

SECOND AMENDED AND  
RESTATED BYLAWS OF

CYPRESS PINES PROPERTY  
OWNERS' ASSOCIATION, INC.

Revised 2026

SECOND AMENDED AND RESTATED BYLAWS OF CYPRESS  
PINES PROPERTY OWNERS' ASSOCIATION, INC.

TABLE OF CONTENTS

1.	GENERAL.....	1
2.	MEMBERS.....	1
3.	MEMBERS' MEETINGS; VOTING.....	2
4.	BOARD OF DIRECTORS.....	5
5.	OFFICERS.....	9
6.	FISCAL MATTERS.....	10
7.	RULES AND REGULATIONS; USE RESTRICTIONS.....	12
8.	COMPLIANCE AND DEFAULT; REMEDIES.....	12
9.	AMENDMENT OF BYLAWS.....	13
10.	MISCELLANEOUS.....	13

**SECOND AMENDED AND RESTATED BYLAWS OF CYPRESS PINES PROPERTY OWNERS' ASSOCIATION, INC.**

**1. GENERAL.** These are Bylaws of Cypress Pines Property Owners' Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on October 13, 1982, the original Declaration of Restrictions and Covenants was recorded in Official Records Book 1642, Pages 2161, *et seq.*, of the Public Records of Lee County, Florida, hereinafter the "Association". The corporation is organized under the laws of Florida as a community association for the purpose of operating a residential community. All prior Bylaws, if any, are hereby revoked and superseded in their entirety.

**1.1 Principal Office.** The principal office of the Association shall be as is listed with the Florida Department of State Division of Corporations, unless otherwise determined by the Board. A change in the address shall not be considered an amendment to these Bylaws.

**1.2 Terms.** The terms defined in the Articles as well as in the Declaration are incorporated herein by reference and shall appear in initial capital letters each time such terms appear in these Bylaws.

**2. MEMBERS.** The Members of the Association are the record owners of legal title to the Lot. In the case of a Lot subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the Lot solely for purposes of determining use rights.

**2.1 Change of Membership.** A change of membership shall become effective after all the following events have occurred.

(A) Recording in the Public Records of Lee County, Florida, of a Deed or other instrument evidencing legal title to the Lot in the member's name.

(B) Delivery to the Association of a copy of the recorded deed or other instrument evidencing title.

(C) Designation, in writing, of a primary occupant, which is required when title to a Lot is held in the name of two (2) or more persons who are not a married couple, or by a trustee or a corporation or other entity which is not a natural person.

**2.2 Voting Interests.** The Members of the Association are entitled to one (1) vote for each Assessable Parcel, (Lot) owned by them. The vote of a Lot is not divisible. The right to vote may be suspended for non-payment of any monetary amounts that are delinquent more than 90 days. If a Lot is owned by one (1) natural person, the right to vote shall be established by the record title to the Lot. If a Lot is owned jointly by two (2) or more natural persons, that Lot's vote may be cast by any one (1) of the Owners. If two (2) or more Owners of a Lot do not agree among themselves how their one (1) shall be cast on any issue, that vote shall not be counted for any purpose. If the Owner of a Lot is other than a natural person, the vote of that Lot shall be cast by the Lot's Primary Occupant.

**2.3 Approval or Disapproval of Matters.** Whenever the decision or approval of an Owner is required upon any matter, whether or not the subject of an Association meeting, the decision or other response may be expressed by any person authorized to cast the vote of the Lot at an Association meeting, as stated in Section 2.2 above, unless the joinder of all record Owners is specifically required.

**2.4 Change of Membership.** A change of membership in the Association shall be established by the new Member's membership becoming effective as provided for in Section 2.1 above. At that time, the membership of the prior Owner shall be terminated automatically.

**2.5 Termination of Membership.** The termination of membership in the Association does not relieve or release any former Member from liability or obligation incurred under or connected with the Association during the period of his or her membership, nor does it impair any rights or remedies the Association may have against any former Owner or Member arising out of or in any way connected with such ownership and membership and the covenants incident thereto.

