

**AMENDED AND RESTATED BY-LAWS
OF
STONEWATER CONDOMINIUM ASSOCIATION, INC.**

[SUBSTANTIAL REWORDING OF THE BY-LAWS. SEE THE ORIGINAL BY-LAWS
AND SUBSEQUENT AMENDMENTS FOR CURRENT TEXT]

1. **IDENTITY** - These are the By-Laws of Stonewater Condominium Association, Inc., a not for profit Florida corporation formed for the purpose of administering the Condominium known as Stonewater, A Condominium, which is located in Polk County, Florida, upon the lands described in the Amended and Restated Declaration of Condominium of Stonewater, A Condominium. (The corporation shall hereafter be referred to as the "Association".)

1.1. **OFFICE** - The office of the Association shall be located at an address as may from time to time be determined by the Board of Directors.

1.2. **FISCAL YEAR** - The fiscal year of the Association shall be the calendar year, unless otherwise determined by the Board of Directors.

1.3. **SEAL** - The seal of the Association shall contain the name or abbreviated name of the Association, the word "Florida," the year of establishment, and shall identify the Association as a not-for-profit corporation, but this provision shall not require the Association to have a seal.

1.4. **DEFINITIONS** - All terms used in these By-Laws shall have the same meaning, to the extent applicable, as set forth in the Amended and Restated Declaration of Condominium of Stonewater, A Condominium, as amended from time to time, and the Condominium Act, as amended from time to time, or shall have the meaning specifically set forth herein. Whenever, under the provisions of the Florida Statutes or of these Bylaws, notice is required to be given to any Director or Member, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid, sealed wrapper addressed as appears on the books of the Association; by hand delivery to the individual Member or delivery to the mailing address of the Member; or by electronic transmission, including but not limited to by e-mail or by facsimile, where the Member has consented to receiving notice electronically as opposed to by mail or other delivery.

2. MEMBERSHIP, VOTING RIGHTS, AND MEMBERS' MEETINGS

2.1. **MEMBERSHIP AND VOTING RIGHTS** - All record owners of units in the Condominium shall be Members of the Association and no other persons shall be Members, except that an individual designated as the voting individual for a corporation or other entity by a Voting Certificate shall be considered a Member. On all matters on which the membership shall be entitled to vote there shall be only one vote for each unit in the Condominium. Should any member own more than one unit, such member shall be entitled to exercise or cause as many votes as he or she owns units. Where there are two or more record owners of a single unit, where a unit

is held in the name of a Trust, or where a corporation or other entity owns a unit, an individual designated by a Voting Certificate signed by all record owners, the Trustee(s), or an officer or managing member of the corporation or entity, may cast the vote for the unit and such Voting Certificate shall be valid until revoked by a subsequent Voting Certificate or the ownership interest in the unit is transferred. If such Voting Certificate is not on file, the vote for such unit shall not be considered in determining a quorum or for any other purpose unless the individual casting the vote is listed by name as an owner on the face of the deed or other document transferring ownership interest in the unit. Votes may be cast in person or by proxy. Approval or disapproval upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would be entitled to cast the vote for such unit if in an Association meeting. Except where otherwise required under the provisions of the Declaration of Condominium, the Articles of Incorporation, these By-Laws, or the rules and regulations of the Association (hereafter referred to as the "Condominium Documents"), or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the units represented at any duly called members' meeting at which a quorum is present shall be binding upon the members. A majority, as used throughout these By-Laws shall be 50% plus one and if a fractional number, then it shall be rounded to the nearest whole number and if a .5 number then it shall be rounded down.

2.2. ANNUAL MEETINGS - Annual members' meetings shall be held at the Condominium or at such other convenient location, located within 45 miles of the Condominium, as may be determined by the Board of Directors each year to be held in the month of March of each year, and, if a date and time is not otherwise set, on the third Monday of March at 6:30 p.m., unless a legal holiday in which case the next day following that is not a legal holiday or on such other date otherwise set by the Board from time to time at the time determined by the Board for the purpose of electing Directors and transacting any other business authorized to be transacted by the members.

