

BYLAWS
OF
ROYAL HIGHLANDS PROPERTY OWNERS ASSOCIATION, INC.

A corporation not for profit

This Revision 9 updates these Bylaws to include all amendments approved by the Board of Directors through February 8, 2006

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Royal Highlands Property Owners Association, Inc.

BYLAWS

1 1. Identity. These are the Bylaws of the Royal Highlands
2 Property Owners Association, Inc., called Association in these
3 Bylaws, a corporation not for profit under the laws of the State of
4 Florida. The Articles of Incorporation of the Association were
5 filed in the office of the Secretary of State on the 18th day of
6 August, 1994. The Association has been organized for the purpose of
7 owning, managing, maintaining and operating certain property and
8 facilities, hereinafter called Commons, for the common benefit of
9 all the owners of residential building lands in the Royal Highlands
10 Development which Development is located on the lands in Lake
11 County, Florida, and for the additional purpose of providing
12 various other services for the benefit of one or more different
13 sub-groups of said owners.

14
15 1.1 Office. The Office of the Association shall be at
16 26600 Ace Ave., Leesburg, FL 34748.

17
18 1.2 Fiscal Year. The fiscal year of the Association shall
19 be the calendar year.

20
21 1.3 Corporate Seal. The seal of the corporation shall
22 bear the name of the corporation, the word "Florida", the words
23 "corporation not for profit" and the year of incorporation.

24
25 2. Powers and Duties.

26
27 2.1 Enumeration. Powers and duties shall include but are
28 not necessarily limited to the following:

29
30 2.1.1 Assessments. Make and collect assessments.

31
32 2.1.2 Use of Assessments. Use the proceeds of
33 assessments in the exercise of its powers and duties.

34
35 2.1.3 Control of Real or Personal Property. Own,
36 buy, sell or lease real or personal property as necessary to the
37 exercise of its powers and duties; and sell and convey any property
38 so acquired.

39
40 2.1.4 Supervision of Real and Personal Property.
41 Maintain, repair, replace, improve and operate real and personal
42 property.

43
44 2.1.5 Insurance. Purchase insurance.

45
46 2.1.6 Operational Support. Hire or appoint managers,
47 committees, contractors or representatives and delegate authority
48 to them.

49
50 2.1.7 Regulations. Make and amend regulations

1 subject to the provisions of these Bylaws.

2 2.1.8 Enforcement. Enforce by legal means the
3 provisions of any Declaration of Restrictions and Servitudes
4 applying to the properties in the Development and similarly enforce
5 these Bylaws and the Rules and Regulations made hereunder.
6

7 2.1.9 Community Supervision. Maintain, repair,
8 replace and improve grounds, facilities and building exteriors,
9 including those associated with privately owned dwellings,
10 including multi-dwelling buildings, and also including any
11 facilities or property maintained for the exclusive benefit of any
12 other defined sub-group of owners.
13

14 2.1.10 Special Assessments. Impose and collect
15 special assessments for the performance of functions described
16 above, and for the performance of any special services for specific
17 sub-groups of residents or owners as defined from time to time by
18 the Board of Directors of this Association.
19

20 2.1.11 Environmental Management. Maintain and manage
21 any installations or facilities pertaining to surface water
22 management, storm water management, pollution control installations
23 and the like, and monitor and enforce by legal means any
24 environmental restrictions applying in or to properties in the said
25 Development.
26

27 2.1.12 Facilities Management. Maintain and manage
28 any facilities of whatever nature generally associated with the
29 development including but not limited to golf course and restaurant
30 facilities. "Manage" shall be interpreted to permit the leasing of
31 real and personal property for operation by outside business
32 interests who pay rent or fees to the Association in return for the
33 right to operate on the premises.
34

35 2.1.13 Non-Exclusive Use Management. Own and manage
36 facilities which are not for the exclusive use of the residents of
37 Royal Highlands provided that always the net proceeds from such
38 operations are used for the benefit of the Association.
39

40 2.1.14 Other Duties and Responsibilities. Perform
41 any duty or responsibility provided for in the Declaration of
42 Restrictions and Servitude.
43

44 2.2 Property.
45

46 2.2.1 Owned Property and Proceeds. All funds and
47 titles to all property owned or acquired by the Association, as
48 well as any proceeds there from, shall be held in trust for the
49 Owners in accordance with the provisions of these Bylaws and the
50 Declaration of Restrictions and Servitude insofar as the same may

1 be pertinent.
2

3 2.2.2 Services and Assessments. Funds and property
4 owned, held or acquired by the association in connection with
5 services and assessments for a specific group of owners, as for
6 example a residential building or a specific group of residences,
7 shall be accounted for separately and such funds and property shall
8 be used for the benefit of that specific group.
9

10 2.2.3 Acquisitions or Divestitures. Major or
11 significant acquisitions or divestitures of property, as defined in
12 the Declaration of Restrictions filed from time to time in the
13 public records of Lake County, Florida, and applying to the lands
14 at any time comprising the Royal Highlands development shall be
15 made or undertaken by the Directors, or officers of the Association
16 acting for the Association, only after a general meeting called and
17 held in accordance with the requirements of said Declaration of
18 Restrictions and upon certification by the Association Board of
19 Directors that open discussions were held, that voting was
20 conducted and that the results of such voting resulted in the
21 required percentages of the ownership interests being in favor of
22 the acquisition or divestiture.
23

24 3. Members. The membership shall consist of all the record
25 owners of one or more lots in the Development.
26

27 3.1 Special Memberships. The Board of Directors may
28 create special membership categories or enter into agreements
29 reflecting the rights, responsibilities and duties of commercial or
30 business entities operating in, near or in conjunction with the
31 Royal Highland development. An example would be an independent golf
32 course operator operating a golf course located on lands in,
33 adjacent or partly in the development. The Directors can and shall
34 impose reasonable charges on such an operator to help defray the
35 actual cost of maintaining roads, landscaping, lighting, parking
36 lots and any and all such facilities or improvements used by or
37 benefiting such operator.
38

39 3.2 Transfer of Membership. If the ownership of any lot
40 should change, the new owner or owners automatically become members
41 replacing the former owners. The change in membership shall occur
42 automatically upon the filing in the Public Records of the document
43 transferring ownership.
44

45 3.3 Assignment. The membership, Commons ownership share,
46 and the share as a member of the funds and assets of the
47 Association cannot be assigned, hypothecated or transferred in any
48 manner except as an appurtenance to the land(s) in the Development.
49

50 3.4 Voting.

1
2 3.4.1 Eligibility to Vote. Each owner of one or more
3 of the originally platted lots in the said Development shall be
4 entitled to one vote for each lot owned,, computed to the nearest ½
5 lot in the event lots are divided to reapportion the building
6 sites. In the case of common ownership of a lot, the owners of a
7 majority interest shall be entitled to cast the vote(s). If the
8 owners of a lot cannot agree or if the majority interest is not
9 represented, the vote(s) on that lot(s) may not be cast.

