

**RESTATED BYLAWS
OF
ISLES OF SARASOTA HOMEOWNERS ASSOCIATION, INC.
(A Florida Corporation Not for Profit)**

**ARTICLE 1.
IDENTIFICATION OF ASSOCIATION**

The membership of the **ISLES OF SARASOTA HOMEOWNERS ASSOCIATION, INC.** (herein, the "Association"), in accordance with the provisions of Chapters 617 and 720, Florida Statutes, hereby substantially amend the Bylaws of the Association as follows:

1.1 **Principal Office.** The principal office of the Association is 5901 Benevento Drive, Sarasota, FL 34238, and thereafter may be located at any place designated by the Board.

1.2 **Fiscal year.** The fiscal year of the Association shall be the calendar year, unless changed by the Association's Board of Directors in the manner provided for by law.

1.3 **Corporate Seal.** The corporate seal of the Association shall bear the name of the Association, the word "Florida" and the words "Corporation Not For Profit."

1.4 **Original Declaration of Covenants.** The original Declaration of Covenants, Conditions, and Restrictions for Isles of Sarasota was originally recorded at Official Records Instrument Number 2005165352 of the Public Records of Sarasota County, Florida on July 27, 2005.

**ARTICLE 2.
EXPLANATION OF TERMINOLOGY**

The terms defined in the Declaration of Covenants, Conditions, and Restrictions for Isles of Sarasota, as subsequently amended from time to time (herein, the "Declaration") are incorporated herein by reference and shall appear in initial capital letters each time such terms appear in these Bylaws.

**ARTICLE 3.
MEMBERSHIP; MEMBER'S MEETING; VOTING AND PROXIES**

3.1 **Qualification, Admission and Termination of Members.** The qualification of Members, the manner of their admission to membership in the Association, the manner of termination of such membership and the voting by Members shall be as set forth in the Articles.

3.2 **Annual Membership Meeting.** The Members shall meet annually ("Annual Members' Meeting"). The Annual Members' Meeting shall be held during January, February or March of each year at the office of the Association or at such other place in the County as the Board may determine and, on such day, and at such time as designated by the Board in the notice of such meeting. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board and transact any other business authorized to be transacted at such Annual Members' Meeting by the Members.

3.3 Special Membership Meeting. Special meetings (meetings other than the Annual Members' Meeting) of the Members shall be held at a date, time and at any place within the County whenever called by the President or Vice President or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from Members having the right to vote at least fifteen percent (15%) of the total number of votes entitled to be cast by Members at any such special meeting. No business shall be transacted at a special membership meeting except as stated on the agenda of the meeting.

3.4 Notice. A written notice of each Members' meeting, whether an Annual Members' Meeting or a special meeting (collectively "Meeting"), shall be given to each Member at his or her last known address as it appears on the books of the Association and shall be mailed or hand delivered to the said address, electronically transmitted to the location furnished by the Member for that purpose or communicated to the each Member in an any alternative format, manner or method that complies with the laws of the State of Florida not less than fourteen (14) days nor more than sixty (60) days prior to the date of the Meeting. Proof of such mailing, delivery or electronic transmission shall be given by the affidavit of the person giving the notice. Any notice given hereunder shall state the date, time and place of the Meeting and the purposes for which the Meeting is called. The notices of all Annual Members' Meetings shall, in addition, specify the number of Directors of the Association to be elected by the Members, if applicable. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member or by the person entitled to vote for such Member by signing a document setting forth the waiver of such notice.

3.5 Action by Written Agreement Without a Meeting. The Voting Members may, at the discretion of the Board, act by written agreement in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Members or duly waived in accordance with the provisions of Section 617.0701(4), Florida Statutes and these Bylaws. Unless some greater number is required under the Isles of Sarasota Documents and except as to the election of Directors and Amendments to the Isles of Sarasota Documents, which shall be accomplished by plurality vote, the decision of a majority of the votes cast by the eligible Voting Interests as to the matter or matters to be agreed or voted upon shall be binding on the Members provided a quorum is either present at such Meeting or submits a response if action is taken by written response in lieu of a Meeting, as the case maybe. The notice with respect to actions to be taken by written response in lieu of a Meeting shall set forth the time period during which the written responses must be received by the Association.

