

BYLAWS

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SCOTTISH HIGHLANDS CONDOMINIUM ASSOCIATION, INC.

(A Corporation Not for Profit)



ONE SCOTTISH HIGHLANDS BOULEVARD
LEESBURG, FL 34788

BYLAWS OF SCOTTISH HIGHLANDS CONDOMINIUM
ASSOCIATION, INC.

(A corporation not for profit)

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Article 1. Identity

- 1.1 **Name** The name of this organization is Scottish Highlands Condominium Association, Inc., hereinafter referred to as the "Association," a corporation not for profit under the laws of the State of Florida.
- 1.2 **Condominium Documents** The documents governing the Scottish Highlands Condominium Association, Inc., hereinafter referred to as Condominium Documents, are listed below in order of precedence, highest to lowest:
- Chapter 718, Florida Statutes (The Condominium Act);
 - Chapter 617, Florida Statutes, to the extent not inconsistent with Chapter 718;
 - Rules and Regulations of the Division of Florida Land Sales, Condominium and Mobile Homes, as existing from time to time;
 - Declaration of Condominium of Scottish Highlands, Inc., a Condominium;
 - Articles of Incorporation of Scottish Highlands Condominium Association, Inc.;
 - Bylaws of Scottish Highlands Condominium Association, Inc.; and
 - Rules and Regulations, including but not limited to, guidelines promulgated for use by the Community Council of the Scottish Highlands Condominium Association, Inc., as they exist from time to time.

Article 2. Association

- 2.1 **Office** The office of the Association shall be in the Administration Building at One Scottish Highlands Boulevard, Leesburg, Florida 34788, or at a place specified by the Board of Directors, hereinafter referred to as the Board.
- 2.2 **Membership** The owners of record of parcels within Scottish Highlands, a Condominium, shall be members of the Association. Membership shall automatically terminate when ownership of a parcel is transferred.
- 2.3 **Roster of Members** The Association shall maintain a current roster of parcel owners, their mailing addresses, parcel identification, voting certification and, if known to the Association, telephone numbers.
- 2.3.1 **Evidence of Title** It is the obligation of each member to provide to the Association Secretary information updating his mailing address and other pertinent data. Each member shall furnish to the Association Secretary a copy of his title or other evidence substantiating membership as required by the Condominium Documents.
- 2.4 **Officers** The officers of the Association shall be President, Vice President, Treasurer and Secretary, each of whom shall be a director. Each shall be elected annually by the Board and may be peremptorily removed from that office at any meeting by the concurrence of a majority of the entire Board. Except for the President, a director may hold more than one office. No director shall sign an instrument or perform an official act in the capacity of more than one office. The Board may elect other officers and designate their powers and duties as required to manage the affairs of the Association. The Officers of the Board are the same as the Officers of the Association.
- 2.4.1 The **President** shall be the Chief Executive Officer of the Association and shall have all the powers and duties that are usually vested in the Office of President.
- 2.4.2 The **Vice President** shall exercise the powers and perform the duties of the President in the absence or disability of the President or a temporary vacancy in that office; shall assist the President; and exercise other powers and perform other duties as prescribed by the Board.
- 2.4.3 The **Secretary** shall be responsible for seeing to the keeping of minutes of all proceedings of the Board and the membership; shall serve, or see to the service of, all notices to the Board and the membership; shall have custody of the Seal of the Association and shall affix it to instruments

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requiring the seal when duly signed; shall be the custodian of the records of the Association except those of the Treasurer, and shall perform all duties incident to the Office of Secretary of an

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association and required by the Board or the President. The Secretary shall also work with and supervise the Manager as to the performance of the above responsibilities.

2.4.4 The **Treasurer** shall be custodian of all property of the Association, including funds, securities and evidences of indebtedness; shall cause the financial records for the Association to be kept in accordance with good accounting practices which, along with substantiating papers, shall be made available to the Board for examination at reasonable times; shall submit a Treasurer's report to the Board at reasonable intervals and shall perform all other duties incident to the Office of Treasurer. The Treasurer shall oversee and work with the Manager and the Association's accountant in carrying out the above responsibilities.

Article 3. Member Meetings

3.1 **Annual Meeting** The Annual Meeting shall be held on the 3rd Tuesday in January, unless a legal holiday, each year at 10:00 a.m., or on a date in January, and at a place in Lake County specified by the Board. The purpose of the meeting shall be to elect directors and to transact other authorized business.

3.1.1 NOTIFICATION. No later than sixty (60) days prior to the Annual Meeting of the Members and the Election of Directors, a first notice thereof shall be mailed or hand delivered to each owner to the address as it appears on the roster of members as of seventy (70) days prior to the Annual Meeting and Election. The first notice shall be accompanied by such materials as may from time to time be required by law, or which may be Included for the convenience of the Association, and shall include a self-addressed envelope for use in returning all required or permitted materials. Proof of delivery or mailing of the first notice shall be by affidavit, signed by the officer or agent giving the first notice and shall be retained by the Association as part of its official records.

Thereafter, all qualified persons providing timely notice of their intention to be a candidate for the Board, and who timely return all forms, materials and certifications that may be required or permitted by law, shall be included on the election ballot.