### **3. MEMBERS' MEETINGS; VOTING.**

**3.1 Annual Meeting.** There shall be an annual meeting of the Members each calendar year at least thirty (30) days but not more than ninety (90) days after the close of the fiscal year. The annual meeting shall be held in Lee County, Florida, at a time and place designated by the Board, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the Members.

**3.2 Special Members' Meetings.** Special Members' meetings must be held whenever called by the President, or in the President's absence, the Vice-President, or by a majority of the Directors, and may also be called by members having at least twenty percent (20%) of the Voting Interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

**3.3 Notice of Meetings; Waiver of Notice.** Notices of all Members' meetings must state the date, time and place of the meeting. Notice of special meetings must include a description of the purpose or purposes for which the meeting is called. The notice must be mailed to each Member at the Member's address as it appears on the books of the Association or may be furnished by electronic transmission or personal delivery. The Members are responsible for providing the Association with any change of address. The notice must be mailed, electronically transmitted or hand delivered at least fourteen (14) days prior to the date of the meeting. If ownership of a Lot is transferred after notice has been mailed or electronically transmitted, no separate notice to the new owner is required. Attendance at any meeting by a Member constitutes waiver of notice by that member, unless the member objects to the lack of notice at the beginning of the meeting. A Member may also waive notice of any meeting at any time by written waiver.

**3.4 Quorum.** A quorum at Members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least thirty percent (30%) of the votes of the total Voting Interests. If a Members meeting cannot be convened because a quorum is not obtained, the Members present (in person or by proxy) may adjourn or postpone the meeting

pursuant to Section 3.8 below and at any such reconvened Members' meeting the quorum shall be reduced to twenty percent (20%) of the eligible Voting Interests.

**3.5 Vote Required.** The acts approved by a majority of the votes cast by eligible voters at a meeting of the Members at which a quorum has been attained shall be binding upon all Owners for all purposes, except where a different number of votes is expressly required by law or by any provision of the Governing Documents.

**3.6 Proxy Voting.** Members may cast their votes at a meeting in person or by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall 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 the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the Lot, specify the date, time and place of the original or reconvened meeting for which it is given, and must be delivered to the Association by the appointed time of the meeting or adjournment thereof. No proxy shall be valid if it names more than one (1) person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy. Any copy, facsimile transmission, or other reliable reproduction of the original proxy may be substituted or used in lieu of the original proxy for any purpose for which the original proxy could be used if the copy, facsimile transmission, or other reproduction is a complete reproduction of the entire proxy.

**3.7 Participation at Meeting By Remote Communication.** Unless prohibited by the Chapter 720, Florida Statutes, if authorized by the Board of Directors as provided in Section 617.0721 F.S., and subject to such guidelines and procedures as the Board may adopt, Members and proxy holders who are not physically present at a meeting may, by means of remote communication:

- (A) Participate in the meeting.
- (B) Be deemed to be present in person and vote at the meeting if:

1. The corporation implements reasonable means to verify that each person deemed present and authorized to vote by means of remote communication is a Member or proxy holder; and

2. The corporation implements reasonable measures to provide such Members or proxy holders with a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to communicate and to read or hear the proceedings of the meeting substantially concurrent with the proceedings.

**3.8 Adjourned Meetings.** Any duly called meeting of the Members may adjourn to be reconvened at a later time by vote of the majority of the Voting Interests present, regardless of whether a quorum has been attained. When a meeting is so adjourned, it shall not be necessary to give further formal notice of the time and place of its continuance if such are announced at the meeting being adjourned, but the Association may provide informal notice to Members to

facilitate attendance and participation. Any business which might have been conducted at the original meeting may instead be conducted when the meeting is reconvened, but only if a quorum is present.

