

**BY-LAWS**  
**SWEETWATER COMMUNITY, INC.**  
A Florida Not for Profit Corporation  
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Adopted: 3/26/96  
Amended: 2/17/2009

## BY-LAWS

**SWEETWATER COMMUNITY, INC.**  
A Florida Not for Profit Corporation

### ARTICLE I. GENERAL PROVISIONS

1.1 **Name.**

The name of this Corporation shall be SWEETWATER COMMUNITY, INC. (hereinafter sometimes referred to as "Corporation" or "Sweetwater Golf and Tennis Club").

1.2 **Principal Office.**

The principal office of the Corporation shall be located at 1400 Sweetwater Club Blvd, Haines City, Florida 33844, or at such other place as may be subsequently designated by the Board of Directors (hereinafter sometimes referred to as "Board" or "Directors").

1.3 **Definitions.**

These By-Laws shall govern the operation of the Corporation under the Florida Not for Profit Corporation Act, Chapter 617, Florida Statutes, and all other applicable Florida Statutes. Any terms not defined in these By-Laws shall have those definitions established by the Declaration of Restrictions relating to Sweetwater Golf and Tennis Club (hereinafter the "Declaration of Restrictions") and the applicable Florida Statutes, except that, if any definition in these By-Laws conflict with a definition in the Declaration of Restrictions or the Florida Statutes, where permissible, the definition in these By-Laws shall prevail. The Corporation shall designate a registered agent and a registered office in accordance with Florida law to be continuously maintained.

### ARTICLE II. SHAREHOLDERS AND VOTING RIGHTS

2.1 **Shareholders.**

Shareholders in the Corporation shall consist of Owners in Sweetwater Golf and Tennis Club who have purchased a Membership Certificate (hereinafter sometimes referred to as Share) in the Corporation. Only Owners of lots are eligible to purchase Shares in the Corporation. The Share number shall be the same as the recorded lot number. The names on the Shares shall be the same as the name on the Owners of the lot to which the Share number applies. Ownership of Shares in the Corporation and ownership of the Lot cannot be separated. Once issued, each Share shall remain with the lot to which it was originally assigned and can only be transferred to the successor Owners of the lot. The transferee of a Share, either voluntarily, in accordance with these By-Laws, or by operation of law, shall automatically become a Shareholder of the Corporation if all requirements for a Shareholder have been met. If the Share is vested in more than one person, only one of the persons owning the Share shall be eligible to hold office simultaneously. The vote of a multiple owned Share shall be cast by the "Voting Shareholder" as provided in Article II, Section 2.3 E. herein.

2.2 **Partial Payment for Shares.**

The Corporation, at its option, may allow partial payment for shares. In that event the Share shall be subject to a lien for the unpaid amount. No such Share shall be transferable by the

Shareholder unless and until the purchase price is paid in full or unless the purchaser assumes the obligation to pay the remaining balance.

- 2.3 A. **Voting.** One vote will be allowed for each share. The person entitled to cast the vote for multiple-owned shares will be determined according to Article II, Section 2.3 E. herein. If a Shareholder owns more than one share, he or she shall be entitled to one vote for each share. No share's vote shall be divisible.
- B. **Quorum.** The presence or in person, of one third (1/3) of the designated voting Shareholders shall constitute a quorum. Absentee ballots may be used to establish a quorum. After a quorum has been established at a Shareholders' meeting, the subsequent withdrawal of Shareholders so as to reduce the number of Shareholders entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof.
- C. **Majority.** The acts approved by a majority of the voters, present in person or by absentee ballot at a meeting at which a quorum shall be present, shall be binding upon all Shareholders for all purposes, except where otherwise provided by law, or in the Articles of Incorporation or in these By-Laws; and, as used in these By-Laws and the Articles of Incorporation, the term, "majority of the Shareholders," shall mean those Shareholders having more than fifty percent (50%) of the total authorized votes of all shares present, in person or by absentee ballot, and voting at any meeting of the Shareholders at which a quorum shall be present.
- D. **Absentee Ballots** On all issues where Shareholders are authorized to vote a ballot will be provided at the time of the notice of meeting. Shareholders may vote the ballot in person at the meeting or by turning in the ballot to the office.
- E. **Designation of Voting Shareholder.** If a Share is owned by more than one Shareholder, only one of the Shareholders shall be entitled to vote on any matter. If a Share is owned by an outside Corporation, it shall designate the person entitled to cast its vote by certifying such person's name with the Secretary of the Corporation. Each such designation shall be valid until revoked or superseded by a subsequent designation. If a Share is owned jointly by a husband and wife, either can cast a vote, but only one vote may be cast at that time.

2.4 **Dividends.**  
Under no circumstances shall dividends be paid to or accrue to the benefit of any Shareholder of the Corporation.

2.5 **Special Membership.**  
Special Membership is a one (1) day membership to a person who has purchased a daily green fee to play eighteen (18) holes of golf. Special Membership may be issued by the Corporation in connection with the use and enjoyment of the Pub and the Bar Cart within the licensed premises as permitted by the Department of Business and Professional Registration, Division of Alcohol Beverages and Tobacco. The Corporation reserves the right to charge a reasonable fee for Special Membership. Special Memberships may be revoked without cause at any time by a majority vote of the Board of Directors.

### **ARTICLE III. MEETINGS OF SHAREHOLDERS**

3.1 **Place.**  
All meetings of the Shareholders shall be held in the clubhouse of the Corporation or such other place and at such time as shall be designated by the Directors and stated in the notice of the meeting.

