

Deputy Clerk LRIVERA
#2

CERTIFICATE OF ADOPTION AMENDED AND RESTATED BYLAWS

Palm Island Phase 2 Community Association, Inc.
(A Florida Not-For-Profit Corporation)

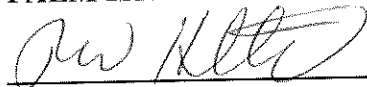
This is to certify that the **Amended and Restated Bylaws of Palm Island Phase 2 Community Association, Inc.** (the "Association") were duly adopted by the membership of the Association in accordance with the Association's governing documents and applicable Florida law.

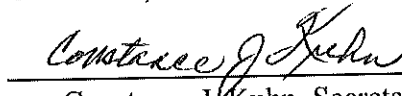
The vote of the membership approving the Amended and Restated Bylaws was taken at a **duly noticed Annual Members Meeting held on April 28, 2026**, at which a quorum of the membership was present in person and/or by proxy. Approval was obtained by the required vote of the membership.

The Amended and Restated Bylaws supersede and replace in their entirety all prior versions of the Bylaws of the Association and shall become effective upon recording, unless otherwise specified therein.

Executed this 28th day of April, 2026.

PALM ISLAND PHASE 2 COMMUNITY ASSOCIATION, INC.


Robert W. Hiltbrand, President

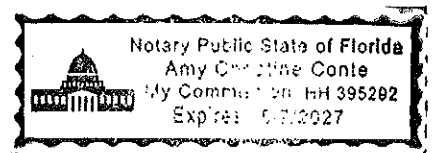

Constance J. Kuhn, Secretary

STATE OF FLORIDA

COUNTY OF LEE

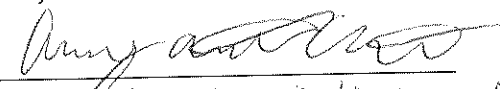
The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 28th day of April, 2026, by **Robert W. Hiltbrand** and **Constance J. Kuhn**, as **President** and **Secretary**, respectively, of **Palm Island Phase 2 Community Association, Inc.**, a Florida not-for-profit corporation, on behalf of the corporation.

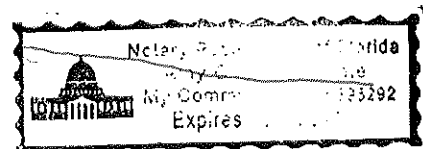
They are ☒ personally known to me or have produced
☐ Florida Driver's License as identification.



Notary Public, State of Florida

(Notary Seal)

Signature: 
Printed Name: Amy Christine Conte
Commission No.: 395292
My Commission Expires: 5/7/2027



NOTE: SUBSTANTIAL AMENDMENTS OF ENTIRE BYLAWS.
FOR ORIGINAL TEXT SEE ORIGINAL BYLAWS.

**PROPOSED
AMENDED AND RESTATED BYLAWS
OF
PALM ISLAND PHASE 2
COMMUNITY ASSOCIATION, INC.**

1. GENERAL These are the Bylaws of Palm Island Phase 2 Community Association, Inc., (hereinafter the "Community Association"), a Florida corporation not for profit, which was originally incorporated under the same name and recorded at O.R. Book 3750, Page 3673 et seq., of the Public Records of Lee County, Florida, as amended from time to time. The corporation is organized under the laws of Florida as a homeowners association for the purpose of operating a residential community. All prior Bylaws, if any, are hereby revoked and superseded in their entirety.

1.1 Principal Office. The principal office of the corporation presently is as otherwise listed with the Florida Department of State Division of Corporations.

1.2 Definitions. All terms defined in the Declaration of Covenants, Condition and Restrictions for Palm Island Phase 2 (the "Declaration of Covenants") to which these Bylaws were attached as an exhibit when it was originally recorded, shall be used with the same meanings as defined therein.

2. MEMBERSHIP AND VOTING RIGHTS. The classes of membership shall be as more fully set forth in Section 4.1 of the Declaration of Covenants. Except as otherwise stated herein, the members of the Community Association are the record owners of legal title to the Lots. In the case of a residential Lot subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the residential Lot solely for purposes of determining use rights.

2.1 Voting Rights; Voting Interests. The members of the Association are entitled to one (1) vote for each residential Lot owned by them in the Association. The vote of a residential Lot is not divisible. The right to vote may be suspended for non-payment of any monetary amounts that are delinquent in excess of 90 days. If a residential Lot is owned by one (1) natural person, the right to vote shall be established by the record title to the residential Lot. If a residential Lot is owned jointly by two (2) or more natural persons, that residential Lot's vote may be cast by any one (1) of the record owners. If two (2) or more owners of a residential Lot do not agree among themselves how their one (1) shall be cast on any issue, that vote shall not be counted for any purpose. If the owner of a residential Lot is other than a natural person, the vote of that residential Lot shall be cast by the residential Lot's primary occupant. All votes must be cast by an Owner or primary occupant.