2.3. SPECIAL MEETINGS - Special members' meetings shall be held whenever called by the President, Vice President, or by a majority of the Board of Directors and shall be called by the President when requested by written notice from 20% of the voting interests of the Association within sixty (60) days of receipt of a petition. Members meetings to recall a member or members of the Board of Directors may be called by 10% of the Association voting interests giving notice of the meeting and stating the purpose of the meeting.

2.4. NOTICE OF MEMBERS' MEETINGS - Notice of all members' meetings shall be mailed by United States mail, unless waived in writing, or otherwise delivered to each unit owner at the address of the member as shown on the books of the Association at least 14 days prior to the meeting, provided however, that any members' meeting or election at which one or more Directors are to be elected must be noticed as provided for in Section 2.5 next following. An officer of the Association shall execute an affidavit of mailing or delivery per F.S. §718.112 (2) (d) (3), and as the same may be amended from time to time, which shall be retained in the official records of the Association as proof of such mailing or delivery. Notice of a meeting of members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. The notice shall include an agenda for all known substantive matters to be discussed, or have such an agenda attached to it. A copy of the notice, and agenda, shall be posted at a designated location on the Condominium Property not less than 14 days prior to the date of

the meeting. The Board, upon notice to unit owners, shall by rule designate a specific location on the Condominium Property upon which all notices of unit owner meetings shall be posted.

Notice of specific meetings may be waived before the meeting and the attendance of any member (or person authorized to vote for such member) shall constitute such member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

2.5. BOARD OF DIRECTORS ELECTION MEETINGS - NOTICE AND PROCEDURE - The regular election shall occur on the date of the annual meeting.

2.5.1. Not less than 60 days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or individual residing in the Condominium with a unit owner desiring to be a candidate for the Board of Directors shall give written notice of his or her intent to run to the Secretary of the Association not less than 40 days before the scheduled election. Not less than 14 days before the election, the Association shall then mail or deliver a second notice of the election to all unit owners entitled to vote therein, together with a written ballot which shall include an information sheet, no larger than 8 1/2 inches by 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association. The election of Directors shall occur on the same day as the annual meeting. As to items to be considered at the meeting other than the election of Directors, the notice and agenda shall comply with Section 2.4 above.

2.5.2. At the discretion of the Board of Directors, either ballots or a voting machine will be available for use by owners in connection with the election of Directors. A unit owner who needs assistance in voting due to blindness, disability or inability to read or write may obtain assistance but no unit owner shall permit another person to cast his ballot for electing Directors and any such ballots improperly cast shall be deemed invalid.

2.5.3. There shall be no quorum requirement for the election and a valid election may be held where at least twenty percent (20%) of the eligible voters cast a ballot and elections shall be decided by a plurality of those votes cast. Cumulative voting is not permitted. Write in candidates are not permitted.

2.5.4. The Board of Directors may appoint a committee to explain the role of Board members, encourage eligible persons to volunteer to serve on the Board, and generally strive to ensure that a sufficient number of candidates will respond to the first election notice to allow all vacancies to be filled.

2.6. QUORUM - A quorum at members' meetings shall consist of persons entitled to cast a majority of the total voting interests of the Association. Decisions made by a majority of the voting interests represented at a meeting at which a quorum is present, in person or by proxy, shall be binding and sufficient for all purposes except such decisions as may by

Florida Statutes, Chapter 718, or the Condominium Documents require a larger percentage in which case the percentage required in Florida Statutes, Chapter 718, or the Condominium Documents shall govern.

