

FOUNTAIN VIEW VILLAS MASTER ASSOCIATION, INC.

BYLAWS

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AMENDMENTS

BYLAWS OF FOUNTAIN VIEW VILLAS MASTER ASSOCIATION, INC.

[Additions are indicated by underline; deletions by ~~strike-through~~]

The Members of FOUNTAIN VIEW VILLAS MASTER ASSOCIATION, INC., for the purpose of amending the corporation's existing Bylaws, hereby adopt the following amendments:

ARTICLE 1. I IDENTITY

1.1 Section 1. Name. The name of the corporation is FOUNTAIN VIEW VILLAS MASTER ASSOCIATION, INC. (herein, the "Association").

1.2 Section 2. Principal Office. The ~~initial~~ principal office of the Association shall be 1800 Fountain View Circle, Venice, Florida 34292, or such other place as may be established by resolution of the Board of Directors from time to time.

1.3 Section 3. Adoption. These Bylaws have been adopted as the Bylaws of the Association.

1.4 Section 4. Definitions. Terms used in these Bylaws which are defined in the Declaration of Covenants, Conditions and Restrictions for Fountain View Villas (herein, the "Declaration") shall have the same meaning in these Bylaws as in the Declaration.

ARTICLE 2. II POWERS AND DUTIES OF THE ASSOCIATION

The Association shall have all the powers granted to it by Florida law, the Declaration of Covenants, Conditions and Restrictions for Fountain View Villas, a Subdivision (herein, the "Declaration"), the Articles of Incorporation, and these Bylaws, all of which shall be exercised by its Board of Directors, unless the exercise thereof is otherwise restricted in the Declaration, the Articles, these Bylaws or by Florida law.

~~of the Members shall be delivered, either personally or by mail, to each Members, not more than fifty (50) nor less than ten (10) days before the date of such meeting, by or at the direction of the President or the Secretary.~~

4.5 Section 5. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of the voting interests representing thirty percent (30%) ~~thirty-three percent (33%)~~ of the total voting interests of votes in the Association (i.e., 15 voting interests) shall constitute a quorum at all membership meetings of the Association.

4.6 Section 6. Adjournment of Meetings. ~~If any meeting of Members cannot be held because a quorum is not present,~~ A majority of the voting interests who are present at a membership such meeting may adjourn the meeting to a date time not less than five (5) nor more than ninety (90) thirty (30) days from the date time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice. ~~If a the date, time or place for reconvening the meeting is not fixed prior to for reconvening the meeting after adjournment, notice of the date, time and place for reconvening the meeting shall be given to Members in the manner prescribed in Article 4.4 Section 4.~~

4.7 Section 7. Vote Required. When a quorum is present at a membership any meeting, a majority of the voting interests represented (in person or by proxy) at such meeting shall decide any question brought before the meeting, unless the Declaration, the Articles of Incorporation, these Bylaws, or any applicable law provides otherwise.

4.8 Section 8. Proxies. Except as otherwise provided by law or the governing documents, Members may vote in person or by proxy; provided The form of proxy is subject to the reasonable approval of by the Board of Directors and must substantially comply with the requirements of Chapter 720, Florida Statutes. To be valid, all proxies shall be in writing and must state the date, time and place of the membership meeting for which it is given and must be signed by the authorized person. Proxies shall be valid only for the particular meeting designated thereon, as lawfully adjourned, or reconvened from time to time. Unless otherwise provided by law, a proxy automatically expires ninety (90) days after the date of the meeting for which it was originally given. Proxies must be filed with the Association or its designated agent at or before the designated time of the meeting or any adjournment thereof. A proxy is revocable at any time at the pleasure of the Member who executes it. In lieu of proxies, sealed ballots may be utilized for election of directors.

~~Section 9. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions which occurred at the meeting.~~

4.9 Right to Speak. Members have the right to speak at any meeting with reference to all items opened for discussion or included on the agenda. A Member has the right to speak for at least three (3) minutes on any item, provided that the Member submits a written request to

speak prior to the meeting if so required by a duly-adopted Board resolution. The Association may adopt written reasonable rules governing the frequency, duration, and other manner of Member statements, which rules must be consistent with this Article.

4.10 Recording. Any Member may tape record or videotape meetings of the Board of Directors or the membership. The Board of Directors of the Association may adopt reasonable rules governing the taping of meetings of the Board or the membership.

