

**SECOND AMENDED AND RESTATED BYLAWS OF  
PORT ROYAL OWNERS ASSOCIATION, INC.**

**ARTICLE I: IDENTITY**

These are the Bylaws of Port Royal Owners Association, Inc., a Florida not-for-profit corporation (“**Association**”) organized and existing pursuant to Chapter 718, Florida Statutes for the purposes of operating and administering the Association and the Port Royal Condominium (“**Condominium**”) located in Escambia County, Florida, as more specifically defined in Article III of the Declaration of Condominium Port Royal, A Condominium, recorded in Official Records Book 1937, at Page 113 *et. seq.* of the public records of Escambia County, Florida (“**Declaration**”).

Section 1: Principal Office: The principal office of the Association shall be as registered with the Florida Secretary of State.

Section 2: Fiscal Year: The fiscal year of the Association shall be the calendar year.

**ARTICLE II: DEFINITIONS**

The terms used in these Bylaws shall have the same definitions and meanings as those set forth in the Declaration recorded in the public records of Escambia County.

**ARTICLE III: MEMBERSHIP AND VOTING**

Section 1: Membership: Membership in the Association shall be limited to those persons, partnership, joint ventures, corporations or other legal entities who own or acquire title to units in the Condominium. Every unit owner agrees that they shall accept membership in the Association and does hereby agree to be bound by the provisions and requirements of the Condominium Act, the Declaration, the Articles of Incorporation, these Second and Amended Bylaws and the enacted rules and regulations of the Association. Membership is automatic upon ownership of a unit and shall only terminate upon the sale or transfer of the unit.

Section 2: Number of Votes: Each unit shall be entitled to one vote. If a unit is owned by one person, the right to vote shall be established by the record title to the unit. If a unit is owned by more than one person or is under lease, the person entitled to vote for the unit shall be designated by a certificate signed by all record owners of the unit and filed with the association manager. If a unit is owned by a corporation, the person entitled to vote shall be designated by a certificate signed by the President, Vice-President or Secretary of the corporation and filed with the Secretary of the Board of Directors or its agent. A designation certificate may be revoked by any owner of the unit. If a certification is not on file, the vote of the member shall not be included for any purpose.

Section 3: Proxies: Unless it is specifically stated in these Second Amended and Restated Bylaws, members may vote by limited proxy through the use of the limited proxy form approved by the Board of Directors, or its agent, unless otherwise prohibited by Florida Statute.

The limited proxies shall be used for purposes of a quorum. The limited proxy shall be effective only for the specific meeting and/or vote for which it is given and must be filed with the Secretary of the Association prior to the adjournment of the meeting.

#### **ARTICLE IV: OWNERS' MEETINGS**

Section 1: Place of Meeting: The meeting shall be held in the Galvez Room located in the Tower, unless otherwise designated by the Board of Directors.

Section 2: Annual Meeting: The annual meeting of the unit owners shall be held during the month of November for the purpose of electing Directors. Any other business may be voted upon as long as notice is provided pursuant to this section.

Section 3: Special Meeting: Special meetings may be called by the President at any time or upon written request of ten percent (10%) of the membership. No other business shall be transacted other than that specifically addressed in the notice as provided in this section.

Section 4: Notices: Written notice, which shall include an agenda, shall be either hand-delivered, mailed to the last known address furnished by the unit owner or electronically transmitted to the email address furnished by the owner no later than fourteen (14) days prior to the annual or special meeting. In addition, the notice and agenda must be posted in a conspicuous place no later than fourteen (14) days prior to the meeting. The person providing the notice shall execute an affidavit stating that this notice requirement has been accomplished and the affidavit shall be filed with the official records of the Association.

Section 5: Quorum: The presence in person or by proxy of thirty percent (30%) the members entitled to vote constitutes a quorum for the annual meeting.

Section 6: Voting Results: The acts approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of all the unit owners, except when approval by a greater number is required by Florida Statutes, the Declaration, Articles of Incorporation or these Second Amended and Restated Bylaws.

Section 7: Adjournment: The meeting shall be adjourned upon motion and order.