3.2 **Notice.**  
The Secretary shall send by regular mail or deliver a written notice of each annual or special meeting to each Shareholder and post a copy of the notice in a conspicuous place on the

bulletin board in the clubhouse of the Corporation at least thirty (30) calendar days preceding the meeting. Notice of any meeting shall list the time, place and an identification of the agenda items. All notices shall be mailed, or delivered at the address of the Shareholder as it appears on the books of the Corporation. Proof of posting, delivery or mailing of notice shall be given by affidavit of the person serving the notice. Notice of annual and special meetings may be waived in writing by Shareholders before or after the meeting. An officer of the Corporation shall provide an Affidavit or United States Postal Service Certificate of Mailing, to be included in the official records of the Corporation confirming that Notices of the Corporation Meeting were mailed or hand delivered, in accordance with these By-Laws, to each Shareholder at the address last furnished to the Corporation.

3.3 **Annual Meeting.**

The annual meeting of the Shareholders for the purpose of electing members of the Board, making recommendations with regards to the proposed budget, and transaction of any authorized business, shall be held on the third Tuesday in February of each year, or at such other time as shall be selected by the Directors. At the annual meeting, the Shareholders shall elect members of the Board of Directors by a plurality vote (cumulative voting prohibited) and shall transact such other business as may be properly brought before the meeting. The meeting shall be conducted in accordance with Roberts Rules of Order, Newly Revised. (See Article IX of these By-Laws.)

3.4 **Special Meetings.**

Special meetings of the Shareholders for any purpose, unless otherwise prescribed by Statute, may be called by the Board of Directors or shall be called by the Board of Directors at the request, in writing, of voting Shareholders representing at least ten percent (10%) of the total number of shares outstanding. Such request shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subject stated in the notice of the meeting.

3.5 **Information Meetings.**

An Information Meeting of the Shareholders may be called at the discretion of the Board of Directors after giving at least 48 hour notice.

3.6 **Waiver and Consent.**

Whenever the vote of the Shareholders at a meeting is required or permitted by a provision of the Statutes, the Articles of Incorporation or of these By-Laws to be taken in connection with any action of the Corporation, the meeting and vote of the Shareholders may be dispensed with if a majority of the Shareholders who would be entitled to vote upon the action of such meeting, if such meeting were held, shall consent in writing to such action being taken. In such event, however, a written notice of such action shall be given to those Shareholders who have not consented within ten (10) business days. Such notices shall fairly summarize the material features of the action so authorized and, if such action results in a merger, consolidation or sale of or exchange of a major portion of the corporation assets, for which dissenter's rights are provided by law, shall contain a summary of the rights of the dissenting Shareholder. Shareholders may waive the rights of the dissenting Shareholder. Shareholders may waive notice of special meeting and may take action by written agreement without meetings.

3.7 **Adjourned Meeting.**

If any meeting of the Shareholders cannot be organized because a quorum is not present, either in person or by proxy, the meeting shall be adjourned from time to time until a quorum is present.

3.8 **Order of Business.**

The order of business at annual meetings and, as far as practical, at other meetings of the Shareholders shall be:

- A. Call to order by President or Chairmen
- B. Calling of roll, or some other proof of quorum, and certifying of proxies
- C. Proof of notice of the meeting or waiver of notice
- D. Reading and disposal of any unapproved minutes
- E. Reports of Officers
- F. Reports of Committees
- G. Appointment of Inspectors at election
- H. Election of Directors
- I. Treasurers Report, Approval of the Budget (Budget Meeting)
- J. Unfinished business
- K. New business
- L. Adjournment.

3.9 **Minutes of Meetings.**

A copy of the minutes of all meetings of Shareholders shall be kept in a book located at the Corporation's office and be available for inspection by the Shareholders, or their authorized representative, and Board members at any reasonable time. The Corporation shall retain these minutes for a period of not less than seven (7) years. The minutes of all meetings, except executive sessions of the Board shall be prepared by the Secretary or other Officer or Director in attendance at any meeting and shall affix their signature to such prepared corporation record. A copy of those minutes shall be posted on the bulletin board within seven (7) business days following the adjournment of each meeting.

**ARTICLE IV. DIRECTORS**

4.1 **Membership.**

Subject to the limitations of the Articles of Incorporation, these By-Laws and any Florida Statutes which may apply, the day to day affairs of the Corporation shall be managed by a Board of Directors, of not more than nine (9) nor less than three (3) members, the exact number to be determined, from time to time, by a majority of the Shareholders. The initial Board of Directors shall be composed of nine (9) members. All Directors shall be holders of a Share, and no Director shall continue to serve on the Board after he or she ceases to be a holder of a Share in the Corporation.

4.2 **Election of Directors.**

Election of Directors shall be conducted in the following manner:

- A. The election of Directors shall be held at the annual meeting of the Shareholders.
- B. A Search Committee of three (3) Shareholders, none of whom may be members of the Board of Directors, shall be appointed by the Board of Directors, not less than ninety (90) calendar days prior to the annual meeting of the Shareholders. The Search Committee shall attempt to encourage at least one (1) person for each vacancy to give written notice to the Secretary of the Corporation of their respective candidacies for the Board of Directors not less than forty (40) calendar days prior to the scheduled election.
- C. The election of Directors shall be by written ballot or voting machine and by plurality of the votes cast, each person voting being entitled to cast his or her votes for each of as many nominees as there are vacancies to be filled (there shall be no cumulative voting). Proxies shall not be used in electing the Board of Directors. No Shareholder shall permit any person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid. A Shareholder who needs assistance in casting the ballot for the reasons set forth in Section 101.051, Florida Statutes, may obtain assistance from an Election Committee member in casting the ballot.
- D. At any time after a majority of the Board is elected any one or more of the Directors may be removed, with or without cause, pursuant to the procedures of Section 617.0808, Florida Statutes.



- E. If the office of Director becomes vacant by reason of death, resignation, retirement, disqualification or removal from office, a majority of the remaining Directors, though less than a quorum, shall choose a successor who shall hold office for the unexpired term of his or her predecessor in office.
- F. Any Director may resign at any time by sending written notice of such resignation to the office of the Corporation, which resignation shall take effect immediately unless a later date is specified therein. Any Director shall become disqualified to hold office upon the relinquishment of his or her Share in the Corporation.