2.2 Method of Voting. All votes of the members pertaining to the Community Association, including the election of Directors, shall be cast by the individual members who shall have one (1) indivisible vote in all matters which members are entitled to vote. Nothing herein shall require the use of secret ballots unless such use is required by law.

2.3 Membership Records. Records shall be maintained by the Community Association showing the names of the members, their addresses, the number of Lots or Living Units owned by each member, the class of membership and such other information as the Board shall require. Members may be issued a certificate or other evidence of membership, which may be wallet-size. The certificate of membership may set forth the number of Lots or Living Units owned by the member and such other information as determined by the Board. Admission to any Common Area, facility, meeting or affair of the Community Association may be conditioned upon production of a current certificate of membership by the member.

2.4 Transfer of Membership. Except as provided in Section 2.5, 2.6, and 2.7 below, no member may transfer his or her Community Association membership, except as an appurtenance to his or her Lot or Living Unit. The Community Association shall be entitled to charge an administrative transfer fee equal to \$100.00 for each transfer. When a member ceases to be an owner, his or her membership shall cease. The termination of membership in the Community Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Community Association during the period of his or her membership, nor does it impair any rights or remedies which the Community Association may have against any former member arising out of or in any way connected with such membership and the covenants and obligations incident thereto. Interim membership is not transferrable. In addition to the foregoing, A change of membership shall become effective after all the following events have occurred:

- (A) Recording in the Public Records of a Deed or other instrument evidencing legal title to the Lot in the member.
- (B) Delivery to the Community Association of a copy of the recorded deed or other instrument evidencing title.
- (C) Designation, in writing, of a primary occupant, which is required when title to a Lot is held in the name of two (2) or more persons who are not husband and wife, or by a trustee or a corporation or other entity which is not a natural person.

2.5 Rights and Privileges of Members.

(A) Every member shall have the right to:

- (1) Have his or her one (1) vote cast per Lot by his or her voting representative at the meetings of the members or by mail;
- (2) Serve on the Board if elected or appointed;
- (3) Serve on committees; and

(4) Attend membership meetings.

Each member is encouraged to take an active interest in Community Association affairs.

(B) Every member in good standing shall have the privilege of using and enjoying Common Areas in accordance with the type of membership held by the member, subject to the rules of the Community Association, Reciprocal Easement and Use Agreement, and the right of the Community Association to charge admission and other fees for the use of any facilities.

(C) A member is in good standing if he or she is current in the payment of all assessments and other financial obligations to the Community Association, and his or her membership is not suspended.

2.6 Delegation of Rights to use Common Areas.

(A) In accordance with Section 4.3 of the Declaration of Covenants, a member may delegate his or her privilege to use the Common Areas to:

- (1) A reasonable number of guests if accompanied by the member; or
- (2) Residential tenants who reside in the member's Living Unit

(B) In the case of residential tenants of the member's Living Unit, the delegating member must give prior written notice to the Community Association of such delegation. The written notification shall state the name, age, permanent address, intended length of time the delegation will be effective, and such other information about each residential tenant as the Board shall require.

(C) A member who has delegated his or her use privileges and is not in residence in Palm Island Phase 2 may not use Common Areas during the period of the delegation, except as a guest of another member. A member may not be the guest of his or her tenant.

(D) Members shall be responsible for keeping the Community Association informed as to the identity and relationship of any persons who normally reside with the member and intend to utilize the Community Association Common Areas.

(E) The Board of Directors may limit the number of guests or the frequency or duration of any member's delegation of use rights, and may impose fees for the delegation of such rights of use of the facilities by renters or guests, which fees may be different from fees charged to members for their use.

(F) The delegation of membership is subject to the one (1) family limitation described in the Declaration of Covenants.

2.7 Suspension of Membership. As further provided in Section 10 of the Declaration, the Board may suspend a member's membership in the Community Association:

(A) For the period of time during which an assessment against the member, or any other monetary amount, remains unpaid more than thirty (30) days after the date it was due and payable; or

(B) For a reasonable period during or after any infraction of the Community Association's rules and regulations by a member or by any person to whom he or she has expressly or impliedly delegated his or her use privileges; or

(C) For misuse, abuse, or intentional destruction of Community Association property, real or personal.

Membership shall not be suspended until the member has been sent reasonable notice of the intended suspension and been offered a reasonable opportunity to be heard. Suspension of any member's membership temporarily revokes the member's rights and privileges to use and enjoy Common Areas and facilities and to participate in Community Association affairs. A suspension shall in no way impair the enforceability of any assessment or lien therefor, or the authority of the Community Association to assess and collect any future assessment and lien, nor shall it prohibit the member's right of access to, and use of, his or her own property in a manner consistent with the Governing Documents. The right of a member to vote may not be suspended as part of a membership suspension imposed under this Section 2.7..

