

**AMENDED AND RESTATED BYLAWS  
OF  
BONITA NATIONAL HOMEOWNER'S ASSOCIATION, INC.**

**1. GENERAL** These are the Amended and Restated Bylaws of Bonita National Homeowner's Association, Inc. (hereinafter the "Association"), a Florida corporation not for profit organized for the purposes set forth in the Articles of Incorporation.

**1.1 Principal Office.** The principal office of this corporation shall be located at 17501 Bonita National Blvd., Bonita Springs, FL 34135 and subsequently at such other place as may be established by resolution of the Board of Directors.

**1.2 Definitions.** All terms defined in the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Bonita National ("Declaration") to which these Bylaws were attached as an exhibit when it was originally recorded and/or as subsequently amended, shall be used with the same meanings as defined therein.

**1.3 Seal.** The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit". The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced, or otherwise placed upon any document or writing of the corporation where a seal may be required.

**2. MEMBERSHIP AND VOTING RIGHTS.** The classes of membership shall be as more fully set forth in Article 4 of the Declaration.

**2.1 Membership.** Every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot or Living Unit which is subject to the Declaration shall be a Member of the Association. Membership shall be further described as set out in Section 4 of the Declaration.

**2.2 Voting Rights.** Voting rights shall be as set out in Section 4.2 of the Declarations.

**2.3 Rights and Privileges of Members.**

(A) Each member is encouraged to take an active interest in Association affairs and attend membership meetings. Suspension shall not preclude a member's right to attend membership meetings. Every Member shall have the right to:

- (1) Have his vote cast at the meetings of the members; and
- (2) Serve on the Board if elected

(B) Every member in good standing shall have the right to:

(1) Use and enjoy the Common Areas, subject to the Governing Documents and Rules and Regulations of the Association and the right of the Association to charge admission and other fees for the use of any facilities; and

(2) Be eligible to serve on committees if appointed by the Board of Directors, except that no Golf or CDD Board member may serve on an HOA committee. No HOA Board Member or any member of his or her family may serve on committees. However, Board Members may act as liaisons between the committee and the Board. The Board shall appoint the Chair and the committee members for each committee. Committee members serve at the pleasure of the Board for a term established in the Rules and Regulations.

(C) A member is in good standing if he is current in the payment of all assessments and other financial obligations to the Association, and his membership is not suspended.

#### **2.4 Delegation of Rights to use Common Areas.**

(A) In accordance with Sections 2.4(B) and 4.4 of the Declaration, a member may delegate his privilege to use the Common Areas to:

(1) A reasonable number of guests, subject to the Rules and Regulations, by obtaining a Guest Membership Pass for each such guest; or

(2) Residential occupants who reside in the member's Living Unit by obtaining a Guest Membership Pass or a Transfer of Membership Pass for each.

(B) In the case of both guests and residential occupants of the member's Living Unit, the delegating member must adhere to the Rules and Regulations pertaining to a Transfer of Membership/Lease Application as the Board shall require.

(C) A member who has delegated his use privileges and is not in residence in Bonita National may not use Common Areas during the period of the delegation, except as a guest of another member. A member may not be the guest of his residential occupant.

(D) Members shall be responsible for keeping the Association informed as to the identity and relationship of any persons who normally reside with the member and intend to utilize the Common Areas.

(E) The Board of Directors may amend a member's delegation of use rights, and may impose fees for the delegation of such rights of use of the facilities by renters, tenants, lessees, licensees, other conveyance holders for a term, or guests, which fees may be different from fees charged to members for their use.

**2.5 Suspension.** As further provided in Section 10.4 of the Declaration, the Board may suspend a member's rights and privileges to use and enjoy Common Areas and facilities:

(A) For the period of time during which an assessment or any other monetary obligation against the member remains unpaid more than ninety (90) days after the date it was due and payable; or

(B) For a reasonable period during or after any infraction of the Association's rules and regulations by a member or by any person to whom he has expressly or impliedly delegated his use privileges; or

(C) For misuse, abuse, or intentional destruction of Association property, real or personal.

Suspension temporarily revokes the member's and their tenant's and their family members and guests' rights and privileges to use and enjoy Common Areas and facilities. A suspension shall in no way impair the enforceability of any assessment or lien therefor, or the authority of the Association to assess and collect any future assessment and lien, nor shall it impair the member's or their tenant's and their family members and guests' right of access to, and use of, his own property in a manner consistent with the Governing Documents.