**3.9 Order of Business.** The order of business at members' meetings shall be substantially as follows unless a published agenda for any regular or special meeting designates otherwise:

- (A) Appointment of Election Committee (annual meeting only)
- (B) Certification of Proxies (annual meeting only)
- (C) Election of Directors (annual meeting only)
- (D) Calling of the roll, and determination of quorum
- (E) Proof of meeting notice
- (F) Approval of Agenda
- (G) Member Comment Re: Agenda
- (H) Reading or disposal of minutes of last members' meeting
- (I) Reports of Officers
- (J) Reports of Committees
- (K) Unfinished Business
- (L) New Business
- (M) Member Comment
- (N) Adjournment

No meeting otherwise properly convened under these Bylaws shall be considered invalid for failure to follow the above order of business.

**3.10 Minutes.** Approved minutes of all meetings of the Members and of the Board shall be kept as official records of the Association.

**3.11 Right to Speak.** Members have the right to attend all Members' meetings and to speak at any meeting with reference to all items opened for discussion or included on the agenda. A Member shall have the right to speak for three (3) minutes on any such item. The Board may adopt written reasonable rules governing the frequency, duration, and other manner of Member statements, which rules must be consistent with this subsection.

**3.12 Action Without a Meeting.** Anything to the contrary herein notwithstanding, to the extent lawful, any action required or permitted to be taken at any annual or special meeting of Members 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 meeting of Members 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 Secretary within sixty (60) 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 meeting of the Members held on the sixtieth (60th) day. Within ten (10) days after obtaining such 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.

**4. BOARD OF DIRECTORS.** The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles and Bylaws, shall be exercised by the Board, subject to approval or consent of the Owners only when such is specifically required.

**4.1 Number and Terms of Office.** The number of Directors which shall constitute the whole Board of Directors shall be five (5). Beginning at the 2027 Annual meeting, no less than one and no more than two Directorships will be open for election each year. At the first Board meeting following the adoption of these Amended and Restated Bylaws, the Directors shall establish a system of staggered terms, such that at the 2026 Annual meeting:

(A) the Director who was elected with the least number of votes shall serve for one year, with the term ending at the 2027 Annual meeting;

(B) the two Directors who are elected with the higher number of votes shall serve for three years, with the term ending at the 2029 Annual meeting;

(C) the remaining two Directors, who are not up for elections at the 2026 Annual meeting, shall serve the remainder of their term, with the term ending at the 2028 Annual meeting;

(D) in the case of a tie in the vote, the decision of which Director shall take the longer term shall be made by mutual agreement of the affected Directors, or, if no agreement can be reached between them, then the affected Directors shall draw straws with the one drawing the longer straw taking the longer term.

After the initial establishment of staggered terms, all Directors shall be elected for a term of three (3) years each. A Director's term will end at the annual election at which his or her successor is to be duly elected, unless he or she sooner resigns or is recalled as provided for in Section 4.5 below or the Director is no longer qualified as required by these Bylaws or Florida Law. Directors shall be elected by the Members as described in Section 4.3 below, or in the case of a vacancy, as provided for in Section 4.4 below.

**4.2 Qualifications.** Each Director must be an Owner or Primary Occupant or the spouse of an Owner or Primary Occupant. In the case of a Lot owned by a corporation, limited liability company, partnership, or other entity, any officer, manager, or partner of the corporation, limited liability company, partnership or other entity that occupies the applicable Lot as their full

or part time personal residence is eligible for election to the Board. If a Lot is held in trust, the trustee, grantor or settlor of the trust, or any one of the beneficial owners residing in the Lot is eligible for election to the Board.

**4.3 Nominations and Elections.** Nominations for election to the Board shall be made in writing at least forty (40) days in advance of the election. The Board of Directors may appoint a nominating committee to review nominations and ensure nominees are qualified. Election to the Board shall be by secret ballot. At such election, the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes shall be elected, except that a run-off shall be held to break a tie vote. If a tie persists after the run-off, the candidates who are tied will be avoided an opportunity to decide among themselves which one shall be elected. If the candidates are unable to reach an agreement, the candidates shall draw straws to determine which shall be elected with the candidate drawing the longer straw being elected. Cumulative voting and voting by general proxy in elections is not permitted.

