



**PROPOSED
AMENDMENTS TO
THE
AMENDED AND
RESTATED BYLAWS
OF**

**CAPE HAZE RESORT B 3/5 CONDOMINIUM
ASSOCIATION, INC.**

*[Substantial rewording of Bylaws. See existing
Bylaws for present text.]*

Comments in Red are annotations to these revisions and are intended to aid members in their review of the bylaws. They are NOT part of the revisions themselves.

REVISED INTRODUCTION

The Members of CAPE HAZE RESORT B 3/5 CONDOMINIUM ASSOCIATION, INC. (the "Association") adopt these Amended and Restated Bylaws. These Amended and Restated Bylaws replace and supersede the original Bylaws and all previous amendments thereto.

All terms used in these Bylaws have the same meaning, to the extent applicable, as set forth in the Association's Declaration of Condominium, Articles of Incorporation, the Florida Condominium Act (Chapter 718, Florida Statutes), the Florida Not For Profit Act (Chapter 617), all as subsequently amended or renumbered from time to time.

DELETED PRINCIPAL OFFICE AND REPLACED WITH NEW ARTICLE

**ARTICLE 1
IDENTITY**

1.1 Identity. These are the Amended and Restated Bylaws of CAPE HAZE RESORT B 3/5 CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida (herein called the "Association"), the Articles of Incorporation of which were filed in the office of the Secretary of State of Florida on October 3, 2006.

1.2 Purpose. The Association has been organized for the purpose of administering,



operating and managing CAPE HAZE RESORT B 3/5 CONDOMINIUM, (herein the "Condominium"), pursuant to Chapter 718, Florida Statutes, as amended from time to time, which Condominium is located upon certain lands in Charlotte County, Florida.

1.3 Fiscal Year. The Association's fiscal year shall be the calendar year.

1.4 Corporate Seal. The corporation's seal shall bear the name of the corporation, the word "Florida", the words "Corporation not for profit" and the year of incorporation.

EXTENSIVELY REVISED, BUT MOST CHANGES ARE IN FORM. NEW SECTIONS HAVE BEEN ADDED (E.G. "CHANGE OF MEMBERSHIP") FOR CLARIFICATION. SPECIFIC CHANGES BEYOND FORM ARE NOTED FOR SUBSECTIONS WHERE THESE OCCUR.

ARTICLE 2 MEMBERS AND MEMBERS MEETINGS

2.1 Qualification. The members of the Association shall consist of all of the record owners of Units in the Condominium. There are forty-eight (48) Units. Each Unit shall be entitled to one (1) vote at Association membership meetings, notwithstanding that the same owner may own more than one (1) Unit.

2.2 Change of Membership. After receiving the approval of the Association as required in the Declaration of Condominium, change of membership in the Association shall be established by recording, in the Public Records of Charlotte County, Florida, a deed or other instrument establishing a record title to a Unit in the Condominium, and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior Unit owner shall be thereby terminated. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Condominium Association during the period of the membership, nor does it impair any rights or remedies which the Association may have against any former member arising out of or in any way connected with such membership and the covenants and obligations incident thereto.

THE MEETING MONTH WAS CHANGED TO NOVEMBER.

2.3 Annual Members' Meeting. The annual members' meeting shall be held at the Common Element Clubhouse or such other place as may be stated in the notice. The meeting shall be held in November of each year or at a time, date and place as set at the Board of Directors' discretion for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day that is not a holiday. The members shall meet at least once in each calendar year.

THE REQUIREMENT FOR A MEMBER-CALLED SPECIAL MEETING IS CHANGED



FROM 10% TO 50% OF MEMBERS, EXCEPT FOR A SPECIAL MEETING TO RECALL A DIRECTOR WHERE THE REQUIREMENT REMAINS AT 10%.

2.4 A special members' meeting shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast fifty percent (50%) of the votes of the entire membership. A special members' meeting to recall one or more of the directors on the Board may be called by at least ten percent (10%) of the Unit owners giving notice of the meeting as required for a members' meeting, which notice must state the purpose of the meeting. No business shall be transacted at the special members' meeting unless it is within the purpose(s) stated in the meeting's notice. Special meetings regarding budgetary matters shall be called as required by Chapter 718, Florida Statutes.

2.5 Notice of members' meetings stating the time, and place, identification of agenda items and the objects for which the meeting is called shall be given by the President or Vice President or Secretary, unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the Association's books and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the meeting date. Notice may also be provided by electronic transmission or hand delivered. Each member bears the responsibility of notifying the Association of any change of address. Proof of such notification shall be given by a sworn statement by the person giving the notice. Notice will also be given by posting a copy of the notice on the bulletin boards of the condominium property at least fourteen (14) continuous days prior to the date of the meeting. Notice of specific meetings may be waived before or after the meeting and the attendance of any member shall constitute that member's waiver of notice of the 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.

2.6 A quorum at a members' meeting shall consist of not less than thirty percent (30%) of the Condominium Units. All decisions at a members' meeting shall be made by a majority of the Units represented at a meeting at which a quorum is present, except when approval by a greater number of members is required by the Declaration, the Articles of Incorporation or these Bylaws. Any Unit owned by the Association shall not be considered for purposes of establishing a quorum, casting a ballot in the election of directors, voting, or for providing a consent.

NEW SECTION

2.7 Voting. The vote of any Unit owned by more than one (1) person or by a corporation or other entity shall be cast by the person named in a certificate signed by all of the owners of the Unit and filed with the Association's Secretary. Such certificate shall be valid until revoked by a subsequent certificate. If a certificate is not on file, the owner in attendance at the meeting shall cast the vote or if more than one owner is in attendance, the owner designated by those in attendance shall cast the vote. The Unit's vote is not divisible. If one natural person owns a Unit, individually or as trustee, his right to vote shall be established by the record title to the Unit. If two or more persons own a Unit jointly, they must designate a voter. The right to vote will be denied if there



remains on the Unit unpaid assessments delinquent for ninety (90) days or more from their due date.

NEW SECTION

2.8 Proxies. Votes may be cast in person or by proxy. Unit owners shall not vote by general proxy but may vote by limited proxy, except as provided in Chapter 718, Florida Statutes. Any person who has reached his majority may be named a proxy. A person named a proxy need not be a Unit owner. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Association's Secretary before the appointed meeting time or any adjournment of the meeting. In no event shall any proxy be valid for a period longer than 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 person executing it. An executed photographic, photo static, facsimile, pdf, electronically transmitted or equivalent reproduction of a proxy is a sufficient proxy. Owners may retroactively cure any alleged defect in a proxy by signing a statement ratifying the owner's intent to cast a proxy vote and ratifying the vote cast by his proxy.

