PROPOSED

AMENDED AND RESTATED BYLAWS
OF
HERONS GLEN HOMEOWNERS' ASSOCIATION, INC.

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AMENDED AND RESTATED BYLAWS
OF
HERONS GLEN HOMEOWNERS' ASSOCIATION, INC.

SUBSTANTIAL REWORDING OF BYLAWS - SEE CURRENT BYLAWS FOR PRESENT TEXT

1. IDENTITY. These are the Amended and Restated Bylaws (hereinafter "Bylaws") of Herons Glen Homeowners' Association, Inc. (the "Association"), a not-for-profit corporation organized under the laws of Florida for the purpose of operating Herons Glen (the "Community") pursuant to the Florida Not-For-Profit Corporation Act, as it may be amended from time to time, and as a homeowners' association pursuant to Florida Statute Chapter 720, as it same may be amended from time to time (the "Act").

1.1 Office. The office of the Association shall be at such location, as may from time to time be determined by the Board (the "Board").

1.2 Fiscal Year. The fiscal year of the Association shall be October 1st to September 30th, unless otherwise determined by the Board.

1.3 Seal. The corporate seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required. A common seal may be used in lieu of a raised corporate seal and in no event shall a seal be required to validate corporate actions unless specifically required by law.

1.4 Definitions. The definitions set forth in the Declaration of Covenants, Conditions and Restrictions for Herons Glen, as amended from time to time (the "Declaration"), and the Act shall apply to terms used in these Bylaws.

2. MEMBERS.

2.1 Qualifications. The Members of the Association shall be the record Owners of legal title to the Parcels in the Community. Membership shall become effective upon recording in the Public Records of Lee County, Florida, a deed or other instrument evidencing legal title to a Parcel.

2.2 Voting Interests. The Members of the Association are entitled to one (1) vote for each Parcel owned by them. The total number of Voting Interests equals the total number of Parcels subject to the Herons Glen (i.e., 1,300). Suspension of voting rights shall not affect the basis for which Common Expenses are shared or Common Areas and Common Surplus owned. However, suspended Voting Interests shall be subtracted from the total number of votes required when calculating any required vote or quorum during the period for which said Voting Interest is suspended. If a Parcel is owned by multiple individuals, such as a husband and wife, any record Owner may vote on behalf of the Parcel. If a Parcel is owned by a corporation, any officer may vote on behalf of said

corporation. If a Parcel is owned by a partnership, any general partner may vote on behalf of the partnership. If a Parcel is owned in trust, any trustee of a trust shall be entitled to vote. If a Parcel is owned by a limited liability company, any member, manager or Officer may vote on behalf of the limited liability company. Any person with apparent authority asserting the right to vote on behalf of a Parcel owned by an artificial entity shall be presumed to be entitled to vote on behalf of said Parcel, unless the Parcel has filed voting instructions with the Association designating some other person entitled to vote or if the Association has reasonable cause to believe such person is not eligible to vote. If multiple Owners or non-individual Owners of a Parcel cannot agree on how a vote is to be cast, the vote shall not be counted as to the issue upon which disagreement exists. Voting certificates are not necessary, but if a Parcel has certified a Primary Occupant in writing to the Secretary, the designated Primary Occupant on file with the Association will be the sole Person deemed to have authority to cast votes. No individual may cast a vote assigned to a Parcel where the voting rights assigned to the Parcel are suspended pursuant to the terms of the Governing Documents and/or Florida law. A Voting Interest or consent right allocated to a Parcel or Member which has been suspended by the Association may not be counted towards the total number of Voting Interests for any purpose, including, but not limited to, the number of Voting Interests necessary to constitute a quorum, the number of Voting Interests required to conduct an election, or the number of Voting Interests required to approve an action under the Governing Documents and/or Florida law.

2.3 Approval or Disapproval of Matters. Whenever the decision or approval of the Owner of a Parcel is required upon any matter, whether or not the subject of an Association meeting, such decision or approval may be expressed by any person authorized to cast the vote of such Parcel at an Association meeting as stated in **Article 2.2** above, unless the joinder of all Owners is specifically required by law or an express requirement in the Governing Documents.

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

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

3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the Members in each calendar year. Failure to hold an annual meeting does not cause a forfeiture or give cause for dissolution of the corporation, nor does such failure affect otherwise valid corporate acts, except as provided in Section 617.1430, Florida Statutes, as amended from time to time. The annual meeting shall be held on a day and at a time and place designated by the

Board, for the purpose of electing Directors and transacting any business duly authorized to be transacted by the Members.