3. MEMBERS' MEETINGS.

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

3.2 Special Members' Meetings. Special members' meetings must be held whenever called for by the President or by a majority of the Directors, and must be promptly called by the Board upon receipt of a written request signed by voting representatives of members entitled to cast at least ten percent (10%) of the members. Such requests shall be in writing and shall state the purpose or purposes of the meeting. Business at any special meeting shall be limited to the item specified in the request or contained in the notice of meeting.

3.3 Quorum. A quorum shall be attained at a members meeting by the presence in person or by proxy at least thirty percent (30%) of the total voting interests.

3.4 Vote Required to Transact Business. The acts or resolution approved by at least a majority of the votes cast by eligible voters at a duly called meeting of the members at which a quorum has been attained shall be the act of the members and shall be binding upon all residential Lot owners

for all purposes, unless a higher vote is specifically required by law or by the Governing Documents.

3.5 Notice of Meetings; Waiver of Notice. Notices of all members' meetings must state the date, time and place of the meeting. Notice of special meetings must include a description of the purpose or purposes for which the meeting is called. The notice must be mailed to each member at the member's address as it appears on the books of the Community Association, or may be furnished by personal delivery or electronic transmission. The members are responsible for providing the Community Association with any change of address. The notice must be mailed, transmitted or delivered at least fourteen (14) days prior to the date of the meeting. If ownership of a residential Lot is transferred after notice has been mailed or transmitted, no separate notice to the new owner is required. 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. A member may also waive notice of any meeting at any time by written waiver.

3.6 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be reconvened at a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Unless the Bylaws require otherwise, adjournment of annual or special meeting to a different date, time or place must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time, or place pursuant to Section 720.303(2), Florida Statutes, as amended. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed under Section 617.0707, Florida Statutes, as amended, notice of the adjourned meeting must be given to persons who are entitled to vote and are members as of the new record date but were not members as of the previous record date.

3.7 Order of Business. The order of business at Members' meetings shall be substantially as follows:

- (A) Determination that a quorum has been attained.
- (B) Reading or waiver of reading of minutes of last Members' meeting.
- (C) Reports of Officers
- (D) Reports of Committees
- (E) Election of Directors (when appropriate)
- (F) Unfinished Business
- (G) New Business
- (H) Adjournment

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

3.9 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall guide the conduct of the Community Association meetings when not in conflict with the law, with the Declaration of Covenants, or with these Bylaws. The presiding officer may appoint a Parliamentarian, but the decision of the presiding officer on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.10 Action by Members without a Meeting. Except the holding of the annual meeting and annual election of Directors, any action required or permitted to be taken at a meeting of the Members may be taken by mail without a meeting if written instruments expressing approval of the action proposed to be taken are signed and returned by Members having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all of the voting interests were present and voting. If the requisite number of 'written consents are received by the Secretary within sixty (60) days after the earliest date which appears on any of the consent forms received, the proposed action so authorized shall be of full force and effect as if the action had been approved at a meeting of the Members held on the sixtieth (60th) day. Within ten (10) days thereafter, the Board shall send written notice of the action taken to all Members who have not consented in writing. Nothing in this paragraph affects the rights of members to call a special meeting of the membership, as provided for by Section 3.2 above, or by law.

3.11 Proxy Voting. Members may cast their votes at a meeting in person or by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the residential Lot, specify the date, time and place of the meeting for which it is given, and the original or a copy must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. No proxy shall be valid if it names more than one (1) person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy. Holders of proxies must be members. The use of proxies in the election of Directors is prohibited.

3.12 Participation at Meeting By Remote Communication. Unless prohibited by the Chapter 720, F.S., if authorized by the Board of Directors as provided in Section 617.0721 F.S., and subject to such guidelines and procedures as the Board of Directors may adopt, members and proxy holders who are not physically present at a meeting may, by means of remote communication:

(A) Participate in the meeting.

(B) Be deemed to be present in person and vote at the meeting if:

1. The corporation implements reasonable means to verify that each person deemed present and authorized to vote by means of remote communication is a member or proxy holder; and
2. The corporation implements reasonable measures to provide such members or proxy holders with a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to communicate and to read or hear the proceedings of the meeting substantially concurrent with the proceedings.

4. BOARD OF DIRECTORS. The administration of the affairs of the Community Association shall be by a Board of Directors. All powers and duties granted to the Community Association by law, as modified and explained in the Declaration of Covenants, Articles of Incorporation, and these Bylaws, shall be exercised by the Board, subject to the approval or consent of the members only when such is expressly required.

4.1 Powers. The Board shall have the authority to:

(A) Manage and control the affairs of the Community Association.