**2.6 Joint Enforcement.** In the event that the Association and the Golf Club enter into a Joint Enforcement Agreement, the Association shall have the authority, following notice and the opportunity for a hearing, to impose a common facility use right suspension in the Common Areas of the Association for violations of the Golf Club Governing Documents and Rules and Regulations in the event that the Golf Club has likewise imposed a suspension of the Golf Club Common Areas. Further, in the event the Joint Enforcement Agreement provides for the suspension of the Golf Club Common Areas for the violation of the Association's Governing Documents and Rules and Regulations, then the Association shall provide notice of such suspension to the Golf Club so that the Golf Club may likewise impose such suspension following notice and the opportunity for a hearing.

### **3. MEMBERS' MEETINGS.**

**3.1 Annual Meeting.** The annual meeting shall be held in Lee County, during February or March, at a date, place and time designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the members. The annual meeting is a general meeting, and unless the law or the Governing Documents require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

**3.2 Special Members' Meetings.** Special members' meetings must be held whenever called for by the President, Secretary or by a majority of the Directors, and must be promptly called by the Board upon receipt of a written request signed by members entitled to cast at least ten percent (10%) of the votes of the Association. Such requests shall be in writing and shall state the purpose or purposes of the meeting. Business at any special meeting shall be limited to the item(s) specified in the request or contained in the notice of meeting.

**3.3 Quorum.** A quorum shall be attained at an Annual Meeting or a Special Members Meeting requiring a vote of the membership by the presence, in person or by proxy, of at least thirty percent (30%) of the total voting interests.

**3.4 Vote Required to Transact Business.** Any act or resolution approved by at least a majority of the votes cast at a duly called meeting at which a quorum has been attained shall be an act or resolution of the Members, unless a higher vote is specifically required by law or by the Governing Documents.

**3.5 Notice of Meetings.** Written notice of meetings shall be mailed, sent electronically or hand-delivered to each member at the address last provided to the Association by the members. The notices must be mailed, sent electronically, or delivered by the Association not less than fourteen (14) days prior to the date of the meeting. Notice may also be furnished by electronic transmission to any member who has consented to receive notice by electronic transmission. Consent by a member to receive notice by electronic transmission shall be revocable by the member by written notice to the Association.

**3.6 Adjourned Meetings.** Any duly called meeting of the members may be adjourned to be reconvened at a later time by vote of the majority of the voting interests present, and voting in person or by proxy regardless of whether a quorum has been attained. Unless the Bylaws require otherwise, adjournment of annual or special meeting to a different date, time or place must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to Section 720.303(2), Florida Statutes, as amended. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed under Section 607.0707, Florida Statutes, as amended, notice of the adjourned meeting must be given to persons who are entitled to vote and are members as of the new record date but were not members as of the previous record date.

**3.7 Order of Business.** The order of business at Members' meetings shall be substantially as follows:

- (A) Call to order
- (B) Determination that a quorum has been attained
- (C) Proof of Notice
- (D) Approval of minutes of last Members' meeting
- (E) Reports of Officers
- (F) Reports of Committees
- (G) Election of Directors (when appropriate)
- (H) Old Business.
- (I) New Business
- (J) Management Report
- (K) Member Questions
- (L) Adjournment

**3.8 Minutes.** Minutes of all meetings of the Members must be maintained in written form, or in another form that can be converted into written form within a reasonable time.

**3.9 Parliamentary Rules.** Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with these Bylaws. The presiding officer may appoint a Parliamentarian, but the decision of the presiding officer on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

**3.10 Action by Members Without a Meeting.** Except for the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the Members may be taken by mail or electronic method without a meeting if written instruments expressing approval of the action proposed to be taken are signed and returned by Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the requisite number of written consents are received by the Secretary and/or management 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 at a meeting of the Members held on the ninetieth (90th) day. Within ten (10) days thereafter, the Board shall send written notice of the action taken to all Members who have not consented in writing. Nothing in this paragraph affects the rights of members to call a special meeting of the membership, as provided for by Section 3.2 above, or by law.

**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 of Incorporation, and these Bylaws, shall be exercised by the Board, subject to the approval or consent of the members only when such is expressly required.

