

**BY-LAWS WITH AMENDMENTS FOR
VILLA ROSA OF SARASOTA HOMEOWNERS ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENTS: that the undersigned, being the President and Secretary, respectively of **VILLA ROSA SARASOTA HOMEOWNERS, INC.**, a not-for-profit Florida corporation, incorporated for the purposes of providing an entity for the operation of the **VILLA ROSA SARASOTA**, a subdivision, certify that the Amendments appearing below amend the Bylaws for **VILLA ROSA SARASOTA HOMEOWNERS, INC.** recorded in Official Records Instrument 1999150704 consisting of 63 pages and recorded on November 10, 1999 in the Public Records of Sarasota County, Florida. The Amendments which appear below were duly adopted by the members present and voting at the Annual Meeting of the Membership held on January 29, 2009 at the location provided for in the notice located in Sarasota, Florida, all in accordance with the requirements of Section 3 and 8 of the Bylaws, and the Declaration and Florida Statutes, Chapter 720.

1. GENERAL. These are the By-Laws of Villa Rosa of Sarasota Homeowners Association, Inc., hereinafter the "Association", a Florida corporation, not for profit, organized for the purpose of serving as a residential homeowners' association.

1.2 Principal Office. The principal office of the Association shall initially be at Agent for the Association, unless otherwise changed by the Association: Progressive Community Management, Inc., 1801 Glengary Street, Sarasota, FL, 34231 and shall subsequently be at such location as may be determined by the Board of Directors or as otherwise reflected in the Association records or on the Annual Report.

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

1.4 Definitions. The definitions for various terms used in these Bylaws shall be as set forth in Section 1 of the Declaration of Covenants, Conditions and Restrictions for Villa Rosa Sarasota (the "Declaration"), to which these Bylaws are attached as Exhibit "C" or as otherwise required by Florida law, Chapter 720, Florida Statutes, as amended.

2. MEMBERS; VOTING RIGHTS. Every record owner of legal title to any Lot located in the Properties is a Member. If a Lot is subject to an agreement for deed, whether recorded or not, the purchaser in possession shall be treated as the owner solely for purposes of determining voting and use rights. Membership is appurtenant to, runs with, and may not be separated from, the real property interest upon which Membership is based.

2.1 Voting interests. There shall be one vote for every lot owned. The vote of a Lot is not divisible nor will it be apportioned. The right to vote or to use the common elements may be denied if an Owner fails to pay regular assessments and same is in excess of ninety (90) days. If a Lot is owned jointly by two or more natural persons, that Lot's vote may be cast by any one of the record owners. If two or more owners do not agree among themselves how their one vote shall be cast on any issue, that vote shall not be counted on that issue. The Association Board may require a voting certificate designating who will have the power to exercise the Lot's vote, when the unit is owned by more than one person or by a corporate entity if deemed necessary.

2.2 Approval or Disapproval of Matters. Whenever the decision or approval of an owner is required upon any matter, whether or not the subject of an Association meeting, such decision or approval may be expressed by an person who could cast the vote of that owner's Lot at an Association meeting, as stated in Section 2.1 above unless the written approval or joinder of record owners is specifically required.

2.3 Termination of Membership. Termination of Membership in the Association does not relieve or release any former Member from liability or obligation incurred under or in any way connected with the Association during

the period of his Membership, nor does it impair any rights or remedies the Association may have against any former owner or Members arising out of or in any way connected with such ownership and Membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS.

3.1 Annual Meeting. The annual meeting of the Members shall be held in Sarasota County, Florida each year during the first three months of each calendar year, at a day, place and time designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the Members. The annual meeting is a general meeting, and unless the law or the governing documents require otherwise, notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

3.2 Special Members' Meeting. Special Members' meetings must be held whenever called by the President or by a majority of the Directors, and may also be called by Members representing at least ten percent (10%) of the total voting interests or as otherwise provided by Florida law.