2.7. PROXIES - Votes may be cast in person or by proxy. Proxies shall be in writing, signed and dated and shall be valid only for the particular meeting designated therein or an adjournment thereof, but in no event for more than 90 days from the date of the meeting for which originally given, and must be filed with the Association before or at the voter registration immediately preceding the meeting. Only members of the Association may be designated as a proxy holder. Except as specifically otherwise provided by law, unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes regarding reserves; for votes taken to waive financial statement requirements; for votes taken to amend the Declaration; for votes taken to amend the Articles of Incorporation or By-Laws; and for any other matter which F.S. Chapter 718 requires or permits a vote of the unit owners. No proxy, limited or general, shall be used in the election of Board members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for nonsubstantive changes to items for which a limited proxy is required and given. An executed telegram or cablegram appearing to have been transmitted by the proxy giver, or a photographic, photostatic, facsimile or equivalent reproduction of a proxy is a sufficient proxy. Owners may retroactively cure any alleged defect in a proxy by signing a statement ratifying the owner's intent to cast a proxy vote.

2.8. NO QUORUM OR FAILURE TO OBTAIN NECESSARY VOTE - If any meeting of members cannot be organized because a quorum is not present or if a quorum is present and the vote necessary to pass any amendment to the Declaration, Articles of Incorporation or By-Laws, or to authorize any action of the Association has not been obtained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a later date until a quorum is present or to allow for additional proxies to be collected and votes cast. At any such subsequent meeting called within 90 days of the original meeting, the quorum requirement shall consist of persons entitled to cast one-third (1/3) of the total voting interests of the Association.

2.9. ORDER OF BUSINESS - The order of business at annual members' meetings and, as far as applicable, at all other members' meetings, shall be:

- (a) Call to order by the President;
- (b) At the discretion of the President, appointment by the President of a chairman of the meeting (who need not be a member or a director);
- (c) Appointment of inspectors of election;
- (d) Election of Directors; (The election shall take place even if there is not a quorum present), provided however that the Board may elect

to hold the election before the appointed time of the annual meeting (but on the same day) and shall publish the results of the election at the annual meeting.

- (e) Calling of the roll, certifying of proxies and absentee ballots, and determination of a quorum; or, in lieu thereof, certification and acceptance of registration procedures establishing the number of persons present in person or by proxy;
- (f) Proof of notice of the meeting or waiver of notice;
- (g) Disposal of unapproved minutes;
- (h) Reports of Officers;
- (i) Reports of Committees;
- (j) Unfinished business;
- (k) New business;
- (l) Adjournment.

2.10. ACTION WITHOUT A MEETING - Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members, or any action which may be taken at any annual or special meeting of such members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote(s) of any such member as elsewhere herein set forth) having not less than the minimum number of voting interests that would be necessary to authorize or take such action at a meeting of such members at which a quorum of such members (or authorized persons) entitled to vote thereon were present and voted. Within 10 days after obtaining such authorization, notice thereof shall be sent to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. Members may also consent in writing to action taken at a meeting, by providing a written statement to that effect and their vote shall be fully counted as though they had attended the meeting.

3. BOARD OF DIRECTORS

3.1. NUMBER, TERM, AND QUALIFICATIONS. The affairs of the Association shall be governed by a Board of Directors composed of seven (7) Directors. All Directors shall be members of the Association. Directors shall be elected for two (2) year terms so that there are two-year staggered terms with three (3) Directors being elected in even numbered years and four (4) Directors being elected in odd numbered years. The term of each Director's service shall extend until their elected term is completed and thereafter until the successor is duly elected and qualified or until the Director is recalled in the manner provided in the Condominium

Act, is removed for cause as provided for herein, or resigns. A seat held by a Director who ceases to be an owner shall thereby automatically become vacant. A person who has been suspended or removed by the Division under Florida Statutes, Chapter 718, or who is more than ninety (90) days delinquent in the payment of any monetary obligation due to the Association, is not eligible for Board Membership and if serving, such seat shall automatically be deemed to have been abandoned. Within ninety (90) days of being elected or appointed to the Board, a Director shall certify in writing to the Secretary of the Association that he or she has read the Condominium Documents and current written policies of the Association; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the Association's Members. In lieu of the written certification, a newly appointed or elected Director may submit a certificate of satisfactory completion of the educational curriculum administered by a Division-approved condominium education provider. A Director who fails to timely file the written certification or educational certificate is suspended from the Board until he or she complies with this provision. The Board may temporarily fill the vacancy during the period of suspension.