- A. **Limited proxies and general proxies** may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves; to waive financial statement requirements; to amend the Declaration; to amend the Articles of Incorporation or Bylaws; and for any other matter for which Chapter 718, Florida Statutes requires or permits a Unit owner vote. Proxies shall not be used in electing the Board of Directors.

NEW SECTION

2.9 Adjourned Meetings. If any members' meeting cannot be organized because a quorum has not been achieved, the meeting will be rescheduled according to the requirements as detailed in 2.5 Notice of Meetings.

NEW SECTION

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

- A. Call to order by President
- B. Certification of notice or waiver of notice
- C. Call for ballots not yet cast to be collected
- D. Calling of the roll and certifying of proxies
- E. Determination of a Quorum
- F. Election of inspectors of election
- G. Reading and disposal of any unapproved minutes
- H. Administrative reports
- I. Committee reports
- J. Unfinished Business
- K. New Business
- L. Adjournment



This order of business may be waived in whole or in part at the President's direction or by the Chairperson.

NEW SECTION

2.11 Minutes of Meeting. All member meeting minutes shall be kept available for inspection by Unit owners or their authorized representatives at any reasonable time. Minutes for each meeting must be reduced to written draft form within thirty (30) days after the meeting date.

NEW SECTION PERMITTING ACTION TO BE TAKEN BY WRITTEN CONSENT WITHOUT A MEETING AFTER NOTICE TO MEMBERS BY MAIL OR EMAIL.

2.12 Action Without a Meeting. Anything to the contrary herein notwithstanding, to the extent lawful pursuant to Chapter 718, Florida Statutes, any action required or permitted to be taken at any annual or special members' meeting may be taken without a meeting, provided the Association mails or delivers a letter or similar communication to each owner that explains the proposed action. The communication shall include a form of consent to permit each owner to consent to the proposed action, and instructions on consent procedures. The Association may proceed with the proposed action without further notice and without a vote at a membership meeting provided consents in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes that would be necessary to authorize or take such action at a members' meeting at which a quorum of members entitled to vote thereon were present and voted. If the requisite number of written consents are received by the Association's Secretary within ninety (90) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect as if the action had been approved by vote of the members at a members' meeting held on the nintieth (90th) day. Within ten (10) days after obtaining authorization by written consent, notice must be given to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. Members may also consent in writing to actions taken at a meeting by providing a written statement to that effect and their vote shall be fully counted as though they had attended the meeting.

NEW SECTION DESCRIBING RIGHTS OF OWNERS WITH RESPECT TO MEETINGS.

2.13 Unit Owner Rights. Unit owners shall have the right:

- A. To participate in members' meetings with reference to all designated agenda items. However, the Board may adopt reasonable rules governing the frequency, duration and manner of Unit owner participation. A Unit owner does not have the right to speak with respect to items not specifically designated on the agenda; however, the Board may permit a Unit owner to speak on items not specifically designated on the agenda. The Association may adopt reasonable rules governing the frequency, duration and manner of Unit owner statements at Board and committee meetings. Board meetings



subject to the attorney-client privilege and those involving personnel matters shall not be subject to Unit owner participation or observation.

- B. To electronically record a members' meeting as promulgated by the Board of Directors.

MOST CHANGES ARE IN FORM OR ORDER. SPECIFIC CHANGES BEYOND FORM ARE NOTED FOR SUBSECTIONS WHERE THESE OCCUR.

ARTICLE 3 BOARD OF DIRECTORS

REQUIRES THAT A CHANGE THE NUMBER OF DIRECTOR MUST BE MADE AT LEAST 60 DAYS PRIOR TO THE ANNUAL MEMBERS' MEETING.

3.1 Board of Directors. The Board of Directors shall consist of at least three (3) and not more than seven (7) members. The determination regarding the number of directors to serve on the Board shall be made by the Board of Directors at least 60 days prior to the annual members' meeting at which the election of directors will occur. The affairs of the Association shall be managed by a Board of Directors. Directors shall be owners, an owner's spouse or an owner's significant other. Co-owners of a Unit may not serve as directors at the same time unless they own more than one Unit or unless there are not enough eligible candidates to fill the vacancies on the Board at the time of the vacancy.

REGULAR MEETING SECTION MODIFIED TO SEPARATE OUT THE ORGANIZATIONAL MEETING.

3.2 Organizational Board Meeting. The newly-elected Board of Directors' organizational meeting shall be held within ten (10) days of their election at such place and time as shall be fixed by the directors at the meeting at which they were elected.

MODIFIED TO SPECIFY MEETINGS OPEN TO ALL UNIT OWNERS.

3.3 Regular Board Meeting. Regular Board meetings may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Regular meeting notice (except for the meeting at which the annual budget is adopted) shall be given to each director, personally or by mail, telephone, electronic transmission or facsimile, at least forty-eight (48) hours prior to the meeting's starting time. The notice shall state the meeting's time, place and purpose.

Board Meetings are open to all Unit owners. A Unit owner may tape record or videotape the meetings. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The Association may adopt written reasonable rules governing the frequency, duration, and manner of Unit owner statements.

3.4 Special Board Meeting. A special Board meeting may be called by the President



and must be called by the Secretary at the written request of at least a majority of the directors. Special meeting notice (except for any meeting at which the annual budget is adopted and except for an emergency) shall be given personally or by mail, telephone, electronic transmission or facsimile at least forty-eight (48) hours prior to the meeting's starting time. The notice shall state the meeting's time, place and purpose.

SECTION ON ELECTION AND TERMS MODIFIED TO SPECIFY STAGGERED TERMS.

3.5 Staggered Board Terms. The Board of Directors terms are staggered with each director serving a two (2) year term. Staggering occurs in the following fashion when there exists a three (3) member Board, (and this staggering process may be adjusted accordingly for a larger Board) with two (2) directors elected in odd-numbered years and one (1) director elected in even numbered years. All directors shall serve two-year terms, provided, however, that either the Board of Directors or the membership shall have the authority to temporarily assign a one year term to one or more director positions if necessary to re-implement a scheme of staggering the Board to promote continuity of leadership. A Board member may not serve more than four (4) consecutive two (2) year terms, unless approved by an affirmative vote of two-thirds of the total voting interests of the Association or unless there are not enough eligible candidates to fill the vacancies on the board at the time of the vacancy.

SECTIONS 3.6 TO 3.18 ARE NEW AND INCORPORATE THE RELEVANT PROVISIONS OF THE CURRENT BYLAWS, BUT INCLUDE FURTHER SPECIFICATIONS AND DETAILS (E.G. THE ORDER OF BUSINESS AT A BOARD MEETING).