3.2 Special Meetings. Special Members' meetings shall be held whenever called by the President or by the Board, and shall be called by the President or Secretary within a reasonable time of receipt of petition of the Members, holding at least twenty-five percent (25%) of the entire Voting Interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice of Members' Meetings; Waiver of Notice. Notice of all Members' meetings must state the time, date, and place of the meeting. The notice of meeting must be mailed to each Member at the address which appears on the books of the Association, or may be furnished by personal delivery or electronic transmission, as provided by law. The Member is responsible for providing the Association with notice of any change of address or email address. The Association shall only be obligated to mail or deliver notice to one (1) location, no matter how many persons own a Parcel and no matter how many other residences such Owner may have. In the absence of written direction to the contrary, notices will be given to the address of the Parcel. The Notice of Meeting must be mailed, delivered or electronically transmitted at least fourteen (14) days before the meeting. An affidavit of the Officer or other person making such mailing or delivery shall be retained in the Association records as proof of mailing. Attendance at any meeting by a Member constitutes waiver of notice by that Member unless the Member objects to the lack of notice at the beginning of the meeting and attends solely to object to notice. A Member may waive notice of any meeting at any time, but only by written waiver or attendance. Notice to the Members of meetings of the Board, meetings of a Committee for which the Act requires notice in the same manner as meetings of the Board, and annual and special meetings of the Members, may be electronically transmitted or posted as provided by law. Consent by a Member to receive notice by electronic transmission must be in writing, if required by law, and shall be revocable, as provided by law.

3.4 Quorum. A quorum at meetings of the Members shall be attained by the presence, either in person or by proxy, of Members entitled to cast at least thirty percent (30%) of the votes of the entire Voting Interests. Those Members whose voting rights are suspended pursuant to the terms of the Governing Documents and/or Florida law shall be subtracted from the required number of votes in any calculation for purposes of determining whether a quorum is present during the period of suspension. Such Voting Interests shall likewise be subtracted from the required number of votes when calculating any required vote as set forth in the Governing Documents or the Act. After a quorum has been established at a Members' meeting, the subsequent withdrawal of any Members, so as to reduce the number of Voting Interests represented below the number required for a quorum, shall not affect the validity of any action taken at the meeting before or after such persons leave.

3.5 Vote Required. The acts approved by a majority of the votes cast, in person or by proxy, at a duly called meeting of the Members at which a quorum has been attained shall be binding upon all Members for all purposes, except where a greater or different

number of votes is expressly required by law or by any provision of the Governing Documents.

3.6 Proxies; Voting. To the extent lawful, any Member entitled to attend and vote at a Members' meeting may establish their presence and cast their vote by proxy. Only Members or the spouse of a Member may be delegated (including through use of a Power of Attorney) the right to vote at Association meetings, to hold proxies, or attend Association meetings provided that the Board may designate agents of the Association (including, but not limited to, Association legal counsel or the Association's manager) as an eligible proxyholder and may permit such persons to attend Association meetings. A proxy 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. A photographic, photostatic, facsimile, electronic or equivalent reproduction of a signed proxy is a sufficient proxy. Owners may retroactively cure any alleged defect in a proxy by signing a statement ratifying the Owner's intent to cast a proxy vote. The use of proxies is to be liberally construed.

3.7 Adjourned Meetings. Any duly called meeting of the Members may be adjourned to be reconvened at a specific later time by vote of the majority of the Voting Interests present and voting, in person or by proxy, regardless of whether a quorum has been attained. When a meeting is adjourned it shall not be necessary to give notice to all Members of the time and place of its continuance, provided that the specific date, time and location of the adjourned meeting was announced at the original meeting. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance, provided a quorum is then present, in person or by proxy.

3.8 Order of Business. The order of business at annual Members' meetings and, as far as applicable at all other Members' meetings, shall be:

3.8.1 Call to order;
3.8.2 Call of the roll or determination of quorum;
3.8.3 Proof of Notice;
3.8.4 Election of Directors;
3.8.5 Reading or disposal of minutes of the last Members' meeting;
3.8.6 Reports of Officers, if any;
3.8.7 Reports of Committees, if any;
3.8.8 Unfinished business, if any;
3.8.9 New Business Designated on Agenda;
3.8.10 Adjournment.