3.3 Notice of Meetings. Notices of all meetings of the Members must be mailed or hand-delivered or electronically transmitted to the Members at least fourteen (14) days before the meeting, and must state the time, date, and place of the meeting, and include a detailed agenda. Mailed notices must be sent to each Member at his or her address as it appears on the books of the Association. Each Member bears the responsibility for notifying the Association in writing of any change of address. A person entitled to receive notice of any meeting may waive notice altogether by written waiver. Attendance at any meeting by a Member constitutes a waiver of notice by that Member, unless the Member objects to the lack of notice at the beginning of the meeting. Evidence of compliance with the 14 day notice requirement shall be made by an affidavit executed by the person providing the notice and filed upon execution among the official records of the Association. If the Board so decides, the Association may also use broadcasting notice, provided it complies with the procedural rules required under Chapter 720, as same may be amended.

3.4 Quorum The percentage of voting interests required to constitute a quorum at a meeting of the Members shall be thirty percent (30%) of the total voting interests.

3.5 Vote required. The acts approved by a majority of the votes cast at a meeting of the Members at which a quorum has been attained shall be binding upon all owners for all purposes, except where a higher vote is required by law or by any provision of the Governing Documents.

3.6 Proxies. To the extent lawful, any person entitled to attend and vote at a Members meeting may establish his presence and cast his vote by proxy. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting, and no proxy is valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy is revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by a person authorized to cast the vote for the unit, and specify the date, time and place of the meeting for which it is given. The signed and dated original must be delivered to the Secretary at or before the time of the meeting or continuance thereof. Holders of proxies need not be Members. No proxy is valid if it names more than one person as the proxy holder, but the proxy holder has the right, if the proxy so provides, to substitute another person to hold the proxy.

3.7 Adjourned Meeting. Any duly called meeting of the Members may be adjourned to be reconvened at a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Unless the By-Laws require otherwise, adjournment of annual or special meeting to a different date, time or place must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to Section 617.303(2), Florida Statutes (1999), as amended. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed under Section 617.0707, Florida Statutes (1999), as amended, notice of the adjourned meeting must be given to persons who are entitled to vote and are Members as of the new record date but were not Members as of the previous record date.

3.8 Order of Business. The order of business meetings shall be substantially as follows:

- (A) Determination of existence of quorum.
- (B) Reading or waiver of reading of minutes of last Members' meeting.
- (C) Reports of Officers.
- (d) Reports of Committees.
- (E) Election of Directors (annual meeting only).
- (F) Unfinished Business.
- (G) New Business_
- (H) Adjournment.

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

3.10 Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern conduct of Association meetings when not in conflict with the law, with the Declaration, or with these By-Laws. The Presiding Officer may appoint a Parliamentarian, but the Presiding Officer's decision on questions of Parliamentary Procedure shall be final. Any question or point or order not raised at the meeting to which it relates shall be deemed waived.

3.11. Action by Members Without A Meeting. Except for the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the Members may be taken by mail without a meeting, if written consents or other instruments expressing approval of the action proposed to be taken are signed and returned by Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the requisite number of written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect as if the action had been approved by vote of the Members at a meeting of the Members held on the sixtieth (60) day. Within ten (10) days thereafter, the Board shall send written notice of the action taken to all Members who have not consented in writing. Nothing in this paragraph affects the rights of Members to call a special meeting of the Membership, as provided for by Section 3.2 above, or by law. If the vote is taken by the method described in this Section 3.11, the list of owners or record with the Secretary at the time of mailing the voting material shall be the list of qualified voters. The written consents used to authorize an action without a meeting shall become part of the Association's records.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration. The Board, subject to approval or consent of the Members only when specifically required, shall exercise articles of incorporation, and these By-Laws.

4.1 Number and Terms of Service. The Board of Directors shall consist of three (3) Directors. In order to provide for a continuity of experience by establishing a system of staggered terms of office in the first election in which owners other than the Declarant elect a majority of the Directors the two (2) candidates receiving the highest number of votes shall each be elected for a term which expires at the final adjournment of the annual meeting at which his successor is to be elected. The candidate receiving the next highest number of votes shall be elected for a term, which expires at the final adjournment of next annual meeting. Thereafter, all Directors shall be elected for two (2) year terms, ending at the final adjournment of the annual meeting at which successors are to be duly elected, or at such other time as may be provided by law. The Members as described in Section 4.3 below or in the case of a vacancy, as provided in 4.4 below shall elect directors.