ARTICLE 5. V ELECTION AND RECALL OF BOARD OF DIRECTORS

5.1 Section 1. Number of Directors. The governance and administration of the affairs and operation of the Association shall be vested in the a Board of Directors. The number of directors of the Association shall be not less than three (3) nor more than five (5). The Nominating Committee shall determine and advise the Board of the number of directors not less than thirty (30) days before the date of each election. The initial Board shall consist of Jayne E. Parrish, Michael W. Miller, and Nancy A. Liberi. On the initial turnover of the Association from the Developer to the membership, five (5) Directors will be voted on and appointed to the Board.

5.2 Section 2. Election or Appointment of Directors. Until the first annual meeting of Members after (i) Class B votes are equal to Class A votes, (ii) June 1, 2020, or (iii) at such earlier date as determined in the sole discretion of the Developer, whichever occurs earlier (the "Turnover Date"), the Developer shall have the right to appoint all of the Members of the Board of Directors. At the first annual meeting of Members to occur after the Turnover Date, the Board shall be established at a number equal to the number of directors to be elected by the Members. The Developer shall call a meeting within sixty (60) days of the Turnover at which the following shall occur: (a) the existing directors shall resign; (b) the Members shall elect the directors as described in Section 4; and (c) the Class "B" Membership shall terminate and be converted to a Class "A" Membership. The Developer may, in its sole and absolute discretion, permit the Members to elect a portion of the directors earlier than the Turnover Date.

Directors shall be elected by Members at the Turnover meeting and each annual Members' meeting thereafter and shall serve for annual terms and shall be elected by the Members at large. Directors may be elected by either sealed ballot or proxy.

For purposes of this Section, The total number of lots within Fountain View Villas is shall be considered to be forty-eight (48). NO REPRESENTATION OR WARRANTY IS MADE THAT UPON BUILDOUT, FOUNTAIN VIEW VILLAS WILL BE DEVELOPED WITH THIS NUMBER OF LOTS.

5.3 Section 3. Qualifications for Election. Except with respect to directors appointed by the Developer, All directors shall be at least eighteen (18) years of age and a Member or the spouse of a Member of the Association. A grantor of a trust described in Section 733.707(3), Florida Statutes, or a beneficiary as defined in Section 737.303(4)(b), Florida Statutes, of a trust

which owns a Lot shall be deemed a Member of the Association and eligible to serve as a director, provided that said beneficiary occupies the Lot.

~~Section 4. Directors Election. Prior to the Turnover, the Developer shall appoint all directors. After Turnover all of the directors shall be elected by the Class "A" Members.~~

5.4 Section 5. Nomination of Directors. Nomination for election to the Board of Directors shall be by Nominating Committee. However, self-nominations may also be made from the floor at any annual meeting of Members. The Nominating Committee shall consist of a chairman who shall be a member of the Board of Directors, and two or more Members or spouses of Members of the Association. If no one is willing to serve, the Board shall serve as the Nominating Committee. The committee shall be appointed by the Board of Directors at least one hundred twenty (120) days prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event shall it nominate less than the number of director vacancies to be filled.

5.5 Section 6. Removal of Directors and Vacancies. ~~Any director appointed by the Developer may be removed with or without cause only by the Developer. Any director elected by the Members may be recalled and removed from office, with or without cause, by a the majority vote of the Association's voting interests (i.e., 25 voting interests) who were entitled to elect such director. Upon removal of a director, a successor shall be elected by the party entitled to elect or appoint the director so removed to fill the vacancy for the remainder of the term of such director. Directors may be recalled by agreement in writing or by written ballots, or a copy thereof, without a membership meeting, in the manner provided in Section 720.303(10), Florida Statutes.~~

5.6 Vacancy. A vacancy occurring on the Board because of death, resignation, recall or other termination of services of any director shall be filled by the Board. A director appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office and shall continue to serve until a successor shall have been elected or appointed and qualified. If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board are removed, the vacancy shall be filled by the affirmative vote of a majority of the remaining directors. If one or more vacancies occur on the Board as a result of a recall and a majority or more of the Board are removed, the vacancies shall be filled by Members voting in favor of the recall.

5.7 Section 7. Compensation. No director or homeowner shall receive a salary or any other compensation whatsoever from the Association for acting as such, but shall be entitled to be reimbursed for expenses reasonably incurred on behalf of the Association.

5.8 Section 8. Fiduciary Duty. The directors shall act in good faith in a manner they reasonably believe to be in the best interests of the owners development of Fountain View Villas

and the purpose of the Association. The officers and directors of the Association have a fiduciary relationship to the Members.