The President shall preside over all membership meetings. In their absence, a Vice President shall preside, or in the absence of both, the membership shall select a Chairman (who need not be a Member or a Director); provided that the Board may designate agents of the Association (including, but not limited to, Association legal counsel or the Association's manager) as Chairman.

3.9 Minutes. Minutes of all meetings of Members and of the Board shall be kept in a businesslike manner and available for inspection by Members, as provided by law. 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.

3.10 Action Without a Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of Members, or any action which may be taken at any annual or special meeting of such Members, may be taken without a meeting, without prior notice, and without a vote, if a consent in writing setting forth the action so taken shall be signed by the requisite number of Voting Interests to approve the action.

4. BOARD. The administration of the affairs of the Association shall be by a Board. All of the powers of the Association existing under the laws of Florida generally, Florida Not For Profit Corporation Statute, the Homeowners' Association Act, and the Governing Documents, all as amended from time to time, shall be exercised exclusively by or under the direction of the Board, or a duly authorized Board member, Officer, Committee member, agent, contractor, or employee, when said powers or duties have been delegated by the Board, subject only to the approval by Members when such is specifically required. In the event of a question or dispute whether a Board power has been properly delegated, the Board may ratify such action at a duly noticed meeting of the Board, and such ratification shall relate back to the act in question unless otherwise specified by the Board.

4.1 Number and Terms of Service. The number of Directors which shall constitute the whole Board shall be no less than five (5), and no more than nine (9). All Directors will be elected for a three (3) year term. It is the intention of these Bylaws that a staggered Directorate be maintained. To maintain a staggered Directorate, the Board may hold seats in future elections open for one (1), two (2), or three (3) year terms, when necessary or appropriate. In any election where candidates are elected for different terms, those candidates receiving the higher number of votes shall be elected to the lengthier term. In the event that there is no election, such as in a case where there are fewer pre-qualified candidates than open seats, the Directors who are seated shall agree amongst themselves which shall serve the two- year terms and which shall serve the one-year terms. This decision shall be recorded in the minutes of a duly noticed Board meeting. In the event the Directors cannot agree on which among them shall serve the lengthier and shorter terms, the Board shall hold a "run-off" election, wherein those receiving the most votes will be elected to a lengthier term. Directors shall be elected in accordance with the Act, these Bylaws and the election rules, if any, and the process established and utilized by the Board. Not less than sixty (60) days before a scheduled election, the Association shall mail, or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, and including electronic transmission for those Members who have so consented, to each Member entitled to vote, a first notice of the date of the election. Any eligible person who nominates himself to be a candidate may do so no later than forty (40) days prior to the annual meeting and may also submit a resume by such deadline on one side of an 8 and 1/2" x 11" sheet of paper. Nominations from the floor shall not be accepted. Not less than fourteen (14) days prior to the annual meeting, the Association shall send a Second Notice of annual meeting to all

Members, along with an election ballot for the election of Directors, any timely submitted candidates' resumes, a proxy and any other documents in the Board's discretion. The election ballot shall contain the names of all candidates who nominated themselves in a timely manner, listed in alphabetical order by surname. If a voter checks off the names of more candidates than the number of Directors to be elected, the election ballot shall not be counted for the election. Elections shall be determined by a plurality of the votes cast; a quorum of the Members need not cast a vote for a valid election to occur, so long as at least ten percent (10%) of the eligible Voting Interests cast a ballot. The candidates who are elected at the annual meeting shall take office on January 1 of the year following the annual meeting. The use of secret balloting provided for in the Act shall be followed. The Board may require all ballots to be received by the Association at some point prior to the annual meeting so that the votes can be tallied prior to the annual meeting and the results announced at the annual meeting. No election shall be necessary if the number of candidates is less than or equal to the number of vacancies. In the instance that no election is required, the Association shall only be required to send the Second Notice of Annual Meeting, a proxy and any other documents in the Board's discretion.