3.1.1 DIRECTOR OR OFFICER DELINQUENCIES – A director or officer more than 90 days delinquent in the payment of any monetary obligation due to the Association shall be deemed to have abandoned the office, creating a vacancy in the office to be filled according to law.

3.1.2 DIRECTOR OR OFFICER OFFENSES – A director or officer charged with a felony theft or embezzlement offense involving the Association's funds or property shall be removed from office, creating a vacancy in the office to be filled according to law. While such director or officer has such criminal charge pending, he or she may not be appointed or elected to a position as a director or officer. However, should the charges be resolved without a finding of guilt, the director or officer shall be reinstated for the remainder of his or her term of office, if any.

3.1.3 Any Director may be removed from office with or without cause by a majority of the voting interests of the Association at an annual or special meeting of the members called for that purpose or by written recall ballots.

3.2. BOARD VACANCIES - Vacancies in the Board of Directors occurring between annual meetings of members shall be filled by appointment by a majority vote of the remaining Directors for the remainder of the unexpired term as provided in Article 3.1; provided that a Director who has been recalled by the membership, if the membership does not choose to fill the vacancy by election, may not be appointed to fill the vacancy created by his removal.

3.3. ORGANIZATION MEETING - The organizational meeting of each newly elected Board of Directors to elect officers shall be held at such place and time as shall be fixed by the Directors, provided a quorum shall be present. Unless otherwise noticed, it may be held immediately following the annual meeting, but not more than ten (10) calendar days following the annual meeting.

3.4. 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. Notice of regular meetings, unless fixed by Board resolution, shall be given to each Director personally or by mail, telephone or telecopier at least forty-eight (48) hours prior to such meeting.

3.5. SPECIAL MEETINGS - Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of a majority of the Directors. Not less than three day's notice of the meeting (except in an emergency) shall be given personally or by mail, telephone, email or telecopier, which notice shall state the time, place and purpose of the meeting.

3.6. WAIVER OF NOTICE - Any Director may waive notice of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at a meeting shall constitute waiver of notice of the meeting.

3.7. NOTICE TO OWNERS OF BOARD MEETINGS - Notice of meetings, which notice shall specifically include an agenda, shall be posted conspicuously on the Condominium Property at least 48 continuous hours in advance for the attention of unit owners, except in an emergency. Meetings at which a regular monthly or quarterly assessment is to be considered shall contain a statement that assessments will be considered and the nature of such assessments. However, written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding unit use will be proposed, discussed, or approved, shall be mailed or delivered to the unit owners and posted conspicuously on the Condominium Property not less than 14 continuous days prior to the meeting. Evidence of compliance with this 14-day notice shall be by an affidavit executed by the Secretary of the Association and filed among the official records of the Association. The Board shall by rule designate a specific location on the Condominium Property upon which all notices of Board meetings shall be posted, and shall notify the owners of same.

3.8. OWNER PARTICIPATION IN BOARD AND COMMITTEE MEETINGS - Meetings of the Board of Directors and any committee thereof at which a majority of the members of the Board or committee are present shall be open to all unit owners. The right to attend such meetings includes the right to speak with reference to all designated agenda items provided however, the Association may adopt reasonable rules governing the frequency, duration and manner of unit owner statements.