(B) Appoint and remove at its pleasure all officers, agents and employees of the Community Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing in these Bylaws shall be construed to prohibit the employment of any member, officer or Director of the Community Association in any capacity whatsoever, except in their capacity as an officer or Director.

(C) Establish, levy assess, and collect any assessment or charge provided for in the Governing Documents.

(D) Designate one or more financial institution(s) as depository for Community Association funds, and the officer(s) authorized to make withdrawals therefrom.

(E) Borrow money for Community Association purposes, and assign, pledge, mortgage or encumber any Community or Community Association Common Areas or future revenues of the Community Association as security therefor;

(F) Adopt, amend or revoke rules and regulations relating to the use of Common Areas, and such sanctions for noncompliance therewith, as it may deem necessary for the best interest of the Community Association and its Members. The Board may also establish and levy fees for the use of Common Areas or Community Association property;

(G) Cause the Community Association to employ sufficient personnel to adequately perform the responsibilities of the Community Association;

(H) Negotiate and enter into contracts for the maintenance and operation of the Common Areas;

(I) Make improvements to the Common Areas.

(J) Establish committees of the Community Association and appoint the members thereof. It may assign to such committees responsibilities and duties not inconsistent with the provisions of these Bylaws as it may deem appropriate;

(K) Acquire property, real or personal, and enter into agreements with any persons, relating to the orderly transfer of property from said person to the Community Association and such other matters as the Board may deem appropriate.

(L) Perform all other acts not inconsistent with law or the governing documents and necessary for the proper functioning of the Community Association.

(M) In exercising his or her authority each Director will work to uphold the Governing Documents and policies to the best of his or her ability and will faithfully discharge his or her fiduciary responsibility to the Community Association's members.

4.2 Number; Qualifications. The number of Directors which shall constitute the whole Board of Directors shall be five (5). All Directors will be elected for a two (2) year term.

4.3 Term of Office. It is the intentions of these Bylaws that a staggered Directorate be maintained. To implement and maintain a staggered Directorate, the Board may hold seats in future elections open for one or two year terms, when necessary or appropriate. In such cases, those receiving the higher number of votes shall be elected to the longer term and when no election is held, the decision shall be made by agreement of the affected parties or by lot. The term of each Director's service shall extend until their elected term is completed and thereafter until their successor is duly elected and qualified or until the Director resigns. In the case of tie votes, the Directors elected shall decide among themselves who shall serve the longer terms. There is no limit on the number of consecutive terms to which a Director may be elected. A resignation must be in writing to be effective, and may not be revoked once received by the Community Association.

4.4 Nominations and Elections. That Members are entitled to vote in the election of the Directors. The election of Directors shall be by secret ballot. A first notice of the annual meeting and election shall be transmitted to all Owners and posted on the Property at least sixty (60) days prior to the meeting. Nominations to run for the Board must be physically received at the location indicated in the first notice at least forty (40) days prior to the meeting. Upon request of a candidate, an information sheet, no larger than 8 1/2 inches by 11 inches with writing only on one side, which must be furnished by the candidate at least thirty-five (35) days before the election, must be included with the mailing, delivery, or transmission of the ballot, with the costs of mailing, delivery, or electronic transmission and copying to be borne by the Association. The Association is not liable for the contents of the information sheets prepared by the candidates. A second notice of the annual meeting and election along with the ballots, information sheets and proxies shall be transmitted to all Owners at least fourteen (14) days prior to the meeting. Nominations are not allowed from the floor of the meeting and proxies may not be used to elect directors. If the election results in a tie the tied candidates may unanimously agree to break the tie by flipping a coin or drawing straws and the absence of such unanimous consent a run-off election shall be held within thirty (30) days with at least fourteen (14) days notice. The use of proxies in the election of Directors is expressly prohibited. Proxies may be used solely to establish a quorum and to vote on matters, other than the election of Directors, that are properly noticed and brought before the membership.

4.5 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Community Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor shall be appointed by the Board at a special meeting of the Board of Directors of the

Community Association. The successor so appointed shall fill the term of the Director being replaced. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the members shall elect successors at a special meeting.

4.6 Removal. Any Director may be removed, with or without cause, by a majority vote of the total voting interests, either by a written agreement or at a meeting called for that purpose. An Officer may also be removed at anytime by a majority vote of the Board of Directors. If a special meeting is called by ten (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given. If removal is effected by petition, the vacancy or vacancies shall be filled as provided for in Section 4.5 above. If removal is effected at a meeting, any vacancies created thereby shall be filled by the members at the same meeting. Any Director who is removed from office is not eligible to stand again for election to the Board until the next annual election, and must turn over to the Community Association within seventy-two (72) hours any and all records and other property of the corporation in his or her possession. If a Director who is removed does not relinquish his or her office or turn over records as required, the circuit court in the county where the Community Association has its principal office may summarily order the Director to relinquish his or her office and turn over corporate records upon application of any member. In any such action, the prevailing party shall be entitled to recover its attorney fees and costs. Notwithstanding any other provision contained herein, if the members call a special meeting for recall by petition then the petitioners are responsible for preparing and distributing all notices and other documents necessary to conduct the recall election at their individual cost.