3.6 Quorum.

(a) A quorum of the Members at a membership meeting shall consist of Voting Members entitled to cast at least thirty percent (30%) of the total number of eligible votes of the Members. In addition to members who are physically present at a Meeting, limited "Proxies" and general "Proxies" (as hereinafter defined in Paragraph 3.10 may be used to establish a quorum.

(b) When a quorum is present (in person or by Proxy) at any Meeting and a question which raises the jurisdiction of such Meeting is presented, the holders of a majority of the voting rights present in person or represented by written Proxy shall be required to decide the question. However, if the question is one upon which a vote other than the majority vote of a quorum is required by express provision of the Isles of Sarasota Documents or by law, then such express provision shall govern and control the required vote on the decision of such question.

3.7 Election of Directors.

(a) At any Annual Members' Meeting when elections of Directors are to occur, secret written ballots are to be supplied to Members for such purposes. Members shall not vote for Directors by Proxy. Furthermore, at any Annual Members' Meeting at which Directors are to be elected, the "Chairman" (as hereinafter defined in Paragraph 7.2 shall appoint an "Election Committee" consisting of at least three (3) Members to supervise the election, count and verify ballots, disqualify votes if such disqualification is justified under the circumstances and certify the results of the election to the Board. The Election Committee shall be able to determine questions within its jurisdiction by plurality vote of all three (3) members, but matters resulting in deadlocked votes of the Election Committee shall be referred to the entire Board for resolution.

(b) The election of Directors shall take place concurrent or in conjunction with the Annual Membership Meetings, as follows:

(1) Not less than sixty (60) days before a scheduled election, the Association shall email, mail or deliver to each Member entitled to vote, a **first notice of the date of the election**. Any Member or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Association not less than forty (40) days before a scheduled election. Not less than fourteen (14) days nor more than thirty-four (34) days before the membership meeting at which the election will occur, the Association shall email, mail or deliver a **second notice of the meeting** to all Members entitled to vote, together with a written ballot which shall list all eligible Director candidates in alphabetical order by surname. Upon request of a Director candidate, the Association shall include with the second notice a Director's candidate information sheet, not larger than 8.5 inches by 11 inches (letter-size), timely furnished by the Director candidate to the Association not less than thirty-five (35) days before the election. The costs of transmitting and copying of the Director candidate information sheets shall be paid by the Association as a common expense.

(2) The Director election ballots must be placed in an inner envelope with no identifying markings and mailed or delivered to the Association in an outer envelope bearing identifying information reflecting the name of the Member, the Lot for which the vote is being cast, and the signature of the Member or Voting Member casting that ballot. At the Meeting after the closing of the ballots, the Election Committee shall confirm the eligibility of the Member to vote and that no other ballot has been submitted for that Lot. The Voting Committee shall then remove the inner envelope from the outer envelope bearing the identification information, and place the inner envelopes with the ballots which were personally cast, and then open and count the ballots. If more than one ballot is submitted for a Lot, the ballots for that Lot shall be disqualified. Any vote by ballot received after the closing of the balloting may not be considered.

(3) Written Director election ballots will be available for use by those Members attending the meeting in person. A Member who needs assistance in voting due to blindness, disability or inability to read or write may obtain assistance. No Member shall permit another person to cast his or her Director election ballot, and any such improperly cast ballot shall be deemed invalid. Any Member who violates this provision may be fined by the Association.

(4) If more persons are nominated than there are vacancies to be filled, the election shall be by secret written ballot. Each person voting is entitled to cast his or her vote for each of as

many Director nominees as there are vacancies to be filled. The nominees receiving the greatest number of votes properly cast shall be elected. Elections shall be decided by a plurality of the votes cast. Tie votes shall be broken by agreement among the Director candidates who are tied, or absent such an agreement, by chance, such as the flipping of a coin by a neutral third party or the drawing of straws.

(5) There shall be no quorum requirement; however, at least twenty percent (20%) of the eligible voters must cast a Director election ballot to have a valid election of Directors. In the event that there are only as many or fewer Director candidates for election as there are open seats on the Board, no election shall be held and the existing Director candidates shall automatically become members of the Board of Directors upon the adjournment of the annual membership meeting. The Board may establish additional election rules or procedures as it deems appropriate to better ensure a fair election process. Substantial compliance with these Bylaws, the HOA Act and such Board adopted rules, all as subsequently amended from time to time, is sufficient for a valid Director election.