4.2 Qualifications. Directors must be Members eligible to vote or spouses of Members. When a Parcel is owned by a corporation, a partnership, limited liability company or similar entity, any eligible voter, as described in Article 2.2 of these Bylaws, and the spouses of such persons, shall be eligible for Board service. When a Parcel is held in trust, grantors, trustees and beneficiaries of the trust (provided that the beneficiaries occupies the Parcel), and the spouses of such persons, shall be eligible for Board membership. If a grantor, trustee or beneficiary of a trust, or the spouse of such person, seeks candidacy and such person is not identified on the deed to the Parcel as the grantor, trustee or beneficiary of the trust, a copy of the trust document, affidavit of trust or abstract of trust prepared by a licensed attorney must be provided to the Association at least thirty-five (35) days prior to the date of the annual meeting. The trust document can be redacted to keep financial information confidential; however, the document must clearly indicate the grantor, trustee and the beneficiaries of the trust. No two (2) individuals from the same Parcel shall be eligible to serve on the Board at the same time, unless they own more than one (1) Parcel, in which case eligibility is limited to one (1) Director per Parcel.

4.3 Vacancies on the Board. If the office of any Director becomes vacant for any reason, other than recall of a majority of the Board by the Members, a majority of the remaining Directors or the sole remaining Director, though less than a quorum, may choose a successor to serve for the remainder of the unexpired term. If the Association fails to fill vacancies on the Board sufficient to constitute a quorum, or if no Director remains on the Board, the vacancy may be filled by the Members (via a special meeting of the Membership which may be called by a single Member) or any Member may apply to the Circuit Court for the appointment of a receiver to manage the Association's affairs, in the manner provided by law.

4.4 Removal and Resignation of Directors. Any or all Directors may be removed with or without cause by a majority vote of the entire Voting Interests, either by a written petition, or at any meeting called for that purpose, in the manner required by the Act. A Director who ceases to be Member of the Association (or spouse of a Member) or

an eligible entity representative, a Director who is more than ninety (90) days delinquent in the payment of any financial obligation to the Association, a Director who is convicted of a felony in any state, or a Director charged by information or indictment with a felony theft or embezzlement offense involving the Association's funds or property shall become ineligible for Board service on the date of such disqualification, delinquency, conviction, charge or indictment and their seat shall be deemed vacated as of that date. Any Director may resign their office at any time, in writing (including e-mail) addressed to any other Director, the manager or management company, Association legal counsel, or the Association's registered agent, and such resignation shall take effect from the time of its receipt by such person, unless some later time be fixed in the resignation, and then from that date. Resignations need not be accepted by the Board and cannot be rescinded after being given, even if not effective until a later date.

4.5 Organizational Meeting. The annual organizational meeting of the new Board shall be held at such a time and place as shall be fixed by the board of directors.

4.6 Other Meetings, Special Meetings. Meetings of the Board may be held at such time and place as shall be determined from time to time by the President or a majority of the Board. Notice of meetings shall be given to each Director, personally or by mail, telephone, electronic transmission or telegram at least forty-eight (48) hours prior to the time of such meeting. Any regular or special meeting of the Board of Directors may be held by telephone conference, video conference, or by other electronic means at which each participating Director and Members can hear and be heard or his/her message or other writings be seen by each participating Director.

4.7 Notice to Owners. A meeting of the Board occurs whenever a quorum of the Board simultaneously gathers (in person, by telephone, or video conferencing, or any combination thereof) to conduct Association business. All meetings of the Board shall be open to Members except for (a) meetings between the Board and the Association's attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege; (b) meetings regarding personnel matters; and (c) such other meetings permitted to be closed by the Act. Notices of all Board meetings shall be posted conspicuously in the Community for at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. In the alternative to the posting requirements discussed above, 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. In addition to any of the authorized means of providing notice of Board meetings, the Association may, by rule, adopt a procedure for posting notice on the Association's website or mobile app in accordance with the Act. 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. Members have the right to speak, for at least three (3) minutes, on any matter that is placed on the Board meeting agenda or is considered by the Board at a meeting. The Board may adopt reasonable, written rules governing the rights of Members to speak and governing the frequency, duration, and other manner of Member statements, which rule must be consistent with the minimum requirements of the Act. Any Member may record meetings of the Board and meetings of the Members, but may not post such recordings on any website or other media

which can readily be viewed by persons who are not Members of the Association. The Board may adopt reasonable rules governing the recording of meetings of the Board and the membership.

4.8 Waiver of Notice. 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.

4.9 Quorum of Directors. A quorum at a Board meeting shall exist when at least a majority of all Directors are present at a duly called meeting. Directors may participate in any Board meeting by a conference telephone call, video conference or similar communicative arrangement whereby all persons present can hear all other persons. Participation by such means shall be deemed equivalent to presence in person at a Board meeting.