**4.1 Powers.** The Board shall have the authority to:

- (A) Manage and control the affairs of the Association.
- (B) Appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing in these Bylaws shall be construed to prohibit the employment of any member, officer or Director of the Association in any capacity whatsoever.
- (C) Establish, levy, assess, and collect any assessment or charge provided for in the Governing Documents.
- (D) Designate one or more financial institution(s) as depository for Association funds, and the officer(s) authorized to make withdrawals therefrom.
- (E) With the prior consent of at least a majority of the voting interests present and voting, in person or by proxy, borrow up to one million dollars (\$1,000,000.00), and with the prior assent of at least two-thirds (2/3) of the voting interests present and voting, in person or by proxy, borrow more than one million dollars (\$1,000,000.00) for Association purposes, and assign,

pledge, mortgage or encumber any Common Areas or future revenues of the Association as security therefor.

(F) Adopt, amend or revoke rules and regulations relating to the use of Common Areas, Neighborhood Common Areas, and Lots and Living Units, and such sanctions for noncompliance therewith, as it may deem necessary for the best interest of the Association and its Members. The Board may also establish and levy fees for the use of Common Areas or Association property.

(G) Cause the Association to employ sufficient personnel to adequately perform the responsibilities of the Association.

(H) Negotiate and enter into contracts for the maintenance and operation of the Common Areas.

(I) Make improvements and/or repairs to the Common Areas.

(J) Establish committees of the Association and appoint the members thereof. It may assign to such committees responsibilities and duties not inconsistent with the provisions of these Bylaws as it may deem appropriate.

(K) Acquire property, real or personal, and enter into agreements with any persons relating to the orderly transfer of property from said person to the Association and such other matters as the Board may deem appropriate.

(L) Perform all other acts not inconsistent with law or the Governing Documents and necessary for the proper functioning of the Association.

**4.2 Management by Directors.** The property, business and affairs of the Association shall be managed and conducted by a Board of Directors of seven (7) members.

**4.3 Election of Directors.** Directors shall be elected by the Members at the Annual Meeting of the Association as follows:

(A) Not less than sixty (60) days before the election, the Association shall mail, deliver or electronically transmit a first notice of the election to the owners of each parcel entitled to vote and include an invitation for members to declare their intent to become candidates for any upcoming board vacancies.

(B) Not less than forty (40) days prior to the election, members desiring to be a candidate for the board must give written notice of their intent to be a candidate and include an information sheet describing their background and qualifications. No nominations for the election of directors shall be permitted from the floor at the annual meeting. Candidates must not be subject to the disqualifications set out in Section 720.306 (9)(b).

(C) Not less than fourteen (14) days prior to the election, the Association must mail, deliver or electronically transmit a second notice of the election to the owners of each parcel entitled to vote. The notice will include an agenda, a list of candidates, the candidate information

sheets, and a ballot with instructions of how it may be cast. Ballots may be cast in writing or by means of electronic voting software. Secrecy must be maintained in either case.

A Living Unit owner may not authorize any other person to cast his or her ballot, and any ballots improperly cast are invalid. Ballots must be received by any deadline established by the Board. Elections shall be decided by a plurality of ballots cast. Notwithstanding this section, an election is not required unless there are more candidates than board vacancies.

Within 90 days after being elected or appointed to the Board, each Director shall certify in writing to the secretary of the Association that he or she has read the Association's declaration of covenants, articles of incorporation, bylaws and current written rules and policies; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the Association's members. In lieu of the written certification, the newly elected or appointed director may submit a certificate of having satisfactorily completed the educational curriculum administered by a division-approved 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 for the uninterrupted tenure of the director on the Board. A director who does not timely file the written certification or educational certificate is suspended from the Board until he or she complies with the requirement. The Board may temporarily fill the vacancy during the period of suspension. The Association shall retain each director's written certification or educational certificate for five (5) years after the director's election or appointment; however, the failure to retain the certificate does not affect the validity of any Board action. As used herein, division refers to the Division of Florida Condominiums, Timeshares, and Mobile Homes in the Department of Business and Professional Regulation.

**4.4 Term of Office.** In order to provide for a continuity of experience by establishing a system of staggered terms of office, each Director shall be elected for a term of two (2) years that will end upon final adjournment of the Annual Meeting in conjunction with which the Director's successor is to be elected, unless the Director sooner resigns or is recalled as provided in Section 4.5 below. No person shall be elected or appointed for more than two (2) successive terms. A hiatus of at least two (2) years must occur before any person having so served is again eligible for election or appointment to the Board of Directors. Initial terms of less than two (2) years shall be counted as a single full term. A resignation must be in writing to be effective and may not be revoked once received by the Association's Board of Directors.

