of the newly scheduled Board meeting is given as required herein. At any newly scheduled meeting, any business that might have been transacted at that meeting as originally called may be transacted without further notice.

3.11 Organization Meeting. The organization meeting of the newly-elected Board of Directors for the purpose of electing officers shall be held within ten (10) days of the election of the directors at such date, time and place as shall be fixed by the directors at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary.

3.12 Regular Meetings. Regular meetings of the Board of Directors may be held at such date, time and place as shall be determined from time to time, by a majority of the directors or on the call of the President. Except for meetings with the Association's attorney with respect to threatened, proposed or pending litigation when the meeting is held for the purpose of seeking or rendering legal advice, meetings of the Board of Directors shall be open to all unit owners who may participate in accordance with the written policy established by the Board of Directors.

3.13 Notice of Board Meetings. Notice of each Board meeting shall be given to each Director, personally or by mail, e-mail, telephone, facsimile transmission or telegraph, and shall be conspicuously posted on the condominium property at least forty-eight (48) continuous hours before the Board meeting, except in the case of an emergency. Also, not less than fourteen (14) continuous days notice shall be mailed or hand-delivered to the unit owners and posted conspicuously on the condominium property of any Board meeting which will consider the levy of a non-emergency special assessment, the approval of the annual budget or the adoption of a proposed rule regarding Unit use. All notices shall include an agenda for all known substantive matters to be discussed. Evidence of compliance with this fourteen (14) day notice shall be by affidavit by the person giving the notice and filed among the official records of the Association.

3.14 Special Meetings. Special meetings of the Board may be called by the President or Vice President, and must be called by the President or Secretary at the written request of one-third (1/3) of the directors. Special meetings of the Board of Directors must be noticed and conducted in the same manner as provided herein for regular meetings.

3.15 Voting. A Director who is present (in person or by two-way conference call) at a Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the Director votes against the action or expressly abstains from voting thereto because of an asserted conflict of interest.

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

3.17 Joinder. The subsequent joinder of an absent Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute that Director's approval of the actions taken at that meeting, but shall not be considered in determining a quorum.

3.18 Order of Business. The order of business at Board of Directors' meetings shall be, to the extent applicable:

- a. Roll call
- b. Proof of due notice of meeting
- c. Reading and disposal of any unapproved minutes
- d. Reports of officers and committees
- e. Election of officers
- f. Unfinished business
- g. New business
- h. Adjournment.

Such order may be waived in whole or in part by direction of the presiding officer of the meeting.

3.19 Directors' Fees. Directors shall receive no fee or compensation. The Association may reimburse directors for any expenses or mileage charges incurred in their official capacity upon written request and after obtaining approval from the Board of Directors.

3.20 Presiding Officer. The chairperson at all Board of Directors' meetings shall be the President. The President may, however, designate any other person to preside. In the absence of the President or his or her designee, the directors present may designate any person to preside as chairperson of the meeting.

3.21 Minutes of Meetings. The minutes of Board meetings shall be kept in a book available for inspection by the unit owners or their authorized representatives at any reasonable time. A vote or abstention for each Director present on every matter put to vote shall be recorded in the minutes. The Association shall maintain these minutes for a period of not less than seven (7) years or as otherwise required by the Condominium Act.

3.22 Resignation. A Director or officer may resign at any time by delivering written notice to the Board of Directors or any Association officer. A resignation is effective when the notice is delivered unless the notice specifies a later date. If the resignation is made effective at a later date, the remaining members of the Board of Directors (including the Director whose resignation is not yet effective) may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

ARTICLE 4. OFFICERS

4.1 Designation, Election and Removal. The executive officers of the Association shall be a President, one or more Vice Presidents, a Secretary and a Treasurer, all of whom shall be directors. All executive officers shall be elected annually by the Board of Directors and may be peremptorily removed by a majority vote of the directors at any duly noticed Board meeting with or without cause. Any person may hold two (2) or more offices, except that the President shall not also be the Secretary or an Assistant Secretary. The Board may appoint such other officers and agents that it deems necessary, who shall hold office at the pleasure of the Board, who do not need to be members or directors of the Association.