3.8 Adjournment. The Members who are present, either in person or by Proxy, at a Membership Meeting may adjourn the Meeting from time to time. Adjournment of a Membership 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 Paragraph 3.4. Any business that might have been transacted on the original date of the Membership Meeting may be transacted at the adjourned Meeting. If the Meeting failed originally due to a lack of a quorum, the quorum requirement for any adjourned Membership Meeting shall be reduced to twenty percent (20%) of the total number of eligible votes of the Members.

3.9 Minutes. Minutes of all Meetings shall be kept in a businesslike manner and be available for inspection by the Members, their designated representatives and Directors at all reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

3.10 Voting Rights. Voting rights of Members shall be as stated in Paragraph 5 of the Articles of Incorporation with respect to the election of Directors. As to all other matters to which Members have a right to vote, such votes may be cast in person or by Proxy. Proxies may be used to vote on other agenda items at meetings at which Directors are to be elected, and may also be used to establish a quorum. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted in the place and stead of the person or authorized representative of an entity entitled to vote. Proxies shall be in writing signed by the person or authorized representative of an entity giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof, provided, however, any proxy automatically expires ninety (90) days after the date of the meeting for which it was originally given. A Proxy must be filed with the Secretary or Manager of the Association at or before the appointed time of the Meeting or any adjournment thereof in order to be valid. Any Proxy may be revoked prior to the time a vote is cast in accordance with such Proxy.

3.11 Request for Secret Written Ballot. The voting on any matter at a Meeting shall be by secret written ballot upon request of at least the holders of twenty percent (20%) of the eligible Voting Interests entitled to be cast on such matter, if such request is received by the Association Secretary or Manager at least seven (7) days prior to the Membership Meeting being called to order.

ARTICLE 4.
BOARD OF DIRECTORS; DIRECTORS' MEETINGS

4.1 **Board of Directors.** The business, operation and administration of the Association shall be by its Board.

4.2 **Qualification of Directors.** A Director must be a natural person. Directors must be Members or spouses of Members or the designated Voting Representative of a Home owned by a corporation, LLC, partnership, trust or other non-natural entity pursuant to Article 5.E. of the Articles of Incorporation. Spouses shall not serve on the Board at the same time, unless there are no other qualified Director candidates who are willing to serve on the Board. In the event a Director becomes ninety (90) days delinquent in the payment of an Assessment, fee, fine, or any other monetary obligation to the Association, such Director will no longer qualify to serve on the Board and will be deemed to have automatically abandoned his/her position as a Director. Persons who are convicted felons, who have not had their civil rights fully restored for at least five (5) years as of the date of election, are not eligible to serve on the Board. A grantor of a revocable trust or a trust beneficiary who resides in the Home and the spouses of such person, shall be considered eligible for Board membership. The validity of any action by the Board is not affected if it is later determined that a Director is ineligible for Board membership.

4.3 **Election of Directors.** The election and, if applicable, designation of Directors shall be conducted in accordance with Paragraph 3.7 hereof.

4.4 **Rights and Term.**

(a) Any person elected or designated as a Director shall have all the rights, privileges, duties and obligations of a Director of the Association.

(b) The term of a Director's service shall be for two (2) years, as more fully stated in the Articles and shall extend until the next Annual Members' Meeting and thereafter until his or her successor is duly elected and qualified or until he or she resigns or is removed in the manner elsewhere provided.

4.5 **Organizational Board Meeting.** The organizational meeting of a newly elected Board shall be held within ten (10) days of its election at such date, place and time as shall be fixed by the Directors at the meeting at which they were elected. Provided the organizational meeting is held directly following the Annual Members' Meeting, no further notice of the organizational meeting shall be necessary; if not, however, notice of the organizational meeting shall be given in accordance with the HOA Act and this Article 4.

4.6 **Board Meetings.** A meeting of the Board occurs whenever a quorum of the Board gathers to conduct Association business. Regular meetings of the Board may be held at such dates, times and places in the County as shall be determined from time to time by a majority of the Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President. Special meetings must be called by the Secretary at the written request of at least two (2) Directors. Any such special meeting may be held in the County at such date, time and place as determined by the Directors requesting such meeting or in such other place as a majority of the Directors shall agree upon. A meeting of the Board must be held at a location that is accessible to a physically handicapped person if requested by a physically handicapped person who has a right to attend the Board meeting.