A second Notice of the Annual Meeting of the Members and Election of Directors shall be posted at least fourteen (14) continuous days before the Annual Meeting on the official bulletin board at the Administration Building. Hand delivery or mailing of the second notice of the Annual Meeting and Election of Directors shall be effected not later than fourteen (14) days and no sooner than thirty-four (34) days prior to the Annual Meeting and Election to each owner to the address as it appears on the roster of members as of ten (10) days prior to the hand delivery or mailing of second Notice of the Annual Meeting and Election of Directors. Proof of posting, delivery or mailing of the notice shall be by affidavit, signed by the officer or agent giving the notice and shall be retained by the Association as part of its official records. The notice may specify a series of reconvening places and dates at least one (1) hour apart to which the Annual Meeting may be adjourned in the event of a lack of a quorum, provided that such adjournment shall relate only to the business meeting of the Members and shall not effect the date of or conduct of the election of directors, so long as at least twenty (20%) percent of the Members shall have cast a vote in the election. A member may waive notice in writing before or after the meeting. Regardless of the foregoing, attendance and participation by registration by a member at a meeting of the membership shall constitute waiver of notice. (Amended 1/20/09,)

3.1 .2 **Quorum** A quorum shall initially consist of a majority of all owners of record. General proxies shall be used only to establish a quorum for the business meeting.

- 3.2 **Special Member Meetings** Special Member Meetings shall be held at places designated by the President or by a majority of the Board, and must be called by those officers upon receipt of a written request from a majority of the members of the Association. The business conducted at a special member meeting shall be limited to that stated in the notice of the meeting. (Amended 3/16/98)
- 3.2.1 **Notice of a Special Member Meeting** shall state the time, place and objectives of such meeting. A copy of the notice shall be posted on the official bulletin board at the Administration Building at least fourteen (14) continuous days prior to that meeting. Hand delivery or mailing of the notice shall be effected not less than fourteen (14) days or not more than sixty (60) days prior to the date of the meeting. Proof of posting, delivery or mailing of the notice shall be by affidavit, signed by the officer giving the notice and shall be retained by the Association. The notice may specify a series of reconvening places and dates at least one (1) hour apart to which the meeting may be adjourned in the event of a lack of a quorum. A member may waive notice in writing before or after the meeting. Regardless of the foregoing, attendance and participation by registration by a member at a meeting of the membership shall constitute waiver of notice. (Amended 12/10/14)
- 3.2.2 **Quorum** A quorum shall initially consist of a majority of all owners of record. General proxies shall be used only to establish a quorum for the business meeting.
- 3.3 **Adjourned Meetings** If any meeting of members cannot be conducted because a quorum is not attained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the adjourned meeting has been provided in the original notice or is given in the manner required for notice of a meeting. The number of owners required for a quorum at such reconvened meetings shall be only fifty percent (50%) of that required for the previously adjourned meeting. Successive adjournments and reconvenings due to lack of a quorum shall each require only fifty percent (50%) as many members for a quorum as were required at the previous convening. Reconvening may continue with successively reduced quorum requirements until a quorum is obtained.
- 3.4 **Voting Procedures** Each owner of record may cast one vote per parcel owned.
- 3.4.1 **Right to Vote** If a parcel -is owned by -one person, his -right to vote -shall be established by the roster of members. If a parcel is owned by more than one person, except husband and wife, the person entitled to cast the vote for the parcel shall be designated by a certificate signed by all of the owners of record of the parcel according to the roster of members and filed with the Secretary of the Association prior to the meeting. If a parcel is owned by a corporation, the person entitled to cast the vote for the parcel shall be designated by a certificate -signed by the president or vice president and attested by the secretary or assistant secretary of the corporation and filed with the Secretary of the Association. Signed certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the parcel. A certificate designating the person entitled to cast the vote for a parcel may be revoked by any owner of a share in the parcel.
- 3.4.2 **Appear in Person** If only one person appears claiming the right to cast a vote for a given parcel and such person has any ownership interest in it or is an officer or agent of a corporation with an ownership interest, such vote shall be counted as if a certificate was on file.
- 3.4.3 **Action in Lieu of Meeting** In lieu of action taken at a meeting of members, the Association may act upon written consent of the owners of record obtained in accordance with law. The consent necessary to take any action shall be the same as that required to take the action at a meeting of members.
- 3.4.4 **Casting Votes** Votes cast by owners of record in a regular meeting shall be in person or by limited proxy. Voting may be by written ballot, machine, voice, show of hands or other means as determined by the Board.

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3.4.5 **Limited Proxy** A limited proxy, certified in advance by the Secretary of the Association, may be made by any person entitled to vote and shall be valid only for the specific meeting for which originally given and any lawful reconvening thereof. A limited proxy will not be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every limited proxy is revocable at any time at the pleasure of the owner who executed it.

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3.5 **Order of Business** The Order of Business shall be established by the Board for each meeting.

Article 4. Board of Directors

4.1 **Membership** The affairs of the Association shall be managed by a Board of not less than three (3) and not more than eleven (11) directors but shall always be an odd number. The exact number shall be determined by the Board no later than sixty (60) days prior to the election. The Officers of the Board are the same as the Officers of the Association. Members of the Board must be members of the Association. Adopted 2/3/98)

4.2 **Election** Election of directors by the owners of record shall be held at the Annual Member meeting. The terms shall be two (2) years or until their successors are elected and qualified. There shall be no quorum requirement for the election of directors but at least twenty percent (20%) of the owners of record must cast ballots to have a valid election for directors.