3.9. BOARD MEETINGS, QUORUM AND VOTING - A quorum at Directors' Meetings shall consist of a majority of the Directors. The acts approved by a majority of Directors present at a meeting shall constitute the acts of the Board. Directors may not vote by proxy or by secret ballot at Board meetings and a vote or abstention for each member present shall be recorded in the minutes. In the case where a Director has an asserted conflict of interest, the Director shall abstain. If at any meeting of the Board there be less than a quorum present, the Director(s) present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, which must be properly noticed, any business which might have been transacted at the meeting as

originally called may be transacted. Absent Directors may later sign written joinders in Board actions, but such joinders may not be used for purposes of creating a quorum.

3.10. PRESIDING OFFICER - The presiding officer at Directors' meetings shall be the President and in his absence, then the Vice President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside. This shall not prevent the appointment of a chairperson to conduct and preside at a meeting.

3.11. DIRECTOR COMPENSATION - Directors shall serve without pay but shall be entitled to reimbursement for expenses reasonably incurred.

3.12 CONFLICTS OF INTEREST - The following prohibitions or requirements shall apply:

3.12.1 The Association shall not hire any attorney that also represents a management company of the Association.

3.12.2 Directors shall be prohibited from purchasing a unit at the Association's foreclosure sale or taking such unit by deed-in-lieu of foreclosure.

3.12.3 The Association shall not employ or contract with any service provider that is owned or operated by a director or any person that (1) has a financial relationship with a director or officer or (2) is related to a director or officer by blood or marriage within 3 degrees of consanguinity unless the ownership interest is less than one percent (1%).

3.12.4 Directors and officers and any person that is related to a director or officer by blood or marriage within 3 degrees of consanguinity must disclose to the Board of Directors any activity that may reasonably be construed to be a conflict of interest and the proposed activity must be listed on, and all contracts and transactional documents related to the proposed activity, must be attached to the meeting agenda for the meeting at which the activity will be considered. The party must notify the Board in writing of his or her intentions not to pursue the activity or that he or she will withdraw from office. If a director or officer violates these requirements, then he or she shall be deemed removed from office at a properly noticed Board meeting and the vacant seat shall be filled in accordance with Section 3.2 herein. Any contract that has not been properly disclosed as a conflict of interest or potential conflict of interest shall be voidable and shall terminate upon written notice to the Board signed by not less than twenty percent (20%) of the total voting interests that they wish to terminate the contract.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS – The Board of Directors shall have all of the powers of the Association existing under the Florida Corporation Statutes, the Condominium Act, the Declaration of Condominium, the Articles of Incorporation, these By-laws, and the Rules and Regulations of the Association and same shall be exercised exclusively by the Board of Directors, or its duly authorized agents, contractors, or employees subject only to the approval by unit owners when such is specifically required. Such powers and duties of the Directors shall include, but shall not be limited to, the following:

4.1. To adopt budgets and make and collect assessments against owners to defray the costs of the Association.

4.2. To use the proceeds of assessments in the exercise of its powers and duties.

4.3. The maintenance, repair, replacement, alteration, preservation and operation of the Condominium Property; to purchase any equipment deemed to be needed for same in the sole and absolute discretion of the Board of Directors; and to enter into and upon the Units when necessary, with as little inconvenience to the Unit Owners as possible, in connection with said maintenance, care and preservation.

4.4. To enact rules and regulations concerning the transfer, use, appearance, occupancy of the units, common elements, and limited common elements subject to any limitations contained in the Declaration of Condominium.

4.5. The reconstruction of common elements improvements and other portions of the condominium property after casualty and further improvement of the property.

4.6. To approve or disapprove proposed transactions including, but not limited to, sales and other transfers, leases and ownership of apartments in the manner provided by the Condominium Declaration and to charge a preset fee, not to exceed the maximum permissible by law, in connection with such approval.

4.7. To enforce by legal means the provisions of applicable laws and the Condominium Documents, and to interpret said Condominium Documents, as the final arbiter of their meaning.