4.7 **Notice of Board Meetings -- Directors.** Notice of the date, time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally, by mail, telephone or electronically transmitted if correctly directed to an electronic mail address at which the Director has consented to receive notice at least forty-eight (48) hours prior to the day and time named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the Board meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.8 **Notice of Board Meetings – Members.** Notice of all Board meetings shall be posted in a conspicuous place in the Subdivision at least forty-eight (48) hours in advance of the meeting, except in an emergency.

4.9 **Special Notice of Certain Board Meetings.** An Assessment may be not levied at a Board meeting unless the notice of the meeting includes a statement that Assessments will be considered and the nature of the Assessments. In addition to the notice required by Paragraphs 4.7 and 4.8 herein, the Association shall email, mail or deliver a notice to all Members and post the notice conspicuously on the Subdivision not less than fourteen (14) days in advance of any Board meeting to consider the levy of a Special Assessment or a proposed rule regarding Home use.

4.10 **Board Agenda.** The designation and inclusion of agenda items for Board meetings shall be at the discretion of the President. However, the President shall be obligated to include any item on the agenda for a Board meeting, if requested, in writing or via email, by any two (2) Directors.

4.11 **Quorum of Board.** A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as may be otherwise specifically provided by law, by the Articles or elsewhere herein. A Board or committee's members participation in a meeting via telephone, real-time videoconferencing, or similar real-time electronic or video communication counts toward a quorum and such member may vote as if physically present. A speaker must be used so that the conversation of such members attending the meeting in person as well as by any Member present at the meeting can be heard. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers.

4.12 **Adjournment.** If at any meeting of the Board there shall be less than a quorum present, the majority of those Directors present may adjourn the meeting from time to time until a quorum is present. At any meeting that takes place on account of a previously adjourned Board meeting, any business which might have been transacted at the Board meeting as originally called may be transacted, in the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given unless otherwise determined by the Board.

4.13 **Presiding Officer.** The presiding officer at all Board meetings shall be the President. In the absence of the President, the Directors shall designate any one of their number to preside.

4.14 **Directors' Compensation.** A Director, officer, or committee member of the Association may not directly receive any salary or compensation from the Association for the performance of duties as a Director, officer, or committee member and may not in any other way benefit financially from service to the Association. This Article does not preclude:

(a) Participation by such person in a financial benefit accruing to all or a significant number of Members as a result of actions lawfully taken by the Board or a committee of which he or she is a member, including, but not limited to, routine maintenance, repair, or replacement of community assets.

(b) Reimbursement for out-of-pocket expenses incurred by such person on behalf of the Association, subject to approval in accordance with procedures established by the Isles of Sarasota Documents or, in the absence of such procedures, in accordance with an approval process established by the Board.

(c) Any recovery of insurance proceeds derived from a policy of insurance maintained by the Association for the benefit of its Members.

(d) Any fee or compensation authorized in the Isles of Sarasota Documents.

(e) Any fee or compensation authorized in advance by a vote of a majority of the Association's Voting Interests voting in person or by proxy at a meeting of the Members.

4.15 Solicitation. An officer, Director, or manager may not solicit, offer to accept, or accept any good or service of value for which consideration has not been provided for his or her benefit or for the benefit of a member of his or her immediate family from any person providing or proposing to provide goods or services to the Association. If the Board finds that an officer or Director has violated this subsection, the Board shall immediately remove the officer or Director from office. The vacancy shall be filled according to law until the end of the Director's term of office. However, an officer, Director, or manager may accept food to be consumed at a business meeting with a value of less than \$25 per individual or a service or good received in connection with trade fairs or education programs.

4.16 Minutes of Board Meetings. Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times. Minutes shall be kept in written form or in another form that can be converted to written form within a reasonable time frame. A vote or abstention from voting on each matter voted upon for each Director present at a Board meeting must be recorded in the minutes.