4.2 President. The President shall be the chief executive officer of the Association. The President shall have all the powers and duties usually vested in the office of president of a condominium association, including but not limited to presiding at meetings of the membership and the Board of Directors and the creation of committees and the appointment of members of committees from time to time as the President, in his or her discretion, may determine is appropriate to assist in the conduct of the affairs of the Association. The President shall be an ex-officio member of all standing committees and shall ensure that all orders and resolutions of the Board are carried into effect.

4.3 Vice President. The Vice President or if more than one, the Vice President holding the oldest appointment to that office, shall act as President in the absence or inability to serve of

the President. The Vice President shall also assist the President and the Board of Directors generally and perform such other duties prescribed by the Board of Directors.

4.4 Secretary. The Secretary shall have custody of and maintain all the corporate records except the financial records. The Secretary shall attend to the proper taking of the minutes of meetings of the Board of Directors and members. The Secretary shall attend to the giving and serving of all notices to the members and directors and other notices required by law. The Secretary shall have custody of the corporate seal, if any, and shall perform all other duties prescribed by the Board of Directors or the President. The Assistant Secretary may perform the duties of the Secretary in the absence or disability of the Secretary.

4.5 Treasurer. The Treasurer shall have custody of all property of the Association, including corporate funds, securities, evidence of indebtedness and financial records. The Treasurer shall keep full and accurate accounts of receipts and disbursements in accordance with good accounting practices and render accounts of them when required by the President or Board of Directors and at the annual meeting of members. The Treasurer shall perform all other duties prescribed by the Board of Directors or incident to the office of Treasurer. In the absence or disability of the Treasurer, the Assistant Treasurer may perform the duties of the Treasurer.

4.6 Delegation. The Board of Directors may delegate any or all of the functions of the Secretary or Treasurer to an agent or employee, provided that the Secretary or Treasurer shall in such instance generally supervise the agent or employee in the performance of such functions.

4.7 Compensation. The compensation of employees of the Association shall be fixed by the Board of Directors. Officers and directors shall receive no compensation for serving in their capacity as officers and directors of the Association. The provision that there shall be no officer or directors' fees shall not preclude the Board of Directors from employing directors or officers as employees of the Association, nor preclude the Association from contracting with directors or officers for the management of the Condominium.

ARTICLE 5. COMMITTEES

5.1 Appointment. The Association President and the Board of Directors shall have the authority to create committees and to appoint and remove (with or without cause) members to such committees, from time to time, as it determines appropriate to assist in the conduct of the affairs and operation of the Association.

5.2 Term of Office. Each member of a committee shall continue as such until in the next annual membership meeting and until his or her successor is appointed, unless the committee be terminated sooner or the member be removed from the committee by the Board, the member resigns, or unless such member shall cease to qualify as a member thereof.

5.3 Quorum. A committee may act only when a quorum (a simple majority) is present. The act of a majority of the members present at a committee meeting at which a quorum is present shall be the act of the committee.

5.4 Notice and Meeting. Meetings of a committee to take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are subject to the provisions of Article 3 and section 718.112(2)(c), Florida Statutes. Meetings of a committee that does not take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are specifically exempted from the requirements of section 718.112(2)(c), Florida Statutes and Article 3 hereof. All committee meetings (except meetings between the committee and the Association's attorney when the meeting is held for the purpose of seeking or rendering legal advice) shall be open to the members.

5.5 Scope and Rules. Each committee shall abide by the scope and stated purpose of the committee as defined by the Board of Directors, and may adopt rules for its operation not inconsistent with these Bylaws and with rules adopted by the Board of Directors.

5.6 Reports and Action. Every committee appointed by the Board of Directors shall report its findings to the Board of Directors. A committee may not take action on behalf of the Association unless the Board adopts a written resolution specifically empowering the committee to take such action.