4.7 Organizational Meeting. An organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors at such place and time as may be fixed by the new Directors at the meeting when they were elected. The Organizational meeting may be held immediately after the adjournment of the annual Community Association meeting.

4.8 Regular Meetings. Regular meetings of the Board shall be held at such time and place in Lee County, Florida, as shall be determined from time to time by the Directors. A regular meeting of the Board of Directors is any meeting held according to a regular weekly, monthly or other periodic schedule adopted from time to time by the Board, or as otherwise held at such times as the Board may determine in its discretion. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least forty-eight (48) hours before the day named for such meeting. At regular meetings any business of the Community Association may be transacted.

4.9 Special Meetings. Special meetings of the Board are all meetings held to adopt non-emergency special assessments or a rule that will affect the use of a Lot or Living Unit. Special meetings must be noticed at least fourteen (14) days in advance by posting on the Property and mailed or electronically transmitted to all members. Special meetings may be called by the President, the Secretary, or by a majority of the Directors. Not less than fourteen (14) days notice of a special meeting shall be given to each Director, personally or by mail, text, facsimile, e-mail, telephone, which notice shall state the time, place, and purposes of the meeting. Business conducted at a special meeting shall be limited to the items specified in the notice of the meeting.

4.10 Waiver of Notice by Directors. Any Director may waive notice of a Board meeting before or after the meeting, and such waiver shall be deemed equivalent to the receipt of notice. Attendance at a meeting by any Director constitutes waiver of notice, unless that Director objects to the lack of notice at the beginning of the meeting.

4.11 Board Meetings; Notice to Members. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers and conducts Community Association business. All meetings of the Board shall be open to all members, except as otherwise provided by law. Notice of all Board meetings shall be posted in a conspicuous place on the Community Association Common Areas at least forty-eight (48) hours in advance of a meeting, except in an emergency and the Community Association's website. 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 such assessments. Any owner may tape-record or videotape meetings of the Board and meetings of the members. The Board may adopt reasonable rules governing the taping of meetings of the Board and the membership. The president, a majority of the Board or 20% of the members by petition have the authority to place an item on the agenda for the meeting.

4.12 Quorum of Directors. A quorum at a Board meeting shall exist only when a majority of all Directors are present in person or on a speaker phone or video conference platform. Directors may not vote by proxy or secret ballots at Board meetings, except that secret ballots may be used in electing officers. Any Director has a right to participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person.

4.13 Vote Required. Except as otherwise required by law or the governing documents, the acts approved by a majority of the Directors present and voting at a duly called Board meeting at which a quorum exists shall constitute the acts of the Board of Directors except when approval by a greater number of Directors is required by the governing documents or by applicable statutes. A Director who is present at a meeting of the Board is deemed to have assented with every action taken, unless he or she voted against such action or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes of each meeting. Directors may not vote by proxy or secret ballot at Board meetings, except that secret ballots may be used in the election or removal of officers.

4.14 Presumption of Assent. A Director who is present at a meeting of the Board shall be deemed to have assented with the point of view that prevails on any question, unless he or she voted against such action or abstained from voting because of an asserted conflict of interest. The vote of each Director on each matter considered, including abstention because of an asserted conflict of interest, must be recorded in the minutes of the meeting.

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

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

4.17 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors may not also be employees of the Community Association. Directors and officers may be compensated for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

4.18 Emergency Powers. The Board has all emergency powers as provided in F.S. Sections 617.0207, 617.0303 and 720.316 as amended from time to time.

4.19 Committee Meetings. The Board of Directors may appoint from time to time such standing or temporary committees, including a search committee, as the Board may deem necessary and convenient for the efficient and effective operation of the Community Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Only committees assigned with the power to make final decisions regarding the expenditure of Community Association funds or committees vested with the power to approve or disapprove architectural decisions with respect to specific parcel of residential property owned by a member of the community are required to hold meetings that are open to members and notice and hold their meetings with the same formalities as required for Board meetings. Committees vested with the power to approve or disapprove architectural decisions with respect to a specified parcel of residential property owned by a member of the community may not vote by proxy or secret ballot..