4.2.1 Whenever directorships are added, the Board shall assign initial one (1) or two (2) year terms for each to maintain, as nearly as possible, staggered terms of the directors with approximately half to be replaced at each subsequent election. Those with the greater number of votes shall fill the longer term(s).

4.2.2 The election shall be by ballot, unless dispensed with according to law, and by a plurality of the votes cast, each owner of record entitled to cast one vote for each vacancy to be filled. There shall be no cumulative voting. The candidates with the most votes shall fill the vacancies. Those with the greater number of votes shall fill the longer term(s). In case of ties, the length of the term and/or service on the Board shall be determined by lot. In even numbered years, there shall be an odd number of directors elected and in odd numbered years, there shall be an even number of directors elected.

4.2.3 Except for vacancies resulting from removal of directors by owners, vacancies on the Board occurring between annual meetings of members shall be filled by the remaining directors from the general membership. Appointees shall serve until the next Annual Member Meeting when an election shall be held to select a successor for the balance of the unexpired term(s), if any. Vacancies shall be filled within thirty (30) days except when a vacancy occurs within forty-five (45) days preceding the Annual Member Meeting.
(Reaffirmed 3/17/09)

4.3 **Proxy** No proxy shall be used in the election of Board members. Proxies shall be used only for the purpose of establishing a quorum for the Business Meeting.

4.4 **Recall** Any member(s) of the Board may be recalled and removed from office, with or without cause, by a vote or agreement in writing of a majority of all owners. A special meeting of owners to recall a member(s) of the Board may be called by ten percent (10%) of the owners giving notice of the meeting, with the notice stating the purpose of the meeting as required by statute.

4.4.1 **Board Absences** A Board seat shall be deemed vacant if a director has three (3) unexcused absences from regular meetings. The vacancy shall be filled by the remaining directors. Voluntary telephone participation in a Board meeting by an absent director shall be at his expense.

4.5 **Board Meetings**

4.5.1 **Organizational** The organizational meeting of a newly-elected Board shall be held within ten (10) days of the election at the place and time fixed by the Board at the meeting at which they were elected.

4.5.2 **Regular** Regular meetings of the Board may be held at the time and place determined by a majority of the Board. Notice shall be posted on the official bulletin board at the Administration Building a minimum of forty-eight (48) continuous hours prior to that meeting. Notice of such meeting shall be given each director personally, by mail or by telephone, and shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting.

4.5.3 **Special** Special meetings of the Board may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Board. Notice of such meeting shall be given each director personally, by mail or by telephone, and shall state the time, place and purpose of the meeting, and shall be transmitted not less than three (3) days prior to the meeting. Notice shall be posted on the official bulletin board at the Administration Building a minimum of forty-eight (48) continuous hours in advance of the meeting.

4.5.4 **Adjourned Meetings** If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. The business that might have been transacted at the meeting originally called shall then be transacted without further notification.

4.5.5 **Waiver of Notice** Any director may waive notice of any meeting in writing. Attendance and participation shall also constitute a waiver.

4.5.6 **Quorum** A quorum at Board meetings shall consist of a majority of the entire Board.

4.5.7 **Order of Business** The Order of Business shall be established by the Board for each meeting.

4.5.8 **Conduct of Meetings** The Board shall adopt rules regarding unit owner participation, conduct of meetings, and the taping and/or recording of meetings.

4.6 **Compensation** Board members shall serve without compensation.

4.7 **General Powers** and Duties All of the powers and duties of the Association provided under the Condominium Documents shall be exercised exclusively by the Board through its officers, directors, Manager, employees, agents or contractors, subject to the approval of the owners where such approval is specifically required by the Condominium Documents.

4.7.1 **Acts of the Board** The acts approved by a majority of the Board present at a duly convened meeting shall constitute the acts of the Board except when approval by a greater number of Board members or by certain designated Board members is required.

4.7.2 **Acquisition and Management of Property** The Association, through its Board, shall have the right and authority to acquire by gift, purchase or otherwise, real or personal property and to hold the same, improve it, build upon it and to operate, maintain, convey, sell, lease, transfer or dedicate it for public use in accordance with the terms of the Condominium Documents. The Board shall establish policies governing the operation of the common elements and Association property.

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4.7.3 **Surface Water Management System** The Association, through its Board, shall have the right to operate, maintain, repair, and/or replace a surface water management system. Said system shall be run consistent with the requirements of law.

4.7.4 **Standing Committees** The Board shall appoint or remove members of Standing Committees titled: Architectural Review, Budget and Finance, Bylaws and Rules, Facilities Advisory, Grounds, Resident Relations, Residential Screening, and Security. The Board shall maintain their full membership. Such appointments or removals require approval of a majority of the Board. The term for committee members shall be one (1) year commencing with the first regular meeting in

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February, with reappointments permitted. The Board may act as the Residential Screening Committee. Membership on committees shall be limited to members of the Association with Board members as liaison. Committees shall not act for the Board but shall make recommendations to the Board for consideration and action.

4.7.4.1 **Community Council** The Board shall treat as a Standing Committee the Community Council whose appointments and removals shall be governed by the Council's Guidelines which have been approved by the Board.

4.7.5 **Special Committees** The Board may appoint special committees.