3.6 Election of Directors. The election of directors shall be held at the annual members' meeting and the election procedures shall occur as required by Chapter 718, Florida Statutes and the Administrative Code.

3.7 Director Certification. Within ninety (90) days after being elected or appointed to the Board, newly elected or appointed directors shall certify in writing to the Association's Secretary that they have read the Association's Declaration, Articles of Incorporation, Bylaws, and current written policies; that they will work to uphold such documents and policies to the best of their ability; and that they will faithfully discharge their fiduciary responsibility to the Association's members. In lieu of this written certification, within ninety (90) days after being elected or appointed to the Board, the newly elected or appointed director may submit a certificate of having satisfactorily completed the educational curriculum administered by a Division-approved condominium education provider within one (1) year before or ninety (90) days after the date of election or appointment. The written certification or educational certificate is valid and does not have to be resubmitted as long as the director serves on the Board without interruption. A director who fails to timely file the written certification or educational certificate is suspended from service on the Board until they comply with this requirement.

3.8 Removal of Directors. Any Director may be removed by the membership's



majority vote cast at a special members' meeting called for that purpose, or by a written agreement. The Board vacancy created at that members' meeting shall be filled by vote of the Association members at the members' meeting. If the Board has removed a Director, the Board may appoint a new Director to fill the vacancy. The question shall be determined separately as to each Director to be removed. If a special members' meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated signature list, stating the meeting's purpose. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that the meeting notice is given. A written agreement for recall of a director shall not be valid for more than one hundred twenty (120) days after it has been signed by the member. The written agreement method for recalling a director shall be conducted in the manner set forth in the Florida Condominium Act.

3.9 Resignations. Any director may resign at any time by written instrument, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from that date unless withdrawn. Acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any director shall constitute that director's resignation without need for a written resignation. The non-payment of assessments by a director for more than ninety (90) days shall constitute a resignation without need for a written resignation. The absence from three (3) consecutive Board meetings without a valid excuse shall also constitute a resignation of that director without need for a written resignation.

3.10 Vacancy and Replacement. If a director's term becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining directors, though less than a quorum, at a special Board meeting duly called for this purpose, shall choose a successor, who shall hold office for the unexpired term in respect to that vacant Board seat.

3.11 Notice of Board Meetings to Unit Owners. Written notice of Board meetings to Unit owners is required for:

- A. **Board of Directors meetings.** Board meeting notices shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours preceding the meeting, except in an emergency. Any item not included on the notice may be acted upon on an emergency basis by a vote of at least a majority of the Board members. Such emergency action shall be noticed and ratified at the next regular Board meeting.
- B. **Meeting to Adopt Annual Budget.** The members must be given written notice of the time and place of the Board meeting at which the Board will consider the annual budget. A copy of the proposed annual budget of Common Expenses and proposed assessments must be mailed to the members not less than fourteen (14) days prior to such meeting, together with the written notice of such meeting. The meeting shall be open to the Unit owners.



C. **Special Assessment Meeting.** Written notice of any Board meeting at which special assessments, or at which amendments to Rules regarding Unit use will be considered shall be mailed or delivered to the Unit owners and posted conspicuously on the Condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice shall be made by a sworn statement executed by the person providing the notice and filed among the Association's official records. The special assessment notice shall state that assessments will be considered, the assessment's purpose, the estimated cost for the project and a description of the work to be performed.

3.12 Waiver of Notice. Any director may waive notice of a meeting to which he is entitled before or after the meeting and such waiver shall be deemed the equivalent to the giving of notice to such director.

3.13 Quorum. A quorum at Board meetings shall consist of a majority of all the directors. A director may attend the meeting and count toward the quorum by an electronic communication system. The system must provide that the conversation of participating directors may be heard by everyone attending the meeting. The acts approved by a majority of those present at a meeting at which 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 Chapter 718, Florida Statutes, the Declaration, the Articles of Incorporation or these Bylaws.

3.14 Presiding Officer. The presiding officer at the Board meetings shall be the President. In the absence of the presiding officer the directors present shall designate another director to preside.

3.15 Order of Business. The order of business at Board meetings shall be:

- A. Call to order.
- B. Certification of notice/waiver of notice
- C. Determination of a quorum
- D. Reading of and disposal of any unapproved minutes.
- E. Administrative reports (property manager, officers committees)
- F. Unfinished business.
- G. New business.
- H. Adjournment.

3.16 Compensation. Directors shall receive no compensation for their services.

3.17 Director Vote. Directors may not vote at Board meetings by proxy. Directors may vote by secret ballot only for the election of officers. At all other times, a vote or abstention for each director present shall be recorded in the minutes. A director who abstains from voting is assumed to have taken no position on the issue.

NEW SECTION. THIS MAKES THE BYLAWS CONSISTENT WITH THE COMMUNITY ASSOCIATION BYLAWS SUCH THAT COMMITTEES TAKING FINAL ACTION MAY NOT DO SO WITHOUT AN OPEN MEETING.



3.18 Committees Authorized to Take Final Action. Any committee authorized to take final action on behalf of the Board, or to make recommendations to the Board regarding the Association's budget, shall conduct its affairs in the same manner as provided in these Bylaws for Board of Director meetings. As is permitted by Chapter 718, Florida Statutes, all other committees may meet and conduct their affairs in private without prior notice or owner participation. Notwithstanding any other law or documentary provision, the requirement that committee meetings be open to the Unit owners is inapplicable to meetings between a committee and the Association's attorney with respect to proposed or pending litigation, or when the meeting is held for the purpose of seeking or rendering legal advice.

A PARAGRAPH IN THE CURRENT BYLAWS (10. LIMITED POWER TO CONVEY) WAS MOVED TO A SEPARATE ARTICLE AND IS NOW INCLUDED IN A NEW ARTICLE (ARTICLE 7 BELOW).

ARTICLE 4 BOARD OF DIRECTOR POWERS AND DUTIES

VERY SIMILAR TO CURRENT PROVISION; REFERENCES THOSE SPECIFIC SOURCES OF BOARD AUTHORITY TO EXERCISE POWERS AND DUTIES.

The Board of Directors shall have all the powers and duties of the Association existing under the Declaration of Condominium, the Articles of Incorporation, these Bylaws, Chapter 718, Florida Statutes, and the Florida Not for Profit Act. All other applicable law or authority shall be exercised exclusively by the Board of Directors, its agent, contractors or employees, subject only to the approval of the Unit owners when such approval is specifically required.

CHANGES IN FORM OR ADDITIONS AS NOTED. A SECTION ON FIDELITY BONDS MOVED TO ARTICLE 7.