10
11 3.4.2 Establishing Right to Vote. If a lot is owned
12 by one person his right to vote shall be established by the roster
13 of members. If a lot is owned by more than one person, or is under
14 lease, the person entitled to cast the vote shall be designated by
15 a certificate signed by all of the record owners according to the
16 roster of owners as filed with the Secretary of the Association. If
17 a lot is owned by a corporation, the person entitled to cast the
18 vote shall be designated by a certificate signed by the President
19 or Vice President and attested by the Secretary or Assistant
20 Secretary of the corporation and filed with the Secretary of this
21 Association. Such certificates shall be valid until revoked or
22 until superseded by a subsequent certificate or until a change in
23 the ownership of the lot concerned. A certificate designating the
24 person entitled to cast the vote for a lot may be revoked by any
25 owner of a share in said lot.

26
27 3.4.3 Claiming the Right to Vote. Notwithstanding
28 any of the above, if only one person appears in person, proxy or by
29 mail claiming the right to cast a vote for a given lot and such
30 person has any ownership interest or is an officer or agent of a
31 corporation with an ownership interest, then such vote shall be
32 counted.

33
34 3.4.4 Multifamily Dwelling Vote. In the case more
35 than one dwelling unit is placed on any multifamily lot, each
36 dwelling unit shall have one vote.

37
38 3.5 Roster of Members. The Association shall maintain a
39 roster of the names and mailing addresses of lot owners and
40 multifamily owners entitled to vote, which shall constitute a
41 roster of members. The roster shall be maintained from evidence of
42 ownership furnished to the Association from time to time to
43 substantiate the holdings of members and from changes of mailing
44 addresses furnished from time to time. Each member shall furnish to
45 the Association a certified copy of the record evidence of his
46 title substantiating his ownership and the number of lots owned.
47 Each member shall also notify the Association when he conveys his
48 interest so as to cease being a member and shall advise the
49 transferee of the obligations and duties attaching by reason of
50 said transferee assuming ownership; however, as provided in

1 recorded documents, failure of seller to notify or advise shall in
2 no way relieve the transferee of his rights or obligations.
3

4 3.6 Meetings of Members. General meetings of members of
5 the Association may be called by the President of the Association,
6 by the Chairman of the Board of Directors or by action of a
7 majority of the Board of Directors and, if called, shall be held at
8 such time, at such place in Lake County, Florida, as the President
9 or a majority of the Board of Directors shall determine. The
10 purpose of any such meeting shall be to hold discussions and make
11 recommendations to the Board of Directors or to transact any other
12 business authorized to be transacted by the members. Notice of any
13 such meeting shall be given at least ten (10) days, but not more
14 than sixty (60) days, prior to the meeting and the notice shall
15 either be mailed to each owner to the address as it appears on the
16 roster of members or by affixing said notice to the front door, by
17 any appropriate means, of any residence which has been completed
18 and occupied by the owner or an assign, unless such owner has
19 notified the Association of his absence, in which event notice must
20 be mailed to that owner. A certificate by the Secretary of the
21 Association stating that notice has been given by one of the above
22 methods shall be sufficient to prove that notice was properly
23 given.
24

25 3.7⁷ Quorum. At all meetings of the members of the
26 Association, the percentage of voting interests required to
27 constitute a quorum shall be 30% of the total voting interests.
28 Unless a greater approval percentage is required by Chapter 720,
29 Florida Statutes, the Association Articles of Incorporation, the
30 Declaration of Restrictions or the Bylaws. Decisions that require
31 a vote of the members must be made by the concurrence of at least a
32 majority of the voting interest present, in person or by proxy, at
33 a meeting at which a quorum has been obtained.
34

35 3.8 Proxies.

36
37 3.8.1 Limited and General Proxies. Members may not
38 vote by general proxy, but may vote by limited proxy. Limited
39 proxies and general proxies may be used to establish a quorum.
40 Limited proxies may also be used for votes taken to amend the
41 articles of incorporation or bylaws or for any matter that requires
42 or permits a vote of the lot owners.
43

44 3.8.2 Proxy Effectivity. Any proxy shall be
45 effective only for the specific meeting for which originally given
46 and any lawfully adjourned meetings thereof. A proxy is not valid
47 for a period longer than ninety (90) days after the date of the
48 first meeting for which it was given. A proxy is revocable at any
49 time at the pleasure of the member who executes it.
50

1 3.8.3 Election of Board Members. Members shall vote
2 in person at a meeting of the members or by a ballot that the
3 member personally casts.

4
5 3.9⁸ Order of Business. The order of business at members
6 meetings and, as far as may be applicable, at other members
7 meetings, shall be:

- 8
9 3.9.1 Call to order by President or his
10 representative
11 3.9.2 Calling of the roll and certifying of proxies
12 3.9.3 Proof of notice of meeting or waiver of
13 notice
14 3.9.4 Reading and disposal of any unapproved
15 minutes
16 3.9.5 Reports by officers
17 3.9.6 Reports by committees
18 3.9.7 Unfinished business
19 3.9.8 New business
20 3.9.9 Adjournment
21

22 3.10⁹ Definition for Lot Realignment Vote. As used herein
23 the word "lot" shall be interpreted to mean a single residential
24 building site as may have resulted from the realignment or re-
25 division of the lots as originally platted. Thus, three originally
26 platted lots might be re-aligned to become two larger lots and the
27 result would be two lots with the owners of each one, however,
28 entitled to cast one and one-half (1 ½) votes. In other respects
29 the terms used in these bylaws shall have the same meaning as those
30 set forth in the Articles of Incorporation or the Declaration of
31 Restrictions.
32

33 4. Directors.
34

35 4.1^{21,22} Number and Qualification. The affairs of the
36 Association shall be managed by a Board of Directors (hereinafter
37 called the Board) consisting of twelve Directors. Directors must
38 be members of the Association and own and reside in the Precinct
39 from which they are elected.
40

41 4.2. Duties and Powers. All of the duties and powers of
42 the Association are to be exercised through the Board or delegated
43 by the Board to be performed by the officers or others under
44 directions or policies from the Board. The Directors shall appoint
45 the officers of the Association who need not necessarily be owners
46 or residents of the development.
47

48 4.3 Special Groups or Amenities. It is anticipated that
49 there will be, or may be, specific groups or sub-groups of owners
50 or residents within the community which may have special interests

1 and special assessments relating to their dwellings or to amenities
2 in their areas or especially reserved for their use. The Board is
3 specifically authorized and encouraged to allow considerable
4 autonomy to committees or sub-boards formed, elected or appointed
5 to represent such special interests since they may have special
6 needs and special assessments in addition to the overall needs and
7 assessment for the community as a whole, and such special needs and
8 special assessments may vary from one group to another.

9
10 4.4 Management Practices. The Board of Directors of the
11 Association shall be guided by the following rules and principles
12 as respects its management of the maintenance and other services
13 for the owners within a special interest group which are banded
14 together at Royal Highlands for the purpose of providing special
15 services or maintenance for the members of that group in return for
16 special assessments imposed on the members of said group.

17
18 4.4.1 Services and Standards. The Board shall have
19 the ultimate authority to establish the details of the services and
20 the standards to be maintained.

21
22 4.4.2 Special Interest Groups. The Board shall
23 establish which residences and/or buildings are to form a single
24 special interest group for accounting and assessment purposes.