**4.5 Vacancies and Removal.** Any vacant seat that is not filled by the Board shall become an open seat to be filled in the election to be held at the next Annual Meeting. A member appointed to fill an open seat for the unexpired term shall serve for the duration of the unexpired term. In addition:

(A) Except as to vacancies resulting from removal of Directors by Voting Members (as addressed in subsection (B) below), vacancies in the Board of Directors occurring between Annual Meetings of Members shall be filled by the remaining Directors at any Board meeting except that a vacancy for a term of less than ninety (90) days may be filled at the discretion of the Board of Directors.

(B) Any Director may be removed by concurrence of a majority of the votes of the Members at a special meeting called for that purpose or by written agreement signed by a majority of the Members. The vacancy(ies) in the Board of Directors so created, if less than a majority of the Board, shall be filled by a majority vote of the remaining Board of Directors. If a majority or more of the positions on the board of directors become vacant, they shall be filled in accordance with Section 720.303(10)(e), Florida Statutes.

(C) A Director or Officer charged by information or indictment with a felony theft or embezzlement offense involving the association's funds or property is removed from office. The Board shall fill the vacancy according to general law until the end of the period of the suspension or the end of the director's term of office, whichever occurs first. However, if the charges are resolved without a finding of guilt or without acceptance of a plea of guilty or nolo contendere, the Director or Officer shall be reinstated for any remainder of his or her term of office. A director appointed to the Board in their place shall leave the Board but shall not be precluded from running for the reinstated Director's position when the reinstated Director's successor was originally scheduled to be elected.

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

**4.7 Regular Meetings.** Regular meetings of the Board shall be held at such time and place in Lee County, Florida, as shall be determined from time to time by the Directors. A regular meeting of the Board of Directors is any meeting held according to a regular weekly, monthly or other periodic schedule adopted from time to time by the Board. Notice of regular meetings shall be given to each Director, personally or by mail, email, facsimile, telephone or telegram, at least ten (10) days before the day named for such meeting. At regular meetings any business of the Association may be transacted.

**4.8 Special Meetings.** Special meetings of the Board are all meetings other than the annual organizational meeting and regular meetings. Special meetings may be called by the President, the Secretary, or by a majority of the Directors. Not less than two (2) days' notice of a special meeting shall be given to each Director, personally or by mail, email, facsimile, telephone or telegram, which notice shall state the time, place, and purposes of the meeting. Business conducted at a special meeting shall be limited to the items specified in the notice of the meeting.

**4.9 Waiver of Notice by Directors.** Any Director may waive notice of a Board meeting before or after the meeting, and such waiver shall be deemed equivalent to the receipt of notice. Attendance at a meeting by any Director constitutes waiver of notice, unless that Director objects to the lack of notice at the beginning of the meeting.

**4.10 Board Meetings; Notice.** A meeting of the Board of Directors occurs whenever a quorum of the Board gathers and conducts Association business. All meetings of the Board shall be open to all members, except as otherwise provided by law. Notice of all Board meetings shall be posted in a conspicuous place on the Common Areas at least forty-eight (48) hours in advance of a meeting, except in an emergency. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of

such assessments. Any owner may, for their own personal use, tape-record, videotape or use any other electronic means to record meetings of the Board and meetings of the members. The Board may adopt reasonable rules governing the recording of meetings of the Board and the membership. A member desiring to record a Board Meeting shall submit written notice to the Board by email no less than twenty-four (24) hours prior to the meeting. No such recording shall be posted on any social media platform or otherwise made publicly available.

**4.11 Quorum of Directors.** A quorum at a Board meeting shall exist only when a majority of all Directors are gathered for the meeting. Directors may not vote by e-mail, proxy, or secret ballots at Board meetings, except that secret ballots may be used in electing officers. Any Director has a right to 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.

**4.12 Vote Required.** Except as otherwise required by law or the Governing Documents, the acts approved by a majority of the Directors present and voting at a duly called Board meeting at which a quorum exists shall constitute the acts of the Board of Directors.

**4.13 Adjourned Meetings.** The 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 later time. When the meeting is reconvened, provided a quorum exists, any business that might have been transacted at the meeting originally called may be transacted without further notice if the date, time, or place of the new meeting was announced before the adjournment of the original meeting.