4.17 Open Board Meetings. Meetings of the Board shall be open to all Members, except where otherwise provided by law. The right to attend such Board meetings includes the right to speak with reference to all designated agenda items; provided, however, the Board may adopt reasonable rules governing the frequency, duration, and manner of Member statements. Unless otherwise provided by a Board resolution, each Member is entitled to speak for three (3) minutes with reference to designated agenda items. Notwithstanding any other provision, the requirement that Board meetings and committee meetings be open to the Members does not apply to: (1) meetings between the Board or a committee and the Association's attorney, with respect to proposed or pending litigation, if the meeting is for the purpose of seeking or rendering legal advice; or (2) Board meetings held for the purpose of discussing personnel matters. In the event a Member conducts himself or herself in a manner detrimental to the carrying on of the Board meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish said Member's expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he or she is a Member or a duly authorized representative, agent or proxy holder of a Member, unless said person has been

specifically invited by any of the Directors to participate in such meeting. Members shall not have the right to designate third persons, through power of attorney or otherwise, to attend Board meetings, unless agreed to by the Board in advance. Any Member may tape record or videotape meetings of the Board and meetings of Members. The Board may adopt reasonable rules and regulations governing the taping and videotaping of the Board and membership meetings.

4.18 **Written Member Petition.** If twenty percent (20%) of the total Voting Interests of the Association petition the Board to address an item of business, the Board shall at its next regular Board meeting or at a special meeting of the Board, but not later than sixty (60) days after the receipt of the petition, take the petitioned item up on an agenda. The Board shall give all Members notice of the meeting at which the petitioned item shall be addressed in accordance with the 14-day notice requirement. Each Member shall have the right to speak for at least three (3) minutes on each matter placed on the agenda by petition, provided that the Member signs the sign-up sheet, if one is provided, or submits a written request to speak prior to the Board meeting. Other than addressing the petitioned item at the meeting, the Board is not obligated to take any other action requested by the petition.

4.19 **Vacancies.** Except as to vacancies caused by removal of a majority of the Directors by Members (which vacancies shall be filled in the manner provided in the HOA Act), vacancies in the Board of Directors occurring between annual membership meetings shall be filled by a majority of the remaining Directors (even if less than a quorum) to serve for the remainder of the Director's unexpired term of office, unless otherwise provided by law. A Director or officer who is more than ninety (90) days delinquent in the payment of Assessments shall be deemed to have abandoned the office, creating a vacancy in the office to be filled by the Board.

ARTICLE 5. **POWERS AND DUTIES OF THE BOARD**

5.1 **Powers and Duties.** All of the powers and duties of the Association shall be exercised by the Board. Such powers and duties of the Board shall include, but not be limited to, all powers and duties set forth in the Isles of Sarasota Documents, as well as all of the powers and duties of a director of a corporation not for profit not inconsistent therewith.

5.2 **Manager.** The Association may employ a licensed community association manager to perform any of the duties, powers or functions of the Association. Notwithstanding the foregoing, the Association may not delegate to the manager the power to conclusively determine whether the Association should make expenditures for capital additions or improvements chargeable against the Association funds. The members of the Board shall not be personally liable for any omission or improper exercise by the manager of any duty, power or function delegated to the manager by the Association, except as otherwise provided by law.

ARTICLE 6. **LATE FEES**

The Association shall charge an administrative late fee not to exceed the greater of \$25 or five percent (5%) of the amount of each installment that is paid past the due date.

ARTICLE 7.
OFFICERS OF THE ASSOCIATION

7.1 **Executive Officers.** Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by vote of a majority of the Directors present at any meeting of the Board where a quorum is obtained. The Board may, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. One person may hold any two offices simultaneously, except when the functions of such offices are incompatible, but no person shall hold the office of President and any of the following offices simultaneously: Vice President, Secretary or Assistant Secretary.

7.2 **President.** The President shall be the chief executive officer of the Association. He or she shall have all of the powers and duties which are usually vested in the office of the President of an association or a corporation not for profit, including, but not limited to, 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. If in attendance, the President ("Chairman") shall preside at all meetings of the Board and the Members; provided, however, that the President may appoint a substitute. The President, or his delegate, shall serve as the Association's representative to the Master Association, for voting and attendance purposes at the Master Association meetings.

7.3 **Vice President.** In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

7.4 **Secretary.** The Secretary shall keep the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times. The Secretary shall have custody of the corporate seal of the Association and affix the same to instruments requiring such seal when duly authorized and directed to do so. The Secretary shall be custodian for the corporate records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary under the supervision of the Secretary.

7.5 **Treasurer.** The Treasurer shall have custody of all of the monies of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep the Assessment rolls and accounts of the Members and shall keep the books of the Association in accordance with good accounting practices and he or she shall perform all of the duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall assist the Treasurer under the supervision of the Treasurer.