4.2 Qualifications. Except for Directors appointed by the Declarant, each Director must be a Member or the spouse of a Member. No person shall be elected or appointed for successive terms totaling more than four (4) years, unless there occurs a hiatus of at least one (1) year between terms. Initial terms by appointment for less than one year shall be excluded from consideration in determining the total number

of years served. A person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible to serve on the Board.

4.3 Nominations and Elections. At each Annual Meeting, the Members shall elect as many Directors as there are regular terms of Directors expiring or vacancies to be filled. The nominating committee if any, shall submit the names of its recommended candidates for the office of Director in time to be included with the notice to the Members of the annual meeting; any other eligible person may also be nominated as a candidate from the floor at the annual meeting and nothing shall prohibit a member from nominating him or herself. As required by Florida law all votes for electing the Board shall be by secret ballot and limited proxies shall not be used. Directors shall be elected by a plurality of the votes cast at the annual meeting. In the election of Directors, there shall be appurtenant to each lot as many votes for any candidate, it being the intent hereof that voting for Directors shall be non-cumulative. The candidates receiving the highest number of votes shall be elected. A tie vote shall be broken by agreement among the candidates who are tied, or by lot. Any election dispute between a member and the Association shall be submitted to mandatory binding arbitration as provided by Chapter 720, Fla. Stats, as amended

4.4 Vacancies on the Board. If the office of any Director becomes vacant for any reason, a majority of the remaining Directors, though less than a quorum, shall promptly choose a successor to fill the remaining unexpired term. If the Association Board fails to fill the vacancies on the Board sufficient to constitute a quorum in accordance with the Bylaws, any member of the Association may petition the circuit court having jurisdiction for the appointment of a receiver to manage the affairs of the Association; provided the procedural requirements for same as set forth in Chapter 720, as amended are fulfilled.

4.5 Removal of Directors. Any Director may be removed from office, with or without cause, by the vote or agreement in writing of a majority of the voting interests. The procedures for recall or removal of directors is set forth in section 720.303 (10) and said procedure shall dictate the requirements to be met to include, but not limited to, notice, manner of execution, board certification, and turnover of Association records.

4.6 Board Meetings. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers to conduct Association business. 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 and meetings held with the attorney for discussing personnel matters. Meetings of any committee when a final decision will be made regarding the expenditure of Association funds and to meeting of any body invested with the power to approve or disapprove architectural decisions for a specific parcel/Lot must also be open to all members. Notices of all Board meetings must be posted in a conspicuous place in the Subdivision at least forty-eight (48) hours in advance of every meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the Subdivision, notice of each Board meeting must be mailed or delivered to each Member at least seven (7) days before the meeting, except in an emergency. An assessment may not be levied at a Board meeting nor may any amendments be considered to the rules regarding parcel/Lot use unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessment or that amendments to the rules regarding parcel/Lot use will be considered and fourteen (14) days notice is given. Alternative notice procedures may be used by the Board in accordance with Florida law, Chapter 720, as amended if so deemed prudent by the Board. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the appointment of officers. 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. Any owner may tape-record or videotape meetings of the Board of Directors and meetings of the Members. The Board of Directors may

adopt reasonable rules governing the taping of meetings of the Board and the Membership and speaking on any agenda item to include, but not limited to, requiring a sign up sheet and a limitation of time to speak on an agenda item of 3 minutes or as otherwise required by Florida law.

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

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

4.9 Adjourned Meetings. The majority of the Directors present at any meeting of the Board, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a later time. When the meeting is reconvened, provided a quorum is then present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

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

4.11 Vote Required. The acts approved by a majority of the Directors who are present and voting at a Board meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Governing Documents or by law. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of the point of view that prevails on any question unless he voted against such action or abstained from voting because of an asserted conflict of interest.

4.12 Directors Fees and Reimbursement of Expenses. No compensation or fees shall be paid to Directors for their service as Directors. Directors may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

4.13 Committees. The Board of Directors may appoint from time to time such standing or temporary Committees as the Board may deem necessary and convenient for the efficient and effective operation of the Subdivision. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. The meetings of any committee including any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a Member of the Association, must be conducted with the same formalities as required for meetings of the Board.