**4.4 Resignation; Vacancies on the Board.** Any Director may resign at any time by giving written notice to the Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor shall be appointed by the Board. The successor so appointed shall serve until the next annual meeting, at which time the seat will be elected by the Members and maintain the staggering of terms previously established whereby the candidates receives the most votes shall serve the longer terms, and the candidates elected and receiving the fewest votes shall serve the shorter term. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the Members shall elect successors at a special meeting.

Directors shall notify the Board's secretary (or another Director) if unable to attend any Board meeting. If a Director misses three Board meetings without providing notice to the Secretary or another Director, excluding emergencies approved by the Board, the Director shall be deemed to have vacated his or her seat without any further action of the Board. The Board Member will be notified in writing of dismissal and replacement of Board Member will follow the guidelines set forth herein.

**4.5 Removal of Directors.** Any Director may be removed, with or without cause, by a majority vote of the total Voting Interests, either by a written agreement or at a meeting called for that purpose. If a special meeting is called by twenty percent (20%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given. If removal is affected by written agreement, the vacancy or vacancies shall be filled as provided by law. If removal is affected at a meeting, any vacancies created thereby shall be filled by the members at the same meeting. Any Director who is removed from office is not eligible to stand again for election to the Board until the next annual election and must turn over to the Association within seventy-two (72) hours all records and other property of the corporation in his possession. If a Director who is removed does not relinquish his office or turn over records as required, the circuit court in the county where the Association has its principal office may summarily order the

Director to relinquish his office and turn over corporate records upon application of any member. In any such action, the prevailing party shall be entitled to recover its attorney fees and costs.

**4.6 Organizational Meeting.** The organizational meeting of a new Board shall be held within ten (10) days after the election of new Directors, at such place and time as may be fixed and announced by the Directors at the annual meeting at which they were elected. The organizational meeting may be held immediately after the adjournment of the annual meeting.

**4.7 Other Meetings.** Meetings of the Board may be held at such time and place as shall be determined from time to time by the President, or in his or her absence, a Vice-President, or by at least one-third (1/3) the Directors at any time. It shall be the duty of the Directors, the President, or a Vice-President, to call such a meeting whenever so requested by the Association Members constituting at least twenty percent (20%) or more of the total Voting Interests. Notice of meetings shall be given to each Director at least two (2) days prior to the meeting.

**4.8 Notice to Owners.** Meetings of the Board shall be open to Members except for meetings in regards to personnel discussions and meetings between the Board and its attorney with respect to proposed or pending litigation or where the discussion would otherwise be governed by the attorney-client privilege, and notices of all Board meetings, together, shall be posted conspicuously in the community at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which rules affecting the use of a Lot or Special Assessments are to be considered shall specifically contain a statement that rules or Special Assessments will be considered and the nature of the rule or Assessments and shall be mailed, electronically transmitted or delivered and posted at least fourteen (14) days in advance.

**4.9 Waiver of Notice.** Any Director may waive notice of a meeting before or after the meeting, and such waiver is deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

**4.10 Quorum of Directors.** A quorum at a Board meeting shall be attained by the presence in person of a majority of all Directors. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

**4.11 Vote Required.** The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board, except when approval by a greater number of Directors is required by the Governing Documents or by applicable statutes. A Director who is present at a meeting of the Board is deemed to have voted in favor of every action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes of each meeting. Directors may not vote by proxy or secret ballot at Board meetings, except that secret ballots may be used in the election or removal of officers.

**4.12 Adjourned Meetings.** A majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specified later time. When the meeting is reconvened, provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted.

**4.13 Attendance at Board Meetings.** A Director may participate in a Board meeting via telephone, real-time videoconferencing, or similar real-time electronic or video communication and such participation counts toward a quorum, and such Director may vote as if physically present. Directors may use e-mail as a means of communication but may not cast a vote on an Association matter via e-mail unless authorized by law.