4.10 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting for which a quorum is established shall constitute the acts of the Board, except when approval by a greater number of Directors is required by the Governing Documents or by applicable statutes. 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. After a quorum has been established at a Board meeting, the subsequent withdrawal of any Directors, so as to reduce the number of Directors represented below the number required for a quorum, shall not affect the validity of any action taken by a majority of the Directors present at the meeting before or after such persons leave.

4.11 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 specific date, time and place. No further notice needs to be given to Directors or Members, provided that the specific date, time and location of the adjourned meeting was announced at the original meeting.

4.12 The Presiding Officer. The President, or in their absence, a Vice-President, shall be the presiding Officer at all meetings of the Board. If neither is present, the presiding Officer shall be selected by majority vote of the Directors present; provided however, that the Board may designate agents of the Association (including, but not limited to, Association legal counsel or the Association's manager) as Chairman.

4.13 Compensation of Directors and Officers. Neither Directors nor Officers shall receive compensation for their services as such. Directors and Officers may be reimbursed for actual and appropriate out-of-pocket expenses relating to the proper discharge of their respective duties, subject to any procedures adopted by the Board with respect to reimbursement. Assistant Officers may be compensated as approved by the Board.

4.14 Committees. The Board may appoint from time to time such standing or temporary Committees as the Board deem necessary and convenient for the efficient and effective operation of the Association. Any such Committee shall have the powers and

duties assigned to it in the resolution or motion creating the Committee. Where required by the Act, Committee meetings shall be open to attendance by any Member, and notice of those Committee meetings shall be posted in the same manner as required in Article 4.7 above. All other Committees may meet and conduct their affairs in private without prior notice or Owner participation, unless otherwise directed by the Board.

4.15 Emergency Powers. In response to damage or injury caused by or anticipated in connection with an emergency, as defined in Section 252.34(4), Florida Statutes, for which a state of emergency is declared pursuant to Section 252.36, Florida Statutes, the Board may exercise the emergency powers described in this Article, and those described in the Act, and any other emergency powers authorized by law or the Governing Documents.

4.15.1 The Board may name assistant Officers, which assistant Officers shall have the same authority as the executive Officers to whom they are assisting during the period of the emergency, to accommodate the incapacity or unavailability of any Officer of the Association.

4.15.2 The Board may relocate the principal office or designate alternative principal offices or authorize the Officers to do so.

4.15.3 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. The Board may hold meetings by means of teleconference or video conference.

4.15.4 The Board may cancel, reschedule or postpone meetings of the Members without need to give the notice initially required for such meeting and may require that in person participation at Association meetings, including voting in the election of Directors, be limited to remote attendance by means of teleconference or video conference, when believed appropriate by the Board in the interests of health, safety and welfare of the Owners and Residents.

4.15.5 Corporate action taken in good faith during an emergency under this Article to further the ordinary affairs of the Association shall bind the Association and shall have the rebuttable presumption of being reasonable and necessary.

4.15.6 The Board may use reserve funds to meet Association needs and may use reserve funds as collateral for Association loans without approval of the Owners. The Board may adopt emergency assessments without approval of the Owners with such notice deemed practicable by the Board.

4.15.7 The Board may adopt emergency Rules and Regulations governing the use and occupancy of the Parcels and Common Areas, with notice given only as is practicable.

4.15.8 Any Officer or Director acting with a reasonable belief that their actions are lawful in accordance with these emergency Bylaws, shall incur no liability for doing so, except in the case of willful misconduct.

4.15.9 The powers conferred by this Article shall be in force during such time as an emergency exits, as well as in anticipation of an emergency or in response to an emergency which has resulted in damage or injury to the Common Areas, Parcels and/or to Owners, or which continues to present a threat to health, safety and welfare or legal liabilities to the Association, and otherwise as permitted by the Act.

5. OFFICERS.

5.1 Officers and Elections. The executive Officers of the Association shall be a President, one (1) or more Vice-Presidents, a Treasurer and a Secretary, all of whom must be Directors. All Officers shall be appointed annually by the Board. Any Officer may be removed with or without cause by vote of a majority of the Directors present at any properly noticed Board meeting. Any person may hold two (2) or more offices as long as he qualifies for both offices; except the President and Secretary may not be the same person. The Board may, from time to time, appoint such other Officers, including Assistant Officers, and designate their powers and duties, as the Board deems necessary to manage the affairs of the Association. Assistant Officers need not be Directors or Members.