4.14 Emergency Powers. In the event of any "emergency" as defined in Section 4.14 (G) below, the Board of Directors may exercise the emergency powers described in this Section, and any other emergency powers authorized by Sections 617.0207, and 617.0303, Florida Statutes, as amended from time to time.

- (A) The Board may name as assistant officers persons who are not Directors, which assistant officers shall have the same authority as the executive officers to whom they are assistant during the period of the emergency, to accommodate the incapacity of any officer of the Association.
- (B) The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.
- (C) During any emergency the Board may hold meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any

practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

- (D) Corporate action taken in good faith during an emergency under this Section to further the ordinary affairs of the Association shall bind the Association; and shall have the rebuttal presumption of being reasonable and necessary.
- (E) Any officer, director, or employee of the Association acting with a reasonable belief that his actions are lawful in accordance with these emergency By-Laws shall incur no liability for doing so, except in the case of willful misconduct.
- (F) These emergency By-Laws shall supersede any inconsistent or contrary provisions of the By-Laws during the period of the emergency.
- (G) For the purposes of this 4.14, an "emergency" exists only when the Subdivision, or the immediate geographic area in the Subdivision is located, is subjected to:
 - (1) A state of emergency declared by law enforcement authorities;
 - (2) A hurricane warning;
 - (3) A partial or complete evacuation order;
 - (4) Designation by federal or state government as a "disaster area"; or
 - (5) A catastrophic occurrence, whether natural or man made, which seriously damages or threatens serious damage to the Subdivision, such as an earthquake, tidal wave, fire, hurricane, tornado, war, civil unrest, or acts of terrorism.

5. OFFICERS. Officers are elected by majority vote of the entire Board and serve at the pleasure of the Board. The executive officers of the Association shall be a President, and a Vice-president, who must be Directors, and a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed with or without cause by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board of Directors shall, from time to time appoint such other officer, and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. If the Board so determines there may be more than one Vice-President.

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

5.2 Vice-Presidents. Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties, as the Board of Directors shall prescribe.

5.3 Secretary. The Secretary shall attend all meetings of the board of Directors and all meetings of the Members and shall be responsible for the recording of all votes and the minutes of all proceedings, in a book to be kept for the purpose, and shall perform like duties for standing committees when required. He shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Governing Documents. An Assistant Secretary may perform any of the foregoing duties, if one is designated.

5.4 Treasurer. The Treasurer shall be responsible for the safekeeping of Association funds and assets budget preparation and the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Association, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association. An Assistant Treasurer may perform any of the foregoing duties, if any has been designated.

5.5 Compensation of Officers. No compensation shall be paid to any Member for services as an officer of the Association. This provision does not preclude the Board of Directors from employing officers in other capacities as employees of the Association.

6. Fiscal Matters. The following provisions shall supplement the provisions for fiscal management of the Association set forth in the Declaration:

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

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

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

6.3 Budget. The Board of Directors shall adopt in advance an annual budget of common expenses for each fiscal year. The budget must reflect the estimated revenues and expenses for the next fiscal year, and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Association, the Declaring, or another person. The Association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. A copy of the proposed budget and a notice stating the time, date and place of the meeting of the Board at which the budget will be considered shall be mailed to or served on each owner not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by income accounts and expense classifications. The minutes of the Association shall reflect the adoption of the budget, and a copy of the proposed and adopted budgets shall be maintained as part of the financial records of the Association. If an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment and payments shall be continued at such rate until a budget is adopted and new quarterly installments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each Lot's next due quarterly installment. If the budget does not provide for reserve accounts and the Association is responsible for the repair and maintenance of capital improvements that may result in a special assessment if reserves are not provided, each financial report shall include the disclosure set forth in section 720.303(6)(c), Fla. Stats, as amended.