**4.14 The Presiding Officer.** The President of the Association, or in his or her absence, a Vice-President, is the presiding officer at all meetings of the Board. If neither officer is present, the presiding officer shall be selected by majority vote of the Directors present.

**4.15 Directors' Fees and Reimbursement of Expenses.** Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

**4.16 Committees.** The Board may appoint from time to time such other standing or temporary committees, including a search committee, as the Board may deem necessary and convenient for the efficient and effective operation of the Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Only committees assigned with the power to make final decisions regarding the expenditure of Association funds or committees vested with the power to approve or disapprove architectural decisions with respect to Lots are required to hold meetings with the same formalities as required for Board meetings.

**4.17 Emergency Powers.** The Board of Directors may exercise the emergency powers authorized by Sections 617.0207, 617.0303, and 720.316 Florida Statutes, as amended from time-to-time hereafter.

**4.18 Fiduciary Duty.** Each Director and each officer have a fiduciary relationship with the Members. This fiduciary relationship imposes obligations of trust and confidence in favor of the Association and its Members. It requires each Director to act in good faith and in a manner he or she believes to be in the best interests of the Members. It means Directors must exercise the care and diligence of an ordinarily prudent person when acting for the community, and it requires each of them to act within the scope of their authority.

Directors and officers of the Association must devote enough time and effort to the performance of their duties to ensure that they are reasonably and faithfully carried out on behalf of the Association. The fact that the Association is a corporation not for profit, or that the members of the Board are volunteers and unpaid, does not relieve them from the standards of trust and responsibility that the fiduciary relationship requires. When confronted with an issue involving special expertise such as a question of law, building or construction matters, insurance or

accounting questions, or other similar issues, the law also contemplates that the Board or an officer will seek the appropriate advice of a professional considered competent in the field and rely upon that advice provided.

## 5. OFFICERS.

**5.1 Officers and Elections.** The executive officers of the Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority vote of the Board. Any officer may be removed with or without cause at any meeting by a majority vote of the Directors. Any officer so removed shall return all books, records and property of the Association to the Association within seventy-two (72) hours of their removal. Any person except the President may hold two (2) or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one (1) Vice-President, assistant secretaries or assistant treasurers and such other Officers and agents as may be deemed necessary.

**5.2 President.** The President shall be the Association's chief executive officer; shall preside at all meetings of the Members and Board; shall have the power to appoint such committees from among the Members at such times as he or she may, in his or her discretion, determine appropriate to assist in the conduct of the affairs of the Association; shall be *ex-officio* a member of all standing committees; shall have general and active management of Association business; and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts and documents requiring the seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board to some other officer or agent of the Association.

**5.3 Vice-Presidents.** The Vice-Presidents, in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board shall assign.

**5.4 Secretary.** The Secretary shall attend meetings of the Board and all meetings of the Members and shall cause all votes and the minutes of all proceedings to be recorded in a book, books, or permanent electronic records to be kept for the purpose and shall perform like duties for standing committees when required. The Secretary shall give, or cause to be given, proper notice of all meetings of the members, and of the Board, and shall perform such other duties as may be prescribed by the Board or the President. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

**5.5 Treasurer.** The Treasurer shall have the custody of Association funds and securities and be responsible for the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer is responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as are selected by the Board. The Treasurer shall oversee the disbursement of Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full

accounting of all transactions and of the financial condition of the Association. The Treasurer shall prepare an annual budget of estimated revenues and expenses to present to the Board of Directors for approval. Any of the foregoing duties may be performed by an Assistant Treasurer, if one is elected.

**5.6 Compensation of Officers.** No compensation shall be paid to any officer for services as an officer, nor may the Board employ officers or Directors as employees of the Association.

**5.7 Management, Employees and Consultants.** The Association may contract for the management and maintenance of the Association and the Property and to authorize management agents, employees and consultants to assist the Association in carrying out its power and duties by performing such functions as reviewing and evaluating the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the Property with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted in the Governing Documents and Florida law, including, without limitation, the making of Assessments, promulgation of Rules and Regulations and execution of contracts on behalf of the Association.