Section 8: Minutes: The draft minutes of the meetings shall be delivered to the Board of Directors no later than fourteen (14) days after the conclusion of the meeting and shall be placed on the Association's website. The minutes shall be approved at the next regularly scheduled members' meeting

Section 9: Robert's Rules of Order (latest edition) shall guide the conduct at the meetings.

## **ARTICLE V: BOARD OF DIRECTORS**

Section 1: Number, Term and Qualifications: The affairs of the Association shall be managed by a Board of Directors consisting of 5 members. Co-owners of a unit may not serve as members of the Board of Directors at the same time. The member must not be delinquent in the payment of any fee or assessment nor be a convicted felon. The terms of all members of the Board of Directors serving on the date that these Bylaws are recorded shall be extended through the following annual meeting that shall take place in November in accordance with Article IV of these Bylaws.

Section 2: Election and Notice: Members of the Board of Directors shall be elected by written ballot at the annual meeting. There shall be no quorum requirement, however, at least twenty percent (20%) of the eligible voters must cast a ballot. A plurality of the votes cast shall decide the election.

- a. First Notice: Not less than sixty (60) days before the scheduled election, The Association shall hand-deliver, mail to the last known address or electronically transmit a first notice of the date of the election which must include the Division Certification Form.
- b. Candidate's Notice: No less than forty (40) days before the scheduled election, any unit owner desiring to be a candidate must give written notice to the Association and must include the signed Division Certification Form.
- c. Second Notice: Not less than fourteen (14) days before a scheduled election, the Association shall hand-deliver, mail to the last known address or electronically transmit a second notice of the date of the election together with an agenda, a ballot listing all the candidates with the signed certification forms and any information sheets prepared by the candidates. However, if there are no more candidates than vacancies on the Board of Directors, balloting and an election is not required.

Section 3: Vacancies and Removal: Any member of the Board of Directors may be recalled and removed from office with or without cause by an agreement or vote, in writing, by a majority of the voting interests. A Director who is more than ninety (90) days delinquent in the payment of fees/assessments or is charged with a felony involving the Association's funds or property shall automatically be removed. Any vacancy occurring before the expiration of a term may be filled by the affirmative vote of the majority of the remaining Directors and the vacancy shall be filled for on the unexpired term.

Section 4: Meetings: The organizational meeting of the newly elected Board of Directors shall be held within ten (10) days of their election at a place and time that is fixed and stated at the annual meeting. Regular meetings of the Board of Directors shall occur no less than six (6) times a year in the Galvez Room located in the Tower, or at a time and place determined by a majority of the Board of Directors. Special meetings of the Board of Directors may be called by the President or by at least two (2) members of the Board of Directors who request a special meeting in writing.

Section 5: Notice of Meetings: The notice of the meetings shall be posted conspicuously on the Association property no less than forty-eight (48) hours prior to the meeting and the agenda shall be included. In addition, the notice and agenda shall be electronically delivered to all unit owners who have provided an electronic address to the Association no less than forty-eight (48) hours prior to the meeting.

Section 6: Quorum: A quorum shall consist of a majority of the entire Board of Directors and any acts approved at a noticed meeting shall constitute the acts of the Board of Directors unless approval by a greater number is mandated by law.

Section 7: Powers and Duties: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by the Declaration, or these Second Amended and Restated Bylaws, directed to be exercised and done by unit owners. These powers shall specifically include, but shall not be limited to, the following:

- a. To exercise all powers specifically set forth in the Declaration, the Articles of Incorporation, these Second Amended and Restated Bylaws, and in the Florida Condominium Act, and all powers incidental thereto.
- b. To adopt a budget and make and collect assessments, including special assessments, enforce a lien for nonpayment thereof, and use and expend the assessments to carry out the purposes and powers of the Association, subject to the provisions of the Declaration and these Second Amended and Restated Bylaws.
- c. To employ, dismiss and control the personnel necessary for the maintenance and operation of the Condominium property, including the right and power to employ attorneys, accountants, contractors, and other professionals, as the need arises, subject to any applicable provisions of the Declaration.
- d. To make and amend rules regulations respecting the operation and use of the common elements and condominium property and facilities and use and maintenance of the units therein.
- e. To contract for the management and maintenance of the Condominium property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, enforcement of rules and maintenance, repair and replacement of the common elements with funds as shall be made available by the association for such purposes. The Association, its Board of Directors and Officers shall retain at all times the powers and duties granted by the Association's governing documents and the Florida Condominium Act, including, but not limited to, the making of assessments, promulgation of rules and regulations, and execution of contracts on behalf of the Association.
- f. To further improve the Condominium property, and the right to purchase realty and items of furniture, furnishings, fixtures and equipment for the Condominium.
- g. To designate one or more committees which shall have the powers of the Board of Directors in the management and affairs and business of the Association as directed

