

SUMMARY OF AMENDED AND RESTATED GOVERNING DOCUMENTS

One of the most important items Burnt Store Lakes Members will be asked to vote on at the October 16, 2021, Annual Meeting is a motion to approve the proposed Amended and Restated Declaration of Restrictions for Section 21 (Burnt Store Lakes), Second Amended and Restated Bylaws of Burnt Store Lakes Property Owners' Association, Inc., and the Amended and Restated Articles of Incorporation for Burnt Store Lakes Property Owners' Association, Inc. ***The Board unanimously requests that Owners vote in favor of these amendments.***

Why are we doing this?

Property Owners' Associations (POA) are well-known to protect property values while providing a strong sense community. While on the surface POA rules and regulations seem to exist for no reason, in truth, a POA's governing documents are the primary mechanism for keeping property values high and maintaining the sense of community many POA members love. Both factors work together to keep the POA competitive in the real estate marketplace. They do so by providing safety and structure to the community through regulation.

Unfortunately, governing documents don't stay relevant forever. Generally, we are advised it's a good idea to review governing documents every 3 to 5 years. Our Articles of Incorporation date back to 1984 and our Bylaws and Deed Restrictions have been untouched for decades. Multiple state laws have changed, and our documents need to be updated so that we stay within state compliance. They also need to be modernized. They are very outdated, contain extremely vague language and are no longer relevant to the way the Association operates. Over the years the Association has implemented over 25 different policies to supplement the deed restrictions. Changes in society and the community have triggered the need to significantly amend our Association's governing documents.

What was the update process?

Your Board started working on updating the documents in 2017. The final 2021 recommended documents have been created with the input of four different elected Boards of Directors. Since these are legal documents, your Board has worked very closely with our Legal Counsel, Chris Shields, to amend the documents. Changes were discussed at scheduled Board Meetings so that all Members could participate. In August the proposed draft documents were sent to all Association Members. Many residents sent in emails with questions and concerns. In addition, three Town Hall Meetings were conducted to inform members of the changes, answer questions and to take feedback. The Board then re-reviewed and edited the documents in response to the feedback. The documents you are being asked to approve reflect the result of all input.

What are the major changes?

Articles of Incorporation. This document is filed with the State of Florida. It legally documents the creation of our Association as a tax-exempt organization. It defines the purpose and powers of the POA, its membership and management via a Board of Directors. No major changes were made to this document, other than it was updated to reflect today's legal standards.

Bylaws. The Bylaws are the legally binding rules that define the internal affairs of the POA. They must follow federal and state laws and comply with the Articles of Incorporation. They supplement the rules already defined by Florida Statutes 617 and 720. They guide the Board's actions and decisions and serve as an "operating manual" for the Association. They establish the Association's internal management structure, procedures, and dispute resolution processes. They provide rules for meetings, voting, elections of a Board of Directors and officers, filling vacancies, types and duties of officers, committees, assessments, and other routine conduct. There are three major changes to the Bylaws:

- The quorum requirement for Members' Meetings changes to 10% of members present or by proxy which is now allowed in the Florida Statute. Many Associations, including ours, had difficulty in meeting the previous requirements.
- Florida Statute 720.306 Elections and Board Vacancies provides that if the election process allows candidates to be nominated in advance of the meeting, the association is not required to allow nominations at the meeting. Since the POA allows nominations to be in advance of the Annual Meeting and publishes the names in advance for voting, the POA will no longer accept Board Nominations from the floor at the meeting.
- The previous Bylaws draft indicated that the Board had the sole responsibility of approving the annual budget and assessments. Based on feedback from members, this has been changed. Members will continue to adopt the annual budget as well as the amount of the assessment.

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Burnt Store Lakes Property Owners' Association, Inc.

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Declaration of Restrictions. This document is a recorded agreement that puts certain deed restrictions on a piece of land. It contains the rights and responsibilities of each member and the responsibilities of the POA to its members. Information about architectural restrictions, property use restrictions, property maintenance standards, common areas, and more. Deed restrictions “run with the land,” meaning they are tied to the deed and do not go away when the property is sold. Anyone who buys real estate with a deed restriction will be legally bound to it. When purchasing a home or land in a deed-restricted community, the buyer is agreeing to abide by the rules. There are several major changes to the Declaration of Restrictions:

- The new deed restrictions incorporate Single-Family and Multi-Family restrictions into one document. Previously, these were two separate documents. This streamlines our voting to one quorum and one set of votes.
- Currently there are twenty-five individual policies which have been incorporated into the new deed restrictions.
- The POA can now use electronic delivery of documents and notices vs only postal mail. This will make communication with members easier as well as more cost effective. General Annual Meeting mailing expense can run well over \$4,000 depending on the size. This is the result of a change in the Florida statutes.
- Electronic voting now becomes a possibility for future elections, budgets, amendments, etc. This is the result of a change in the Florida statutes.
- Added more control over building use within the POA. Specifically, apartment complexes are prohibited as are short-term rentals such as AirBnb and VBRO.
- Section 5, Architectural and Aesthetic Control now provides new “non-subjective” parameters for new construction and changes to existing structures, including a clarification of setbacks. It includes the addition of integrated RV garages for new construction and general addition requirements which will architecturally balance with an existing home. There is a new minimum of 1,700 sf vs. 1,200 for single-family homes which is more in line with existing homes and home values. The new standard for fences is now four feet high, vs. three feet, and enclosure shield requirements have been relaxed such as they may now extend the full side of a home with three-foot setbacks.
- Section 6, Use Restrictions now provides for “grandfathering” for a home’s existing conditions and improvements, additional guidance regarding signs and flags, more flexible time periods for RV loading and unloading (up to 5 days), and additional rental guidelines to minimize short-term rentals.
- Section 8, Covenant for Assessments now specifies Annual and Special Assessments are approved by the Membership. This section also includes the Resale Capital Contribution of \$500 for all new home or lot buyers. This contribution will NOT apply to anyone who currently owns property in the POA and elects to purchase an additional lot or home in the POA in the future. Spending of this fund also requires Membership approval.

Summary

The new governing documents are undoubtedly the most important items to come up for adoption by POA Members in many, many years. Please remember to look at these vital documents as a whole. Your Board is hopeful the contents meet overall approval. They bring Burnt Store Lakes into the 21st century and set the future direction for the POA. We need your support in adopting these documents to enhance the overall value of our community. ***The Board unanimously requests that Members vote in favor of these new governing documents.***