4.3 **Notice of Election/Ballot.**

Not less than sixty (60) calendar days before a scheduled election, the Secretary shall mail or hand deliver to each Shareholder entitled to vote, a First Notice of the Date of Election of members of the Board of Directors. This First Notice may be by separate mailing, or included in another Corporation mailing or included in the Corporation's regularly published newsletter. Any Shareholder desiring to be a candidate for the Board of Directors shall give written notice to the Secretary of the Corporation not less than forty (40) calendar days before a scheduled election. Together with the notice and agenda as set forth in Article 3.2 herein, the Corporation shall mail a Second Notice of the Election at least thirty (30) calendar days preceding the election meeting, to all Shareholders entitled to vote, together with a ballot which shall list all candidates. Upon request of a candidate, the Corporation shall include an information sheet, no larger than 8 1/2 inches by 11 inches furnished by the candidate not less than thirty-five (35) calendar days prior to the election, which information sheet shall be included with the ballot. The cost of mailing or delivering and copying of the ballot and enclosures shall be borne by the Corporation. The Corporation has no liability for the contents of the information sheets provided by the candidates. In order to reduce costs, the Corporation may print or duplicate the information sheets on both sides of the paper. Notwithstanding the provisions of this section and Section 4.2 above, an election and balloting are not required unless more candidates file a notice of intent to run than vacancies exist on the Board.

4.4 **Terms of Directors.**

The terms of the Board of Directors shall be for a period of two (2) years. A bare majority of Directors shall be elected on odd-numbered years and a minority of Directors shall be elected on even-numbered years

4.5 **Organizational Meeting.**

An organizational meeting of the Board of Directors shall be held immediately after their election at the annual meeting and no further notice of the organizational meeting shall be necessary. The Board of Directors shall, at the organizational meeting, designate a temporary Chairman and proceed to elect the officers of the Corporation at that time or, at the latest, within three (3) calendar days thereafter.

4.6 **Regular Meetings.**

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. All meetings of the Board of Directors shall be open to all Shareholders. Notice of meeting shall be posted in a conspicuous place, i.e., the bulletin boards in the clubhouse, at least forty-eight (48) continuous hours in advance of any such meeting, except in the event of an emergency. Any item not included on the notice may be taken up on an emergency basis or a vote by at least a majority plus one (1) of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Notice to Shareholders of any meeting in which assessments against Shareholders are to be considered, for any reason, shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Notice of any meeting at which non-emergency special assessments will be discussed or approved shall be mailed or delivered to the Shareholders and posted in a conspicuous place upon the bulletin boards in the clubhouse not less than fourteen (14)

calendar days prior to the meeting. The Secretary of the Corporation shall complete an Affidavit evidencing compliance with this fourteen (14) calendar day notice, which Affidavit shall be filed among the official records of the Corporation.

- 4.7 A. **Special Meeting.** Special meetings of the Directors may be called by the President, or in his or her absence, by the Vice-President and must be called by the President or Secretary upon receipt of the written request of one-third (1/3) of the members of the Board. Special meetings of the Board of Directors shall be open to all Shareholders, and notice of such meetings shall be posted in a conspicuous place upon the bulletin boards in the clubhouse at least forty-eight (48) continuous hours in advance of such meeting, except in the event of an emergency. Notice of such special meeting shall give the time, place and purpose of the meeting and shall be transmitted to each Director at least forty-eight (48) hours prior to the meeting.
- B. **Executive Session.** The Board of Directors may go into Executive Session when discussing issues relative to personnel and in matters pertaining to litigation. No minutes shall be taken at Executive Sessions.

4.8 **Conduct of Meetings.**

Regular and Special meetings of the Board of Directors, the Annual Meeting and any Meeting of the Shareholders shall be conducted in accordance with Robert's Rules of Order, Newly Revised. All action by the Board of Directors shall require a majority vote of the full Board of Directors.

4.9 **Waiver of Notice.**

Any Director may waive notice of a meeting before or after the meeting. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting unless the Director states that his attendance is for the express purpose of objecting to the transaction of business because the meeting is not lawfully called.

4.10 **Quorum.**

A quorum at a Directors' meeting shall consist of a majority of the entire Board of Directors.

4.11 **Adjourned Meetings.**

If at any meeting of the Board of Directors 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. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted.

4.12 **Chairman of the Board.**

The presiding officer of the Board shall be President of the Corporation who shall also be the Chairman of the Board. In the absence of the Chairman of the Board, the Vice-President shall preside.

4.13 **Order of Business.**

The order of business at a Directors meeting shall be:

- A. Roll Call
- B. Reading of minutes of the last meeting
- C. Consideration of Communications
- D. Resignations and elections
- E. Reports of Officers and employees
- F. Reports of committees
- G. Unfinished business
- H. Original resolutions and new business
- I. Adjournment.

4.14 **Minutes of Meeting.**

The Minutes of all meetings of the Board of Directors shall be kept in a book located at the Corporation's office and be available for inspection by the Shareholders or their authorized representatives. Minutes of the meetings of the Board of Directors shall be retained for a

period of not less than seven (7) years. Approved bids to supply goods and/or services to be retained for seven (7) years. All other bids to supply goods and/or services to be retained for one (1) year.

4.15 **Executive Committee.**

The duly elected officers of the Corporation shall constitute the Executive Committee of the Board of Directors in management of the business and affairs of the Corporation during the intervals between the meetings of the Board of Directors, insofar as may be permitted by law or these By-Laws. The Executive Committee shall at all times keep the Board of Directors informed and advised in the affairs of the management of the Corporation. All actions taken by the Executive Committee, not covered by Board policies, to remain in effect, MUST be ratified by the Board of Directors at the next Board meeting.