5.7 Executive Committee. The Board of Directors by resolution adopted by a majority of the full Board may designate from among its members an Executive Committee whose exercise of power shall be subject to the subsequent approval of the Board of Directors. The Board of Directors may delegate to the Executive Committee such powers as it deems proper except those specifically prohibited by Florida law. The Board may designate one or more of its members to serve as alternate members of such Committee who may act in the place and stead of any absent member or members at any meeting of such Committee. The Executive Committee and other committees shall record the conduct of their meetings and the minutes of such meetings shall be kept in a book available for inspection by the unit owners, or their authorized representatives, and members of the Board of Directors at any reasonable time upon reasonable advance notice to the Secretary. The Association shall retain these minutes for a period of not less than seven (7) years or as otherwise required by the Condominium Act.

ARTICLE 6. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

6.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to operating and reserve accounts in accordance with Florida law and generally acceptable accounting principles.

6.2 Budget. The Board of Directors shall, upon not less than fourteen (14) days advance written notice to the members of the Association as required by the Condominium Act, adopt in advance a budget for the Condominium and for the Association for each fiscal year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds for current expenses and reserves according to good accounting practices, as follows:

a. Current expenses, which account, if applicable, shall include, but not be limited to the following items:

1. Administration of the Association
2. Management fees
3. Maintenance
4. Rent for recreational and other commonly used facilities
5. Taxes upon leased areas
6. Insurance
7. Security provisions
8. Other expenses
9. Operating capital
10. Fees payable to the Division.

b. Reserve accounts in accordance with Section 6.3 hereof.

c. Any Board meeting at which a proposed annual Budget will be considered by the Board shall be open to all unit owners. At least fourteen (14) days prior to such meeting, the Board shall hand-deliver to each unit owner, or mail to each unit owner at the address last furnished to the Association by the unit owner, a notice of such meeting and a copy of the proposed annual budget. An officer or manager of the Association, or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with such notice requirement, and such affidavit shall be filed among the official records of the Association.

d. If the Board adopts in any fiscal year an annual budget which requires assessments against unit owners which exceed one hundred fifteen percent (115%) of assessments for the preceding fiscal year, the Board shall conduct a special meeting of the unit owners to consider a substitute budget if the Board receives, within twenty-one (21) days after adoption of the annual budget, a written request for a special meeting from at least ten percent (10%) of the members of the Association. The special meeting shall be conducted within sixty (60) days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the Board shall hand-deliver to each unit owner, or mail to each unit owner at the address last furnished to the Association, a notice of the special meeting. An officer or manager of the Association, or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with this notice requirement, and such affidavit shall be filed and maintained among the official records of the Association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of the members of the Association. If there is not a quorum at the special meeting or a substitute

budget is not adopted, the annual budget previously adopted by the Board of Directors shall take effect as scheduled.

e. Any determination of whether the assessments exceed one hundred fifteen percent (115%) of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for maintenance, repair or replacement of the condominium property and Association property, anticipated expenses of the Association which the Board does not expect to be incurred on a regular or annual basis, or assessments for betterments to the condominium property or Association property.

6.3 Reserves. The Association shall maintain separate ledger accounts for roof replacement, repaving, building exterior, pools and for any other item of capital replacement or deferred (that is, not annual) maintenance which will exceed the amount of Ten Thousand Dollars (\$10,000.00), together with any other reserves designated in the annual budget. Each reserve account shall be fully funded each year as provided in the Condominium Act unless the members for a fiscal year determine otherwise in the manner provided by that Act. Such vote shall be taken (if at all) each year, for only one year's reserves. Funds in any reserve account may (including any accrued interest) not be used for any purpose which is not appropriate to that account, unless approved by the members as provided in the Condominium Act.

6.4 Annual Budget Assessment. The annual assessment, to fund the annual budget, shall be paid by the unit owners in equal monthly installments on the first day of each month of the year for which the budget is adopted. The Association shall provide the unit owners notice of the amount of the annual assessment and monthly payments on or before December 20 preceding the budget year. If an annual budget is not adopted or notice of a budget or monthly payments is not provided to the unit owners, the preceding budget or amount of monthly payments shall continue until such budget is adopted or such notice is provided, as applicable. If the annual assessment proves to be insufficient, the Board of Directors may amend the budget and assessments at any time, subject to the notice and approval requirements of Article 6.2 herein.