by the Board of Directors. The President shall appoint the chairperson and members of the committee with the approval of the Board of Directors. Any such committee shall keep regular minutes of any meetings or proceedings and report the same to the Board of Directors.

Section 9: Certification: Within ninety (90) days of being elected or appointed to the Board of Directors, each Director shall submit written certification to the Secretary that they have read and understand the governing documents and must enroll and complete the next available curriculum approved the Florida Department of Business and Professional Regulation.

## **ARTICLE VI: ELECTION OF OFFICERS AND DUTIES**

Section 1: Election of Executive Officers: The Board of Directors shall have a President, a Vice-President, a Secretary and a Treasurer who will be elected annually by the Directors through consensus at the organizational meeting following the annual meeting. One person may not hold more than one office, except one person may be both Secretary and Treasurer.

Section 2: Term: The Officers of the Association shall hold office until their successors are chosen and qualified. Any Officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by a majority vote of the entire Board of Directors.

Section 3: President: The President shall be the Chief Executive Officer of the Association. They shall preside at all meetings of the unit owners and the Board of Directors. They shall have all the powers and duties associated with this office pursuant to law and the Condominium documents

Section 4: Vice-President: The Vice-President shall perform all the duties of the President in their absence and such other duties as may be required by the Board of Directors.

Section 5: Secretary: The Secretary shall keep the minutes of all proceedings of the Board of Directors and the members and shall ensure that notice of all meetings is given to the Board of Directors and the members in accordance with the By-laws and the law.

Section 6: Treasurer: The Treasurer shall have custody of all the property of the Association, including funds, securities and evidence of indebtedness. The Treasurer is responsible for the books of the Association and shall keep them in accordance with good accounting practices.

## **ARTICLE VII: FINANCIAL MANAGEMENT AND ASSESSMENTS**

Section 1: Budget Year: The budget year shall be the calendar year.

Section 2: Annual Budget/Reserves:

a. Budget Meeting: The Board of Directors shall meet during October for a budget meeting to preliminarily approve a budget for the following year.

1. At least fourteen (14) days prior to the budget meeting, the Board of Directors shall hand-deliver, mail or electronically transmit to each unit

owner a notice of the meeting and a copy of the proposed annual budget. An Officer, or a manager of the Association, shall execute an affidavit of compliance.

2. The proposed annual budget of estimated revenues and expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications. In addition, the budget shall include reserve accounts for capital expenditures and deferred maintenance. The amount to be reserved shall be computed by a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserved item. These accounts shall include, but are not limited to, roof replacement, painting and pavement resurfacing.
  3. The reserve funds shall not be commingled, and the reserve funds shall be accounted for separately in the budget.
- b. The budget for the upcoming year shall be approved by the Board of Directors at meeting held in November.

Section 3: Assessments:

- a. The Board of Directors has to the power to make and collect assessments and shall give notice of the assessment amount on or before the tenth (10<sup>th</sup>) of December to each unit owner by hand delivery, mail or electronic transmission. If an annual assessment is not established as required, the assessment shall be presumed to be the same amount as the last prior annual assessment.
- b. Notice of any meeting in which regular or special assessments against unit owners are to be considered shall specifically state that assessments will be considered and the nature, estimated cost, and the purpose of the assessment.
- c. A unit owner is liable for all assessments and the assessments shall be due and payable in twelve (12) equal installments on the first day of each month.
- d. If the unit owner is in default of any annual, special or specific assessment payment, the Board of Directors may accelerate the remaining installments upon notice to the unit owner.

