

Palm Island Estates Governing Documents Update

December 3, 2018

Purpose of “Common Sense” Updates

(Articles originally drawn up in 1980 and By-Laws as amended from time to time.)

- Amend for new technologies (email, website and no more fax)
- Amend for new legal standards and best practices in state of Florida
- Update to reflect current purpose and practices

Format – “Track changes” is used to show all substantive changes except:

- listing of contact names and addresses for various roles
- listing at end of By-Laws summarizing updates over the years (all updated are incorporated)

Articles of Incorporation

Article III

- updated general purpose to be consistent by-laws

Article IV

- Updated powers of PIE
- Powers do not allow taking on debt or levying assessments to be consistent with By-laws

Article VI (original)

- Registered Agent Designation and Acknowledgement moved to end of the document
- PIE was organized under FS Chapter 617 Not-for-Profit (not to be confused with 501-c3 charitable organizations referenced above).

Article VI

- Made the number of directors consistent with the By-Laws
- Trend is to reduce risk by reducing size of boards - we can spread the work load more by engaging more volunteers on committees based on interest from their membership applications.

Article VIII

- Made amendment of Articles consistent with By-Laws on amending By-Laws.

Article X

- Clarified amendment process for Articles to allow voice of Members present to “ be heard” via their votes on proposed and properly noticed document changes.
- Amendment process for By-laws is covered in the By-laws.

By-Laws

Article I – updated general purpose and address

Article II – Membership – Clarify original intention which has been was confusing

- Each “person or entity” who owns or rents for > a year
- One vote regardless to the number of properties owned
- Death of member expanded spouses to include resident family members
- Reflected earlier update to govern by Abbreviated Roberts Rules

Article III – Member’s Meetings

- Expanded notice from 10 days to 30 days
- Updated for notice via website and email
- Added a meeting place
- Added ability to communicate notices via electronic mail.
- Added waiver of call or notice of meetings principally to be able to call emergency or urgent meetings
- Added process for proxies and electronic voting

Article IV – Directors

- Added process for adjusting the number of directors (in the range of 9 - 13)
- All candidates are members in good standing, at least 18 years old and subject to a background check.
- Any candidate with felony convictions is not considered (unless civil rights have been restored for >10 yrs) to avoid potential coverage issues with D&O and Fidelity Bond insurance coverages showing PIE exercises fiduciary (i.e. prudent person) care to avoid risky situations.
- Any candidate convicted of felony theft or embezzlement is not eligible.
- With an odd number of directors, clarified “approximately” half the directors are elected each year.
- Voting by proxy and updated for voting by electronic means (email, fax, etc.) if authenticated by approved email address. Steps taken to ensure one vote per membership.
- Added attendance at board meeting via electronic means (e.g. teleconference) as we don’t want to exclude directors who may travel or be part-time residents.
- Two unexcused absences or a felony embezzlement indictment will result in removal of a director.
- A director can be recalled by a majority of all members OR three-fourths of all directors.
- Added language on presumption of assent, informal board actions and consents, etc.
- Added specific language on directors abstaining from voting in the case of financial or organizational conflicts of Interest.
- Removed executive committee as obsolete and to encourage broader participation.

Article V – Duties of Officers

- Set some standard language on number and term of office, removal and vacancies.
- Officers will be elected at first board meeting after election of directors at the annual meeting.
- Officers can be removed from office for cause by a $\frac{3}{4}$ majority of all directors.
- Updated Secretary and Treasurer duties as has been the practice for many years
- Updated the duties of Recording & Corresponding Secretaries to reflect current actual practice
- Added Article VIII Indemnification of Directors and Officers; and Insurance requirements