5.9 Election Dispute. Any director election dispute between a Member and the Association must be submitted to mandatory binding arbitration with the Division of Florida Land Sales, Condominiums, and Mobile Homes, as required by Section 720.306(9), Florida Statutes.

ARTICLE 6. VI MEETINGS OF THE BOARD OF DIRECTORS

6.1 Section 1. Organizational Meeting. The organizational meeting of the Board of Directors shall be held within ten (10) days after the annual meeting of the Members at such date, time and place as shall be fixed by the Board of Directors.

6.2 Section 2. Regular Meeting. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers to conduct Association business. Regular meetings of the Board of Directors may be held at such date, time, and place as shall be determined from time to time by a majority of the directors, ~~but commencing with the Turnover,~~ At least four (4) regular Board meetings shall be held during each fiscal year, with at least one (1) per quarter, provided, however, that the annual meeting shall constitute a regular meeting. ~~Notice of the time and place of any meeting shall be posted in a conspicuous place within Fountain View Villas at least forty-eight (48) hours prior to the time of the meeting, unless the meeting is an emergency special meeting. In the alternative, notice of the meeting may be mailed or delivered to all Members at least seven (7) days in advance of the meeting. At such time as the Association has 100 or more members, notice of meetings of the Board of Directors may be published, or in the alternative, the Board may provide Members with a pre-arranged schedule of meetings of the Board.~~

6.3 Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by ~~written notice signed by the President, Vice President, Secretary,~~ or by any three (3) directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The giving of notice of any special meeting shall comply with the notice provision set forth in Articles 6.4 and 6.5 Section 2 of this Article VI.

6.4 Notice of Board Meetings. Notice of all Board meetings shall be given to each director, personally or by mail, email, telephone, or telegram, at least forty-eight (48) hours prior to the day and time named for such meeting, except in an emergency. Notices of Board meetings shall state the date, time and place of the meeting. A director may waive notice of a meeting before or after a meeting. Notices of all Board meetings must be conspicuously posted in the community at least forty-eight (48) hours in advance of a meeting, except in an emergency. As to special Board meetings, the purpose of the meeting shall be included with the notice, unless such notice is waived. Any item not included in the notice may be taken up on an emergency basis by at least a majority plus one of the directors. Such emergency action shall be noticed at the next regular meeting of the Board.

ARTICLE 3. III MEMBERSHIP

~~The Association shall have the following two (2) classes of membership: Class "A" Members and Class "B" Members, as described in the Declaration. Each Owner of a Lot in Fountain View Villas, a Subdivision, located in Sarasota County, Florida other than Developer shall be a Class "A" Member of the Association (herein, "Member"). Membership shall be appurtenant to and shall not be transferred separately from ownership of a Lot. Class "A" Members shall have the right to vote only on Association matters requiring a membership vote pursuant to the Declaration, Articles of Incorporation, Bylaws, or Florida law. The Class "B" Membership shall exist prior to Turnover and shall be held by Developer for Lots which it owns.~~

ARTICLE 4. IV MEETINGS OF THE MEMBERS

~~4.1 Section 1. Date, Time and Place of Meetings.~~ Meetings of the Members shall be held on the date, time and at the place designated by the Board of Directors.

~~4.2 Section 2. Annual Meeting of Members.~~ An annual meeting of the Members shall be held each year in February. The specific date, time and place of the annual membership meeting shall be designated by the Board of Directors. Subject to Article 5., at each annual membership meeting, the Members shall elect the Board of Directors of the Association and may conduct such other business as may be lawfully properly brought before the meeting.

~~4.3 Section 3. Special Meetings.~~ The President or Vice President of the Association may call special meetings of the Members. In addition, it shall be the duty of the President to call a special meeting of the Members if so directed by resolution of a majority of the Board of Directors or ~~if after the Turnover~~, upon a petition signed by at least twenty-five percent (25%) of the voting interests (i.e., 12 voting interests). The notice of any special membership meeting shall state the date, time and place of such meeting and a description of the purpose or purposes for which the meeting is called the purpose thereof. No business shall be transacted at a special membership meeting except as stated in the notice.