4.7.6 **Ancillary Operations** Following approval by a majority of the owners of record, the Board may conduct ancillary operations as permitted by law. The expenses of these operations will be common expenses. Income shall be classified as non assessment revenue. Separate accounting records must be maintained. Revenue generated from these ancillary operations shall be used: (1) to pay the expenses of said ancillary operations, and (2) to reduce common fees. Excess expenses, if any, shall be permissible common expenses.

4.7.7 **Insurance Claims** Any claim(s) filed by a sitting Board member under the Employee Dishonesty portion of the Association's insurance coverage must first be approved by a majority of the Board.

Article 5. Fiscal Management

5.1 **Fiscal Year** The fiscal year of the Association shall be June 1 through May 31.

5.2 **Receipts and Common Expenditures** The Association shall credit and charge Receipts and Common expenditures to accounts under the following classifications:

5.2.1 **Current Expenses** All receipts and expenditures for budget items and working funds shall be included in this classification. Expenditures chargeable to capital surplus or to additional improvements or operations are not included. The balance at the end of the fiscal year shall be applied to reduce the assessments for current expense for the succeeding year.

5.2.2 **Capital Surplus for:** 1) deferred maintenance, which shall include funds for maintenance items that occur less often than annually; 2) replacements, which shall include reserve funds for repair or replacement required because of damage, depreciation or obsolescence; and 3) betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

5.2.3 **Operations** shall include the gross revenues derived from use of the common elements to the extent not included in the ancillary operations budget. Only the additional direct expense required by a revenue-producing operation will be charged to this account. Any surplus from such operation(s) shall be used to reduce the assessments for current expense in the fiscal year following the fiscal year in which the surplus is realized. Losses from operations shall be met by special assessments against owners, which assessments may be made in advance in order to provide a working fund.

5.3 **Budget** The Board shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts according to good accounting practices and in accordance with the Condominium Documents.

- 5.3.1 **Budget Detail** The budget shall be detailed and shall show amounts budgeted by accounts and expense classifications including as applicable, but not limited to, the expenses listed in the Condominium Documents.

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- 5.3.2 **Reserve Accounts** The budget shall also include reserve accounts for: (1) capital expenditures and deferred maintenance as required by law; (2) roof replacement, building painting and pavement resurfacing; and (3) any other item required by Condominium Documents to be the subject of a reserve or which is otherwise restricted as to use.

- 5.3.3 **Required Assessment** If the budget requires an assessment against the owners exceeding the prior year's assessment by more than fifteen percent (15%), excluding reserves and infrequently recurring expenses, the Board, on written application of ten percent (10%) of the owners, shall call a special meeting of the owners to adopt a budget, as also provided in the Condominium Documents. If the foregoing process fails to produce an adopted budget, the Board may immediately propose and adopt a budget falling within the above-noted fifteen percent (15%) limitation without further notice to owners. If no budget is adopted, the previous year's budget shall continue in effect until a new budget is adopted.

- 5.3.4 **Budget Copies** Copies of a proposed budget and proposed amendments shall be mailed or hand delivered to each owner not less than fourteen (14) days prior to the meeting of the Board at which the proposed budget will be considered. If the budget is amended subsequently, a copy of the amended budget shall be furnished each owner.

5.4 **Assessments**

- 5.4.1 **Budget** Assessments against owners of record to meet the budget shall be made by the Board for the fiscal year annually in advance on or before a date at least ten (10) days prior to the first day of each fiscal year. Each owner's assessment to meet the annual budget shall be divided into twelve (12) equal payments, one of which shall be due on the first day of each calendar month of the fiscal year for which the assessment is made, but not sooner than ten (10) days after the mailing or hand delivery to the owners of a statement of the annual assessment. One notice clearly setting forth the annual assessment and the amount due each month shall suffice; monthly notices are not required. If assessments are not made annually as required, monthly assessments shall be presumed to have been made in the amount of the last prior monthly assessment, and assessments in this amount shall be due on the first day of each calendar month until changed by an amended assessment.

- 5.4.1.1 If an assessment is insufficient in the judgment of the Board to provide funds for anticipated current expenses, the Board shall amend the budget and shall make an amended assessment for the balance of the fiscal year in sufficient amount to meet these expenses for the year. Any account of the amended assessment that exceeds the limit on increases for that year shall be subject to the approval of a majority of the membership of the Association.

- 5.4.2 **Special Charges** Charges by the Association against an owner for other than common expenses shall be payable in advance if the charged amount is known. Charges may include, but shall not be limited to, those for the use of the Condominium property, parcel maintenance services furnished to the owner or other special services furnished for the benefit of the owner.

5.4.2.1 Services supplied universally to owners, such as operation of a sewage treatment plant, collection systems or other common facilities, shall not be charged under this article.

5.4.3 **Emergencies** Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be due only after ten (10) days notice is given to the owner(s) of record and shall be paid in such manner as the Board may require in the notice of assessment. Notice may be mailed or hand delivered at the direction of the Board to the address of record of the owner or such alternate address as may be provided to the Association by the owner. Notice shall be deemed given when mailed or delivered.

5.4.4 **Arrears** If any assessment payment due from an owner remains unpaid for thirty (30) days, the Board may declare that all assessment payments for the balance of the fiscal year from that owner shall be immediately due and payable in full upon the recording of a claim of lien in the public records of Lake County.