6.4 Reserves. The Board may establish one or more reserve accounts for contingencies, cash flow shortfalls, capital expenditures, and deferred maintenance. The purpose of the reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget each year. The Association shall be deemed to have provided for reserve accounts when reserve accounts have been initially established by the Developer or when the Association membership elects to provide reserves, upon the affirmative approval of at least a majority of the voting interests. The calculation of reserves shall be in accordance with the then existing requirements of Florida law and once established reserve accounts shall be funded, maintained or waived as provided by Chapter 720, as amended. Reserve funds and any interest accruing to same shall remain in the reserve account and shall only be used for the authorized reserve expenditures unless their use for other purposes is approved in advanced by a majority vote at meeting at which a quorum is present.

6.5 Assessments. Regular annual assessments based on the adopted budget shall be paid in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to all Members at least ten (10) days prior to the due date. Failure to send or receive such notice does not excuse the obligation to pay.

6.6 Special Assessments. Subject to the limitations In Section 7.6 of the Declaration special assessments may be imposed by the board of Directors whenever necessary to meet unusual, unexpected, unbudgeted or non-recurring expenses, or for such other purposes as are authorized by the Declaration and these By-Laws. Special assessments are due on the day specified in the resolution of the Board approving such assessment The notice of any special assessment must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s) or credited back to the Members' accounts.

6.7 Fidelity Bonds. The President, Secretary, Treasurer, and any persons who are authorized to sign checks shall be bonded in such amounts as may be required by law or by the Board of Directors. The premiums on such bonds shall be a common expense.

6.8 Financial Reporting. The Association shall prepare an annual financial report within ninety (90) days after the close of the fiscal year. The Association shall, within twenty-one (21) calendar days after the report is prepared, provide each Member with a copy of the report, or a written notice that a copy of the financial report is available upon request at no charge to the Member. The financial report shall be prepared as required by Florida law, Chapter 720, as amended. If 20 % of the Lot Owners petition the Board for a level of financial reporting that is higher than what is otherwise required by the Statute, a meeting to vote on same shall be called and held in accordance with Florida law and shall require approval of at least a majority of the voting interests to amend said requirement.

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

6.10 Application of Payments. All payments on account by an owner shall be applied first to interest, then to late payment fees, then to attorney's fees and costs, then to other charges, and finally to unpaid regular and special assessments, in the order they first came due regardless of any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

6.11 Fiscal year. The fiscal year for the Association shall begin on the first day of January of each year.

7. Rules and Regulations. The Board of Directors may, from time to time adopt and amend reasonable rules and regulations governing the operation, use, maintenance, management and control of the Common Areas and the operation

of the Association. Copies of such rules and regulations shall be furnished to each owner. The Board has the power to impose fines and suspensions of common area use privileges, as further provided in Section 11.3 of the Declaration, for violations of the rules and regulations.

8. Amendment of By-Laws. Amendments to these By-Laws shall be proposed and adopted in the following manner.

8.1 Proposal. Amendments to these By-Laws may be proposed by a majority of the Board or by written petition to the Board signed by at least one-fourth (1/4th) of the voting interests.

8.2 Procedure. Upon any amendment to these By-Laws being so proposed by the Board or owners, such proposed amendment shall be submitted to a vote of the Members not later than the next annual meeting for which proper notice can be given.

8.3 Vote Required. Except as otherwise provided by law, or by specific provision of the Governing Documents, a proposed amendment to these Bylaws shall be adopted if it is approved by at least two-thirds (2/3) of the members present at a meeting where at least a quorum is present voting at any annual or special meeting called for the purpose provided that the full text of any proposed amendment has been given to the Members with notice of the meeting.

8.4 Effective Date, Recording. A copy of each amendment shall be attached to or incorporated into a certificate reciting that the amendment was duly adopted, which certificate shall be executed in accordance with the requirements under Florida law. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Sarasota County, Florida.

9. Miscellaneous.

9.1 Gender. Whenever a masculine or singular pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, as the context requires.

9.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.

9.3 Defined terms. Capitalized terms used herein, if not defined herein, shall have the same meanings as used in the Declaration.

9.4 Conflict If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these By-Laws and the Declaration or Articles of Incorporation, the provision of the Declaration and the Articles of Incorporation shall prevail over the provisions of By-Laws.