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Community Association shall be a President, and one or more Vice-Presidents, who must be Directors of the Community Association, as well as a Treasurer and a Secretary, all of whom shall be elected annually by majority vote of the Board of Directors. Any officer may be removed, with or without cause, by vote of a majority of all Directors at any meeting. Any officer so removed shall return all books, records and property of the Community Association to the Community Association within seventy- two (72) hours of their removal. Any person except the President may hold two (2) or more offices. The Board of Directors shall, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Community Association. If the Board so determines, there may be more than one (1) Vice-President assistant secretaries or assistant treasurers and such other Officers and agents as may be deemed necessary. The officers may delegate their duties and responsibilities.

5.2 President. The President shall be the chief executive officer of the Community Association; he or she shall preside at all meetings of the Members and Directors, shall be *ex-officio* a member of all standing committees; shall have general and active management of the business of the Community Association; and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts or documents of the Community Association, except where such are permitted by law to be otherwise executed, and

the power to execute is delegated by the Board of Directors to another officer or agent of the Community Association.

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

5.4 Secretary. The Secretary shall attend the meetings of the Board and meetings of the members, and shall record all votes and the minutes of all proceedings in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Governing Documents. Any of the foregoing duties may be performed by an Assistant Secretary, or to an agent of the Community Association, such as a licensed community association manager, if any has been designated.

5.5 Treasurer. The Treasurer shall have responsibility for the collection, safe-keeping, and disbursement of funds and securities of the Community Association, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Community Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Community Association in such depositories as may be designated by the Board of Directors, and prepare the budget for the Community Association. The Treasurer shall disburse the funds of the Community Association, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever they may require it, an account of all transactions and of the financial condition of the Community Association. Any of the foregoing duties may be performed by an Assistant Treasurer, or to an agent of the Community Association, such as a licensed community association manager, if any has been designated.

6. ARCHITECTURAL REVIEW COMMITTEE. The ARC provided for in Section 6 of the Declaration of Covenants shall be selected, and conduct its affairs as provided in this Section.

6.1 Members; Qualification. The Architectural Review Committee, hereinafter the "ARC," shall initially be composed of not less than three (3) persons all appointed by the Board of Directors. No member of the ARC shall be a Director. Whenever possible and practical, one of the committee members should be an architect, engineer, general contractor, or other person with professional expertise in building, landscaping, or architectural design.

6.2 Selection; Terms. The members of the ARC shall be appointed by the Board of Directors of the Community Association to serve terms of one year beginning on January 1 of each year. If a mid-term vacancy occurs for any reason, the Board of Directors shall appoint a successor to fill the unexpired term.

6.3 Compensation. Members of the ARC may not be compensated for their services.

6.4 Meetings. The ARC shall meet at least once during each quarter, and otherwise at the call of the Chair as necessary, to carry out its duties and functions. The ARC shall meet with the same formalities and notice requirements as required for Board meetings, unless otherwise permitted by law. Written notice of meetings shall be provided to the Lot Owner whose ARC submission is being considered at least one week in advance, and any Owner wishing to appear before the ARC may do so. Special meetings may be called as needed by the Chair.

6.5 Procedures, Voting. A majority of the members of the ARC present in person, on a speaker phone or video conference platform, at any duly called meeting shall constitute a quorum. All questions shall be decided by a majority of the entire committee. Where a question involves proposed changes to a Lot or Living Unit owned by a member of the ARC, that member shall be disqualified from participation in the proceedings, and his or her place shall be taken by the then President of the Community Association. If a proposed change is not approved, the reasons for disapproval shall be stated in writing. Minutes of all meetings of the ARC shall be kept in a business-like manner, and shall be available at reasonable times for inspection or photocopying by any owner. Copies of the plans and specifications for all approved changes and construction shall be kept for at least five years.

7. FISCAL MATTERS. The provisions for assessments and fiscal management of the Community Association set forth in the Declaration of Covenants shall be supplemented by the following provisions:

7.1 Depository. The Community Association shall maintain its accounts in federally insured accounts at financial institutions doing business in the State of Florida as may be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Community Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles, provided they are federally insured, or backed by the full faith and credit of the United States.

7.2 Budget. The Treasurer shall prepare and the Board of Directors shall, at a November meeting each year, adopt a budget of general expenses for the next fiscal year. Once adopted, the Community 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 Board of Directors shall use its reasonable efforts to have a budget adopted available to the membership by the annual meeting. 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 end of the current year shall be shown and all fees or charges for recreational amenities shall be set out separately.

7.3 Reserves. The Board of Directors may establish in the budget one (1) or more reserve accounts for capital expenditures, deferred maintenance, or contingency reserves for unanticipated operating expenses. Board adopted reserve funds are not controlled by Chapter 720 Florida Statutes and therefore may be spent, waived or used as approved by the Board. Membership adopted reserves are restricted by Chapter 720, Florida Statutes and therefore Membership adopted reserves may only be used, waived or reduced on a yearly basis according to Chapter 720 Florida

Statutes. The purpose of reserves is to provide financial stability and to avoid the need for Special Assessments. The annual amounts proposed to be so reserved shall be shown in the annual budget.