5.2 President. The President shall be the chief executive Officer of the Association. He shall preside at all meetings of the Members and Directors, shall be ex-officio a member of all standing Committees. He shall have general and active management of the business of the Association, and shall see that all policies, orders and resolutions of the Board are carried into effect.

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

5.4 Secretary. The Secretary shall attend or provide for proper documentation of all meetings of the Board and all meetings of the Members and shall cause all votes and the minutes of all proceedings to be kept. He shall give, or cause to be given, notice of all meetings of the Members and of the Board, and shall perform such other duties as may be prescribed by the Board or the President. 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. Any of the foregoing duties may be performed by an Assistant Secretary, if one (1) has been designated, or the Association's attorney, manager, or management company.

5.5 Treasurer. The Treasurer shall be responsible for Association funds, the keeping of full and accurate amounts of receipts and disbursements in books belonging to the Association, and the deposit of 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. He shall oversee the disbursement of the funds of the Association, and shall render to the

Directors, or whenever they may require it, an accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated, or the Association's accountant, manager or management company.

5.6 Resignation of Officer. Any Officer may resign their office at any time, in writing (including e-mail) addressed to any Director, the manager or management company, Association legal counsel, or the Association's registered agent, and such resignation shall take effect from the time of its receipt by such person, unless some later time be fixed in the resignation, and then from that date. Resignations need not be accepted by the Board and cannot be rescinded after being given, even if not effective until a later date.

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

6.1 Depository. The depository of the Association, in which the funds of the Association shall be deposited, shall be financial institutions authorized to do business in Florida which carry FDIC insurance or equivalent insurance, provided that such insurance is backed by the full faith and credit of the United States of America. All deposits shall be within the limits of such insurance. Principal of Association funds, whether reserves or operating funds, may not be placed at risk for investment purposes. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons as are authorized by the Directors or by electronic transfer protocols approved by the Board.

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

6.3 Reserves. The Board may establish in the budget one (1) or more restricted reserve accounts for capital expenditures or improvements, deferred maintenance or contingencies. Board adopted reserve funds may be spent for any purpose approved by the Board except in cases where the use of reserves are restricted by the Act. The annual amounts proposed to be reserved shall be shown in the annual budget.

6.4 Contingency Funds. In addition to the reserves provided in Article 6.3 above, or in place of them, the Board may establish one (1) or more "contingency funds" for contingencies and operating expenses for the Association. The purpose of these contingency funds is to provide financial stability and to minimize the need for Special Assessments on a frequent basis. The amounts proposed to be so reserved shall be shown in the proposed annual budget as a line item in the operating portion of the budget.

6.5 Assessments. Regular Annual Assessments based on the adopted budget shall be paid either monthly, quarterly or annually, as determined by the Board. Failure to send or receive notice of Assessments shall not excuse the obligation to pay. If an annual budget has not been adopted at the time the first installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last installment and shall be continued at such rate until a new budget is adopted and Assessments are calculated, at which time any overage or shortage shall be added to or subtracted from each Parcel's next installment due.

6.6 Special Assessments. Special Assessments may be imposed when necessary to meet unusual, unexpected, unbudgeted, non-recurring expenses, or expenses due to budgetary shortfalls. Special Assessments may be adopted by the Board, subject to any limitations set forth in the Declaration which require Member approval in specific instances. Special Assessments are due on the day specified in the resolution or motion approving such Special Assessments. Except in an emergency, a Special Assessment may not be levied unless a written notice of the meeting is provided to each Member at least fourteen (14) days before the meeting, which notice includes a statement that a Special Assessment will be considered at the meeting and the nature of the proposed Special Assessment. Written notice of any meeting at which Special Assessments will be considered must be mailed, delivered, or electronically transmitted (to the extent permitted by law) to the Members and posted conspicuously in the Community or broadcast on closed-circuit television not less than fourteen (14) days before the meeting, except in the case of an emergency.