**6. FISCAL MATTERS.** The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions.

**6.1 Depository.** The Association shall maintain its funds in such accounts at financial institutions as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The foregoing notwithstanding, the Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities and other similar investment vehicles.

**6.2 Accounts of the Association.** The Association shall maintain its accounting books and records according to generally accepted accounting principles. There shall be an account for each Lot. Such accounts shall designate the name and mailing address of each Lot, the amount and due date of each Assessment or charge against the Lot, amounts paid, date of payment and the balance due.

**6.3 Budget.** The Treasurer shall prepare, and the Board shall adopt a budget of estimated revenues and expenses for each coming fiscal year. Once adopted, the Association shall provide to each Member a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the Member prior to the beginning of each fiscal year. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and revenue and expense classifications. The estimated surplus or deficit as of the end of the current year shall be shown and all fees or charges for recreational amenities shall be set out separately.

**6.4 Reserves.** The Board of Directors may establish in the budget one (1) or more reserve accounts for capital expenditures, deferred maintenance, or contingency reserves for

unanticipated operating expenses. Board adopted reserve funds are not controlled by Chapter 720, Florida Statutes, and therefore may be spent, waived or used as approved by the Board. Membership adopted reserves are restricted by Chapter 720, Florida Statutes, and therefore Membership adopted reserves may only be used, waived or reduced on a yearly basis according to Chapter 720, Florida Statutes. The purpose of reserves is to provide financial stability and to avoid the need for Special Assessments. The annual amounts proposed to be so reserved shall be shown in the annual budget.

**6.5 Assessments; Installments.** As reflected in the Declaration, the Association levies annual Individual Lot Assessments, Landscaping Assessments and Special Assessments. The annual assessment is based on an adopted budget and may be due on January 1 each year or may be due in quarterly installments as determined by the Board when adopting the budget. Written notice of the Assessments shall be sent to the owners of each Lot prior to the first quarterly installment being due, but failure to send (or receive) such notice does not excuse the obligation to pay. If an annual budget for a new fiscal year has not been adopted, or if notice of any increase has not been made at the time the payment for the first quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly installment, and payments shall be continued at such rate until a budget is adopted and new Assessments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each unit's next due quarterly installment. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after the due date, interest shall accrue from the due date at the highest rate allowed by law and shall incur a late fee determined by the Board and not to exceed the highest amount allowed by law.

**6.6 Non-Emergency Special Assessments.** Special Assessments may be imposed when necessary to meet unusual, unexpected, unbudgeted or non-recurring expenses, or for such other purposes as are authorized by the Declaration and these Bylaws. The levying of 1) any non-emergency Special Assessment exceeding two hundred dollars (\$200.00) per Lot; or 2) more than two (2) separate non-emergency Special Assessments less than \$200.00 per Lot in any calendar year, shall require the affirmative assent of a majority (51%) of Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws. The Board may, without a vote of the Members, levy not more than two (2) separate non-emergency Special Assessments of \$200.00 or less per Lot in any calendar year. Special Assessments are due on the day specified in the resolution of the Board approving such Assessment. The notice of any Board meeting at which non-emergency Special Assessment will be considered shall be given as provided in Section 4.8 above; and the notice to the Owners that the Assessment has been levied must contain a statement of the purpose(s) of the Assessment.

**6.7 Fidelity Bonds.** The President, Treasurer, and all other persons who are authorized to sign checks, shall be bonded in such amounts as may be acquired by law or otherwise determined by the Board. The premiums on such bonds are a Common Expense.

**6.8 Delegation of Spending Authority.** The Board may, but shall not be required to, delegate authority to an officer or officers, or to its community association manager, to incur debts and obligations on behalf of the Association without a vote of the Board and up to specific limitations adopted by the Board from time to time. Any such resolution delegating authority

shall be adopted by the Board at an open and duly noticed Board meeting.