7.4 Fidelity Bonds. The Treasurer, and all other officers who are authorized to sign checks, and all Directors and employees of the Community Association handling or responsible for Community Association funds, shall be bonded in such minimum amounts as required by law or in a higher amount as determined by the Board of Directors. The premiums on such bonds shall be paid by the Community Association as a Common Expense.

7.5 Accounts and Accounting Procedures. The Community Association shall maintain its accounting books and records according to generally accepted accounting principles. There shall be an account for each residential unit. Such accounts shall designate the name and mailing address of each residential unit, the amount and due date of each assessment or charge against the residential unit, amounts paid, date of payment and the balance due. .

7.6 Financial Reporting. The Board shall cause to be prepared a financial report within the time required by law as amended from time to time. The Community Association, within the time provided by law as amended from time to time, 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..

7.7 Audits. A formal certified audit of the accounts of the Community Association, if required by law, or by a majority of the voting interests, or by a majority of the Board of Directors, shall be made by an independent certified public accountant, and a copy of the audit report shall be available on request to each member.

7.8 Application of Payments and Commingling of Funds. All monies collected by the Community Association may be commingled, for investment purposes only, in a single fund, or divided into two (2) or more funds, as determined by the Board of Directors. The books and records of the Community Association shall be kept in conformity to generally accepted accounting principles, and the audit and accounting guide for Common Interest Realty Associations of the American Institute of Certified Public Accountants. All payments on account by an Owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, and annual or special assessments, in such manner and amounts as the Board of Directors may determine, or as may be required by law.

7.9 Fiscal Year. The fiscal year for the Community Association shall begin on the first day of January each year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code of the United States.

7.10 Payment of Assessments. Annual assessments based on the adopted budgets shall be payable monthly (due on the first of each month or such other date as the Board of Directors may determine). Written notice of the monthly assessment shall be sent to all owners at least thirty (30) days prior to the due date, or pursuant to a schedule of payments adopted by the Board at the beginning of each fiscal year. Failure to send or receive such notice shall not, however, excuse the

obligation to pay. By resolution, the Board may establish the place for payment, the method of payment, and a late payment fee. If an annual budget for a new fiscal year has not been adopted, or if notice of any increase has not been made at the time the payment is due, it shall be presumed that the amount of such assessment is the same as the last assessment, and payments shall be continued at such rate until a budget is adopted and a new annual assessment is calculated, at which time an appropriate adjustment shall be added to or subtracted from each Lot owner's next due annual assessment. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date shall accrue interest from the due date at the highest rate allowed by law. The Board may assess an administrative late fee in the amount of Twenty-Five (\$25.00) Dollars or five percent of the amount of each installment, whichever is greater, for each installment that is paid past the due date.

7.11 Special Assessments. Special assessments may be imposed by the Board of Directors whenever necessary to meet unbudgeted, emergency, or non-recurring expenses, or for such other purposes as are authorized by the Declaration of Covenants or these Bylaws. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The notice of any special assessment must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s) or returned to the Members in a manner consistent with law.

7.12 Proof of Payment. Within ten (10) days after receipt of request from the Owner, mortgagee, or purchaser of a Lot or Living Unit, the Community Association shall furnish a written statement certifying that all assessments then due from any Lot or Living Unit have been paid, or indicating the amounts then due. Anyone other than the Owner who relies upon such statement shall be protected thereby.

7.13 Suspension. The Community Association shall not be required to transfer Memberships on its books or to allow the exercise of any rights or privileges of Membership on account thereof to any owner, or to any persons claiming under an owner, unless and until all assessments and charges to which said owner and his or her Lot or Living Unit is subject have been paid in full.

8. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

8.1 Proposal. Amendments to these Bylaws may be proposed either by a resolution approved by a majority of the whole Board of Directors, or by a petition to the Board signed by the voting representatives of at least twenty-five percent (25%) of the voting interests of the Community Association. Once so proposed, the amendments shall be submitted to a vote of the Members at a meeting no later than the next annual meeting for which notice can still properly be given.

8.2 Vote Required. Except as otherwise provided by law, or by specific provision of the Governing Documents, these Bylaws may be amended by concurrence of at least two-thirds (2/3) of the voting interests present and voting at any annual or special meeting, provided that the text of any proposed amendment has been given to the Members with notice of the meeting.

8.3 Amendment by Board. The Board of Directors, by majority vote, may unilaterally amend these Bylaws to correct errors or conform the Bylaws to any applicable statute or local ordinance. Such amendments shall not require consent of the Members.