6.7 Fidelity Bonds. The Association shall obtain and maintain adequate fidelity bonding, for each person (whether or not a Director) who controls or disburses Association funds, and the President, Secretary and Treasurer. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one (1) time. The Association shall bear the cost of bonding of Directors and Officers. In the case of a community association manager or management firm, the cost of bonding may be allocated as the parties may agree. All persons providing management services to the Association, or otherwise having the authority to control or disburse Association funds, shall provide the Association with a certificate of insurance evidencing compliance with this paragraph, naming the Association as an insured under said policy. The Association may opt out of this requirement as provided in the Act.

6.8 Financial Reporting. The Board shall cause to be prepared an annual financial report as prescribed in the Act, unless waived as provided by law. The Association shall provide each Member with a copy of the financial report or a written notice that a copy of the financial report is available upon request at no charge to the Member.

6.9 Application of Payments. All payments made to the Association on account by an Owner shall be applied as specified in the Act.

6.10 Borrowing Money. The Board may borrow money on behalf of the Association; provided, however, that (i) the consent of the Members of at least two-thirds

(2/3rds) of the Voting Interests who are present (in person or by proxy) and voting at a Members meeting at which a quorum has been attained, shall be required for the borrowing of any sum in excess of 20% of the current year's budget; and (ii) no lien to secure repayment of any such borrowed money may be created on any Parcel without the consent of the Owner of such Parcel.

7. RULES AND REGULATIONS; USE RESTRICTIONS. The Board may, from time to time, adopt and amend Rules and Regulations governing the Community subject to any limits contained in the Herons Glen. Written notice of any meeting at which Rules and Regulations that regulate the use, transfer, maintenance, appearance of Parcels may be adopted, amended, or revoked must be mailed, delivered, or electronically transmitted (to the extent permitted by law) to the Members and posted conspicuously in the Community or broadcast on closed-circuit television not less than fourteen (14) days before the meeting.

8. PARLIAMENTARY RULES. Robert's Rules of Order (latest edition) shall be used as a general, non-binding guide in the conduct of Members' meetings, Board meetings, and Committee meetings to ensure fairness, impartiality, and respect for minority views without unduly burdening majority rights. Meetings shall also be conducted in accordance with these Bylaws and the procedures established by the Board from time to time, including the form of voting documents to be used. The ruling of the Chair of the meetings, unless he or the Board designates a third person as Parliamentarian, shall be binding on all matters of procedure, unless contrary to law. The failure or alleged failure to adhere to Robert's Rules of Order shall not be used as a basis to legally challenge any action of the Association.

9. BYLAW AMENDMENTS. Amendments to the Bylaws shall be adopted in the following manner:

9.1 Proposal of Amendments. An amendment may be proposed by the President of the Association, the Directors, or by twenty-five percent (25%) of the entire Voting Interests.

9.2 Proposed Amendment Format. Proposals to amend the existing Bylaws shall contain the full text of the article to be amended. New words shall be <u>underlined</u> and words to be deleted shall be ~~lined through~~. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying, "SUBSTANTIAL REWORDING OF BYLAWS. SEE ARTICLE NUMBER ____ FOR PRESENT TEXT."

9.3 Notice. The subject matter of proposed amendments shall be included in the notice of any meeting at which a proposed amendment is to be considered or in connection with documentation for action without a meeting.

9.4 Adoption of Amendments. A resolution for the adoption of a proposed amendment may be adopted either (i) by the Board of Directors alone in accordance with Section 4.10 of these Bylaws, or (ii) by a vote of at least a majority of the Voting Interests

of the Association present (in person or by proxy) and voting at a duly noticed meeting at which a quorum has been attained, or by the written agreement of a majority of the entire Voting Interests.

9.5 Effective Date. An amendment when adopted shall become effective after being recorded in the Public Records of Lee County, Florida, according to law.

9.6 Automatic Amendment. Whenever the Act, Chapter 617 or other applicable statutes or administrative regulations, as amended from time to time, are amended to impose procedural requirements less stringent than set forth in the Governing Documents, the Board may operate the Association pursuant to the less stringent requirements without the need to change the Governing Documents. The Board, without a vote of the Members, may also adopt by majority vote, amendments to the Governing Documents as the Board deems necessary to comply with such operational changes as may be authorized by future amendments to Chapters 607, 617 and the Act, or other statutes or administrative regulations as required for the operation of the Association, all as amended from time to time.

10. MISCELLANEOUS.

10.1 Gender. Whenever the context so permits, the singular includes the plural, the plural includes the singular.

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

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