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

**4.15 Compensation of Directors and Officers.** Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be compensated for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

**4.16 Emergency Powers.** In the event of any of the emergencies defined in Sections 252.34(4), 617.0207(5), or 617.0303(5), Florida Statutes, the Board of Directors of the Association may exercise the applicable emergency powers as described in Sections 617.0207, 617.0303, and 702.316 Florida Statutes, as amended from time to time.

**4.17 Committee Meetings.** The provisions of this Section 4 governing the calling and holding of Board meetings shall also apply to the meetings of any committee or other similar body when a final decision will be made regarding the expenditure of association funds and to any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the Association.

## **5. OFFICERS.**

**5.1 Officers and Elections.** The executive officers of the Association shall be a President, and one or more Vice-Presidents, who must be Directors of the Association, as well as a Treasurer and a Secretary, all of whom shall be elected annually by majority vote of the Board of Directors. Any officer may be removed from their position as an executive officer, with or without cause, by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board of Directors shall, from time to time, appoint such other officers, and designate their powers and duties, as the Board finds necessary to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President.

**5.2 President.** The President shall be the chief executive officer of the Association; he shall preside at all meetings of the Members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts or documents requiring the seal of the Association, except where such are permitted by law to be otherwise executed, and the power to execute is delegated by the Board of Directors to another 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 of Directors shall prescribe.

**5.4 Secretary.** The Secretary shall attend the meetings of the Board and meetings of the members, and shall record all votes and the minutes of all proceedings. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Governing Documents. Any of the foregoing duties may be performed by an Assistant Secretary or a management entity, if any has been designated.

**5.5 Treasurer.** The Treasurer shall have responsibility for the collection, safe-keeping, and disbursement of funds and securities of the Association, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors, and prepare the budget for the Association. He shall disburse the funds of the Association, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

**6. ARCHITECTURAL REVIEW COMMITTEE.** The ARC provided for in Section 6 of the Declaration shall be selected, and conduct its affairs as provided in this Section.

**6.1 Members; Qualification.** The size of the ARC shall be five (5) persons. No member of the ARC shall be a member of the Board of Directors.

**6.2 Selection; Terms.** The members of the ARC shall be appointed by the Board of Directors to serve terms of one year beginning on January 1 of each year or as otherwise determined by the Board. If a mid-term vacancy occurs for any reason, the Board shall appoint a successor to fill the

unexpired term. Members of the ARC, once appointed, may be removed only by vote of a majority of the Board of Directors.

**6.3 Compensation.** If approved by the Board of Directors, any or all members of the ARC may be reimbursed for their services to the extent permitted by Section 720.303 (12) Florida Statutes.

**6.4 Meetings.** The ARC shall meet as necessary, and otherwise at the call of the Chairman as necessary, to carry out its duties and functions. The ARC shall meet with the same formalities and notice requirements as required for Board meetings, unless otherwise permitted by law. Written notice of meetings shall be provided to each owner at least two (2) weeks in advance, and any Owner wishing to appear before the ARC may do so. Special meetings may be called as needed by the Chairman.

**6.5 Procedures, Voting.** A majority of the members of the ARC present in person at any duly called meeting shall constitute a quorum. All questions shall be decided by a majority of the entire committee. Where a question involves proposed changes to a Lot or Living Unit owned by a member of the ARC, that member shall be disqualified from participation in the proceedings, and his place shall be taken by the then President of the Association. If a proposed change is not approved, the reasons for disapproval shall be stated in writing. Minutes of all meetings of the ARC shall be kept in a business-like manner, and shall be available at reasonable times for inspection or photocopying by any owner. Copies of the plans and specifications for all approved changes and construction shall be kept for at least five years. Any committee member has a right to participate in any meeting of the ARC Committee by means of a conference telephone call or similar communicative arrangement whereby all present persons can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person.

**7. FISCAL MATTERS.** The provisions for assessments and fiscal management of the Association set forth in the Declaration of Covenants shall be supplemented by the following provisions:

**7.1 Depository.** The Association shall maintain its accounts in federally insured accounts at financial institutions doing business in the State of Florida as may 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 Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles, provided they are federally insured, or backed by the full faith and credit of the United States.

**7.2 Budget.** The Board of Directors shall, at a meeting each year, adopt a budget of general expenses for the next fiscal year. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Association or another person. The Association shall provide each member with 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. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications.