ARTICLE 5 OFFICERS

5.1 Executive Officers. The Association's executive officers shall be a President, who shall be a director, a Vice President, who shall be a director, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board and shall serve at the Board's pleasure. Any person may hold two or more offices, except that the President shall not also be the Secretary. The Board from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the Association's affairs.

5.2 President. The President shall be the Association's chief executive officer. He shall have all of the powers and duties where stated.

5.3 Vice President. The Vice President in the absence or disability of the President



shall exercise the powers and perform the President's duties. He also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the Board.

5.4 Secretary. The Secretary shall keep all Board and member meeting minutes. He shall give and serve all Association notices to the members and directors and other notices required by law. He shall keep the Association's records except those of the Treasurer, and shall perform all other duties incident to the Secretary's office and as may be required by the directors or the President. An assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

5.5 Treasurer. The Treasurer shall work in concert with the property manager in keeping custody of all Association property, including funds, securities and evidence of indebtedness. The property manager shall keep the Association's books in accordance with good accounting practices. The Treasurer shall audit all financial records including monthly financials, yearly financials and proposed and final budgets.

NEW SECTION

5.6 Records. Any Association records held by an officer, whether on or in his personal property or otherwise, shall be a part of the Association's official records. The officer shall provide the Association with access as required pursuant to Chapter 718, Florida Statutes to these records and he shall promptly and without need of a request provide the Association with the original records when he no longer holds an office for this Association

NEW SECTION

5.7 Limitation on Powers. No officer or director has the power or authority to enter into contracts or financial agreements binding upon the Association, unless such action was authorized by the Board's prior vote. Any officer or director who does bind the Association without prior Board authority shall be liable for all fees, costs and expenses associated with the unauthorized act.

NEW SECTION

5.8 Conflicts of interest.

- A. Directors and officers of the Board of Directors, and the relatives of such directors and officers, must disclose to the Board of Directors any activity that may reasonably be construed to be a conflict of interest. A rebuttable presumption of a conflict of interest exists if any of the following occurs without prior notice:
 - 1. A director or an officer, or a relative of a director or an officer, enters into a contract for goods or services with the association.
 - 2. A director or an officer, or a relative of a director or an officer, holds an interest in a corporation, limited liability corporation, partnership, limited liability partnership, or other business entity that conducts business with



the association or proposes to enter into a contract or other transaction with the association.

- B. If a director or an officer, or a relative of a director or an officer, proposes to engage in an activity that is a conflict of interest, as described in subsection (1), the proposed activity must be listed on, and all contracts and transactional documents related to the proposed activity must be attached to, the meeting agenda. The association shall comply with the requirements of Section 617.0832, Florida Statutes, the disclosures required by Section 617.0832, Florida Statutes shall be entered into the written minutes of the meeting. Approval of the contract or other transaction requires an affirmative vote of two-thirds of all other directors present. At the next regular or special meeting of the members, the existence of the contract or other transaction shall be disclosed to the members. Upon motion of any member, the contract or transaction shall be brought up for a vote and may be canceled by a majority vote of the members present. If the contract is canceled, the association is only liable for the reasonable value of the goods and services provided up to the time of cancellation and is not liable for any termination fee, liquidated damages, or other form of penalty for such cancellation.
- C. If the board disapproves the proposed activity, the director or officer, or the relative of the director or officer, must notify the board in writing of his or her intention not to pursue the proposed activity or to withdraw from office. If the board finds that an officer or a director has violated this subsection, the officer or director shall be deemed removed from office. The vacancy shall be filled according to general law.
- D. A director or an officer, or a relative of a director or an officer, who is a party to, or has an interest in, an activity that is a possible conflict of interest, as described in subsection (1), may attend the meeting at which the activity is considered by the board and is authorized to make a presentation to the board regarding the activity. After the presentation, the director or officer, or the relative of the director or officer, must leave the meeting during the discussion of, and the vote on, the activity. A director or an officer who is a party to, or has an interest in, the activity must recuse himself or herself from the vote.
- E. A contract entered into between a director or an officer, or a relative of a director or an officer, and the association, which is not a timeshare condominium association, that has not been properly disclosed as a conflict of interest or potential conflict of interest as required by Section 718.111(12)(g), Florida Statutes is voidable and terminates upon the filing of a written notice terminating the contract with the board of directors which contains the consent of at least 20 percent of the voting interests of the association.
- F. As used in this section, the term "relative" means a relative within the third degree of consanguinity by blood or marriage.



NEW ARTICLE.

**ARTICLE 6
COMMITTEES**

6.1 Appointment. All members and chairpersons of all Committees of the Association shall be appointed, and may be removed, by the Board of Directors. The President may from time to time in any instance delegate that authority to one or more members of the Board of Directors or to a Committee chairperson.

6.2 Term of Office. Each member of a Committee shall continue as such until his or her successor is appointed, unless the committee is terminated sooner or the member is removed from the Committee by the Board or the member resigns, or unless such member shall cease to qualify as a member thereof.

6.3 Quorum. A Committee may act only when a quorum, a simple majority, is present. The act of a majority of the committee members present at a committee meeting at which a quorum is present shall be the act of the committee.

6.4 Ad Hoc Committees. Other Committees, created for a limited time and purpose, may be created from time to time by the President or by the Board of Directors.

6.5 Procedures. The Budget and Finance Committee and any committee with authority to take action on behalf of the Board of Directors (rather than merely make recommendations) shall follow the same procedures as the Board of Directors with regard to posting or mailing of meeting notices for Unit owners, agendas and attendance and participation by Unit owners, as required by the Florida Condominium Act. All other Committees shall establish and follow their own procedures, as such Committees deem appropriate from time to time.

6.6 Authority. Committees shall have no authority to commit the Association to any expenditure of Association funds, and shall only be responsible for making recommendations to the Board of Directors.

NEW ARTICLE COMBINING FINANCIAL PROVISIONS FROM THE CURRENT BYLAWS (ARTICLES 6, 9 AND 10) INTO A SINGLE ARTICLE. INDIVIDUAL PROVISIONS ARE GIVEN MORE DETAIL THAN THAT FOUND IN THE CURRENT BYLAWS.

**ARTICLE 7
FISCAL MANAGEMENT**

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



7.1 Fiscal Year. The fiscal year of the Association shall be the calendar year, January 1 through December 31.

7.2 Accounts. Receipts and expenditures of the Association shall be credited and charged to operating and reserve accounts in accordance with state law and generally accepted accounting principles.

7.3 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances.