4.16 **Compensation.**

The Directors will be reimbursed for direct expenses.

4.17 **Recall.**

- A. **Recall.** Subject to the provisions of Section 617.0808, Florida Statutes, any member of the Board of Directors may be recalled and removed from office, with or without cause, by the vote or agreement in writing by a majority of all of the Shareholders. A special meeting of the Shareholders to recall any member of the Board of Directors may be called by ten percent (10%) of the Shareholders giving notice of the meeting as required for a Shareholders meeting, and the notice of the meeting shall state the purpose of the meeting.
- B. **Filling Vacancy by Minority.** If a vacancy occurs on the Board of Directors as a result of recall and a majority of the Board members are removed, vacancies shall be filled by a vote of the majority of Shareholders.

## **ARTICLE V. POWERS AND DUTIES**

5.1 **Power and Duties.**

All rights and powers to and in the Corporation rest with the Shareholders. However, certain powers, rights and duties, as follows are delegated to the Board of Directors for the purpose of day to day administration of the Corporation within total Budget limitation to:

- A. Operate and maintain all common areas including but not limited to the buildings, golf course, tennis courts, marina and water and sewage plant.
- B. Determine and designate all Standing Committees and the appointment of Chairperson and Co-chairperson(s) of such committees.
- C. Sell remaining unsold lots.
- D. Determine expenses for the operation of the Corporation and prepare yearly operating budget.
- E. Employ personnel.
- F. Purchase supplies and equipment within budgeted limitations, including lease and finance of such equipment and sale or transfer of said equipment.
- G. Enter into approved statements of work, specifications and contracts.
- H. Borrow money for Capital improvements after obtaining vote and approval by the Shareholders.
- I. Maintain bank accounts.
- J. Collect monthly fees and assessments from all property owners.
- K. Collect delinquent fees or assessments from property owners by suit or otherwise including initiation of legal recourse.
- L. Impose a fee not in excess of two hundred (\$200.00) dollars for transfer or sale of a Share, to cover expenses.
- M. Determine rules and regulations concerning operation and maintenance of the

Corporation.

N. Abate nuisances.

O. Enjoin or seek damages from Shareholders for violations of these By-Laws and from Shareholders for violations of the terms and conditions of the Declaration of Restrictions, including without limitation the Rules and Regulations.

P. Exercise such other powers and duties as may be necessary or appropriate to administer the offices of the Corporation, and for improvements not to exceed Twenty Thousand Dollars (\$20,000.00).

5.2 **Director Actions.**

No Director or Officer shall act independently without express authority of the Board except for dire emergencies.

5.3 **Assessments.**

The Board of Directors shall assess Shareholders during each fiscal year in an amount sufficient to meet the budget requirements of the Corporation, as determined in Article VII below.

5.4 **Committees of and to the Board.**

At the first regular meeting of the board of Directors after the Annual meeting, the board shall appoint standing Committees including a Finance Committee. Committee meetings at which a quorum is present shall be open to all Shareholders. Minutes of such meetings and reports to the Board of Directors shall become part of the Corporation records. Notice of any Committee meeting must be duly posted at least 48 hours prior to any meeting.

5.5 **Standing Policies of the Board.**

Standing policies require a 2/3 majority vote of the entire Board of Directors for adoption and shall be promptly published and filed in the Corporate Office in a book binder so labeled and be made available for inspection and/or copying by any property owner upon request.

5.6 **Golf Board**

There shall be a Golf Board consisting of seven (7) members elected by the Shareholders. This Board shall be an advisory Board with the powers and duties as set forth in the Sweetwater Golf Board of Directors By-Laws as established by the Sweetwater Board of Directors on December 14, 2012 or as hereinafter amended.

## **ARTICLE VI. OFFICERS**

6.1 **President.**

The President shall be the Chief Executive officer of the Corporation and Chairman of the Board of Directors. The President shall preside at the annual meeting and all meetings of the Shareholders. The President shall have general supervision over the affairs of the Corporation and other officers. The President shall sign all approved written contracts and perform all the duties incident to the office and such duties as may be delegated to him or her from time to time by the Shareholders or by the Board.

6.2 **Vice-President.**

The Vice-President shall perform the duties of the President in the absence or disability of the President, and shall succeed in the Presidency during his or her term should the President resign or die.

6.3 **Secretary.**

The Secretary or Assistant Secretary shall issue notices of meetings, shall attend and keep minutes of all meetings, and shall have charge of all the books and records of the Corporation, except those kept by the Treasurer.

6.4 **Treasurer.**

The Treasurer or assistant Treasurer shall have custody of the Corporation's funds and

securities. The Treasurer shall keep full and accurate accounts of the Corporation's receipts and disbursements and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board. The Treasurer shall account for all funds to the Corporation and the Shareholders in accordance with Florida Law.

6.5 **Term of Office.**

No member of the Board of Directors shall hold more than one office at the same time.

6.6 **Compensation.**

Compensation to officers shall be determined by the Board of Directors and approved by a majority of the Shareholders.

6.7 **Resignations.**

Any Officer may resign his post at any time by written resignation delivered to the Secretary. The resignation shall take effect immediately unless a later date is specified therein.

**ARTICLE VII. CORPORATE FUNDS**

7.1 **Depositories.**

The funds of the Corporation shall be deposited in such financial institutions as may be determined and approved by resolution of the Board. Funds shall be withdrawn only upon drafts, checks and demands for money authorized by two Board members.

7.2 **Fiscal Year.**

The fiscal year of the Corporation shall begin on the first day of April each year; provided, however, that the Board is expressly authorized to change to a different fiscal year if deemed advisable. A change in the fiscal year shall not be made more frequently than 18 months, or as authorized by the Internal Revenue Code.