~~4.4 Section 4. Notice of Meetings.~~ The Association shall give all Members notice of all membership meetings, which shall be mailed, delivered, or electronically transmitted to the Members not less than fourteen (14) days nor more than sixty (60) days prior to the meeting. Evidence of compliance with this 14-day notice shall be made by an affidavit executed by the person providing the notice and filed upon execution among the official records of the Association. In addition to mailing, delivering, or electronically transmitting the notice of any membership meeting, the Association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit television system serving the Association. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Written or printed notice stating the place, day and hour of any meeting

6.5 Special Notice of Certain Board Meetings. An assessment may not be levied at a Board meeting unless a written notice of the Board meeting is provided to all Members at least fourteen (14) days before the meeting, which notice includes a statement that assessments will be considered at the meeting and the nature of the assessments. Written notice of any meeting at which special assessments will be considered or at which rules that regulate the use of Lots in the Subdivision may be adopted, amended, or revoked must be mailed, delivered, or electronically transmitted to the Members and posted conspicuously on the Subdivision property or broadcast on closed-circuit cable television not less than fourteen (14) days before the Board meeting. A written notice concerning changes to the rules that regulate the use of Lots in the Subdivision must include a statement that changes to the rules regarding the use of Lots will be considered at the meeting.

6.6 Vote. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election and removal of officers.

6.7 Items of Business. If not less than twenty percent (20%) of the total voting interests of the Association (i.e., 10 voting interests) 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 its agenda. Not less than fourteen (14) days in advance of the Board meeting, the Board shall give all Members written notice of the meeting at which the petitioned item shall be addressed. 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 meeting. Other than addressing the petitioned item at the meeting, the Board is not obligated to take any other action requested by the petition.

6.8 Minutes. Minutes of all meetings of the Members of the Association and of the Board must be maintained in written form or in another form that can be converted into written form within a reasonable time. 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. Minutes must be maintained by the Association for at least seven (7) years.

6.9 Members' Right to Attend and Speak at Board Meetings. All meetings of the Board must be open to all Members, except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Members have the right to attend all meetings of the Board and, after signing the sign-in sheet, shall have the right to speak for at least three (3) minutes on any matter placed on the agenda. Members shall have the right to speak prior to the Board meeting after signing the sign-in sheet. The Association may adopt written reasonable rules expanding the right of Members to speak and governing the frequency, duration, and other manner of Member statements, which rules must be consistent with this paragraph and may include a sign-up sheet for Members wishing to speak. Notwithstanding any other provision, the requirement that Board meetings and committee meetings be open to the Members is inapplicable to meetings between the Board or a committee and the Association's attorney with

respect to threatened, proposed or pending litigation, and any meeting of the Board or committee with the Association's attorney held for the purpose of discussing personnel matters.

6.10 Electronic Transmission and Broadcast Notice. Notwithstanding any other provision herein, notice of meetings of the Board, Members' meetings, and committee meetings may be given by electronic transmission to those Members who consent in writing to receive notice by electronic transmission. In lieu of or in addition to the physical posting of notice of any meeting on the property, the Board may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Association. However, if broadcast notice is used in lieu of a notice posted physically on the property, the notice and agenda must be broadcast at least four (4) times every broadcast hour of each day that a posted notice is otherwise required under this section. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice, read the notice, and comprehend the entire content of the notice and agenda.

~~Section 4. Meetings Concerning Assessments. 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 the Assessments.~~

6.11 Section 5. Quorum of Board of Directors; Adjournment. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted provided that notice of such reconvened meeting shall comply with the notice provisions set forth in Articles 6.4 and 6.5 Section 2 of this Article VI.

6.12 Section 6. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary or a designated agent of the Association shall keep a minute book containing written records of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings as well as a notation as to any director who abstained from voting or voted contrary to the prevailing opinion. No votes at any Board of Directors meetings may be by proxy or secret ballot, except that secret ballots may be utilized in the election and removal of officers.

~~Section 7. Open Meetings. All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director and granted by the President. In such case, the President may limit the time any Member may speak.~~

~~6.13 Section 8. Telephone Meetings.~~ Any regular or special meeting of the Board of Directors or a Committee may be held by telephone conference. Those directors or committee members attending by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker must be used so that the conversation of those directors or committee members participating by telephone may be heard by the Board or committee members attending in person as well as by any Member present at the meeting at which each participating director and any member in attendance can hear and be heard by all other participating directors.

ARTICLE 7. VII OFFICERS

~~7.1 Section 1. Officers.~~ The executive officers of the Association shall be a President, and a Vice President, and a Secretary, and a Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including without limitation one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the President shall not also be the Secretary. ~~The initial officers are: Jayne E. Parrish—President/Secretary; Michael W. Miller—Vice President; and Nancy A. Liberi—Treasurer.~~

~~7.2 Section 2. Election, Term of Office and Vacancies.~~ The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors during a fiscal year. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

~~7.3 Section 3. Removal.~~ Any officer may be removed with or without cause by a majority vote of the Board of Directors in the sole discretion of the Board and the removal of a director who also is an officer shall automatically act as a removal from such director's position as an officer.