5.4.4.1 The Board may charge an administrative late fee, in addition to interest, on any unpaid balance not to exceed the highest rate allowed by law. There shall be no interest or late fees charged until an installment is fifteen (15) days past due. Payment shall be applied first to all interest due the Association, next to any administrative late fee, next to any other costs and reasonable attorney fees incurred in collection and, finally, to the delinquent assessment.

5.5 **Depository** The depository of the Association shall be such bank(s) as may be designated by the Board. Withdrawal of monies from these accounts shall be only by checks signed by a minimum of two (2) persons authorized by the Board.

5.6 **Audit** An Audit, Review or Compilation as required by law of the Association accounts shall be made annually by a certified public accountant, and a copy furnished to each owner no later than one hundred twenty (120) days following the close of the fiscal year. (Amended 1/20/09)

Article 6. Residential Lease or Sale

6.1 **Screening Process** The sale and lease of a parcel by an owner shall be subject to the provisions listed below.

6.1.1 **Lease or Transfer** Without prior approval of the Residential Screening Committee, hereinafter in Article 6 referred to as the "Committee," no owner may lease or dispose of a parcel or any interest therein by sale, transfer or otherwise except to a member of the Association, a spouse or a trust of which the owner, his spouse or lineal descendants are the sole beneficiaries. Parcels may be owned or occupied only as a single family residence. Single family shall include one (1) person, two (2) or more persons all of whom are related by blood, marriage or legal adoption, or not more than two (2) unrelated persons living and cooking together as a single housekeeping unit.

6.2 Leases

6.2.1 **Lease Approval** All leases shall be subject to prior approval of the Committee. Occupancy of a parcel by any person(s) in the absence of the owner, except for the spouse of the owner, or parents, children, grandchildren or siblings of the owner or his spouse, shall be treated as a lease and must be approved by this Committee. Not less than ten (10) working days prior to the start of the term of the proposed lease, an owner or his agent shall apply to this Committee for approval of the lease, using the application form prescribed by this Committee with the approval of the Board. The owner and/or the intended lessee shall furnish such information as this Committee may reasonably

require, including a copy of the proposed lease. The prospective lessee shall be available for an in-person or telephone interview by the Committee prior to the approval of the lease. It shall be the owner's obligation to furnish the lessee with a copy of all pertinent Condominium Documents. Each lease, or addendum attached thereto, shall contain an agreement of the tenant to comply with all Condominium Documents.

6.2.1.1. All leases shall include a provision appointing the Association as agent and attorney-in-fact for the owner so that the Association may act on behalf of the owner to enforce the lease, evict the tenant or otherwise enforce its Documents against the tenant. If the lease does not so provide, it shall be deemed to include such provisions. The foregoing rights may be exercised only upon ten (10) days written notice to the owner.

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6.2.1.2. All leases shall provide authorization for the tenant to pay rent directly to the Association upon receipt of written notification from the Association that the owner is delinquent in paying assessments or other permissible charges. If the lease does not so provide, it shall be deemed to include such provisions. The foregoing rights may be exercised only upon ten (10) days written notice to the owner.

6.2.1.3. The owner shall not be relieved of any liability or responsibility hereunder by virtue of the existence of said lease or any of the foregoing provisions and agrees to be jointly and severally liable with the lessee for the costs of any eviction proceeding brought by the Association against his lessee, including reasonable attorney fees.

6.2.1.4. All applicants for approval shall provide the Committee with proof of the age of all proposed occupants to ensure compliance with these Bylaws.

6.2.1.5. The Committee shall notify the owner of the approval or disapproval of a proposed lease within ten (10) working days after receipt of the completed application, lease, fee, if any, and interview, whichever is last received. The Association has a right to require, as a condition to permitting the leasing of a parcel, the depositing with the Association of a security deposit, up to the highest amount allowable by law, which may be placed by the Association in an account without interest and which may be co-mingled with other security deposits. If the application is not timely denied, it shall be deemed approved.

6.2.1.6. Upon termination of occupancy of the parcel by the lessee, the Association may deduct from the security deposit an amount equal to any actual or anticipated expenses occasioned by the wrongful acts of the lessee or his invitee(s), including, but not limited to, damage to the common elements and the limited common elements and Association property. Each tenant shall be jointly and severally liable with the owner for any damages to the common elements or Association property or other injuries or damage caused by the acts, omissions or negligence of such tenants or those claiming by, through or under them. Any amount remaining from the security deposit after such amount is deducted shall be returned to the lessee by the Association not later than fifteen (15) days from the date of notice to the Association of the termination of occupancy of the parcel by lessee.

6.2.2 **Lease Restrictions** All leases shall be for a minimum period of ninety (90) days. An owner shall not lease the parcel more than once in a fiscal year. Acknowledging that leases are sometimes terminated early because of circumstances beyond the control of the owner, the Committee has the right to approve a new tenant. However, in no event shall this Committee or the Board approve more than two (2) lease agreements relating to any parcel in a fiscal year.

6.2.2.1. Only entire parcels may be leased. There shall be no subletting of parcels. Guests of tenants must be registered with the Association. The maximum stay of guests of tenants is fourteen (14) days. Guests of tenants may not use the parcel unless the tenant is also in residence.