4.8. To contract for management and maintenance of the Condominium and to authorize the management agent to assist the Association in carrying out its powers and duties by performing such functions as the collection of assessments, preparation of records, enforcements of restrictions, rules and regulations, and maintenance of the common elements. The Association shall, however, retain at all times the powers and duties granted them by the Condominium Act including, but not limited to, the making of assessments, promulgation or amendment of rules, and execution of contracts on behalf of the Association.

4.9. To carry insurance for the protection of the unit owners and the Association.

4.10. To pay the cost of all utility services rendered to the Condominium and not billed to owners of individual units.

4.11. To employ personnel and designate other representatives or agents for reasonable compensation and grant them such duties as seem appropriate for proper administration of the purposes of the Association.

4.12. To bring and defend suits, make and execute contracts, deeds, mortgages, notes, and other evidence of indebtedness, leases and other instruments by its officers.

4.13. To grant easements and licenses over the Condominium Property necessary or desirable for proper operation of the Condominium.

4.14. **CONTRACTS FOR PRODUCTS AND SERVICES** - All contracts that are not to be fully performed within 1 year after the making thereof, for the purchase, lease or renting of materials or equipment, and all contracts for services, with the exception of contracts with employees of the association, and contracts for attorneys and accountants, shall be in writing. As to any such contract which requires payment exceeding five (5%) of the annual budget, including reserves, except for contracts with employees of the Association, for attorneys and accountants, the Association shall obtain competitive bids unless the products and services are needed as the result of an emergency or unless the desired supplier is the only source of supply within the County serving the Association. The Association need not accept the lowest bid.

4.15. **FINES/SUSPENSION** - The Directors may, pursuant to F.S. §718.303, impose fines against a unit not to exceed the maximum permissible by law, for failure to comply with the provisions of the Condominium Documents, including the rules and regulations, by owners, occupants, licensees, tenants and invitees. A fine may be imposed for each day of continuing violation with a single notice and opportunity for hearing, provided that no fine shall in the aggregate exceed \$1,000.00, or such maximum amount as is permissible by law, and all fine hearings shall be held before a committee of other unit owners as required by law. The Association may suspend the right of a unit owner or a unit's occupant, licensee, or invitee to use common elements, the facilities, or any other Association property for a reasonable period of time for violations of the Condominium Documents or until any monetary obligation due the Association, which is more than ninety (90) days delinquent, is paid in full. This provision is not applied to use of limited common elements intended to be used only by that particular unit and common elements used for access to the unit including parking spaces.

4.15.1 The party against whom the fine or a suspension is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

1. A statement of the date, time and place of the hearing;
2. A statement of the provisions of the Declaration, Articles of Incorporation, By-laws, or Rules and Regulations which have allegedly been violated and when or how; and
3. A short and plain statement of the matters asserted by the Association.

4.15.2 The party against whom the fine or suspension may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association at the fining hearing. If the fining committee approves the fine, the Board may impose same at a properly noticed Board meeting and

shall notify party against whom the fine has been levied of the amount of the fine and the due date. Should the Association be required to initiate legal proceedings to collect a duly levied fine, the prevailing party in an action to collect said fine shall be entitled to an award of costs, and a reasonable attorney's fee incurred before trial, at trial, and on appeal.

4.16. COMMITTEES - The Directors may appoint committees. All committees and committee members shall serve at the pleasure of the Board. All committees of the Association that are appointed to take final action on behalf of the Board or make recommendations to the Board with regard to the budget shall conduct their affairs in the same manner as provided in these By-Laws for Board of Director meetings.

4.17. FIRE SAFETY COMPLIANCE - The Directors may accept a Certificate of Compliance from a licensed electrical contractor or electrician as evidence of compliance of the condominium units with the applicable Fire and Life Safety Code, if applicable.

4.18. HURRICANE SHUTTERS - The Board of Directors shall adopt hurricane shutter specifications or other substitute for each building within the Condominium which shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable building code, or shall be structured to ensure that installed shutters are in compliance with the applicable building code. The Board shall not refuse to approve the installation or replacement of hurricane shutters or other substitute conforming to the specifications adopted by the Board where an individual unit owner requests approval to install hurricane shutters or such other substitute as may be set forth in the Board adopted specifications.