~~7.4 Section 4. Resignation.~~ Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified in the notice and unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

ARTICLE 8. VIII DUTIES OF OFFICERS

The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as are from time to time specifically conferred or imposed by the Board of Directors.

8.1 ~~Section 1.~~ President. The President shall be the chief executive officer of the Association and shall:

- (a) Act as presiding officer at all meetings of the Members and the Board of Directors.
- (b) Call special meetings of the Members and the Board of Directors.
- (c) Sign, with the Secretary or Treasurer, if the Board of Directors so requires, all documents, checks, contracts, promissory notes, leases, subleases and other instruments on behalf of the Association, except those which the Board of Directors specifies may be signed by other persons.
- (d) Perform all acts and duties usually required of a chief executive to ensure that all orders and resolutions of the Board of Directors are carried out.
- (e) Act as an ex-officio member of all committees and render an annual report at the annual meeting of Members.

8.2 ~~Section 2.~~ Vice President. The Vice President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. The Vice President shall also assist the President generally, and exercise other powers and perform other duties as shall be prescribed by the Board of Directors.

8.3 ~~Section 3.~~ Secretary. The Secretary shall have the following duties and responsibilities:

- (a) Attend all regular and special meetings of the Members and the Board of Directors and keep all records and minutes of proceedings thereof or cause the same to be done.
- (b) Have custody of the corporate seal, if any, and affix the same when necessary or required.
- (c) Attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings and keep membership books.
- (d) Have custody of the minute book of the meetings of the Board of Directors and Members and act as agent for the transfer of the corporate book.

8.4 ~~Section 4.~~ Treasurer. The Treasurer shall:

- (a) Receive monies as shall be paid into the Treasurer's hands for the account of the Association and disburse funds as may be ordered by the Board of Directors, taking proper vouchers for disbursements and be custodian of all contracts, leases,

and other important documents of the Association which shall be kept or caused to be kept safely deposited.

- (b) Supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association, and deliver the books to the Treasurer's successor; prepare and distribute to all of the members of the Board of Directors prior to each annual meeting, and whenever else required, a summary of the financial transactions and condition of the Association from the preceding year; make a full and accurate report on matters and business pertaining to the office of Treasurer to the Members at the annual meeting and make all reports required by law.
- (c) The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Association. In the event the Association enters into a management agreement, it shall be proper to delegate any or all of the Treasurer's functions to the management agent as is deemed appropriate by the Board of Directors.

ARTICLE 9. IX COMMITTEES

The Board of Directors shall appoint a Nominating Committee and Architectural Control Committee, as provided in these Bylaws and the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its obligations and privileges. All committees shall be exempt from the notice, voting, and meeting requirements applicable to the Board of Directors, except for meetings of any committee or other similar body when a final decision will be made regarding the expenditure of Association funds, and any meeting of any committee vested with the power to approve or disapprove architectural decisions with respect to a residential Lot in the Subdivision.

ARTICLE 10. X DISCIPLINE

10.1 Section 1. Enforcement. The Board of Directors shall have the power to impose reasonable fines, which shall constitute an automatic and continuing lien upon the Lot of the violating owner, to preclude contractors, subcontractors, agents and other invitees of an Owner or occupant from Fountain View Villas for violation of any duty imposed under the Declaration, these Bylaws or the Rules and Regulations; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit an Owner's or occupant's ingress and egress to or from the Owner's Lot. In the event that any occupant of a Lot violates the Declaration, these Bylaws, or the Rules and Regulations, and a fine is imposed, the fine shall first be assessed against the occupant residing therein; provided, however, if the fine is not paid by the occupant within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association. The failure of an Owner or tenant to pay such a fine shall be deemed a violation of the Declaration. The failure of the Board of Directors to enforce any provision of

the Declaration or Bylaws shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

10.2 ~~Section 2. Notice.~~ Prior to imposition of any sanction hereunder, the Board of Directors or its delegate shall provide ~~serve~~ the accused with written notice describing: (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, (c) a period of not less than fourteen (14) days within which the alleged violator may present a written request to the Board of Directors for a hearing; and (d) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge has been requested within ten (10) days of the notice.

10.3 ~~Section 3. Hearing.~~ If a hearing is requested within the allotted fourteen (14) day period, the hearing shall be held before a committee comprised of at least three (3) Members or spouses of Members appointed by the Board of Directors who are not officers, directors or employees of the Association, or the spouse, parent, child, brother or sister or an office, director or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the accused appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The accused shall pay any fine within thirty (30) days. The Association shall recover its attorneys' fees and costs if it is the prevailing party in any lawsuit to collection an unpaid fine.