7.3 **Assessments and the Budget.**

Assessments shall be made in amounts not less than are required to provide funds in advance for the payment of all budgeted expenses, including operation costs, expenses, debt service, improvements, repairs, replacements and reserves (all as hereinafter determined), and for all unpaid expenses previously incurred by the Corporation.

A. If any assessment proves to be insufficient due to unforeseen expenses or diminished revenues, the budget may be amended by the Board of Directors. The assessments for the remaining portion of the year may be adjusted and shall be due in equal monthly installments on the first day of each subsequent month during the year for which the new assessment is made. Alternatively a one time assessment may be imposed, if in any year a change is not made in the assessment a payment in the amount required by the last prior assessment shall be due upon each assessment payment date until changed by a new assessment.

B. Special assessments shall be payable in the manner determined by the Directors. The specific purpose of any special assessment shall be set forth in a written notice of such assessment sent or delivered to each Lot owner. The funds collected pursuant to a special assessment shall be used only for the purpose or purposes set forth in such notice or returned to the owners.

7.4 **Monthly Assessments/Maintenance Fees.**

A. The Board of Directors shall determine the monthly assessments to be charged to the owners.

B. Maintenance Fees shall be payable monthly in advance and shall be due on the first day of each month unless otherwise ordered by the Directors.

7.5 **User Fees, Utility Charges and Other Fees and Charges.**

The Board of Directors shall determine all user fees, other fees and charges made to Owners, including Shareholders and guests thereof, as well as their tenants, as set forth in the Declaration of Restrictions and the Rules and Regulations. Said fees and charges shall include, but not be limited to, utility charges, access fees and charges for use of golf course,

marina and storage areas, late fees and returned check charges.

7.6 **Determination of Budget and Maintenance Fees.**

- A. The Board of Directors shall prepare the annual budget which shall be detailed and shall show the amounts budgeted by account items for income, including maintenance fees and expenses.
- B. The budget shall include all income and expenses which the Directors may, from time to time, in their judgment, determine to be necessary or proper for the year or portion of the year for which such determination is made, including:
  - a. Costs and expenses of operation of the Corporation, and provision of all services to and on behalf of the Corporation and its residents, including Shareholders.
  - b. Costs and expenses of operation, maintenance, repair, replacement and improvement of the Corporation property.
  - c. Costs of carrying out the powers and duties of the Corporation.
  - d. Costs of all insurance coverage carried by the Corporation.
  - e. Any expenses designated as common expenses by Statute or by the Directors under the By-Laws or the Declaration of Restrictions.
  - f. Reserves
  - g. The expenses of the elements set forth in 7.6B shall be paid by all lot owners.
  - h. Corporation funds for operations, capital expenditures, deferred maintenance, and other contingencies as the Directors may deem proper.
  - i. The payment of any obligations and liabilities, including debt service and mortgage payments, or other accounts payable, or expenses accrued, or to be accrued.
  - j. Income from all sources, including income from Shareholders of the Corporation.
  - k. Cash on hand which the Directors, in their discretion, may choose to apply.
  - l. The expenses of the elements set forth in 7.6B shall be paid by all lot owners.
- C. At the annual meeting the proposed budget will be considered.
  - a. These reserve accounts shall include, but not be limited to, roof replacements, building painting and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and shall also include other items for which the deferred maintenance expense or replacement cost exceeds Ten Thousand (\$10,000.00) Dollars. The amount to be reserved, if any, shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost of each item. The Corporation may adjust replacement reserve amounts annually to take into account any changes in estimated or extension of the useful life of a reserve item caused by deferred maintenance.
  - b. This reserve requirement shall not apply to budgets in which the Shareholders have, at a duly called meeting, determined for a fiscal year to provide no reserves, or reserves less adequate than required by the foregoing.
- D. At the annual meeting the proposed budget will be considered. A copy of the proposed budget shall be mailed or hand delivered to all lot owners no less than thirty (30) days prior to the Annual meeting. Any lot owner may make a motion for recommended revisions to the budget and if approved by a majority of those in attendance, the Board shall take these into consideration before voting to adopt the proposed Budget.
- E. If the proposed budget requires a maintenance fee in any fiscal year exceeding one hundred fifteen percent (115%) of the expenses for the proceeding year, or less than adequate Reserves are proposed, the Directors shall call a special meeting of the lot owners within thirty (30) days upon not less than ten (10) days written notice. The lot owners shall consider the proposed budget and offer motions to revise the proposed budget. A simple majority must approve any revision offered, but at least twenty

percent (20%) of the lot owners must cast a vote for the revision. If no revision is offered and approved, the Budget proposed by the Board of Directors is adopted and goes into effect as scheduled. In determining whether the Maintenance fees exceed one hundred fifteen (115%) percent, an amount equal to the yearly requirement for reserves may be excluded.

- F. When the amount of any Maintenance Fee is determined, the Corporation shall within ten (10) calendar days after the adoption of the budget, mail or deliver to each Shareholder a statement for said Maintenance Fee. All Maintenance Fees shall be paid to the Corporation.

#### 7.7 **Application of Payments and Commingling of Funds.**

- A. All payments by Shareholders shall be applied as provided herein and in the Declaration of Restrictions. Any delinquent payment by a Shareholder shall be applied first to late fees and penalties, interest, costs, attorney's fees, other charges and fees, expenses, advances and special assessments, and then to Maintenance Fees, in such manner and amounts as the Directors may determine, and collectable as provided for in the Declaration of Restrictions. Such delinquent payment shall bear interest at the maximum lawful rate.
- B. All sums collected by the Corporation for Maintenance Fees, other fees, assessments, charges and all other income may be commingled in a single fund or divided into more than one fund, as determined by the Directors. If and when any funds are designated as reserve funds by the Directors, said reserves shall be transferred to a reserve account or accounts, as determined by the Directors, and said funds plus any interest accruing shall remain in the reserve account or accounts, and shall be used only for reserve expenditures authorized by the Directors, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests, voting in person or by absentee ballot at a duly called meeting of the Corporation.