6.2.2.2. An owner of a leased parcel may not use any portion of the common elements except as a guest.

6.2.3. **Lease Disapproval** If a proposed lease is disapproved by the Committee, the owner shall be so advised in writing, with the reasons stated, and the lease shall not be made. Any lease made in violation of this Bylaw shall be voidable, and the Association may institute suit to evict the tenant. An owner violating this paragraph shall be liable for all court costs and reasonable attorney fees incurred by the Association.

6.2.3.1. Reasons for disapproval of a lease include but are not limited to: unacceptable age of occupants; incomplete application; apparent violation of other restrictions; bad references; criminal convictions; or rentals in violation of these documents.

6.3 **Sale or Transfer of Ownership** The approval of the Committee required for the transfer of parcel ownership shall be obtained in the following manner:

6.3.1. An owner intending to make a sale or transfer of the parcel or any interest therein shall give to the Committee: (1) on forms prescribed by this Committee with the approval of the Board, notice of such intention not less than ten (10) working days before the sale or transfer of such, and (2) all other information concerning the intended purchase as the Committee may reasonably require.

6.3.2. A copy of the proposed contract of sale signed by the prospective buyer shall be supplied to the Committee along with proof of the age of all proposed occupants. Financial information may be deleted. The prospective purchaser shall be available for an in-person or telephone interview by the Committee prior to the approval of the sale.

6.3.3. Within ten (10) working days after receipt of the proposed contract for sale, payment of fee, if any, and interview, whichever is last received, the Committee must either approve or disapprove the transaction. If approved, the approval shall be stated in a Certificate of Approval executed by the President, Vice President or Treasurer of the Association and the Chairman of the Committee, and attested to by the Secretary in writing.

6.3.4. If the proposed transaction is disapproved, the owner shall be advised in writing, with the reasons stated, and the transaction shall not be completed.

6.4 **Processing Fees** The Committee may require the payment of a processing fee simultaneously with the giving of notice of intention to sell, transfer or lease. Any processing fee set by the Board shall conform to applicable law.

6.5 **Voiding Sales or Leases** Any sale or lease not authorized pursuant to the terms of these Bylaws shall be voidable at the discretion of the Board. The Association must commence an action to set aside such transaction within one hundred twenty (120) days.

Article 7. Condominium Use Restrictions

7.1 **Parcels** A parcel shall be occupied by only one (1) family, its servants if any, and guests as a residence and for no other purpose. Using the premises for business, professional, occupational or charitable reasons is not permitted. Advertising any parcel address as a place to respond for goods or services shall not be permitted except for an owner's advertising a parcel for lease or sale.

7.1.1 **Home Office** It shall be permissible for an owner or resident to maintain a home office for his exclusive use. No customers, staff, or deliveries of stock or supplies shall be allowed to use the premises. Neighborly assistance shall not be considered a violation.

7.1.2 **Age Requirements** (Amended 4/01/21) In accordance with the Fair Housing Amendments Act of 1988 and Housing for Older Persons Act of 1995 (HOPA), at least one person fifty-five (55) years of age or older must be a permanent occupant of each parcel while any other person occupies the parcel. All additional or secondary unit occupants must be forty-five (45) years of age or older, unless a request for exemption is made through the Residential Screening Committee to the Board and approval is granted. All permanent occupants must register with the Association and provide proper age verification documentation on an annual basis, or upon request by the Association.

7.1.2.1. Persons under the age of twenty-five (25) shall be allowed to occupy a parcel on a temporary basis not to exceed thirty (30) days in any calendar year so long as one (1) of the occupants is age fifty-five (55) or older and if the minor does not utilize public or private school bus transportation to attend school. On an emergency basis, the Board may grant an extension to the thirty (30) days when an appeal is made through the

Residential Screening Committee to the Board. In order to assure compliance with the governing documents, each Unit Owner shall notify the Association in writing of any temporary occupancy of any person under the age of twenty-five (25) that exceeds thirty (30) consecutive days. Failure to provide the foregoing information shall be a permissible basis to support a legal action by the Association against the Unit Owner.

7.1.2.2. The Board shall not have the right to establish hardship exceptions to permit any person between the ages of eighteen (18) and fifty-five (55) to reside in the community in the absence of person fifty-five (55) or older occupying the same unit. Such exceptions as may occur, if at all, through the natural exigencies of life, such as death, divorce, long-term illness and the like, shall be the sole exceptions to the requirement that each unit be occupied by at least one person aged fifty-five (55) years or older. The Board shall have no discretion to create its own exceptions. (Revised and adopted, 1/28/97)

7.1.2.3. The Board or its designee shall have the right to deny occupancy of a parcel by any person who would thereby create a violation of the aforementioned restrictions. Restrictions on occupancy by persons under fifty-five (55) years of age shall not apply to owners and persons continuously occupying a parcel prior to February 15, 1989.

7.2 **Common Elements** Alterations or modifications to common areas may be permitted by the Board provided the following criteria are met: 1) no special assessments be required of owners, 2) no material increase in assessments, or 3) approval of abutting neighbors is obtained.

7.3 **Nuisances** No nuisances shall be allowed upon the Condominium property, or any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and enjoyment of the property by the residents. All parts of the Condominium shall be kept in a clean and sanitary condition and no rubbish or garbage allowed to accumulate or any fire hazard allowed to exist. An owner who permits any use of his Condominium property, above that required when the parcel is used for normal residential and recreational purposes, shall pay the amount of any increase in the Association insurance premiums occasioned thereby.