- A. Contracts for products and services. All contracts as further described in this Article 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, 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 on behalf of any condominium operated by the association in the aggregate that exceeds 5 percent of the total annual budget of the association, including reserves, the association shall obtain competitive bids for the materials, equipment, or services. Nothing contained herein 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, timeshare management firm, engineering, and landscape architect services are not subject to the provisions of this section.
- C. Nothing contained herein is intended to limit the ability of an association to obtain needed products and services in an emergency.
- D. This Article shall 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.

7.4 Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. The Board of Directors may authorize the pledge and assignment of any regular or special Assessment(s) and the lien rights of the Association as security for the repayment of such loan(s), but may not pledge reserves without the prior approval of a majority of the Voting Interests present (in person or by proxy) at a duly-noticed membership meeting.

7.5 Checks, Drafts, etc. All checks, drafts or orders for payment of money,



notes, or other evidence of indebtedness issued in the name of the Association shall be signed as determined by the Board of Directors.

7.6 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select. All deposits must be insured by the FDIC, FSLIC or comparable government insurance. Alternatively, the Association may deposit funds with brokerage houses or institutions which are members of the National Association of Securities Dealers, Inc. and insured by SIPC or equivalent industry insurance. Principal of Association funds, whether reserves or operating funds, may not be placed at risk for investment purposes. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons as are authorized by the Board of Directors.

7.7 Reserves. In addition to operating expenses, the proposed budget must include provisions for funding reserve accounts for capital expenditures and deferred maintenance as required by Section 718.112(2)(f), Florida Statutes. These mandatory accounts are further regulated by Rule 61B-22.005, Florida Administrative Code, which contains rules regulating reserves. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The rules allow the use of either of two formulas referred to as the Straight-Line Method and the Pooling Method for calculating reserves. The rules further provide that all reserve accounts must be included in the proposed annual budget and shall not be waived or reduced prior to the delivery of the proposed annual budget to the members.

The reserves must be funded unless the members determine, by vote of not less than a majority of those members who are present in person or by proxy at a duly noticed and convened membership meeting, to fund no reserves, or less than adequate reserves, for a fiscal year. The funds in reserve accounts established under this Section, and all interest earned on the accounts, shall be used only for the purposes for which the reserve accounts are established, unless use for another purpose is approved in advance by vote of not less than a majority of those members who are present in person or by proxy at a duly noticed and convened membership meeting. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserve funds for purposes other than purposes for which the reserves were intended shall contain the following statement in capitalized, bold letters in a font size larger than any other used on the face of the proxy ballot: **WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.**

7.8 Budget. The Board of Directors shall adopt an annual calendar year budget of



Common Expenses for the Condominium in accordance with the calendar set forth in Paragraph B below. A preliminary budget shall be prepared under the supervision of the Treasurer, in cooperation with the property manager and/or a budget Committee, if appointed by the President. All meetings necessary for the preparation of the preliminary and final budget must be noticed and open to all Unit owners.

- A. In addition to the statutory reserves described in Section 7.7 above, or in place of them if the members so vote, the Board of Directors may establish one or more additional Operational Reserve Accounts in the operating budget for contingencies, operating expenses, repairs, minor improvements or special projects. These reserves may be used to offset cash flow shortages, provide financial stability, or avoid the need for frequent special Assessments. The amounts proposed to be so reserved shall be included in the proposed annual budget. These funds may be spent for any purpose approved by the Board of Directors. The Board of Directors is authorized to cross-utilize Reserves.
- B. The Board of Directors shall consider the preliminary budget not later than the regularly scheduled November Board meeting, and then further discuss and adopt the proposed budget, as amended up or down, not later than the regularly scheduled December Board meeting. Copies of the proposed budget, and a notice stating the time, date and place of the meeting(s) of the Board of Directors at which the budget will be considered or adopted, shall be provided to all members via one of the methods set forth in these Bylaws not less than fourteen (14) days before the meeting(s). The proposed budget must be detailed, and must show the amounts budgeted by income and expense classifications.
- C. The Board of Directors may for any budget year submit the budget for a vote of the members and shall submit the budget for a vote upon petition of the members of the Association as required, and in the manner provided by Chapter 718, Florida Statutes. Upon adoption, the budget may be amended at any time by the Board of Directors. The members shall be notified of any budget amendment as soon as practicable after it is adopted.

7.9 Annual Budget Assessment. The annual shares of the Unit owners for the Common Expenses shall be made payable in installments due monthly or quarterly in advance and shall become due on the first day of each month or quarter in advance, as the Board of Directors shall determine. The Board of Directors shall have the right to accelerate Assessments through the end of the applicable calendar year of a Unit owner delinquent in the payment of Assessments. Any such accelerated Assessments shall be due and payable on the date a claim of lien is recorded.

7.10 Special Assessment. Special Assessments may be imposed by the Board of Directors as deemed necessary by the Board of Directors. Upon completion of such specific purpose or purposes, any excess funds will be considered Common Surplus, and may, at the discretion of the Board of Directors, either be returned to the Unit owners or applied as a credit towards future Assessments or transferred to reserves.



7.11 Common Surplus. At the end of the Association's fiscal year, any Common Surplus remaining in the operating component of the annual budget shall be rolled over into the reserve accounts. The Board of Directors shall determine which reserve account the surplus funds will be allocated to. In the event of a deficiency, the same shall be immediately assessed as a special assessment against the Units by the Board of Directors and be payable by the Units within thirty (30) days after notice of Assessment.

7.12 Depository. The funds of the Association shall be deposited and maintained in such bank, savings and loan association or other federally insured depository or depositories as shall be designated from time to time by the Directors. Withdrawal of money from such accounts shall be only by checks or other appropriate instruments signed by such persons as are authorized by the Board of Directors.

7.13 Commingling. All Association funds shall be maintained separately in the Association's name. No community association manager or business entity required to be licensed or registered under Section 468.432, Florida Statutes, no agent, employee, Officer, or Director of the Association shall commingle any Association funds with his or her funds or with the funds of any other condominium association or community association as defined in Section 468.431, Florida Statutes, or with those of any other entity. Reserve funds and operating funds of the Association may be commingled for investment purposes, as provided by law.

7.14 Fidelity Bonds. The Association shall obtain and maintain adequate fidelity bonding in the minimum principal sum set forth in Section 718.112(2)(j), Florida Statutes, for each person, whether or not a Director, who controls or disburses Association funds, and the President, Secretary and Treasurer. The Association shall bear the cost of bonding. In the case of a licensed manager, the cost of bonding may be reimbursed by the Association as the parties may agree. All persons providing management services to the Association, or otherwise having the authority to control or disburse Association funds, shall provide the Association with a certificate of insurance evidencing compliance with this paragraph, naming the Association as an insured under said policy.