#### 7.8 **Fidelity Bonds.**

The Corporation shall obtain and maintain a Fidelity bond, in the principal sum of not less than Fifty Thousand (\$50,000.00) Dollars, for all persons who control or disburse funds of the Corporation. As used in this Section, the term "persons who control or disburse funds of the Corporation" means those individuals authorized to sign checks, or receive payments as well as the President, Vice President, Secretary and Treasurer of the Corporation.

#### 7.9 **Financial Statement/Report.**

Within one hundred twenty (120) calendar days following the end of the fiscal year the Board shall place upon the bulletin board a listing of actual receipts and expenditures for the previous 12 months, and a written notice that a complete copy of the financial report is available on request at no charge to the Shareholder. The financial report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications. This annual financial statement shall be prepared in accordance with generally accepted accounting principles, and audited by a Florida Licensed CPA.

#### 7.10 **Accounting Records and Reports.**

The Corporation shall maintain accounting records according to generally accepted accounting principles and the same shall be open to inspection by Shareholders, or their authorized representatives, at all reasonable times. The records shall include, but not be limited to, (a) a record of all receipts and expenditures and (b) an account for each Shareholder designating the name and current mailing address, the amount of each Maintenance Fee, the dates and amounts in which the Maintenance Fees come due, the amounts paid upon the accounts, and the balance due.

#### 7.11 **Transfer and Fees.**

The assignment of a Shareholder Share or change of ownership of a lot is subject to the

approval of the Directors pursuant to these By-Laws and the Declaration of Restrictions. The Directors may impose a reasonable fee not to exceed two hundred (\$200.00) dollars in connection with the approval of the assignment of Share Certificate or change in ownership of Lots.

#### **ARTICLE VIII. ROSTER OF SHAREHOLDERS**

The Corporation shall maintain a roster of Shareholders of the Corporation entitled "Shareholders".

#### **ARTICLE IX. PARLIAMENTARY RULES**

Roberts' Rules of Order, Newly Revised, shall govern the conduct of the Corporation meetings when not in conflict with the Declaration of Restrictions, or the Articles and these By-Laws.

#### **ARTICLE X. AMENDMENTS**

##### **10.1 Amendments to the Articles of Incorporation.**

Amendments to the Articles of Incorporation shall be made in the following manner:

- A. Subsequent to the Initial adoption of the Articles of Incorporation, the Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Shareholders, which may be either the annual or a special meeting.
- B. Written notice of the proposed amendment shall be given to each Shareholder at least fourteen (14) calendar days prior to the Meeting at which it is to be considered. Said notice shall set forth the proposed amendment or give a summary of the changes to be affected thereby.
- C. At such meeting, a vote of the Shareholders shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the voters present, in person or by absentee ballot, at a meeting at which a quorum shall be present.
- D. In any event, the Shareholders may amend the Articles of Incorporation without an act of the Directors at a meeting for which notice of the changes to be made is given.
- E. Notwithstanding the above, the Board of Directors may by a majority vote at a duly noticed meeting of the Board, amend the Articles of Incorporation at any time without notice to or a vote by the Shareholders, if an amendment to the Articles of Incorporation is required by any federal, state, or local government authority or any law, ordinance or rule thereof.

##### **10.2 Amendments to the By-Laws.**

Except as otherwise provided elsewhere, these By-Laws shall be amended in the following manner:

- A. **Resolution.** A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Directors or by not less than one-third (1/3) of the Shareholders.
- B. **Notice.** Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.
- C. **Vote.** An affirmative vote of a majority of the voters present, in person or by proxy, at a meeting at which a quorum is present shall be required.
- D. **Consent to Amendments.** No amendment to the By-Laws that changes the configuration or size of any Lot in any material fashion, or that materially alters or modifies the appurtenances of the Unit; changes the proportion, percentage or fraction by which the holder of the certificate shares the common expenses or owns the common surplus or equity in the Corporation, or changes or modifies the voting right, or location of a Shareholder's Unit, shall be valid without the written consent of not less than seventy-five (75%) percent of the Corporation affected by that amendment.
- E. **Execution.** A copy of each amendment shall be attached to a Certificate certifying that the amendment was duly adopted as an amendment of these By-Laws, which



Certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Corporation with the formalities of a deed. The amendment shall be effective when the Certificate and copy of the amendment are filed with the Florida Secretary of State.

- F. **Board Amendment of By-Laws** Notwithstanding the above, the Board of Directors may by a majority vote at a duly noticed meeting of the Board, amend the By-Laws at any time without notice to or a vote by the Shareholders, if an amendment to the By-Laws is required by any federal, state, or local government authority or agency.

#### 10.3 **Amendments to the Rules and Regulations.**

A. **Resolution.**

A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Directors or by not less than one-third (1/3) of the Shareholders.

B. **Notice.**

Notice of the subject matter of a proposed amendment shall be included in the notice of meeting at which a proposed amendment is to be considered.

C. **Pursuant to Florida Statutes.**

In order to amend the Rules and Regulations, the same shall be duly passed by a simple majority of the Shareholders present, subject however to the Declaration of Restrictions, except however that the Board of Directors has the authority to change the Rules and Regulations if they are in conflict with the Declaration of Restrictions. An amendment to the Rules and Regulations does not require an amendment to these By-Laws.