25
26 4.4.3 Special Group Committee. The Board annually,
27 at a date to be set by the Board, shall appoint several
28 representatives from each special group to serve on a Committee
29 representing that group of residents. If the residents in a given
30 group have elected one or more of their number to be their
31 representative(s) and have so notified the Board, the Board shall
32 appoint those residents to the Committee.

33
34 4.4.4 Service and Standards Considerations. In
35 deciding the details of service and standards under this section
36 4.4, the Board of Directors shall give due consideration to
37 recommendations of any Committee which it has appointed to
38 represent any given group of members.

39
40 4.5 Precinct Representative Appointment and Elections.

41
42 4.5.1¹¹ Precinct Representatives. As noted, the Board
43 of Directors shall initially consist of persons named by the
44 Developer. As the Development grows and building sites are
45 constructed the Developer shall designate certain groups of sites
46 comprising an identifiable section of the Development to be a
47 "precinct". When a given precinct is three quarters occupied the
48 residents there shall hold an election to elect a person to be
49 known as a "Representative" to provide advice and recommendations
50 to the Directors. At the end of a given representative's term, or

1 sooner if the occasion arises, the residents of that precinct shall
2 elect a successor. Until a given precinct is three quarters
3 occupied, the current representatives shall, by majority vote,
4 appoint a resident of the precinct as representative. A new
5 election or appointment in each precinct shall be held no less
6 often than every two years.

7
8 4.5.2^{3,4} Precinct Designation. Precincts in the
9 development shall consist of an area including at least 75 lots or
10 multifamily dwellings, but not more than 155. These shall be
11 initially set by an announcement from the Developer which is
12 recorded in the Association minute books. Precinct boundaries may
13 be realigned by a written vote favoring the change and favored by a
14 majority of all the members in the precincts whose boundaries would
15 be affected. Realignment may include combining precincts or
16 splitting precincts so that there may be a different number of
17 precincts than before. The limitation of 75 minimum and 155 maximum
18 homes shall be adhered to, however, unless different limits are
19 written into these bylaws by a three quarters majority of the all
20 the Directors in office at the time the change is instituted.

21
22 When the final development phases of Royal Highlands have been
23 engineered and the final and complete layout and boundaries of the
24 development are known, the Board of Directors shall have the power
25 and authority to realign precinct boundaries to conform to a
26 logical and consistent layout. This authority of the Board shall be
27 exercised one single time, only. Any further realignment shall be
28 made only in accordance with provisions elsewhere in these bylaws.

29
30 4.5.3¹⁴ Representative Candidates. The time for
31 regular elections shall be the first Tuesday of March each year.
32 Candidates for representative positions shall make their candidacy
33 known to the Board, by completing a "Request for Precinct
34 Representative Nomination" form and submitting it by the first
35 Tuesday of February, which is approximately a month prior to the
36 election for the office to be filled. In addition, a resident may
37 nominate himself or herself as a candidate for the Board at the
38 meeting where the election is to be held. A notification of
39 representative positions to be filled by election shall be posted
40 in a conspicuous spot in or outside the community Recreation Center
41 at least one month prior to the deadline for candidates to make
42 their candidacy known. This notification shall also be provided in
43 the community newsletter at least one month prior to the deadline
44 for candidates to make their candidacy known.

45
46 4.5.4¹ Election Committee. By the second Tuesday of
47 January each year the Board shall appoint a three person election
48 committee to oversee the elections for that year. The Board shall
49 prepare written ballots for each precinct giving the names of all
50 candidates for that precinct's representative. These shall be

1 distributed to the members entitled to vote in that election at
2 least a week before the election. The election committee shall
3 provide clear instructions as to how to vote, where and when to
4 return the ballots, and institute such other rules and procedures s
5 they deem necessary for an orderly election.
6

7 4.5.5 Representative Elections. The first
8 representative election for a given precinct shall take place at
9 the March election immediately following the date on which the
10 precinct becomes three quarters occupied and the term of that
11 representative shall be for a period of two years. All subsequent
12 regular elections for the representative of that precinct shall
13 take place at two year intervals and shall elect a representative
14 for a two year term. (It is expected that in the natural course of
15 events this will result in staggered terms with only a part of the
16 representatives being replaced at each annual election.)
17

18 4.5.6^{10,12,15} Special Elections or Appointments. A
19 special election or appointment shall be required if a
20 representative becomes unable to serve, resigns, or is discharged.
21 In the event that a representative gives notice of intent to sell
22 their home or publicly lists their home as available for sale and
23 does not provide to the Board "clear evidence of intent" to move to
24 and reside in another location in the same precinct, the notice and
25 or action shall be considered a resignation of the representative
26 and a special election shall be deemed necessary. This is to ensure
27 the proper transition of representatives and ensure adequate
28 representation of the precinct members.
29

30 4.5.6.1¹⁶ Elected Representatives. The procedure
31 for the special elections shall be essentially the same as in 4.5.5
32 except that the remaining representatives shall appoint a special
33 election committee which shall then set the election date and
34 distribute information about the dates for receipt of applications
35 and for the election itself The elected replacement
36 representative's term of office shall continue until the second
37 annual members meeting after the special election.
38

39 4.5.6.2¹⁷ Appointed Representatives. The
40 procedure for appointed representatives shall be the same as
41 specified in 4.5.1. The appointed replacement representative's term
42 of office shall continue until the first annual meeting after the
43 precinct becomes three quarters occupied but shall not extend
44 beyond the second annual members meeting after the appointment.
45

46 4.5.7² Annual Meeting. An annual meeting of members
47 shall be held the first Tuesday of March each year at a time and
48 place to be determined and promulgated by the Directors. This
49 meeting shall he held before the election is held or the election
50 ballots collected. The purpose of the meeting shall be to provide a

1 forum for candidates for election to speak and present their views.
2 The meeting shall be presided over by a member of the Election
3 committee who shall at the start of the meeting announce the length
4 of the meeting and the time to be allotted each candidate. The
5 announced meeting length shall be not less than 60 minutes nor more
6 than 180 minutes. Each candidate shall be allotted an equal amount
7 of time which he may utilize himself or allow others to utilize on
8 his behalf. If a candidate does not wish to use his time, or does
9 not use all of it, the meeting shall be shortened by the amount of
10 time not used."
11

12 4.6 Directors Meetings. In addition to meetings required
13 elsewhere in these bylaws to discuss and adopt an annual budget,
14 the Directors may meet at times and places of their own choosing.
15 All meetings shall be open to all the residents and lot owners but
16 the Directors may limit discussion and presentations by non-
17 Directors at their discretion. Reasonable notice of time and place
18 of all meetings must be given or made available to all
19 representatives including, at the minimum, posting of notice of the
20 Board meeting at least forty-eight (48) hours in advance in a
21 conspicuous place on the Association property. The meeting place
22 must be reasonably convenient for the representatives, residents
23 and owners to actually attend if they reside in the Development.
24

25 4.7 Representatives Organizational Meetings.
26 An organizational meeting of a newly constituted body of
27 representatives consisting of all the elected representatives shall
28 be held within thirty (30) days of the election of any new
29 representative. The time and place of the meeting shall be fixed by
30 the previous body acting through its previously elected Chairman or
31 spokesperson. Notice of said meeting shall be posted at least
32 forty-eight (48) hours in advance in a conspicuous place on the
33 Association property. Time and place of the very first such
34 organizational meeting shall be determined by the Board of
35 Directors and the notice of same posted as indicated.
36