10.4 ~~Section 4. Additional Enforcement Rights.~~ Notwithstanding anything to the contrary herein contained, the Association may elect to enforce any provisions of the Declaration, these Bylaws, or the Rules and Regulations by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the violator shall pay all costs, including reasonable attorneys' and paralegals' fees actually incurred by the Association.

10.5 Suspension of Voting and Common Area Use Rights. The Association's Board of Directors may suspend, for a reasonable period of time, the rights of a Member or a Member's tenants, guests, or invitees, or both, to use the common areas and facilities for a violation of governing documents or for nonpayment of regular or special assessments. Suspension of common-area-use rights shall not impair the right of an owner or tenant of a Lot to have vehicular and pedestrian ingress to and egress from the Lot, including, but not limited to, the right to park. The Association may suspend the voting rights of a Member for the nonpayment of regular annual assessments that are delinquent in excess of ninety (90) days. A suspension of common areas use rights must be levied in the same manner as provided for fining in this Article 10.

ARTICLE 11. XI
FISCAL MANAGEMENT

11.1 Section 1. Fiscal Year. The fiscal year of the Association shall commence upon the first (1st) day of January and conclude on the thirty-first (31st) day of December. The Board of Directors may change the fiscal year of the Association if it deems such a change to be in the interests of the Association.

11.2 Section 2. Depositories. The funds of the Association shall be deposited in such accounts as may be selected by the Board of Directors, including without limitation checking and savings accounts in one (1) or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills, and money market accounts with an investment firm or firms, all in accordance with resolutions approved by the Board of Directors. The funds shall be used only for lawful purposes of the Association.

11.3 Section 3. Expenses. The receipts and expenditures of the Association may be credited and charged to accounts as the Board of Directors may determine, in accordance with good accounting practices as set forth in Section 11.7 below.

11.4 Section 4. Reserve Accounts. The Association ~~may, but shall not be required to, establish and maintain~~ an adequate reserve account for the periodic maintenance, repair and replacement of the Common Area.

11.5 Section 5. Budget. The Board of Directors shall prepare, adopt and may amend as necessary an annual a budget for each fiscal year. The budget that shall reflect the estimated revenues and expenses for the upcoming year and the estimated surplus or deficit as of the end of the current fiscal year. include the estimated funds required to defray the expenses of the Association for the fiscal year and to provide and maintain funds for the accounts established by the Board of Directors, in accordance with good accounting practices as set forth in Section 7 below. 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 copy of the annual budget or notice regarding availability must be provided within fifteen (15) days prior to the beginning of the fiscal year.

11.6 Notices of Annual Assessments. Notices of the annual assessment applicable to each individual Lot subject thereto, together with a copy of the annual budget as adopted by the Board or a written notice that a copy of the budget or amendment is available upon request at no charge to the Member, shall be transmitted to each Member on or before December 15 of the year prior to the fiscal year for which the budget is made, and such assessment may be due at least monthly or as the Board directs and shall become delinquent thirty (30) days after the due date. However, failure to provide the budget or notice shall not invalidate an otherwise properly adopted budget. The Association shall provide notice of any Board meeting held for the purpose of amending the budget not less than fourteen (14) days in advance of the Board meeting.

11.7 Section 6. Books and Records. The books, records, and papers of the Association shall be subject to inspection by any Member during ordinary business hours. The Declaration, Articles of Incorporation, and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association or any other location designated by the Board including without limitation the management company's office, where copies shall be made available for sale at a reasonable price.

11.8 Section 7. Fidelity Bonds. The Board of Directors may determine that all persons who control or disburse Association funds should furnish adequate fidelity bonds. In such event, the premiums on such bonds, if any, shall be paid by the Association as a common expense. Such fidelity bonds shall name the Association as an obligee, and shall be written in an amount approved by the Board of Directors.

11.9 Financial Reports. The Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. 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. Since the Association consists of fewer than fifty (50) parcels, the Association shall prepare a report of cash receipts and expenditures in lieu of the financial reports required by Section 720.303(7), Florida Statutes. If at least twenty percent (20%) of the Members (i.e., 10 voting interests) petition the Board for a level of financial reporting higher than a report of cash receipts and expenditures, the Association shall duly notice and hold a meeting of Members within thirty (30) days of receipt of the petition for the purpose of voting on raising the level of reporting for that fiscal year. Upon approval of a majority of the total voting interests of the Association (i.e., 25 voting interests), the Association shall amend the budget or adopt a special assessment to pay for the financial report regardless of any provision to the contrary in the governing documents, and shall provide the required financial statements within ninety (90) days of the meeting or the end of the fiscal year, whichever occurs later.