6.5 Special Assessments. The Board of Directors may levy special assessments for expenses beyond those included in the annual budget. However, any special assessment in a total amount greater than Twenty Thousand Dollars (\$20,000.00), for a purpose other than maintenance, repair, replacement, protection or insurance of the condominium property, Association property or those portions of the condominium units for which the Association is responsible, or compliance with a governmental order or regulation, shall first be approved by the affirmative vote of not less than a majority of the members of the Association present in person or by proxy at an Association meeting duly called in whole or in part for that purpose. Alternatively, a special assessment may be approved in writing without a membership meeting by not less than a majority of all unit owners.

6.6 Depository. The funds of the Association may be kept in such bank or banks, savings and loan association or other federally insured depository or depositories as shall be designated from time to time by the Board of Directors. Withdrawal of funds from such

accounts shall be only by electronic transfers approved by or checks or other appropriate instruments signed by such persons as are authorized by the Board of Directors.

6.7 Financial Reporting. Within ninety (90) days after the end of the fiscal year, the Association shall prepare and complete, or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within twenty-one (21) days after the financial report is completed by the Association or received by the Association from a third party, the Association shall mail to each unit owner at the address last furnished to the Association by the unit owner, or hand-deliver to each unit owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand-delivered to the unit owner, without charge, upon receipt of a written request from the unit owner. Financial statements (whether it be a report of cash receipts and expenditures, a compiled financial statement, a reviewed financial statement or an audited financial statement) shall be based on the Association's total annual revenues as provided in section 718.111(13), Florida Statutes. The Association Board of Directors may elect to provide a greater level of financial review than required by the Condominium Act. As provided in section 718.111(13)(c), Florida Statutes, the unit owners may vote to reduce the level of financial reporting prepared or caused to be prepared. Such a meeting and approval must occur prior to the end of the fiscal year and is effective only for the fiscal year in which such vote is taken.

6.8 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors from all persons with custody or access to custody of Association funds and from all other persons as required by the Condominium Act. The amount of such bonds shall be determined by the Board of Directors but shall be not less than the amount required by the Condominium Act. The premiums on such bonds shall be paid by the Association as a common expense.

6.9 Employee Compensation. The Board of Directors shall determine the compensation to be paid to corporate employees. No compensation shall be paid to directors or officers who are members or who are officers of member corporations, but they may be reimbursed for expenses paid by them for the benefit of the Association.

6.10 Fiscal Year. The corporate fiscal year shall be the calendar year, January 1 through December 31. The Board of Directors may change the fiscal year of the Association if it is determined to be in the interests of the Association.

6.11 Acceleration of Assessment Installments upon Default. If a unit owner shall be in default in the payment of an installment of an assessment, the Board of Directors may accelerate the remaining installments of the annual assessment upon not less than thirty (30) days notice to the unit owner, delivered by certified or registered mail, return receipt request. Accelerated assessments shall be due and payable on the date the claim of lien is filed in the public records. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien is filed.

**ARTICLE 7.
PARLIAMENTARY RULES**

Robert's Rules of Order (latest edition) shall govern the conduct of all Association meetings when not in conflict with the Condominium Act or the Not-for-Profit Corporate Act, Declaration of Condominium, Articles of Incorporation, these Bylaws or the Rules and Regulations adopted by the Board of Directors.

**ARTICLE 8.
RULES**

In accordance with the Articles of Incorporation, the Board of Directors may promulgate and amend from time to time reasonable rules to govern the use of the common elements, Association property and the condominium units.

**ARTICLE 9.
ENFORCEMENT FINES**

9.1 Authority. In addition to other remedies provided to the Association for enforcement of the condominium restrictions or Association Rules, the Association may levy a fine against the owner of any Unit as to which the owner, tenant, occupant or guest of which fails to comply with the condominium restrictions or Association Rules.

9.2 Amount. Each fine shall be in an amount determined in each instance as provided in Article 9.4 hereof not to exceed the amount of One Hundred Dollars (\$100.00); provided, that a fine for a continuing violation may be in an amount up to One Hundred Dollars (\$100.00) for each day thereof not to exceed the total amount of One Thousand Dollars (\$1,000.00).