37 4.8⁵ Regular Meetings of the Board. Regular meetings of
38 the Board of Directors may be held at such time and place as shall
39 be determined, from time to time, by a majority of the directors.
40 Notice of regular meetings shall be given to each director,
41 personally or by mail, telephone, telegraph, or by electronic means
42 and shall be transmitted at least three (3) days prior to the
43 meeting. Notice of said meeting shall be posted at least forty-
44 eight (48) hours in advance in a conspicuous place on the
45 Association property. Representatives may speak or make
46 presentations at such meetings.
47

48 4.9⁶ Special Meetings of the Board. Special meetings of
49 the directors may be called by the Chairman of the Board and must
50 be called by the Secretary at the written request of one-third of

1 the Directors. Notice of the meeting shall be given personally or
2 by mail, telephone, telegraph, or by electronic means to each
3 Director and Representative which notice shall state the time,
4 place and purpose of the meeting. Such notice shall be transmitted
5 not less than three (3) days prior to the meeting and such notice
6 shall be posted at least forty-eight (48) hours in advance in a
7 conspicuous place on the Association property. A special meeting
8 may be called with less notice if a Director or Officer certifies
9 that an emergency exists requiring such a meeting. In all cases
10 reasonable efforts shall be made to notify all Association
11 Representatives of the time and place of all special board
12 meetings. Representatives may speak or make presentations at such
13 meetings.

14
15 4.10 Waiver of Notice. Any director may waive notice of a
16 meeting before or after the meeting and that waiver shall be deemed
17 equivalent of having been given notice.

18
19 4.11 Quorum for Board Meetings. A quorum at directors'
20 meetings shall consist of a majority of the entire Board of
21 Directors. The acts approved by a majority of those present at a
22 meeting at which a quorum is present shall constitute the acts of
23 the Board, except when approval by a greater number of directors or
24 by certain designated directors is required by the Articles of
25 Incorporation or these Bylaws.

26
27 4.12 Adjourned Meetings. If at any meeting of the Board
28 of Directors there be less than a quorum present, the majority of
29 those present may adjourn the meeting from time to time until a
30 quorum is present. At any adjourned meeting any business that might
31 have been transacted at the meeting as originally called may be
32 transacted without further notice.

33
34 4.13 Chairman of the Board. The presiding officer of
35 Directors' meetings shall be the Chairman of the Board if such an
36 officer has been elected; and if none has been elected, the
37 directors present shall designate one of their number to preside
38 long enough to elect a Chairman who shall then assume control and
39 conduct the meeting. The Chairman of the Board shall continue until
40 a successor is elected. A new vote for Chairman shall be held at
41 the request of any director at any meeting of the directors except
42 there shall not be more than one such election at any one meeting.

43
44 4.14 Order of Business. The order of business at
45 directors' meetings shall be:

- 46
47 4.14.1 Select a temporary chairman and elect a
48 Chairman of the board if the position is vacant.
49 4.14.2 Call the roll
50 4.14.3 Proof of due notice of meeting. Read and

- 1 dispose of any unapproved minutes
- 2 4.14.4 Reports of officers and committees
- 3 4.14.5 Election of officers of the Association.
- 4 This shall be done at least once a year.
- 5 4.14.6 Unfinished business
- 6 4.14.7 New business
- 7 4.14.8 Adjournment
- 8

9 4.15 Director's Fees. Directors' fees, if any, shall be
10 determined by a majority vote of all the members of the Association
11 other than the Developer. An election committee shall be appointed
12 by the Directors to develop procedures for, conduct and monitor any
13 such election. During the time the Developer appoints the Directors
14 there shall be no Directors' fees paid or payable.

15
16 4.16 General Powers and Duties. All of the powers and
17 duties of the Association existing under the Articles of
18 Incorporation and these Bylaws shall be exercised by the Board of
19 Directors, which may direct implementation through its corporate
20 officers, agents, contractors or employees, subject only to
21 approval by the members when the latter is specifically required.

22
23 4.17 Acquisition and Granting of Property. The
24 Association, through its Board, shall have the right and authority
25 to acquire, by gift, purchase or otherwise, real or personal
26 property to hold the same, improve it, build upon it, operate,
27 maintain, convey, sell, lease, transfer, or dedicate for public
28 use. In addition, the Association, through its Board, shall have
29 the right and duty to maintain a surface water management system
30 approved by the St. Johns River Water Management District or its
31 successor or replacement.

32
33 4.18¹⁸ Rules and Regulations. The Association, through its
34 Board, shall have the right and authority to make and amend rules
35 and regulations concerning the use of property within the
36 development subject, however, to the following limitations,
37 restrictions, and requirements:

38
39 4.18.1¹⁸ Proposed Regulations. The Board of Directors must
40 adopt, by majority vote, a resolution that the proposed regulation
41 or amendment is not an unreasonable limitation on the use by the
42 individual owners of their property and that the proposed
43 regulation is for the benefit of the community.

44
45 4.18.2¹⁸ Publication and Meetings:

46
47 4.18.2.1¹⁸ First Reading. The text of the
48 proposed regulation or regulation amendment must be posted in a
49 conspicuous spot in or outside the community Recreation Center for
50 a period of at least one month together with an announcement of the

1 time and place of a meeting to introduce the said regulation. The
2 text of the proposed regulation or amendment and meeting
3 information shall also be provided in the community newsletter at
4 least one month prior to when the meeting is to be held. During the
5 period of Developer control the meeting specified in the first part
6 off this section shall not be required but a meeting of the
7 precinct representatives shall be held instead and for the same
8 purpose. At this meeting, association members shall be afforded the
9 opportunity to make their views known.

10
11 4.18.2.2¹⁸ Second Reading No sooner than 21
12 days after the First Reading meeting, a second meeting shall be
13 held to consider the proposed regulation or regulation amendment.
14 At this meeting, association members shall again be afforded the
15 opportunity to make their views known. During the period of
16 Developed control, after considering the views of the association
17 members, the precinct representatives shall make their majority
18 opinion known to the Board of Directors.

19
20 4.18.3¹⁸ Board Adoption of Proposed Regulation. The
21 Board of Directors may then adopt the proposed regulation by
22 majority vote. The resolution adopting said regulation must cert
23 that the meetings of 4.18.2 were held, that the Directors heard and
24 considered the views of the association members or precinct
25 representatives, and that the majority of the Board members favored
26 the adoption of the proposed regulation.

27
28 4.18.4 Regulation Examination and Availability. The
29 Board of Directors shall have the regulation so adopted reproduced,
30 together with all similar regulations previously adopted, and shall
31 make a copy of said regulations available for examination by all
32 residents and members; and in addition the Board shall make
33 available at reasonable cost copies of said regulations for
34 purchase by residents and members.