7.4 **Lawful Use** No immoral, improper, offensive or unlawful use shall be made of the Condominium property or any part of it. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

7.5 **Guests of Owners** Guests of owners are defined in these Bylaws as persons who are related by blood or marriage to the owner, his spouse, companion and/or no more than four (4) persons who are unrelated to the foregoing and whose visit shall not exceed thirty (30) days. The Residential Screening Committee shall have the right to approve or disapprove the proposed occupancy of a parcel by a guest of an owner where occupancy is to take place during the absence of the owner. Approval shall be granted only where such guest occupancy is to be by one family and its servants, if any. The Committee may adopt reasonable regulations limiting the length of such guest occupancy.

7.6 **Structures** Unless approval of the Architectural Review Committee and the Board is received in advance, no structures, attached or unattached to the residence, of any type, i.e., recreational vehicles, mobile units, tents, shacks, barns or other outbuildings, shall be erected on any portion of the parcel, either temporarily or permanently.

7.7 **Parcel Appearance** Owners shall keep their property trimmed, neat and clean. The Board may instruct the Manager to contact an owner or the real estate company or other unit owner representative managing the unit for and on behalf of an owner to request that a condition or other violation of the governing documents

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of the Association be corrected. If the owner or the owner's representative fails to correct the condition or other violation of the governing documents of the Association, the Board may instruct the Manager to have Association staff pursue any available legal remedy, including the commencement of legal proceedings, against the unit owner or the owner's successors in interest in order to ensure insure compliance with the governing documents of the Association. (Amended 1/20/09)

7.8 Garage/Yard and Estate Sales (Amended 7/2026)

- 7.8.1. A "garage/yard sale" shall mean the sale of used household belongings, typically held outdoors or in a garage at the home of the seller. Private garage/yard sales are prohibited.
- 7.8.2. An "**Estate Sale**" shall mean the orderly and one-time sale of the personal property of a resident of the Scottish Highlands community that is kept in the home of the resident, where the sale of the personal property is intended to be a final disposition and is necessitated by either:
 - a. When one or both residents of a home have passed away,
 - b. When one or more residents of the home move to live with a family member, to an assisted living facility, nursing home, or similar facility, when living independently is no longer an option.
- 7.8.3. In no event shall a proposed sale to be held as a result of any of the following be considered to be an "estate sale" because it is unclear that such a sale is a one-time sale intended to be a final disposition of the residents' property:
 - a. a serious illness, a hospitalization,
 - b. a divorce, or
 - c. a loss of job,
 - d. a change of circumstances for relatives living elsewhere.
- 7.8.4. The scheduling and conduct of an estate sale must have the prior written approval of the Board of Directors or its designee, at which time regulation of parking shall be arranged. Approval must be received at least two (2) weeks before the proposed sale date.
- 7.8.5. Estate sales will be for no more than two (2) consecutive days, and may not start before 8:00 a.m. and must conclude by no later than 4:00 p.m.
- 7.8.6. All sales shall be conducted inside the home. No sales or merchandise shall occur or be placed on the lawns. Small items may be carried to the purchaser's passenger motor vehicle. However, items that cannot be easily carried to the purchaser's passenger motor vehicle must be moved and shipped to the buyer by the auctioneer or another third party.
- 7.8.7. The location of an estate sale may be advertised 24 hours prior to the date and time of sale.
- 7.8.8. Signs may be posted in, on or about the Scottish Highlands community with the address of the sale, except that a small single sign, not to exceed twenty-four (24") inches by twenty-four (24") inches saying "estate sale" may be placed on the home where the sale is occurring, only during the conduct of the sale.
- 7.8.9. The person(s) conducting the estate sale shall be responsible for traffic control. No parking may occur except on the paved streets of the community, and no access or driveway may be blocked, nor any line of sight impaired. The person(s) conducting the estate sale shall cordon off neighboring properties to prevent parking on the grass.
- 7.8.10. All other onsite sales of personal property by residents of the Scottish Highlands community must be conducted pursuant to and as part of the annual community flea market sale.
- 7.8.11. No one is allowed to bring items for sale from any source other than the household for which the estate sale is being conducted.