#### 10.4 **Errors and Omissions.**

In the event it shall appear that there is an error or omission in these By-Laws or exhibits thereto, or any Corporation document, or any other document required by law to establish the Corporation, then, and in that event, the Corporation may correct such error and/or omission by an amendment to the Corporation document or to the Corporation documents, in the manner hereinafter described, to effectuate an amendment for the purpose of curing defects, errors or omissions. Such an amendment shall not require a vote of approval as provided in Paragraph 10.2 C. above, but shall require a vote in the following manner:

- A. Notice of the subject matter of a proposed amendment to cure a defect, error or omission shall be included in the notice of any meeting at which such proposed amendment is to be considered.
- B. A resolution for the adoption of such a proposed amendment may be proposed by either the Directors or by the Shareholders. Except as elsewhere provided, such approvals must be either by;
- Not less than one third (1/3) of the entire Board of Directors and by not less than ten (10%) percent of the votes of the Shareholders;
  - Not less than twenty-five (25%) percent of the votes of the Shareholders;
  - In the alternative, an amendment may be made by an agreement signed and acknowledged by all Shareholders, in the manner required for the execution of a deed, and such amendment shall be effective when filed with the Florida Secretary of State.
- C. The amendment made pursuant to this paragraph need only be executed and acknowledged by the Corporation and by no other parties whatsoever.

#### 10.5 **Proviso.**

No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges, or priorities granted or reserved to mortgagees of Units without the consent of the mortgagees in each instance. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Restrictions.

## ARTICLE XI. COMPLIANCE AND DEFAULT

### 11.1 Shareholder Complaint.

When a Shareholder files a written complaint by mail with the Board of Directors, the Board must give a substantive response to the Shareholder within thirty (30) calendar days of receipt of complaint, or notify the Shareholder that a legal opinion has been requested. If a legal opinion has been requested by the Board, a substantive response must be made to the Shareholder within sixty (60) calendar days from receipt of complaint. The failure to provide a substantive response precludes the Board from receiving attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the complaint. If a petition from Shareholders is filed with the Board, the Board shall follow procedure in this paragraph.

### 11.2 Violations.

- A. In the event of a violation (other than non-payment of Maintenance Fees) by a Shareholder or other occupant of a Lot, of any of the provisions of these By-Laws, the Declaration of Restrictions, or of Chapter 617, Florida Statutes, or other applicable Statutes, Rules or Ordinances, the Corporation, by direction of its Directors, shall notify the Shareholder or occupant of said breach by written notice, transmitted to the Shareholder or occupant at the Lot by mail. If such violation shall continue for a period of thirty (30) calendar days from the date of the mailing of the notice, the Corporation shall have the right to treat such violations as an intentional, material breach of the By-Laws, the Declaration of Restrictions, or of Chapter 617, Florida Statutes, or other applicable Statute's, Rules or Ordinances, and the Corporation shall then, at its option, have the following remedies:
  - a. To commence an action in equity to enforce the performance on the part of the Shareholder or occupant of a lot;
  - b. To commence an action at Law to recover its damages; or
  - c. To commence an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.
- B. Upon finding by a court that the Shareholder or occupant of a lot was in violation of any of the provisions of the above-mentioned documents, the Shareholder or occupant of a lot shall reimburse the Corporation for reasonable attorney's fees incurred in bringing such action.
- C. The prevailing party in any action brought by the Corporation or by a Shareholder against the Corporation, a Shareholder or any Director who willfully or knowingly fails to comply with the provisions of Chapter 617, Florida Statutes, the Declaration of Restrictions, the document creating the Corporation, and the Corporation By-Laws, is entitled to recover reasonable attorney's fees.

### 11.3 Defaults.

- A. In the event a Shareholder does not pay any Maintenance Fee or other fee, charge or assessment required to be paid to the Corporation under these By-Laws or the Declaration of Restrictions within thirty (30) calendar days from the due date, the Corporation, acting on its own behalf or through its Directors acting on behalf of the Corporation, may foreclose the lien encumbering the Lot created by non-payment of the required monies in the same fashion as mortgage liens are foreclosed. The Corporation shall be entitled to the appointment of a receiver if it so requires. The Corporation shall have the right to bid-in the Lot at a foreclosure sale and to acquire, hold, sublet, mortgage and convey the same. In lieu of foreclosing its lien, the Corporation may through its Directors, bring suit to recover a money judgment for any sums, Maintenance Fees, charge or assessments required to be paid to the Corporation without waiving its lien securing same. In any action either to foreclose its lien or to

recover a money judgment, brought by or on behalf of the Corporation against a Shareholder the losing party shall pay the costs thereof, together with a reasonable attorney's fee.

- B. The Corporation may suspend the voting rights of a Shareholder for the nonpayment of regular monthly assessments that are delinquent in excess of ninety (90) days.
- C. The Corporation may suspend all right to use any of the Amenities, if a Homeowner (Shareholder) is delinquent for nonpayment of regular monthly assessments in excess of thirty (30) days, including Renter or guests of the Homeowner.

11.4 **Negligence or Carelessness.**

Each Shareholder shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness, or by his or her negligence or the negligence of any of his or her family, or their guests, employees, agents or licensees. Such liability shall be limited to the extent that such expense is not met by the proceeds of insurance carried by the Corporation.

11.5 **Election of Remedies.**

All rights, remedies, and privileges granted to the Corporation or a Shareholder pursuant to any terms, provisions, covenants or conditions Declaration of Restrictions and the Articles and by-laws of the Corporation shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election or remedies nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be granted by the Corporation documents.

**ARTICLE XII. INDEMNIFICATION**

Each Director or officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fee reasonably incurred by or imposed upon him in connection with any proceeding or settlement thereof in which he may become involved by reason of his being or having been a Director or officer of the Corporation. This indemnification shall apply whether or not the individual is a Director or officer at the time such liabilities or expenses are incurred, except in cases wherein the Director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties. In the event of a settlement, the indemnification established herein shall apply only when the Board approves such settlement or reimbursement. The foregoing right of indemnification shall be in addition to, and not exclusive of, any and all other rights of indemnification to which such Director or officer may be entitled.