35
36 4.18.5 Enactment Restrictions. No regulation shall
37 be enacted which requires the undoing, improvement or addition to
38 or the re-doing of anything previously built or installed which was
39 previously allowed or authorized; nor shall any regulation be made
40 which deprives any resident or owner of rights or expectations
41 which could be reasonably be said to have vested (such as the right
42 to own a pet or to bring a previously owned pet into the
43 development). Regulations can be-enacted, however, having the
44 effect of barring any future owner from something, notwithstanding
45 earlier owners and residents are "grandfathered in".

46
47 4.18.6¹⁸ Regulation Limitations. The Board of
48 Directors shall have the power to make regulations affecting only
49 certain well defined sectors, areas, buildings, or special interest
50 groups in the development provided always that the owners affected

1 shall have been notified, had the opportunity to attend a meeting,
2 and have expressed their views as provided above for general rules
3 affecting everyone. This section shall not be interpreted as
4 preventing the Board from adopting rules and regulations where the
5 Board has determined that the rules and regulations are for the
6 overall good of the community; for example, rules setting
7 reasonable standards for exterior maintenance or grounds care of
8 buildings may be imposed for the benefit of the community as a
9 whole.

10
11 4.18.7 Architectural Review.

12
13 4.18.7.1 Developer Control. The Developer shall
14 be the final arbitrator concerning the architectural compliance and
15 suitability of any new construction in the development
16 notwithstanding any rules or regulations which may have been
17 adopted by the Board. This right and power shall continue so long
18 as the Developer is actively developing, promoting and selling
19 property in the development as it may be constituted from time to
20 time.

21
22 4.18.7.2²⁰ Directors Authority. The Directors of
23 the Association shall be the final authority on architectural
24 compliance and suitability of any additions, renovations, changes
25 or embellishments to any property in the development after the
26 initial construction of, at or upon such property is complete. The
27 Directors may appoint an architectural review committee to advise
28 them in such matters and may delegate some authority to the
29 committee; however, the Directors shall retain final appeal
30 authority in cases of rejection.

31
32 4.19¹³ Non-Compliance

33
34 4.19.1 Failure to Comply with Governing Documents.
35 If a member fails to comply with the governing documents of Royal
36 Highlands Property Owners Association and/or Royal Highlands Rules
37 and Regulations the association may suspend the rights of the
38 member, the member's tenants, guests, or invitees, to use common
39 areas and facilities owned by the association and may levy fines,
40 not to exceed \$100 per violation, against any member or any tenant,
41 guest or invitee. A fine may be levied on the basis of each day of
42 a continuing violation, with a single notice and opportunity for
43 hearing, except that no fine shall exceed \$5, 000 in the aggregate.
44

45 4.19.2 Fines or Suspension Hearing Committee. A
46 fine or suspension may not be imposed without notice of at least 14
47 days to the person sought to be fined or suspended and an
48 opportunity for a hearing before a committee of at least three
49 members appointed by the board who are not officers, directors, or
50 employees of the association, or the spouse, parent, child,

1 brother, or sister of an officer, director, or employee. If the
2 committee, by majority vote, does not approve of a proposed fine or
3 suspension, it may not be imposed.

4
5 4.19.3 Failure to make Assessment Payments. Failure
6 to make general or special assessment payments when due is defined
7 as a failure to comply with the governing documents.

8
9 4.19.4 Opportunity for a Hearing. The requirement
10 for a hearing prior to imposition of a fine and/or suspension does
11 not apply to the imposition of suspensions and/or fines upon any
12 member because of the failure of the member to pay assessments or
13 other charges when due.

14
15 4.19.5 Suspension of Voting Rights. The voting
16 rights of a member who is delinquent in the payment of general or
17 special assessments in excess of 90 days may be suspended until the
18 delinquencies are rectified.

19
20 5. Conversion of Representatives to Directors.

21
22 5.1 End of Developer Control. When the Developer control
23 ends then the representatives referred to above shall immediately
24 become ,directors.

25
26 5.2 When Developer Control Ends. Developer control ends
27 at the point where one or more of the criteria of the following
28 section is no longer met, or at the point when Developer
29 voluntarily relinquishes control.

30
31 5.3 Appointment of Representatives as Directors. The last
32 official act of the Developer while it is still in control shall be
33 deemed to have been the dismissal of all the directors it has
34 appointed and the appointment of each of the then Representatives
35 as a Director of the Association.

36
37 5.4 Provisions relating to election of Directors. From
38 the time Developer control ends, all of the provisions relating to
39 the election of Representatives shall continue in force and be
40 interpreted as referring to the election and terms of Directors
41 instead of Representatives.

42
43 5.5 Organizational Meeting of New Board. The
44 Representative who had previously been chosen to preside at
45 meetings of the Representatives shall become the new Chairman of
46 the Board of Directors and shall call an organizational meeting of
47 the newly constituted Board as soon as reasonably convenient after
48 Developer control ends; but said organization meeting shall be held
49 within 45 days of the time the Representatives, or any of them,
50 become aware that Developer control has ended.

1
2 5.6 Appointment of Officers. The primary purpose of the
3 organization meeting of the newly constituted board referred to
4 above shall be the appointment of officers for the Association.
5 Until such new officers are appointed the old officers shall
6 continue in the performance of their duties as Association
7 officers.

8
9 6. Developer Control.

10
11 6.1 Developer Control of the Association. During the time
12 the Developer meets all of the criteria listed below, the Developer
13 shall remain in control of the Association and have and exercise
14 the right to appoint members of the Board of Directors and shall
15 also have the right to discharge any Director at any time. The
16 criteria are:

17
18 6.1.1 Promoting and Selling. The Developer is
19 actively promoting and selling the project.

20
21 6.1.2 Ownership and/or Additions. The Developer
22 retains ownership of at least 8 lots of land or dwellings in the
23 community and holds them for sale or is actively engaged in
24 preparations for additions to the development.

25
26 6.1.3 Assessment Guarantee(s). The Developer
27 continues to guarantee that the annual general assessment will not
28 increase over an amount which has been set forth in the original
29 schedule of guaranteed figures for the general assessment as set
30 forth in the Deed Restrictions filed in the Public Records of Lake
31 County, Florida. (Note: The general assessment is set in the deed
32 restrictions filed in connection with the initial phase.)

33
34 6.2 Developer Assessment Limitation. During the period of
35 Developer control, during which period the Developer guarantees the
36 maximum general assessment, the Developer shall not be required to
37 pay any assessments.

38
39 6.3 Association Reserve Funds. During the period of
40 Developer control the Association may accumulate reserve funds for
41 various purposes but is not required to do so. The Developer shall
42 not be required to contribute toward such reserve funds and any
43 assessment or portion thereof for the accumulation of reserves
44 shall be excluded from any and all calculations of subsidies owing
45 from Developer. Any income earned by said reserves shall be added
46 to the reserves for accounting purposes and the Developer's subsidy
47 shall not be reduced by reason of such income, if any.

48
49 6.4 General Assessment Limitation. The "general
50 assessment" referred to in this section shall not include an

1 assessment for special services provided to any given group nor to
2 any added assessment imposed by reason of a decision to add an
3 additional service of some kind for the benefit of all the
4 residents.

5
6 6.5 Developer Relinquishing Control. The Developer may
7 voluntarily give up control at any time by notice given in writing
8 and conveyed to all the then Representatives.

9
10 7. Officers.