8.4 Certificate; Recording. A copy of each approved amendment shall be attached to a certificate reciting that the amendment was duly adopted, which certificate shall be executed by the President or Vice-President of the Community Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of the County. The certificate must identify the book and page of the Public Records where the Declaration of Covenants was originally recorded.

9. RULES AND REGULATIONS; USE RESTRICTIONS. The Board of Directors may, from time to time, adopt and amend administrative Rules and Regulations governing the use, maintenance, management and control of the Common Areas, the Lots and the operation of the Community Association. Copies of such Rules and Regulations shall be furnished to each residential Lot Owner.

10. COMPLIANCE AND DEFAULT; REMEDIES. In addition to the remedies provided in the Declaration, the following shall apply.

10.1 Fines; Suspensions. The Board of Directors may levy fines and/or suspensions against members, or members' tenants or guests, or both, who commit violations of Chapters 617 or 720, Florida Statutes, the provisions of the governing documents, or the rules and regulations, or who condone such violations by their family members, guests or lessees. Fines shall be in amounts deemed necessary by the Board to deter future violations, but in no event shall any single fine exceed the maximum amount allowed by law. The maximum fine for a continuing violation shall be \$1,000.00. As allowed by Florida law fines shall be secured by a lien on the Owner's Lot. Suspensions of the use of Common Areas, facilities and common non-essential services (e.g. bulk cable tv and/or internet) may be imposed for a reasonable period of time to deter future violations. The procedure for imposing fines or suspending use rights shall be as follows:

(C) Notice. The party against whom the fine and/or suspension is sought to be levied or imposed shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days, and the notice shall include:

- (1) a statement of the date, time and place of the hearing;
- (2) a short and plain statement of the specific facts giving rise to the alleged violation(s) including the section of the governing documents being violated and how the violation can be cured; and
- (3) the possible amounts of any proposed fine and/or possible use rights of Common Areas or facilities to be suspended.

(D) Hearing. At the hearing the party against whom the fine and/or suspensions may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and

oral argument on all issues involved, and to review, challenge, and respond to any evidence or testimony presented by the Community Association. The hearing shall be conducted before a panel of three (3) residential Lot Owners appointed by the Board none of whom may then be serving as Directors or officers, or who are employees of the Community Association, or the spouse, parent, child, brother or sister of an officer, director or employee. If the committee, by majority vote, does not agree with the proposed fine and/or suspension, it may not be levied or imposed. If the committee agrees with the proposed fine and/or suspensions, the Board of Directors shall levy same. Within seven (7) days after the hearing, the committee shall provide written notice to the Lot Owner at his or her designated mailing or e-mail address in the Community Association's official records and, if applicable, any occupant, licensee, or invitee of the parcel owner, of the committee's findings related to the violation, including any applicable fines or suspensions that the committee approved or rejected, and how the parcel owner or any occupant, licensee, or invitee of the parcel owner may cure the violation, if applicable, or fulfill a suspension, or the date by which a fine must be paid. Each owner shall have 30 days to make payment of any fine levied against them.

10.2 Suspensions and Fines without Hearing. The foregoing notwithstanding, as provided in 720.305(2)(b), Florida Statutes, no prior notice or opportunity for a hearing is required for the imposition of a fine or suspension upon any member because of the failure of the member to pay Assessments or other charges when due.

10.3 Correction of Health and Safety Hazards. Any violations of the Community Association rules which creates conditions of the property which are deemed by the Board of Directors to be a hazard to the public health or safety may be dealt with immediately as an emergency matter by the Community Association, and the cost thereof shall be charged to the Lot Owner.

11. MISCELLANEOUS.

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

11.2 Conflict. If any irreconcilable conflict should exist, or hereafter arise with respect to the interpretation of these Bylaws and the Declaration of Covenants or the Articles of Incorporation of the Community Association, the provisions of the Declaration of Covenants or Articles of Incorporation shall prevail over the provisions of these Bylaws.

11.3 Abusive Member. If an act of a member is prejudicial to the interests of the membership, or intentionally or unreasonable conducts themselves in a way that materially interferes with the operation of the Community Association, or Board of Directors and requires that the Community Association take any action or incur any expense in order to protect the membership or the Board, the Community Association shall be reimbursed by the member, including reasonable attorney's fees. If the member fails to reimburse the Community Association within 30 days following written demand, the expenses shall be an assessment secured by a lien on the member's parcel.

[Signatures on Following Page]

PALM ISLAND PHASE 2 – BYLAWS

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The foregoing constitutes the first Bylaws of Palm Island Phase 2 Community Association, Inc., and were duly adopted at the first meeting of the Board of Directors held on the 28th day of April, 2026

Date: 4/18, 2026

Constance J. Kukin
Secretary Signature

Constance J. Kukin
Printed Name

ATTEST:

Robert W. Hubbard
President Signature

Robert W. Hubbard
Printed Name