7.15 Accounting Records. The Association shall maintain accounting records which identify, measure, record and communicate financial information in sufficient detail to determine revenues and expenses or receipts and disbursements attributable to all operations of the Association. All accounting records for the Association shall be kept in accordance with generally accepted accounting principles and the Condominium Act.

7.16 Suspension of Use Rights. In the event that a Unit owner is delinquent for more than ninety (90) days in paying a fine, fee or other monetary obligation due to the Association, the Association may suspend, until such monetary obligation is paid, the rights of the Unit owner and such Unit owner's occupant, licensee, tenant, guest or invitee to use the Common Elements, common facilities or any other Association Property. The suspensions permitted pursuant to Article 8 herein apply to a Unit owner and, when appropriate, any tenant, guest, or invitee, even if the delinquency or failure



or refusal that resulted in the suspension arose from less than all of the multiple Units owned by the Unit owner.

7.17 Suspension of Voting Rights. In the event that a Unit owner is delinquent for more than ninety (90) days in paying a fine, fee or other monetary obligation due to the Association, the Association may suspend, until such monetary obligation is paid, the voting rights of such Unit owner. Such a suspension ends upon full payment of all monetary obligations currently due or overdue the Association.

7.18 Extraordinary Assessments. If the Association shall be required to perform any maintenance, repairs or replacement work on any Unit for which an individual owner or owners are financially responsible hereunder, the Association may proceed to make an extraordinary Assessment against such Unit and the Unit owner(s) thereof for the cost of the work performed to recover the actual amounts expended by the Association in making or causing to be made such repair, maintenance or replacement work plus, in the event such work was attributable to any of the acts specified within the Declaration, an amount, to be determined by the Board of Directors not to exceed twenty- five percent (25%) of the total amount thereof to cover overhead and administrative costs of the Association. The Board of Directors may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the Board of Directors, may constitute a lien against the Condominium Property. When less than all of the Unit owners are responsible for the existence of any such lien, the Unit owner(s) responsible shall be jointly and severally liable for any payment necessary to discharge the same and for all costs and expenses, including reasonable attorneys' fees, incurred by reason of such lien and the Association may impose an extraordinary Assessment. The Association may also make an extraordinary Assessment against a Unit owner and his Unit to recover any amount paid by the Association for which an extraordinary Assessment may be levied as provided within the Declaration or these Bylaws.

7.19 Liability for Assessments and Charges. A Unit owner shall be liable for all Assessments and charges coming due while the owner of a Unit, and such owner and owner's grantees or successors after a voluntary conveyance or other acquisition of title shall be jointly and severally liable for all unpaid Assessments and charges due and payable up to the time of such voluntary conveyance. Liability may not be avoided by waiver of the use or enjoyment of the Common Elements or Condominium Property or by abandonment of the Unit for which the Assessments are due. Where a mortgagee holding a first mortgage of record obtains title to a Unit by foreclosure or deed-in-lieu of foreclosure, such first mortgagee and its successors and assigns shall only be liable for such Unit's Assessments, charges, or share of the Common Expenses which became due prior to acquisition of title as provided in Section 718.116, Florida Statutes, as subsequently amended from time to time.

7.20 Liens for Assessments. The unpaid portion of an Assessment, including an accelerated Assessment which is due, together with all costs, interest, late fees, and reasonable attorney's fees incident to collection, including appeals, shall be secured by a continuing lien upon the Unit. The lien shall relate back to and be effective from the



recording of the original Declaration of Condominium for CAPE HAZE RESORT B 3/5 CONDOMINIUM was recorded at Official Records Book 3136, Page 1501 *et seq.* in the Public Records of Charlotte County, Florida.

7.21 Lien for Charges. Unpaid charges due to the Association together with costs, interest, late fees, and reasonable attorney's fees incident to collection shall be secured by a common law and contractual lien upon the Unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association.

7.22 Collection — Interest; Administrative Late Fee; Application of Payments. All Assessments or charges paid on or before ten (10) days after the date due shall not bear interest, but all sums not paid on or before ten (10) days after the date due shall bear interest at the highest rate permitted by law from the date due until paid. In addition to such interest, the Association may charge an administrative late fee in an amount not to exceed the greater of \$25 or 5% of each installment of an Assessment for which payment is late, or the maximum late fee permissible by law. The Association may also accelerate all Assessments or charges which are accrued, but not yet due, in the manner provided by law. Payments received are first applied to accrued interest, then to any late fee, then to any costs and collection expenses, then to any reasonable attorney's fees incident to collection, and then to the principal Assessment itself first in time. Except as otherwise provided in Chapter 718, Florida Statutes, no lien may be filed by the Association against a Unit until thirty (30) days after the date on which a notice of intent to file a lien has been transmitted to the Unit owner pursuant to Section 718.121(4), Florida Statutes.

7.23 Collection — Suit. The Association, at its option, may enforce collection of delinquent Assessments or charges by suit at law, by foreclosure of the lien securing the Assessments or charges, or by any other remedy available under the laws of the State of Florida, and in any event the Association shall be entitled to recover the payments which are delinquent at the time of collection, judgment, or decree, together with those which have become due by acceleration or which have thereafter become due, plus interest thereon, and all costs incident to the collection and the proceedings, including reasonable attorney's fees, incurred before trial, at trial, and on appeal. The Association must deliver or mail by certified mail to the Unit owner a written notice of its intention to foreclose the lien as provided by law.

7.24 Financial Reports. Financial reports shall be created, maintained and reported in accordance with Florida Statute Section 718.111(13) of the Florida Condominium Act. Within ninety (90) days after the end of the fiscal year, or annually on a date provided in the Bylaws, the Association shall prepare and complete a financial report for the preceding fiscal year. Within 21 days after the final financial report is completed, but not later than 120 days after the end of the fiscal year or other date provided in the Bylaws, 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.



Florida Statute Section 718.111(13) requires Associations that operate fewer than 75 Units or have revenues of less than \$100,000 must prepare an annual fiscal report of cash receipts and expenditures in lieu of financial statements. A report of cash receipts and disbursements must disclose the amount of receipts by accounts and receipt classifications and the amount of expenses by accounts and expense classifications in the operating fund. The report of cash receipts and disbursements shall also include a summary of Association reserves including a good faith estimate disclosing the annual amount of reserve funds that would be necessary for the Association to fully fund each reserve account based on the straight-line accounting method, plus the following financial information components: (1) the beginning balance in each reserve account and the amount of Assessments and other revenues collected; (2) the amount expended or removed from each reserve account including but not limited to transfers to other Association accounts; (3) the balance in each reserve account at the end of the period covered by the report; and (4) any appropriate notes needed to clearly explain changes in each reserve account. An Association may not waive the financial reporting requirements for more than three (3) consecutive years.