11
12 7.1 Officers of the Board. The officers of the
13 Association who may also serve as directors shall be a President, a
14 Vice President, a Treasurer and a Secretary all of whom shall be
15 elected at least annually by the Board of Directors and who may be
16 peremptorily removed at any meeting by concurrence of a majority of
17 all of the directors. A person may hold more than one office except
18 that the President may not also be the Secretary. No person shall
19 sign an instrument or perform an act in the capacity of more than
20 one office. The Board of Directors from time to time shall elect or
21 appoint such other officers or representatives and designate their
22 powers and duties as the Board shall find necessary or useful to
23 manage the affairs of the Association.

24
25 7.2 President's Powers and Duties. The President shall be
26 the chief executive officer of the Association. He shall have all
27 of the powers and duties that are usually vested in the office of
28 president of an association, including but not limited to the power
29 of appointing committees from time to time to assist in the conduct
30 of the affairs of the Association as he in his discretion may
31 determine appropriate.

32
33 7.3 Vice President's Powers and Duties. The Vice
34 President shall exercise the powers and perform the duties of the
35 President in the absence or disability of the' President. He shall
36 also assist the President and exercise such other powers and
37 perform such other duties as shall be prescribed by the directors.

38
39 7.4 Secretary's Powers and Duties. The Secretary shall
40 keep the minutes of all proceedings of the directors and the
41 members. He shall attend to the serving of all notices to the
42 members and directors and other notices required by law. He shall
43 have custody of the seal of the Association and shall affix it to
44 instruments requiring a seal when duly signed. He shall keep the
45 records of the Association, except those of the Treasurer, and
46 shall perform all other duties incident to the office of secretary
47 of an association and as may be required by the directors or the
48 President.

49
50 7.5 Treasurer's Powers and Duties. The Treasurer shall

1 have custody of all property of the Association, including funds,
2 securities and evidences of indebtedness. He shall keep books of
3 account for the Association in accordance with good accounting
4 practices which, together with substantiating papers, shall be made
5 available to the Board of Directors for examination at reasonable
6 times. He shall submit a Treasurer's report to the Board of
7 Directors at reasonable intervals and shall perform all other
8 duties incident to the office of treasurer.

9
10 7.6 Officer, Directors and Employee Compensation. The
11 compensation of all officers and employees of the Association shall
12 be fixed by the directors either directly or through delegation to
13 managers or representatives responsible to the Officers or to the
14 Board. The requirement that directors' fees shall be determined by
15 the members shall not preclude the Board of Directors from
16 employing a director as an employee of the Association nor shall it
17 preclude the contracting with a director for management services.

18
19 8. Fiscal Management.

20
21 8.1 Affairs and Accounts. The affairs shall be managed
22 and accounts kept in accordance with sound accounting principles.

23
24 8.2 Annual Budget. A Budget shall be prepared each year
25 and a report given at the start of the succeeding year showing
26 performance against that budget.

27
28 8.3 Budget Requirements. If a new budget requires an
29 assessment against the lot owners exceeding the prior year's
30 assessment by more than fifteen percent (15%), then on written
31 application of ten percent (10%) of the said owners the Board shall
32 call a special meeting at which meeting the owners shall adopt a
33 budget. If the foregoing process fails to produce an acceptable
34 budget, the Board shall immediately propose and adopt a budget
35 falling within the above noted fifteen percent (15%) limitation
36 without further notice to said owners. (Note: During the period of
37 developer control a new budget might exceed the prior year's budget
38 by more than 15 % due to an increased of residents. Moreover, the
39 budgeted cost per residence might go up by more than 15% without
40 triggering the requirement of owner approval; this could occur if
41 the Developer's guarantee were still in effect so that the
42 assessment didn't go up enough to trigger the requirement.

43
44 8.4 Proposed Budget Meeting. Copies of a proposed budget
45 and proposed assessments shall be mailed to each member not less
46 than thirty (30) days prior to the meeting of the Board of
47 Directors at which the proposed budget will be considered for
48 adoption, together with a notice of that meeting. If the budget is
49 amended subsequently, a copy of the amended budget shall be
50 furnished to each member.

1
2 8.5 Assessments.
3

4 8.5.1 Annual Assessments. Assessments against the
5 owners for their shares of the items of the budget shall be made by
6 the Board of Directors for the fiscal year annually in advance on
7 or before a date at least ten days prior to the first day of each
8 fiscal year. The annual assessment from each owner to meet the
9 annual budget shall be due and payable at the start of each fiscal
10 year for which the assessment is made, but not before fifteen (15)
11 days after the mailing. to the members concerned of a statement of
12 the year's assessment.
13

14 8.5.2 Succeeding Year Assessments. If the
15 assessments are not made annually as required, the succeeding
16 years' assessment shall be presumed to have been made in the same
17 amount as the preceding year until changed by a later or amended
18 assessment.
19

20 8.5.3 Amended Assessments. In the event an
21 assessment shall be insufficient, in the judgment of the Board of
22 Directors, to provide funds for the anticipated current expense for
23 the ensuing month and for all of the unpaid operating expenses
24 previously incurred, the Board of Directors shall amend the budget
25 and shall make an amended assessment for the balance of the fiscal
26 year in sufficient amount to meet these expenses for the year;
27 provided, however, that any amount of the amended assessment that
28 exceeds the limit upon increases for that year shall be subject to
29 the approval of the membership of the Association as previously
30 required by these Bylaws.
31

32 8.5.4 Association Member Assessment Liability. Each
33 member of the Association shall be liable for his proportionate
34 share of each general assessment, including special assessments
35 under subsection 8.5.3, above, in the same proportion as his lot
36 ownership, to the nearest half lot, or his residence ownership
37 bears to the total ownership of the development. The ownership of a
38 dwelling in a multi-dwelling unit shall be considered as being the
39 same as the ownership of one building lot.
40

41 8.5.5 Assessment for Dwelling or Vacant Lot.
42 Assessments shall take into account whether or not a lot has a
43 completed dwelling on it and, in accordance with the deed
44 restrictions, the annual assessment on a vacant lot shall be
45 different from that on a lot with a completed dwelling on it.
46

47 8.5.6 Lot Pro Rata Assessment. Notwithstanding the
48 foregoing language on annual assessments, the assessment on a lot
49 on which title passes from Developer to owner during the fiscal
50 year shall be taken as a pro rata amount based on the number of

1 complete months remaining in the fiscal year after title passes.
2 (Example: If title passes in July and the fiscal year is from Jan
3 through Dec, there would be 5 months remaining and the assessment
4 would be 5/12's the annual assessment on a vacant lot.)
5

6 8.5.7 Dwelling Pro Rata Assessment. Notwithstanding
7 the foregoing, when a dwelling is completed on a lot its assessment
8 basis shall change to the assessment applicable to a lot with a
9 dwelling and the remainder of the assessment for the year shall be
10 at the higher amount pro rated on the number of complete months
11 remaining in the fiscal year after the month in which the dwelling
12 is completed. (Example: If, in the example above, a home were
13 completed in October, there would be two months left in the fiscal
14 year and for those two months the assessment would be 2/12's of the
15 annual assessment attributable to a lot with a dwelling on it.)
16