Section 4: Amendment: In the event the annual assessment or individual budget proves to be insufficient, the assessments may be amended at any time by the Board of Directors after a properly called meeting for such purpose.

Section 5: Financial Reporting: The Association shall prepare and complete or contract for the completion of an audited financial statement for the preceding fiscal year within ninety (90) days after the end of the fiscal year. After the audited financial statement is completed, within twenty-one (21) days, the Association shall provide notice to the unit owner by hand-delivery, mail or electronic transmission that a single copy of the report will be available to a unit owner, without charge, upon receipt of a written request.

## **ARTICLE VIII: EMERGENCY POWERS**

Section 1: State of Emergency: The Board of Directors shall have all emergency powers allowed by law in response to damage caused by an event for which a state of emergency was declared. These special powers shall be limited to the time reasonably necessary to protect the health, safety and welfare of the Association and the unit owners and to mitigate further damage and/or make emergency repairs.

## **ARTICLE IX: OFFICIAL RECORDS AND INSPECTION**

The official records of the Association shall be as defined in the Florida Condominium Act and shall be maintained for at least seven (7) years. These records are open to inspection by any unit owner or their authorized representative at a reasonable time within ten (10) working days after receipt of the written request. The right to inspect includes the right to make or obtain copies at the expense of the unit owner.

## **ARTICLE X: PROPERTY RULES AND REGULATIONS**

Section 1: Rules and Regulations: The Board of Directors may make, adopt, or amend reasonable rules and regulations respecting the use, maintenance, management and control of the Condominium property. Each unit owner shall be furnished a copy of the rules and regulations annually that have been approved by the Board of Directors. In addition, each unit owner, tenant or invitee shall comply with the requirements imposed pursuant to these Second Amended and Restate Bylaws, the Declaration, the Articles of Incorporation and the Florida Condominium Act.

Section 2: Owner duties:

- a. The unit owner shall maintain the interior installations in the unit so that the unit or any other unit will not be damaged due to neglect.
- b. No object shall be placed in or on the common areas by a unit owner without prior approval of the Board of Directors.
- c. Each owner shall maintain a current hazard and liability policy and shall provide evidence of such policy upon request.
- d. Each unit owner shall be familiar with and comply with the rules and regulations found in the "Condominium Handbook."

Section 3: Right of Access: The Association, or its agent, has the irrevocable right of access to each unit during reasonable hours when necessary for the inspection, maintenance, repair or replacement of any common element inside the unit; to abate emergency situations which threaten damage to the common elements or unit(s) or to verify the well-being of the occupant. The cost of any maintenance, remediation or repairs made inside the unit shall be paid by the unit owner.

Section 4: Association Insurance: The Association shall maintain adequate insurance to protect the Association, the property and the common elements as required by law.

Section 5: Levy of Fines: The Association may levy reasonable fines against a unit owner for the failure to comply with any of the above rules and regulations. All fines will be levied and enforced in accordance with the Florida Condominium Act, as amended from time to time.

#### **ARTICLE XI: AMENDMENTS**

Section 1: Procedure:

- a. Written notice, through hand delivery, mail or electronic transmission shall be provided to each unit owner at least fourteen (14) days prior to the meeting during which the amendment will be proposed. The notice shall include the subject matter of the proposed amendment and a copy of the proposed amendment shall be made available to the unit owner upon request.
- b. Approval of the proposed amendment must be by not less than a majority of the votes of the unit owners voting at a particular meeting at which the approval of the proposed amendment(s) is considered. Proxies votes shall be permitted for the purpose of voting to approve or disapprove of an amendment.
- c. No amendment shall be made that is in conflict with the Florida Condominium Act or the Declaration.
- d. The approved amendments shall be recorded in the Public Records of Escambia County.

#### **ARTICLE XII: ARBITRATION**

In the event of a dispute between the Association and a unit owner arising from the operation of the Condominium, the parties shall petition for nonbinding arbitration prior to the filing of a lawsuit. However, arbitration is not required for disputes related to the levy or collection of fees or assessments.