- 7.8.12. No one is allowed to bring items for sale from any source other than the household for which the estate sale is being conducted.
- 7.9 **Reflective Materials** An owner is prohibited from affixing to the interior or exterior surface of a window or glass door any aluminum foil or similar type of reflective material.
- 7.10 **Trash** No rubbish, trash or garbage shall be placed outside the home or on the driveway of any parcel for more than twenty-four (24) hours prior to scheduled pick up.
- 7.11 **Fences** Fences and/or continuous hedges are not permitted except along the perimeter of Association property. Approved fencing shall be of pressure-treated pine "shadow box not exceeding six (6) feet in height. The foregoing does not apply to low profile enclosures around vegetable gardens. (Amended 1/20/09). Any fencing or similar structure proposed on a residential lot must comply with the standards established by the Association and shall not be erected without prior approval through the Architectural Review Application process.
- 7.12 **Animals** Non-domestic animals, poultry or livestock shall NOT be raised, bred or kept upon any portion of an owner's property.
- 7.12.1 Dogs, cats and other small common household pets may be domiciled at a residence as long as it is not for commercial or breeding purposes
- 7.12.2 Domestic pets and household animals must remain under the control of the owner at all times. Dogs must be kept leashed while outside the owner's residence. Leashes shall not exceed 6 'feet in length.
- 7.12.3 Pet owners are personally liable for their animals' behavior at all times.
- 7.12.4 Pet owners are required to clean up any waste left by their pets while on Association property, rights of way and roads.
- 7.12.5 No owner or occupant of a Lot or Unit shall keep, maintain or harbor more than three (3) domestic pets in any dwelling or on any Lot at any time. Domestic pets shall include dogs, cats, and other household animals customarily kept indoors.
- 7.13 **Signs** No sign of any kind shall be displayed upon a Condominium parcel by any unit owner, tenant, resident, occupant or guest, except for professionally manufactured signs approved in writing in advance by the Board, designating the resident's name and house number. However, one in-ground sign of not more than four (4) square feet advertising the property for sale or lease may be displayed. The foregoing provision shall not be binding upon the Association when it causes a sign to be placed anywhere on the condominium property relating to a social event, holiday, or when the Association causes a sign to be placed on the common elements or Association property relating to official Association business, including the noticing of meetings. (Amended 1/20/09)
- 7.14 **Access** No owner shall permit continuous utilization or passage by others through or upon his parcel.
- 7.15 **Vehicles** No commercial vehicles, i.e., any vehicle used in a trade or business or having advertising materials affixed thereto, trailers, semitrailers, heavy machinery, boats, recreational vehicles or trucks shall be parked on any portion of parcels or common areas. Service vehicles may be located there on a temporary basis while service is being performed for the owner or Association.
- 7.15.1 Private vehicles of owners or visitors shall be parked on the driveway of the parcel. If the driveway becomes filled, parking on the lawn, parallel to the street, will be permitted on a temporary basis for a maximum of seventy-two (72) hours. Beyond this time limit, these vehicles shall be parked on the grass overflow parking lot adjacent to the Administration Building.
- 7.15.2 Recreational vehicles, i.e., mobile homes, motor homes, campers, boats, trailers may park in an owner's driveway for a limit of seventy-two (72) consecutive hours.

7.15.3 No owner shall allow a disabled or abandoned vehicle or any vehicle without current tags to remain on any parcel or common area for any period of time other than that necessary to arrange for other storage or repair. No major repairs to vehicles may take place on any exterior portion of a parcel or common property.

7.16 **Hurricane Shutters** Approval must be obtained by the owner from the Architectural Review Committee prior to installation. All proposals should contain detail to enable the Committee to determine its conformity to the specifications as may be adopted from time to time by the Board or the Architectural Review Committee and to assure that the installation will be compatible with the building appearance.

7.16.1 Installing company must be licensed and insured to work in Lake County. Proof of license and insurance must be presented to Management prior to commencement of work.

7.16.2 Installing company must obtain all applicable permits prior to commencement of work. Permits must be displayed as required by Lake County Code. If shutters are electric, a licensed/insured electrician must be used. Proof of license and insurance must be presented to Management.

7.16.3 Shutters must be designed and engineered to meet or exceed requirements of the Local Building Code. Proof of engineering certification must be submitted to Management.

7.17 **Other Rules** Reasonable rules concerning the appearance and use of the Condominium property, including parcels or common areas, may be made and amended from time to time by the Board. Copies of any such rules and amendments shall be furnished by the Association to all owners and residents of the Condominium upon request.

Article 8. Amendments

8.1 Except as otherwise provided in this article, Bylaws may be amended at any Regular or Special Member Meeting of the Members by the affirmative vote of a majority of all votes held by the Members of the Association.

8.2 **Resolution** A resolution to adopt any proposed amendment(s) may be initiated by the Board or any owner of record. The Board, by a majority vote, must approve any proposed amendment(s) at a duly noticed meeting of the Board held prior to submission of the proposed amendments(s) to the Members.

8.3 **Notice** Notice of the meeting at which a proposed amendment is to be considered shall include:

8.3.1 a statement that proposed amendments are to be considered at the meeting, and

8.3.2 a copy of the proposed amendment(s), and

8.3.3 A brief summary of each amendment to be considered, including the purpose of each amendment, stating the need each amendment is intended to meet and the foreseeable consequences resulting from the adoption or the failure to adopt each proposed amendment, and

8.3.4 a statement of the date of any reconvened meeting called under Article 8.4 hereof, and

8.3.5 a Board recommendation on each proposed amendment may accompany the notice, but such recommendation is not required.

8.4 **Apathy** At the time of initially scheduling the vote on any proposed amendment(s) the Board may specify one (1) date for reconvening the Membership Meeting if the original Meeting is adjourned either for failure to achieve a quorum or for failure to obtain the votes, for and against totaled together, of at least a majority of all votes held by the Members of the Association. The date for reconvening such meeting shall be within ninety (90) days of the original meeting date. Proxies for the original meeting will be valid so long as the

meeting is in fact reconvened within ninety (90) days of the original meeting date and no further notices will be required. At the reconvened meeting a quorum shall consist of the Members who are present in person or by proxy. In the event of a reconvened meeting, each proposed amendment must be approved by the affirmative votes of at least one-quarter (1/4) of the Members of the Association. (Amended March 10, 2004)

Article 9. Parliamentary Authority

- 9.1 The rules contained in the latest edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases in which they are applicable and are not in conflict with Condominium Documents, rules, policies and procedures adopted from time to time by the Board.