7.6 **Compensation.** The compensation, if any, of the officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from hiring a Director as an employee of the Association or preclude contracting with a Director or a party affiliated with a Director for the management or performance of contract services for all or any part of the Isles of Sarasota.

ARTICLE 8. RESIGNATIONS

Any Director or officer may resign his or her post at any time by written resignation, 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 such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Homes owned by any Director or officer shall constitute a written resignation of such Director or officer. If a resignation is made effective at a later date, the members of the Board of Directors (including the Director whose resignation is not yet effective) may vote to fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

ARTICLE 9. ACCOUNTING RECORDS; FISCAL MANAGEMENT

9.1 **Financial Reports.** The Association shall prepare financial reports and maintain accounting records in accordance with the HOA Act. The accounting records of the Association shall be open to inspection by Members and Institutional Mortgagees or their respective authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Within ninety (90) days after the end of the fiscal year, or annually on the date provided in the Bylaws, the Association shall prepare and complete, or contract with a third party for the preparation and completion of, a financial report for the preceding fiscal year. Within twenty-one (21) days after the final financial report is completed by the Association or received from the third party, but not later than one hundred twenty (120) days after the end of the fiscal year or other date as provided in the Bylaws, the Association shall provide each Member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the Member. Financial reports shall be prepared as provided in Section 720.303(7), Florida Statutes.

The Association's financial records shall include, but not be limited to: (i) a record of all receipts and expenditures; (ii) an account for each Home within Isles of Sarasota which shall designate the name and address of the Owner thereof the amount of Individual Home Assessments, Neighborhood Assessments and all other Assessments, if any, charged to the Home, the amounts and due dates for payment of same, the amounts paid upon the account and the dates paid, and the balance due; (iii) any tax returns, financial statements and financial reports of the Association; and (iv) any other records that identify, measure, record or communicate financial information.

9.2 **Annual Budget.** The Board shall adopt an Annual Budget (as defined and provided for in the Declaration) of the anticipated Community Expenses for each forthcoming fiscal year at a special meeting of the Board ("Budget Meeting") called for that purpose to be held no later than the month of November of the year preceding the year to which the Budget applies. Prior to the Budget Meeting, a proposed Budget for the Community Expenses shall be prepared by or on behalf of the Board. Within ten (10) business days after adoption of the Budget, a copy thereof (or a written notice that a copy of the annual budget is available upon request at no charge to the Member) shall be furnished to each Member, upon request, and each Owner shall be given notice of the Individual Home Assessment and Neighborhood Assessment applicable to his or her Home(s). The copy of the Budget, if requested, shall be deemed furnished and the notice of the Individual

Home Assessment shall be deemed given upon its delivery or upon its being mailed or emailed to the Owner shown on the records of the Association at his or her last known address as shown on the records of the Association. In addition to the annual operating expenses, the Annual Budget may include reserve accounts for capital expenditure and deferred maintenance for which the Association is responsible.

9.3 Financial Procedures. In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year, unless otherwise designated by the Board, (ii) any monies received by the Association in any fiscal year may be used by the Association to pay expenses incurred in the same fiscal year; (iii) there shall be apportioned between fiscal years on a pro rata basis any expenses which are prepaid in any one fiscal year for Community Expenses which cover more than such fiscal year; (iv) Assessments shall be made quarterly in advance in amounts not less than are required to provide funds in advance for payment of all of the anticipated current Community Expenses and for all unpaid Community Expenses previously incurred; and (v) items of Community Expenses incurred in a fiscal year shall be charged against income for the same fiscal year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, the Assessments for Community Expenses and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any fiscal year as such expenses are incurred in accordance with the cash basis method of accounting.

9.4 Assessments Payable. Individual Home Assessments and Neighborhood Assessments shall be payable as provided in the Declaration.

9.5 Anticipated Revenues and Deficit Spending. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Community Expenses not budgeted or which shall exceed budgeted items, and no Board is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Community Expenses than monies from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a Special Assessment or an upward adjustment to the Individual Home Assessment or Neighborhood Assessment

9.6 Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board, electronic funds transfer ("EFT"), or cash, pursuant to proper procedures established and approved by the Treasurer and the President.