17 8.6 Assessments for Emergencies. Assessments for common
18 expenses to pay for emergency needs that cannot be paid from the
19 annual assessments for common expenses shall be due after thirty
20 (30) days' notice is given to the lot owners concerned, and shall
21 be paid in such manner as the Board of Directors of the Association
22 may require in the notice of assessment. If the Board certifies and
23 records in its minutes at a Board meeting duly held that an
24 emergency assessment is necessary, such assessment shall be exempt
25 from any voting requirements of section 8.3 that might have
26 applied.
27

28 8.6.1 Emergency Assessments by Developer. There
29 shall be no emergency assessment imposed so long as the Developer
30 remains in control and continues to guarantee the maximum
31 assessment.
32

33 8.6.2 Maximum Assessment under Developer Control.
34 The maximum assessment which the developer guarantees will not be
35 exceeded includes any assessment for "emergencies". This is
36 tantamount to saying the Developer pays any unforeseen expenses.
37 This is one reason the Developer must maintain control during the
38 time it chooses to remain obligated to subsidize the community in
39 this way. Thus "guarantee" means there cannot actually be any
40 "emergencies" as far as the Association is concerned during the
41 period of Developer control.)
42

43 8.7 Monthly Assessment Installment Payments. If the
44 Directors elect to allow any assessment to be paid in monthly
45 installments and if any such monthly payment due from an owner
46 remains unpaid for thirty (30) days after it is due, then all
47 payments which were to become due for the entire balance of the
48 fiscal year from that owner shall be immediately due and payable in
49 full.
50

1 8.8 Bank Accounts. The depository of the Association
2 shall be such bank or banks as shall be designated from time to
3 time by the directors and in which the monies of the Association
4 shall be deposited. Withdrawal of monies from those accounts shall
5 be by checks signed by such persons as are authorized by the
6 directors.
7

8 8.9 Annual Audit Report. A report concerning the accounts
9 of the Association shall be made annually and a copy of the report
10 shall be furnished to each member not later than four months after
11 the end of the fiscal year for which the report is made.
12

13 8.10 Accounting Year. As used herein, the term "year" may
14 mean either a calendar year, or any period of 12 months commonly
15 known as a "fiscal year" as the context may permit or require, and
16 the Association may operate on a fiscal year basis.
17

18 8.11 Assessments and Voting Rights. The above provisions
19 of this section relating to assessments along with the provisions
20 relating to voting rights are to be construed as applying to the
21 Royal Highlands Development as a whole. It is intended that each
22 building site shall have the same voting rights and the same
23 general assessment regardless of whether the lot is a single family
24 detached home, or whether it comprises a dwelling in a multi-
25 dwelling building, or some other type of residential structure or
26 facility.
27

28 8.11.1 Board Special Assessments. Notwithstanding
29 the above, the Board is authorized to make special assessments,
30 including emergency assessments, against multi-dwelling owners or
31 other special groups of owners either by specific buildings or by
32 groups of similar buildings (similar in age, amenities and
33 construction, for example) for the purpose of providing special
34 services to those buildings or groups (such as grounds care,
35 security, exterior maintenance or some combination of those and
36 similar services). To the maximum practical extent the Board of
37 Directors shall assure that such special assessments levied against
38 a given group is made according to a fee schedule applied uniformly
39 across that group of owners and that the proceeds are applied for
40 their benefit. Said fee schedule shall take into account
41 significant differences in maintenance costs for one dwelling unit
42 as compared to another such as those occasioned by the greater yard
43 area and exterior exposure of an end dwelling as compared to an
44 interior dwelling, if any, in the same multi-dwelling structure. To
45 the maximum extent possible and practical the accounting practices
46 relating to the assessment, funds and disbursements for such
47 special group shall follow the same principles outlined above for
48 making and disbursing the general assessment.
49

50 8.11.2 Special Assessment Groups. The Board is

1 authorized to establish more than one special assessment group and
2 the services and assessments need not be identical from one group
3 to the next. Such special assessment groups are also authorized to
4 be set up to serve groups of special interests based on factors
5 other than multi-dwelling residential owners.
6

7 9. Parliamentary Rules. Robert's Rules of Order (latest
8 edition) shall govern the conduct of Association meetings when not
9 in conflict with the Articles of Incorporation or these Bylaws.

10
11 10. Amendments. Except as elsewhere provided otherwise, these
12 Bylaws may be amended in the following manner:

13
14 10.1¹⁹ Publication and Meetings:

15
16 10.1.1¹⁹ First Reading. The text of the proposed
17 amendment must be posted in a conspicuous spot in or outside the
18 community Recreation Center for a period of at least one month
19 together with an announcement of the time and place of a meeting to
20 introduce the said regulation. The text of the proposed amendment
21 and meeting information shall also be provided in the community
22 newsletter at least one month prior to when the meeting is to be
23 held. At this meeting, association members shall be afforded the
24 opportunity to make their views known.
25

26 10.1.2¹⁹ Second Reading. No sooner than 21 days
27 after the First Reading meeting, a second meeting shall be held to
28 consider the proposed amendment. At this meeting, association
29 members shall again be afforded the opportunity to make their views
30 known.
31

32 10.2¹⁹ Adoption. A resolution adopting a proposed
33 amendment may be proposed by either the Advisory Board, the Board
34 of Directors of the Association or by a majority of the members of
35 the Association. Except as otherwise provided, the approvals must
36 be by either one of the following means:
37

38 10.2.1¹⁹ By the Board.

39
40 10.2.1.1¹⁹ Advisory Board Endorsement of
41 Proposed Amendment. During the period of Developer control, the
42 Advisory Board may recommend the proposed amendment to the Board of
43 Directors by a 3/4 affirmative vote of all Advisory Board members.
44 This Advisory Board meeting may be concurrent with the Second
45 Reading meeting, however, if at least 3/4 of the Advisory Board
46 members are not present at the Second Reading meeting, the vote
47 shall be conducted during the first Advisory Board meeting
48 subsequent to the Second Reading meeting at which at least 3/4 of
49 the entire membership of the Advisory Board is present.

1
2 10.2.1.2¹⁹ Board Adoption of the Proposed
3 Amendment. Following the Publication and Meetings Section of 10.1
4 and Section 10.2.1.1, if applicable, the Board of Directors may
5 then adopt the proposed regulation by a 3/4 affirmative vote of the
6 all Directors at any Board of Directors Meeting. This Board of
7 Directors meeting may be concurrent with the Second Reading
8 meeting, however, if at least 3/4 of the Directors are not present
9 at the Second Reading meeting, the vote shall be conducted during
10 the first Board of Directors meeting subsequent to the Second
11 Reading meeting at which at least 3/4 of the entire membership of
12 the Board is present.

13
14 10.2.2 By Membership. By a favorable vote from not
15 less than 2/3 of the entire membership of the Board plus a
16 favorable vote from not less than 2/3 of the entire membership of
17 the Association; or

18
19 10.2.3 By Petition. By signed petition or petitions
20 showing not less than 80% of the entire membership of the
21 Association favors the amendment followed by a ratification of the
22 change by the Developer if still in control of the Association.