**7.3 Reserves.** The Board may, but shall not be obligated to, establish in the budgets one or more reserve accounts for contingencies, operating expenses, repairs, improvements, capital expenditures or deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments. The amounts proposed to be so reserved shall be shown in the proposed annual budgets each year. These funds may be spent only for purposes for which they were reserved, unless another use is approved by unanimous consent of the entire Board.

**7.4 Fidelity Bonds.** The Treasurer, and all other officers who are authorized to sign checks, and all Directors and employees of the Association handling or responsible for Association funds, shall be bonded in such amounts as determined by the Board of Directors. The premiums on such bonds shall be paid by the Association.

**7.5 Accounts and Accounting Procedures.** The financial and accounting records of the Association must be kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:

- (A) Accurate, itemized, and detailed records of all receipts and expenditures.
- (B) A current account and a period statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.
- (C) All tax returns, financial statements, and financial reports of the Association.
- (D) Any other records that identify, measure, record or communicate financial information.

**7.6 Financial Reporting.** The Association shall prepare an annual financial report within ninety (90) days after the close of the fiscal year. The Association shall, within ten (10) business days after the report is prepared, provide each member with a copy of the report, or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must include financial statements presented in conformity with generally accepted accounting principles (GAAP).

**7.7 Application of Payments and Commingling of Funds.** All monies collected by the Association may be commingled, for investment purposes only, in a single fund, or divided into two or more funds, as determined by the Board of Directors. The books and records of the Association shall be kept in conformity to generally accepted accounting principles and the audit and accounting guide for Common Interest Realty Associations of the American Institute of Certified Public Accountants. All payments on account by an Owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, and annual or special assessments, in such manner and amounts as the Board of Directors may determine, or as may be required by law.

**7.8 Fiscal Year.** The fiscal year for the Association shall begin on the first day of January each year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code of the United States.

**7.9 Payment of Assessments.** The Association shall make annual assessments based on the adopted budgets and such assessments shall be due and payable on January 1, of each year or such other date as the Board of Directors may determine. Assessments and Special Assessments as the terms are used in this Section 7.9 and in Section 7.10 are assessments levied by the Association and shall not be confused with assessments which are levied by any local government (county, municipality or CDD). Written notice of the annual assessment shall be sent to all owners at least thirty (30) days prior to the due date. Failure to send or receive such notice shall not, however, excuse the obligation to pay. By resolution, the Board may establish the place for payment, the method of payment, and a late payment fee.

**7.10 Special Assessments.** Special assessments may be imposed by the Association's Board of Directors whenever necessary to meet unbudgeted, emergency, or non-recurring expenses, or for such other purpose as are authorized by the Declaration or these Bylaws. Special assessments are due on the day specified in the resolution of the Board approving such assessment.

**7.11 Proof of Payment.** Within fifteen (15) days after receipt of request from the Owner, mortgagee, or purchaser of a Lot or Living Unit, the Association shall furnish a written statement certifying that all assessments then due from any Lot or Living Unit have been paid, or indicating the amounts then due.

**7.12 Suspension.** The Association shall not be required to transfer Memberships on its books or to allow the exercise of any rights or privileges of Membership on account thereof to any owner, or to any persons claiming under an owner, unless and until all assessments and charges to which said owner and his Lot or Living Unit is subject have been paid in full.

**8. Reserved.**

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

**9.1 Proposal.** Amendments to these Bylaws may be proposed either by a resolution approved by a majority of the whole Board of Directors, or by a petition to the Board signed by at least twenty-five percent (25%) of the voting interests of the Association. Once so proposed, the amendments shall be submitted to a vote of the Members at a meeting no later than the next annual meeting for which notice can still properly be given.

**9.2 Vote Required.** Except as otherwise provided by law, or by specific provision of the Governing Documents, these Bylaws may be amended by concurrence of at least a majority of the voting interests present, in person or by proxy, and voting at any annual or special meeting, provided that the text of any proposed amendment has been given to the Members with notice of the meeting.

**9.3 Reserved.**

**9.4 Certificate; Recording.** A copy of each approved amendment shall be attached to a certificate reciting that the amendment was duly adopted, which certificate shall be executed by the President or Vice-president of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of the County. The certificate must identify the book and page of the Public Records where the Declaration was originally recorded.

**10. MISCELLANEOUS.**

**10.1 Gender; Number.** Whenever the masculine or singular form of the 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.** Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument 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 of Incorporation of the Association, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.