ARTICLE 10. RULES AND REGULATIONS

At any Board meeting noticed as provided in Paragraphs 4.8 and 4.9 hereof, the Board may adopt rules and regulations or amend, modify or rescind then existing rules and regulations for the operation of Isles of Sarasota; provided, however, that such rules and regulations are not inconsistent with the terms or provisions of the Isles of Sarasota Documents. Upon request, copies of any rules and regulations promulgated, amended or rescinded shall be mailed, emailed or delivered to all Members at the last known address for such Members as shown on the records of the Association. Notwithstanding the foregoing, when rules and regulations are to regulate the use of a specific portion of the Association Property, same shall be conspicuously posted at the bulletin board at the Towncenter. Care shall be taken to insure that posted rules

and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view toward protection from weather and the elements.

ARTICLE 11.
PARLIAMENTARY RULES

The then latest edition of Robert's Rules of Order shall guide the conduct of all meetings of the Members and the Board; provided, however, if such rules of order are in conflict with Florida law or any of the Isles of Sarasota Documents, Robert's Rules of Order shall yield to the provisions of such law or instrument.

ARTICLE 12.
ROSTER OF OWNERS

Each Owner shall file with the Association a copy of the recorded deed or other document showing his or her ownership interest in a Home located within the Isles of Sarasota. The Association shall maintain such information as part of its official records. The Association may also maintain the electronic mailing addresses and numbers designated by Owners for receiving notices sent by electronic transmission of those Owners consenting to receive notice by electronic transmission. The electronic mailing address and numbers provided by Owners to receive notice by electronic transmission shall be removed from Association records when consent to receive notice by electronic transmission is revoked. The Association may rely on the accuracy of such information for all purposes until notified in writing of changes therein.

ARTICLE 13.
AMENDMENT OF BYLAWS

13.1 **Amendment.** These Bylaws may be amended in the following manner:

13.2 **Vote.** Any Bylaw of the Association may be amended or repealed, and any new Bylaw of the Association may be adopted by either:

(a) a majority vote of the Members present (in person or by proxy) and voting at any Annual Members Meeting at which a quorum is obtained or any 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; or

(b) by the affirmative vote of a majority of the Directors then in office at any regular meeting of the Board or at any special meeting of the Board called for that purpose, provided that the Directors shall not have any authority to adopt, amend or repeal any Bylaw if such new Bylaw or such amendment or the repeal of a Bylaw would be inconsistent with any Bylaw previously adopted by the Members.

13.3 **Limitation on Amendment.** Notwithstanding the foregoing provisions of this Section 13, there shall be no amendment to these Bylaws which shall abridge, amend or alter the rights of any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

13.4 **Method for Proposing an Amendment.** No provision of the Bylaws may be amended by reference to its title or number only. Proposals to amend the Bylaws shall contain the full text of the provision

to be amended; new words shall be inserted in the text and underlined; and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following form: “*Substantial rewording of Articles of Incorporation. See provision for present text.*” A copy of each such amendment, modification, repeal or addition signed by the President and attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County along with a Certificate of Amendment.

ARTICLE 14.
DISPUTE MEDIATION

Pursuant to the HOA Act, mandatory presuit mediation before the Department of Business and Professional Regulation (“Department”) shall be required prior to institution of court litigation for “disputes”, as that term is defined in Section 720.311(2), Florida Statutes.

ARTICLE 15.
RECALL OF BOARD MEMBERS AND ELECTION DISPUTES

Pursuant to the HOA Act, mandatory binding arbitration before the Department shall be required for election disputes and disputes involving the recall of any member of the Board, pursuant to Section 720.311, Florida Statutes. Any member of the Board may be recalled and removed from office as provided for and described in the HOA Act

ARTICLE 16.
MISCELLANEOUS

16.1 **Conflicts.** The term “Isles of Sarasota Documents,” as used in these Articles of Incorporation and elsewhere, shall include the Declaration of Covenants, the Articles of Incorporation, and the Bylaws, and all of the instruments and documents referred to therein, including, but not limited to, any amendments and supplement declarations. In the event of a conflict between language in any of the Isles of Sarasota Documents, the following priorities shall control:

- (i) Declaration of Covenants;
- (ii) Articles of Incorporation;
- (iii) Bylaws; and
- (iv) Rules and Regulations.

16.2 **Gender.** The use of the term “he,” “she,” “his,” “hers,” “their,” “theirs” and all other similar pronouns should be construed to include all genders and encompass the plural as well as the singular.

16.3 **Severability.** In the event that any provisions of the Isles of Sarasota Documents are deemed invalid, the remaining provisions shall be deemed in full force and effect.