9.3 Notice. Prior to levying any fine, the Association shall provide written notice to the owner of the Unit and, if applicable, the owner's tenant, occupant or guest, by personal delivery or by certified mail, return receipt requested, which notice shall include the following information:

a. A statement of the provision(s) of the Declaration, Articles of Incorporation, Bylaws or Association rules which are alleged to have been violated;

b. A short plain statement of the matters asserted by the Association to constitute the violation, including but not limited to the date or dates of each alleged violation for which a fine may be imposed, as best as can be reasonably determined;

c. A statement that the unit owner will be provided an opportunity for a hearing before a Committee of other unit owners, appointed by the Board of Directors in the event such a request is received by the Association not later than fourteen (14) days after receipt of the notice if by personal delivery or not later than twenty (20) days after the mailing of the notice if by certified mail;

d. A statement of the name and address of the person to whom the unit owner may request a hearing;

e. The time, date and place on and at which the hearing shall be held in the event it is timely requested;

f. A statement that the unit owner shall, if a hearing is timely requested, have an opportunity at such hearing to respond to the alleged violation, present sworn testimony and other competent evidence and provide written and oral argument on all issues involved, as well as to review, challenge and respond to any material or evidence considered by the Committee.

9.4 Hearing. In the event a hearing is timely requested and therefore held, the Committee shall consider all evidence and testimony presented at the hearing prior to the determination whether to impose a fine. Whether or not a hearing is requested and held, the Committee shall determine the amount of the fine, if any, which shall be levied, consistent with Article 9.2 above. The Committee's determination shall be transmitted to the Board of Directors which shall formally approve and levy any fine provided by that determination. After a fine is levied, the Association shall provide a demand for payment to the unit owner.

9.5 Failure to Pay. In the event a unit owner refuses or otherwise fails to pay a fine properly levied, the Association may arbitrate if and as required and proceed with legal action in a court of competent jurisdiction to collect the sum due together with costs and reasonable trial and appellate attorney's fees of the Association in such collection action. If a fine is not paid in full within thirty (30) days, it shall accrue interest at the highest rate allowed by law.

ARTICLE 10. ROSTER OF UNIT OWNERS

Each unit owner shall promptly file with the Association a copy of the recorded Deed or other instrument establishing his or her ownership of a condominium Unit, the owner's mailing address and telephone number. The Board of Directors may require the unit owner to provide a certified copy of the recorded Deed or other instrument. The Association shall maintain such information and may rely upon the accuracy of such information for all purposes until notified in writing of changes by the unit owner.

ARTICLE 11. AMENDMENTS

The Association Bylaws may be amended in the following manner:

11.1 Notice. Notice of a proposed amendment shall be included in or with the notice of any meeting at which a proposed amendment is considered and such notice shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be indicated by strike-throughs. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed

amendment, it is not necessary to use underlining and strike-throughs as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language:

“Substantial rewording of Bylaw. See Bylaw _____ for present text.”

11.2 Errors. Non-material errors and omissions in a Bylaws amendment or in the amendment process shall not invalidate an otherwise properly promulgated amendment.

11.3 Proposal and Adoption. An amendment may be proposed by either the Board of Directors of the Association or by at least thirty percent (30%) of the members of the Association who call a special meeting for that purpose. Except as elsewhere provided, approval of an amendment must be by an affirmative vote of not less than two-thirds (2/3rds) of the members of the Association present in person and by proxy and voting at a membership meeting.

11.4 Limitation on Amendments. No amendment shall discriminate against any unit owner nor against any unit or class or group of units unless the unit owners so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium.

11.5 Execution and Recording. A copy of each amendment shall be attached to a certificate, certifying that the amendment was duly adopted as an amendment of the Association Bylaws, which certificate shall recite the Official Records Book and Page of the original recorded Declaration of Condominium and shall be executed by the appropriate officers of the Association, with the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the Public Records of Sarasota County, Florida.