**ARTICLE XIII. LIABILITY SURVIVES TERMINATION OF MEMBERSHIP**

The termination of Share ownership in the Corporation shall not relieve or release any former Shareholder from any liability or obligation incurred under, or in any way connected with, the period of the Share ownership in the Corporation, or impair any rights or remedies which the Corporation may have against such former Shareholder arising out of, or in any way connected with, such Share ownership.

**ARTICLE XIV. LIMITATION OF LIABILITY**

Notwithstanding the duty of the Corporation to maintain and repair the common facilities, the Corporation shall not be liable for the injury or damage caused by a latent condition in the property nor for injury or damage caused by the elements, Shareholders, or other persons.

**ARTICLE XV. LIENS**

In order to protect the Corporation property, all liens against a Lot or Home, other than the purchase money mortgage, or other permitted mortgages, taxes, or special assessments, shall be satisfied or otherwise removed within thirty (30) calendar days of the date the lien attaches. All taxes and special assessments shall be paid before becoming delinquent or as provided in the Declaration of Restrictions, the corporate documents or By-Laws, whichever is sooner.

## ARTICLE XVI. SEAL

The seal of the Corporation shall have inscribed thereon the name of the Corporation. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise utilized.

## ARTICLE XVII. SHAREHOLDER SHARES

### 17.1 Issuance.

Four hundred and sixteen (416) Shares may be issued by the Corporation. One Certificate shall be issued to the owners of each share in the Corporation.

### 17.2 Execution.

All official Corporation documents shall be signed by the President or Vice-President and shall have the Corporation seal affixed thereto. Share Certificates shall be signed by the President and Secretary and shall have the Corporation seal affixed thereto.

### 17.3 Transfers.

Transfers of Shares shall be made only on the books of the Corporation. The old Share, properly endorsed, shall be surrendered and canceled before a new Share is issued. All transfers are subject to these By-Laws and the Declaration of Restrictions.

### 17.4 Inscription of Shares.

Share Certificates shall be inscribed with the following legend: "This certificate is issued by the Corporation and accepted by the holder as being subject to the provisions of the Articles of Incorporation and By-Laws of the Corporation and the terms and conditions of the Declaration of Restrictions, which documents limit and restrict the title and rights of any transferee of this certificate and imposes a lien on this certificate to secure payment of Maintenance Fees, assessments, charges and other sums which may be due or become due to the Corporation from the holder hereof."

## ARTICLE XVIII. EASEMENTS

Each of the following easements is a covenant running with the land of the Corporation, to-wit:

### 18.1 Utility Services; Drainage.

Easements are reserved under, through and over the Corporation property as may be required for utility services and drainage in order to serve the Corporation. A Shareholder shall do nothing on or under the Lot or Unit that interferes with or impairs the utility services using these easements. The Corporation shall have a right of access to each Unit to maintain, repair or replace the pipes, wires, cables, conduits and other utility service facilities contained in or under the Unit or improvements interfering with or impairing the utility service or easements herein reserved, provided that such right of access shall not unreasonably interfere with the Shareholder's permitted use of the Unit, and entry shall be made on not less than one (1) day notice, except in the event of an emergency.

### 18.2 Traffic.

An easement shall exist for pedestrian traffic over, through and across sidewalk, paths, walks and other portions of the common areas as may be from time to time intended and designated for such purpose and use, and for vehicular and pedestrian traffic over, through and across such portions of the common areas as such easements shall be for the use and benefit of Shareholders, institutional mortgagees or tenants and those claiming by, through or under them.

### 18.3 Covenant.

All easements, of whatever kind or character, whether heretofore or hereafter created, shall constitute a covenant running with the land, shall survive the termination of the Corporation and, notwithstanding any other provisions of these By-Laws, may not be substantially amended or revoked in a way which would unreasonably interfere with its proper and intended use and purpose.

**ARTICLE XIX. APPROVAL AND RATIFICATION**

The Corporation, by its adoption of these By-Laws, approves and ratifies all of the covenants, terms and conditions, duties and obligations of these By-Laws and any exhibits attached hereto. The Shareholders, by virtue of their acceptance of their Certificate as to their Unit, hereby approve and ratify all the terms and conditions, duties and obligations of these By-Laws and any exhibits attached hereto.

**ARTICLE XX. RULES AND REGULATIONS**

Rules and Regulations may be adopted and amended from time to time and shall be deemed in effect until amended and shall apply to and be binding upon all Shareholders. The Shareholders shall, at all times, obey these rules and regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees and persons over whom they exercise control or supervision. In order to change, amend or vary old or present rules and regulations, the same shall be duly passed by a simple majority vote of the Shareholders. A change, amendment or adoption of a rule and regulation does not require an amendment to these By-Laws.

**ARTICLE XXI. CONSTRUCTION**

- 21.1 Whenever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, whenever the context so requires or permits.
- 21.2 Should any of the provisions herein imposed be void or become unenforceable at law or in equity, the remaining provisions of this instrument shall, nevertheless, be and remain in full force.

**ARTICLE XXII. CONFLICT**

If any irreconcilable conflict should exist, or thereafter arise, with respect to the interpretation of these By-Laws and the Declaration of Restrictions, the provisions of the Declaration of Restrictions shall prevail.

PASSED and duly amended this 30th day of March 2009.

\_\_\_\_\_  
President, Frederick Mullin

CORPORATE  
SEAL

\_\_\_\_\_  
Attest: Secretary, Kyle Ewing

The foregoing instrument was acknowledged before me this 30<sup>th</sup> day of March, 2009 by: Frederick Mullin and Kyle Ewing who are personally known to me.

\_\_\_\_\_  
Notary Public Doris Beckwith

\_\_\_\_\_  
Expiration of Notary