In addition to the annual financial report of cash receipts and disbursements, the Association shall prepare financial statements not less frequently than quarterly, which shall be distributed as authorized by Chapter 718, Florida Statutes, or available to Unit owners, as determined by the Board of Directors from time to time. All Association financial reports shall be prepared in accordance with generally accepted accounting principles and all other applicable standards and law.

THIS CHANGES THE BYLAWS TO BE CONSISTENT WITH COMMUNITY ASSOCIATION AUTHORITY TO DEVELOP AND ENFORCE RULES AND REGULATIONS

ARTICLE 8 ENFORCEMENT

The Condominium Association is authorized to enforce the Declaration of Covenants, the Bylaws, and Rules and Regulations (the "Governing Documents") of the Condominium Association pursuant to the Condominium Act and Florida law, and is also bound pursuant thereto to uphold the Governing Documents of the Community Association. Pursuant to Paragraph (E) of Article III of the Articles of Incorporation of the Community Association, the Community Association is authorized to adopt and enforce uniform Rules and Regulations relating to the Condominium Associations, the individual Lots and Units in a Condominium Association, the individual Unit owners, Lot owners, and their tenants and guests, and Condominium Association Common Areas and Elements.

ARTICLE 9 PARLIAMENTARY RULES



Roberts Rules of Order, the latest edition, shall govern the conduct of all meetings of the Association and the Board of Directors when not in conflict with the Declaration, the Articles of Incorporation, these Bylaws or procedural rules adopted (as authorized by those Condominium documents or the law) by the Board of Directors or by the members.

THIS IS A FUNDAMENTAL CHANGE: THE CURRENT BYLAWS SPECIFY THAT AMENDMENTS CAN BE MADE ONLY BY MAJORITY VOTE OF THE MEMBERS. THIS CHANGES THAT TO A MAJORITY VOTE OF THE BOARD OF DIRECTORS. THE REASONING BEHIND THIS IS TO MAKE IT EASIER TO AMEND THE BYLAWS. AS THEY NOW EXIST, THE BYLAW AMENDMENT PROCESS IS WORK-INTENSIVE AND TIME CONSUMING. OWNERS WILL STILL HAVE NOTICES OF AMENDMENTS AND THE OPPORTUNITY TO SPEAK TO PROPOSED AMENDMENTS, BUT THE FINAL VOTE WILL BE UP TO THE BOARD OF DIRECTORS. PLEASE CONSIDER THIS AMENDMENT CAREFULLY.

ARTICLE 10 AMENDMENTS

10.1 Amendments. These Bylaws may be amended in the following manner:

10.2 Notice. Notice of the subject matter of a proposed amendment shall be included in the members' meeting notice at which a proposed amendment is to be considered.

10.3 Resolution. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than twenty (20%) percent of the Association's voting interest.

10.4 Adoption. These Bylaws can be amended, altered, or replaced only upon a majority vote of the Board of Directors.

10.5 Amendments. All amendments shall be in the form prescribed by Section 718.112, Florida Statutes.

10.6 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the Declaration and Bylaws, which certificate shall be executed by the Association's President. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Public Records of Charlotte County.

NEW ARTICLE

ARTICLE 11 OFFICIAL RECORDS

11.1 From the inception of the Association, the Association shall maintain each



of the following items, if applicable, which constitutes the official records of the association:

1. A copy of the plans, permits, warranties, and other items provided by the developer pursuant to Section 718.304(4), Florida Statutes.
2. A photocopy of the recorded declaration of condominium of each condominium operated by the association and each amendment to each declaration.
3. A photocopy of the recorded bylaws of the association and each amendment to the bylaws.
4. A certified copy of the articles of incorporation of the Association, or other documents creating the Association, and each amendment thereto.
5. A copy of the current rules of the Association.
6. A book or books that contain the minutes of all meetings of the Association, the board of administration, and the Unit owners.
7. A current roster of all Unit owners and their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers. The Association shall also maintain the e-mail addresses and facsimile numbers of Unit owners consenting to receive notice by electronic transmission. The e-mail addresses and facsimile numbers are not accessible to Unit owners if consent to receive notice by electronic transmission is not provided. However, the Association is not liable for an inadvertent disclosure of the e-mail address or facsimile number for receiving electronic transmission of notices.
8. All current insurance policies of the Association and condominiums operated by the Association.
9. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Unit owners have an obligation or responsibility.
10. Bills of sale or transfer for all property owned by the Association.
11. Accounting records for the Association and separate accounting records for each condominium that the Association operates. Any person who knowingly or intentionally defaces or destroys such records, or who knowingly or intentionally fails to create or maintain such records, with the intent of causing harm to the Association or one or more of its members, is personally subject to a civil penalty pursuant to Section 718.501(1)(d), Florida Statutes. The accounting records must include, but are not limited to:



- a. Accurate, itemized, and detailed records of all receipts and expenditures.
- b. A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Unit owner, the due date and amount of each assessment, the amount paid on the account, and the balance due.
- c. All audits, reviews, accounting statements, and financial reports of the Association or condominium.
- d. All contracts for work to be performed. Bids for work to be performed are also considered official records and must be maintained by the Association.

12. Ballots, sign-in sheets, voting proxies, and all other papers and electronic records relating to voting by Unit owners, which must be maintained for 1 year from the date of the election, vote, or meeting to which the document relates.

13. All rental records if the Association is acting as agent for the rental of condominium Unit.

14. A copy of the current question and answer sheet as described in Section 718.504, Florida Statutes.

15. All other written records of the Association not specifically included in the foregoing which are related to the operation of the association.

16. A copy of the inspection report as described in Section 718.301(4)(p), Florida Statutes.

17. Bids for materials, equipment, or services.

11.2 The official records specified in paragraph 11.1 numbers one (1) through six (6) above, must be permanently maintained from the inception of the Association. All other official records must be maintained as provided in the Condominium Act. The records of the association shall be made available to a Unit owner within forty- five (45) miles of the condominium property or within the county in which the condominium property is located within ten (10) working days after receipt of a written request by the board or its designee. This paragraph may be complied with by having a copy of the official records of the Association available for inspection or copying on the condominium property or Association property, or the Association may offer the option of making the records available to Unit owner electronically via the Internet or by allowing the records to be viewed in electronic format on a computer screen and printed upon request. The Association is not responsible for the use or misuse of the information provided to an Association member or his or her authorized representative pursuant to the compliance requirements of this chapter unless the Association has an affirmative



duty not to disclose such information pursuant to this Article.