11.10 Interest and Late Charges. If assessments are not paid within thirty (30) days of the date first due, the assessment shall bear interest at the highest rate allowed by law and shall incur a late charge equal to the greater of \$25.00 or five percent (5%) of the delinquent installment.

11.11 Contracts. All contracts as further described in this paragraph or any contract that is not to be fully performed within one (1) year after the making thereof for the purchase, lease, or renting of materials or equipment to be used by the Association in accomplishing its purposes under Chapter 720, Florida Statutes, or the governing documents, and all contracts for the provision of services, shall be in writing. If a contract for the purchase, lease, or renting of materials or equipment, or for the provision of services, requires payment by the Association that exceeds ten percent (10%) of the total annual budget of the Association, including reserves, the Association must obtain competitive bids for the materials, equipment, or services. Nothing contained in this paragraph shall be construed to require the Association to accept the lowest bid. Notwithstanding the foregoing, contracts with employees of the Association, and contracts for attorney, accountant, community association manager, engineering, architect or a landscape architect are not subject to the provisions of this paragraph. Nothing contained in this paragraph

is intended to limit the ability of the Association to obtain needed products and services in an emergency. This paragraph does not apply if the business entity with which the Association desires to enter into a contract is the only source of supply within Sarasota County, Florida.

11.12 Liability for Assessments. Each Member, regardless of how title was acquired, including a purchaser at a judicial sale, is liable for all assessments or installments thereon coming due while he or she is the owner of a Lot in the Subdivision. Additionally, a Member is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of the transfer of title. This liability is without prejudice to any right the owner may have to recover from the previous owner the amounts paid by the owner.

11.13 No Waiver or Excuse from Payment. The liability for assessments may not be avoided or abated by waiver of the use or enjoyment of any common area, by abandonment of the Lot for which the assessments are made, or by interruption in the availability of the Lot or the common area for any reason whatsoever.

11.14 Application of Payments; Failure to Pay; Interest. Assessments and installments not paid by the date due shall bear interest until paid at the highest rate allowed by law. Assessments and installments thereon shall become due, and the Member shall become liable for the assessments or installments, on the date set by the Association for payment. The Association may impose a late payment fee and interest, as provided herein and in the Declaration. All partial payments on account shall be applied first to interest, then to late payment fees, attorneys' fees and costs, and finally to unpaid assessments. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation or instruction in or accompanying the payment. No payment by check is deemed received until the check has cleared. The Association may, in its discretion, waive and compromise the amount of any such interest, late payment fees or attorneys' fees and costs.

11.15 Acceleration. If any special assessment or installment of the annual assessment as to a Lot becomes past due and a Claim of Lien is recorded with respect thereto, the Association shall have the right to accelerate the due date of the entire unpaid balance of either or both of the Lot's annual assessment and all special assessments for that fiscal year as if the balance had originally been due on the date the Claim of Lien was recorded. The Association's Claim of Lien shall secure payment of the entire accelerated obligation, together with interest on the entire balance, attorneys' fees and costs as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate is exercised by sending to the delinquent owner a notice of the exercise, which notice shall be sent by certified or registered mail to the owner's last known address, and shall be deemed given upon mailing of the notice. The notice may be given as part of the notice of intent to foreclose or may be sent separately.

11.16 Liens. The Association has a lien on each Lot securing payment of past due assessments, including interest, late fees and reasonable attorneys' fees and costs incurred by the Association incident to the collection of the assessment or enforcement of the lien, whether before, during or after a lien foreclosure suit. The lien is perfected upon recording a Claim of

Lien in the Public Records, stating the description of the Lot, the name of the record owner, the name and address of the Association and the total of the assessments past due. The lien is in effect until barred by law. The Claim of Lien secures all unpaid assessments (annual and special) and charges coming due prior to a final judgment of foreclosure. Upon full payment, the person making the payment is entitled to a satisfaction of the lien. The Association may also, at its option, sue to recover a money judgment for unpaid assessments, without thereby waiving the lien securing the same.