**6.9 Financial Reports.** Not later than ninety (90) days after the close of each fiscal year, the Board shall cause to be prepared a financial report as prescribed in 720.303, Florida Statutes. The Association shall provide each member with a copy of the financial report or a written notice that a copy of the financial report is available upon request at no charge to the Member.

**6.10 Audits.** A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all members.

**6.11 Application of Payments and Co-Mingling of Funds.** All monies collected by the Association may be co-mingled in a single fund or divided into two (2) or more funds, as determined by the Board. Regardless of any restrictive endorsement, all payments on account by an Owner shall first be applied to late fees, interest, costs, attorney fees, other charges, fines and then to regular or Special Assessments.

**6.12 Fiscal Year.** The fiscal year for the Association shall begin on the first day of January of each calendar year and end on December 31 that same calendar year.

**7. RULES AND REGULATIONS; USE RESTRICTIONS.** The Board may, from time to time, adopt and amend administrative Rules and Regulations governing the use, maintenance, management and control of the Common Areas, the Lots and the operation of the Association.

**8. COMPLIANCE AND DEFAULT; REMEDIES.** In addition to the remedies provided in the Declaration, the following shall apply.

**8.1 Fines and Suspensions.** The Board may levy fines and/or suspensions against Members, or Members' tenants or guests, or both, who commit violations of Chapters 617 or 720, Florida Statutes, the provisions of the Governing Documents, or the Rules and Regulations, or who condone such violations by their family members, guests or lessees. Owners are responsible for the conduct of their tenants, guests, and agents. Therefore, Owners may be fined for the conduct of these individual in the manner and to the same degree as if the violation were committed by the Owner personally. Fines shall not exceed One Hundred Dollars (\$100) per day / per violation and Three Thousand Dollars (\$3,000) in the aggregate for a continuing violation. Fines shall be in amounts deemed necessary by the Board to deter future violations. As allowed by law, fines shall be secured by a lien on the Owner's Lot. Suspensions of the use of Common Areas, facilities and common non-essential services (e.g. bulk cable tv and/or internet) may be imposed for a reasonable period of time to deter future violations. The procedure for imposing fines or suspending use rights shall confirm with the requirements of Florida Statutes Chapter 720.305.

**8.2 Fines and Suspensions without Hearing.** The foregoing notwithstanding, as provided in 720.305(2)(b), Florida Statutes, no prior notice or opportunity for a hearing is required for the imposition of a fine or suspension upon any Member because of the failure of the Member

to pay Assessments or other charges when due.

**8.3 Correction of Health and Safety Hazards.** Any violations of the Association rules which creates conditions of the property which are deemed by the Board to be a hazard to the public health or safety may be dealt with immediately as an emergency matter by the Association, and the cost thereof shall be charged to the Lot Owner.

**9. AMENDMENT OF BYLAWS.** Amendments to these Bylaws shall be proposed and adopted in the following manner.

**9.1 Proposal.** Amendments to these Bylaws shall be proposed by a majority of the Board or upon petition of twenty percent (20%) of the Voting Interests and shall be submitted to a vote of the Members not later than the next annual meeting.

**9.2 Vote Required.** Except as otherwise required by Florida law or as provided elsewhere in these Bylaws, these Bylaws may be amended if the proposed amendment is approved by a majority vote of the Members at any annual or special meeting of the Members called for that purpose, or by majority action of the Members who have acted by written response in lieu of a Meeting as permitted by these Bylaws.

**9.3 Effective Date.** An amendment shall become effective upon the recording of a copy in the Public Records of Lee County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

**10. MISCELLANEOUS.**

**10.1 Gender; Number.** Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

**10.2 Severability.** If any portion of these Bylaws is void or become unenforceable, the remaining provisions shall remain in full force and effect.

**10.3 Conflict.** If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration, or the Articles, the provisions of the Declaration or Articles shall prevail over the provisions of these Bylaws.