23
24 10.3 Apathy Clause. Notwithstanding the foregoing
25 provision for amending these Bylaws, amendments may also be made as
26 follows:

27
28 10.3.1 Declared an Important Issue. The Board of
29 Directors by a two-thirds (2/3) majority vote of the directors must
30 declare the proposed amendment to be an important issue.

31
32 10.3.2 Proposed Amendment Fully Described. The
33 proposed amendment must be fully described in writing, its
34 ramifications and its need explained, and the time, place and
35 method of voting described and explained in detail.

36
37 10.3.3 Delivery to Eligible Voting Members. The
38 materials of 10.3.2, above must be delivered to each owner or other
39 person who is allowed or required to vote on the amendment. A copy
40 of this Section of the bylaws shall also be included. Delivery
41 shall be by registered mail with return receipt requested or by
42 hand with signed receipt obtained.

43
44 10.3.4 Re-Voting Schedule. Along with the materials
45 above shall be sent a subsequent voting schedule established by the
46 Board of Directors for re-voting the issue in case the issue should
47 meet the requirements for re-voting but does not pass in earlier
48 voting.

49
50 10.3.5 Initial Voting Requirements. If at the time

1 for approval the percentages of the total membership required for
2 approval are not obtained because not enough members voted but the
3 percentage of those voting does meet the requirements, then the
4 proposed change shall be re-voted at the time and the manner
5 specified by the Board of Directors in the original notice and the
6 issue may be re-voted repeatedly in accordance with the schedule
7 laid down under 13.3.6, below.

8
9 10.3.6 Re-Voting Requirements. At each re-voting the
10 total membership shall be treated as if reduced by one-third (1/3)
11 from the previous voting round, or to the number actually voting in
12 the new round, if greater; and the percentage approval shall be
13 computed as if the new number were the total membership; for
14 example,

15
16 In the case of owners where approval by two-thirds (2/3)
17 of all affected owners was originally required, a four-
18 ninths (4/9) approval will suffice at the next voting
19 provided the requirement of two-thirds (2/3) approval, by
20 those voting is also met. A second re-vote will require
21 approval by eight twenty-sevenths of those eligible to
22 vote provided two-thirds (2/3) of those voting approve;
23 and so forth until the issue is finally approved or
24 defeated.

25
26 10.3.7 Voting Procedures. All vote taking, above,
27 shall be done in a manner that is in compliance with Florida
28 Statutes and the Board of Directors shall announce the results
29 including the qualifications and need for a re-vote if such be the
30 case.

31
32 10.4 Developer Amendment Approval. No amendment of these
33 bylaws shall be effective while the Developer still has property
34 for sale in the Development, including the territorial expansion
35 thereof, unless the Developer shall have approved such amendments.
36 This applies equally to regulations made under the authority of
37 these bylaws.

38
39 11. Insurance. The Association shall arrange for suitable
40 liability insurance and for suitable and appropriate insurance on
41 Association buildings and property. The cost of insurance shall be
42 an Association expense paid for from the assessments on the owners.

43
44 12. Indemnification. Every Director, Officer, Employee and
45 Agent of the Association, and every Owner serving the Association
46 at its request shall be indemnified by the Association against all
47 expenses and liabilities to the maximum extent allowed by Florida
48 Statutes 617.0831. Implementation of this section shall be
49 accomplished according to the provisions of said statute
50

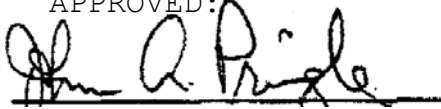
Royal Highlands Property Owners Association, Inc.

BYLAWS

1 13. Disputes. The provisions of the deed restrictions
2 pertaining to the lands and owners at Royal Highlands are hereby
3 reaffirmed and any disputes among or between the Developer, the
4 Association and the property owners that cannot otherwise be
5 resolved shall be settled by binding arbitration.
6

7 The foregoing were adopted as the Bylaws of ROYAL HIGHLANDS
8 PROPERTY OWNERS' ASSOCIATION, INC., a corporation not for profit
9 under the laws of the State of Florida, at the first meeting of the
10 Board of Directors on the 3rd day of March 1995
11
12
13
14
15
16

17 APPROVED:

18 
19
20

21 John A. Pringle
22

23 February 23, 1995

24 F:\APWP51\SAM\PRINGLE\AOYAL.BYL
25

1

14. Source for Change(s):

NOTE: The basic content of these Bylaws are the same as the original document dated 3 March 1995 except where modified by revision, spell checking, the addition of section and sub-section titles and the use of marking format as a means to generate the Table of contents.

1. BOD meeting, September 1, 1995 amended Section 4.5.4 to call for the Board of Directors to appoint a three-person election committee by the second Tuesday of each January.
2. BOD meeting, September 1. 1995 inserted Section 4.5.7 "Annual Meeting".
3. BOD Meeting, April 30, 1997 amended 4.5.2 to increase the maximum number of lots in a precinct from 150 to 155 lots.
4. BOD Meeting, December 17, 2001 added second paragraph to 4.5.2. Precinct realignment was approved during this meeting.
5. BOD Meeting, December 17, 2001 amended Section 4.8 to add "electronic means" as an additional method for providing notice of meetings.
6. BOD Meeting, December 17, 2001 amended Section 4.9 to add "electronic means" as an additional method for providing notice of meetings.
7. BOD Resolution, August 28, 2003 replaced Section 3.7 "Quorum", deleted Section 3.9 "Adjourned Meetings"
8. BOD Resolution, August 28, 2003 changed the Section number from 3.10 to 3.9
9. BOD Resolution, August 28, 2003 changed the Section number from 3.11 to 3.10
10. BOD Resolution, August 28, 2003 replaced Section 4.5.6. "Special Elections"
11. BOD Resolution, December 19, 2003 modified Section 4.5.1 by adding precinct Representatives authority to appoint representatives for precincts with less than 75% occupancy.
12. BOD Resolution, December 19, 2003 modified Section 4.5.6 by adding provision for replacement of an appointed representatives position.
13. BOD Resolution, December 19, 2003 Added Section 4.19 and sub

sections 1 through 5 re. member non-compliance to community governing documents and penalties there from.

14. BOD Resolution #1, May 24, 2004 changed Section 4.5.3 "Representative Candidates"
15. BOD Resolution #2, May 24, 2004 Replaced "4.5.6 Special Elections" with "4.5.6 Special Elections or Appointments"
16. BOD Resolution #2, May 24, 2004 added sub-section "4.5.6.1 Elected Representatives"
17. BOD Resolution #2, May 24, 2004 added sub-section "4.5.6.2 Appointed Representatives"
18. BOD Resolution #3, May 24, 2004 changed sections 4.18; 4.18.1, 4.18.2; 4.18.3 and 4.18.6, and added sub-sections 4.18.2.1 and 4.18.2.2
19. BOD Resolution #2, October 27, 2004 changed sections 10.1, 10.2 and 10.2.1 and added sub-sections 10.1.1, 10.1.2, 10.2.1.1 and 10.2.1.2
20. BOD Resolution #1, October 27, 2004 changed section 4.18.7.2
21. BOD Resolution, February 9, 2005 clarified section 4.1 regarding number of board members from the time Developer control ends.
22. BOD Resolution, January 11, 2006 clarified section 4.1 regarding number of board members.