11.3 The official records of the Association are open to inspection by any Association member or the authorized representative of such member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the member or authorized representative of such member. A renter of a Unit has a right to inspect and copy the Association's bylaws and rules. The Association may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and copying. The failure of an Association to provide the records within ten (10) working days after receipt of a written request creates a rebuttable presumption that the Association willfully failed to comply with this paragraph. A Unit owner who is denied access to official records is entitled to the actual damages or minimum damages for the Association's willful failure to comply. Minimum damages are Fifty Dollars (\$50) per calendar day for up to ten (10) days, beginning on the 11th working day after receipt of the written request. The failure to permit inspection entitles any person prevailing in an enforcement action to recover reasonable attorney fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records.

11.4 Any person who knowingly or intentionally defaces or destroys accounting records that are required by this chapter to be maintained during the period for which such records are required to be maintained, or who knowingly or intentionally fails to create or maintain accounting records that are required to be created or maintained, with the intent of causing harm to the Association or one or more of its members, is personally subject to a civil penalty pursuant to Section 718.501(1)(d), Florida Statutes.

THIS PARAGRAPH AND A-G FOLLOWING DESCRIBE INFORMATION IN THE ASSOCIATION'S RECORDS THAT MAY NOT BE DISCLOSED

11.5 The Association shall maintain an adequate number of copies of the declaration, articles of incorporation, bylaws, and rules, and all amendments to each of the foregoing, as well as the question and answer sheet as described in Section 718.504, Florida Statutes and year-end financial information required under this section, on the condominium property to ensure their availability to Unit owners and prospective purchasers, and may charge its actual costs for preparing and furnishing these documents to those requesting the documents. An Association shall allow a member or his or her authorized representative to use a portable device, including a smartphone, tablet, portable scanner, or any other technology capable of scanning or taking photographs, to make an electronic copy of the official records in lieu of the Association's providing the member or his or her authorized representative with a copy of such records. The Association may not charge a member or his or her authorized representative for the use of a portable device. Notwithstanding this paragraph, the following records are not accessible to Unit owners:

- A. Any record protected by the lawyer-client privilege as described in Section 90.502, Florida Statutes and any record protected by the work-product privilege, including a record prepared by an Association attorney or prepared at the attorney's express direction, which reflects a mental impression, conclusion, litigation



strategy, or legal theory of the attorney or the Association, and which was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings, or which was prepared in anticipation of such litigation or proceedings until the conclusion of the litigation or proceedings.

- B. Information obtained by an Association in connection with the approval of the lease, sale, or other transfer of a Unit.
- C. Personnel records of Association or management company employees, including, but not limited to, disciplinary, payroll, health, and insurance records. For purposes of this sub-subparagraph, the term "personnel records" does not include written employment agreements with an Association employee or management company, or budgetary or financial records that indicate the compensation paid to an Association employee.
- D. Medical records of Unit owners.
- E. Social security numbers, driver license numbers, credit card numbers, e-mail addresses, telephone numbers, facsimile numbers, emergency contact information, addresses of a Unit owner other than as provided to fulfill the Association's notice requirements, and other personal identifying information of any person, excluding the person's name, Unit designation, mailing address, property address, and any address, e-mail address, or facsimile number provided to the Association to fulfill the Association's notice requirements. Notwithstanding the restrictions in this sub-subparagraph, an Association may print and distribute to parcel owners a directory containing the name, parcel address, and all telephone numbers of each parcel owner. However, an owner may exclude his or her telephone numbers from the directory by so requesting in writing to the Association. An owner may consent in writing to the disclosure of other contact information described in this sub-subparagraph. The Association is not liable for the inadvertent disclosure of information that is protected under this sub-subparagraph if the information is included in an official record of the Association and is voluntarily provided by an owner and not requested by the Association.
- F. Electronic security measures that are used by the Association to safeguard data, including passwords.
- G. The software and operating system used by the Association which allow the manipulation of data, even if the owner owns a copy of the same software used by the Association. The data is part of the official records of the Association.

11.6 The Association or its authorized agent is not required to provide a prospective purchaser or lienholder with information about the condominium or the Association other than information or documents required by this chapter to be made available or disclosed. The Association or its authorized agent may charge a reasonable fee to the



prospective purchaser, lienholder, or the current Unit owner for providing good faith responses to requests for information by or on behalf of a prospective purchaser or lienholder, other than that required by law, if the fee does not exceed \$150 plus the reasonable cost of photocopying and any attorney's fees incurred by the Association in connection with the response. The Association and its authorized agent are not liable for providing such information in good faith pursuant to a written request if the person providing the information includes a written statement in substantially the following form: "The responses herein are made in good faith and to the best of my ability as to their accuracy."

11.7 An outgoing board or committee member must relinquish all official records and property of the Association in his or her possession or under his or her control to the incoming board within five (5) days after the election. The division shall impose a civil penalty as set forth in s. Section 718.501(1)(d)6, Florida Statutes, against an outgoing board or committee member who willfully and knowingly fails to relinquish such records and property.

NEW ARTICLE INCORPORATING ARTICLE X OF THE EXISTING BYLAWS AS 12.1.

**ARTICLE 12
MISCELLANEOUS**

12.1 **Mandatory Arbitration of Disputes.** Prior to commencing litigation, unresolved disputes between the Board and Unit owners as defined in Section 718.1255(1), Florida Statutes, must be submitted to arbitration or mediation as provided in the Florida Statutes, Chapter 718. This provision shall be in effect only so long as the Florida Statutes, Chapter 718 mandates such proceedings.

12.2 **Question and Answer Sheet.** The Association shall prepare a Question and Answer Sheet as described in Florida Statutes, Chapter 718 and shall update it annually.

12.3 **Roster of Unit Owners.** Each Unit owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain this information and may rely upon the accuracy of this information for all purposes until notified in writing of changes therein as provided above. Only Unit owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at the meeting, unless prior to such meeting other owners shall produce adequate evidence, as provided above, of their ownership interest and shall waive in writing the meeting notice.

12.4 **Construction.** Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

12.5 **Captions.** The captions herein are inserted only as a matter of convenience and



for reference, and in no way define or limit the scope of these Bylaws or the intent of any provision hereof.

12.6 Document Conflict. If any irreconcilable conflict should exist, or hereafter arise, the Declaration provisions shall take precedence over the Articles of Incorporation, which shall prevail over the Bylaw provisions, which shall prevail over the Rules and Regulations.

12.7 Severability. Should any of the provisions herein imposed be void or unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect.

THE SECTION (SECTION V OF THE EXISTING BYLAWS) ON 'MANAGER AND EMPLOYEES' HAS BEEN DELETED.