11.17 Priority of Lien. The Association's lien shall attach and relate back to the recording of the Declaration, except as otherwise provided herein and by law. Except as otherwise provided by law, the Association's lien for unpaid assessments is subordinate and inferior to the lien of any recorded first mortgage, unless the Association's Claim of Lien was recorded before the mortgage. The Association's lien is superior to and takes priority over, any other mortgage or lien regardless of when the mortgage or Claim of Lien was recorded. Any lease of a Lot is subordinate and inferior to any Claim of Lien of the Association, regardless of when the lease was executed.

11.18 Foreclosure of Lien. The Association may bring an action in its name to foreclose its lien for unpaid assessments and may also bring an action to recover a money judgment for the unpaid assessments without waiving any lien rights.

11.19 Association Defense of a Legal Action. If the Association is a named defendant in any action actually or purporting to affect a Lot, including the defense of a mortgage foreclosure, the Association shall have the right to collect from the Member all attorneys' fees and costs incurred by the Association to defend the lawsuit in the manner described in this Article 11.

11.20 Exception. In the event an institutional lender as a holder of a first mortgage of record shall obtain title to a Lot as the result of the foreclosure of a first mortgage, or in the event a mortgagee under a first mortgage of record shall obtain title to a Lot as the result of a conveyance in lieu of foreclosure of such first mortgage, such mortgagee shall not be liable for that share of the common expenses or assessments by the Association except as provided in Chapter 720, Florida Statutes. Any unpaid shares of the common expenses or assessments shall be deemed to be a common expense collectible from all of the Members, including such acquirer, his successors or assigns.

ARTICLE 12. XIII MISCELLANEOUS

12.1 Section 1. Parliamentary Rules. Robert's Rules of Order (then current edition) shall guide govern the conduct of Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Declaration, or these Bylaws.

12.2 Section 2. Construction and Validity. If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Declaration, and/or these Bylaws, the provisions

of Florida law, the Declaration, the Articles of Incorporation, and the Bylaws (in that order) shall prevail. ~~Section 3. Validity.~~ If any Bylaw or Rule or Regulation is adjudicated to be invalid, such fact shall not affect the validity of any other Bylaw or Rule or Regulation.

12.3 Official Roster. The Association shall maintain a current roster of all Members, their mailing addresses, telephone numbers (if provided), and Lot identifications. The Association shall also maintain the electronic mailing addresses and the numbers designated by Members consenting to receive notice by electronic transmission. It shall be the responsibility of the Member to promptly update the Member's mailing address with the Association. The electronic mailing addresses and numbers provided by Members to receive notice by electronic transmission shall be removed from the Association's records when consent to receive notice by electronic transmission is revoked. However, the Association is not liable for an erroneous disclosure of the electronic mail address or the number for receiving electronic transmission of notices.

12.4 ~~Section 4.~~ Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first class postage prepaid:

- (a) if to an Owner or Member, at the address which the Owner or Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of the Owner or Member; or
- (b) if to the Association, the Board of Directors, or the Manager, at the principal office of the Association or the Manager, if any, or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

ARTICLE 13. AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

13.1 Proposal and Notice. A proposal for any amendment to these Bylaws may be made by the Board or upon the written request of not less than twenty-five (25%) percent of the voting interests of the Association (i.e., 12 voting interests). Notice of the subject matter or text of a proposed amendment shall be included in or with the notice of the membership meeting at which the amendment is to be considered.

13.2 Approval. Except as elsewhere provided, an amendment to these Bylaws must be approved by not less than sixty-six percent (66%) of the voting interests of the Association (i.e., 32 voting interests).

13.3 Limitation and Recording. No amendment shall be made that is in conflict with the Declaration or with state law. A copy of each amendment to these Bylaws shall be recorded in the Public Records of Sarasota County, Florida, along with a Certificate of Amendment.

~~Section 5. Amendments. Until Turnover, the Developer may amend these Bylaws in its sole and absolute discretion. Prior to Turnover, the Class "A" Members shall have no right to amend these Bylaws. After Turnovers amendments to these Bylaws shall require the affirmative vote of a majority of the Board of Directors. However, the percentage of votes necessary to amend a specific clause shall be not less than the prescribed percentage of affirmative votes required for action to be taken under that clause. No amendment may remove, revoke, or modify any right or privilege of Developer without the written consent of Developer or the assignee of such right or privilege. Amendments to the Bylaws shall be recorded in the Public Records of Sarasota County, Florida.~~

ARTICLE 14.
RULES AND REGULATIONS

~~Section 6. Rules and Regulations.~~ The Association's , through the Board of Directors, may adopt Rules and Regulations governing the Property and the Lots consistent with the rights and duties established by the Declaration. The Rules and Regulations as amended, duly adopted by the Board of Directors, shall by reference be incorporated herein.