5. OFFICERS

5.1. OFFICERS - The officers of the Association shall be the President, Vice President, Secretary, and Treasurer, all of whom shall be elected annually by and from the Board of Directors, and who may be peremptorily removed by a majority vote of the Directors at any meeting.

5.2. PRESIDENT - POWERS AND DUTIES - The President shall be the chief officer of the Association, shall preside at all meetings of the Board of Directors and Association meetings. The President shall have general supervision over the affairs of the Association and shall have all of the powers and duties which are usually vested in the office of President of a corporation.

5.3. VICE-PRESIDENT - POWERS AND DUTIES - The Vice-President shall in the absence or disability of the President exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

5.4. SECRETARY - POWERS AND DUTIES - The Secretary shall keep the minutes of all proceedings of the Directors and the members; shall attend to the giving and serving of all notices to the members and Directors and other notices required by law; shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed;

shall keep and have custody of the records of the Association, except those of the Treasurer; and shall perform all other duties incident to the office of Secretary of the Association and as may be required by the Directors or the President.

5.5. TREASURER - POWERS AND DUTIES - The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness; shall keep the assessment rolls and accounts of the members; shall keep the books of the Association in accordance with good accounting practices; and shall perform all other duties incident to the office of the Treasurer of a corporation.

5.6. OFFICERS COMPENSATION - Officers shall not be entitled to compensation for service as such, but shall be entitled to reimbursement of expenses reasonably incurred. The Board of Directors may employ a Director or officer as an employee, contractor or sub-contractor of the Association.

5.7. INDEMNIFICATION -

5.7.1. INDEMNITY. The Association shall indemnify any officer, director or committee member who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, officer or committee member of the Association, against expenses (including attorney's fees and appellate attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court also determines specifically that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. It is the intent of the membership of the Association, by the adoption of this provision, to provide the most comprehensive indemnification possible to their officers, directors and committee members as permitted by Florida law.

5.7.2. To the extent that a director, officer, or committee member of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.7.1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees and appellate attorney's fees) actually and reasonably incurred by him in connection therewith.

5.7.3. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the affected director, officer, or

committee member to repay such amount unless it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized by this Article 5.7.

5.7.4. The indemnification provided by this Article 5.7 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a director, officer, or committee member and shall inure to the benefit of the heirs and personal representatives of such person.

5.7.5. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, committee member, employee or agent of the Association, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

5.7.6. Anything to the contrary herein notwithstanding, the provisions of this Article 5.7 may not be amended without the approval in writing of all persons whose interest would be adversely affected by such amendment.

5.8. DELEGATION - To the extent permitted by law, the powers and duties of the directors and officers may be delegated for the purpose of management.

6. MINUTES AND INSPECTION OF RECORDS - Minutes of all meetings of unit owners and of the Board of Directors shall be kept in a businesslike manner and shall be reduced to written form within thirty (30) days and the meeting, plus records of all receipts and expenditures and all other official records, as defined in F.S. §718.111 as amended from time to time, shall be available for inspection by unit owners and Board members at all reasonable times. Certain records, as specified by statute, shall not be available for inspection, provided, however, that the Directors may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspections and any copying.

7. FISCAL MANAGEMENT - Shall be in accordance with the following provisions:

7.1. BUDGET - A proposed annual budget, which must include estimated revenues and expenses, shall be prepared by the Board of Directors, and shall include all anticipated expenses for operation, maintenance and administration of the Condominium including insurance, management fees, if any, and which may include expenses of in-house communications and security, bulk cable television, telecommunication, information, and internet service, and which shall include reserves per F.S. §718.112 (2) (f) (2) or as amended, which may later be waived by the owners. The Board may elect to propose to submit the question of waiving reserves to a unit owner vote at the annual meeting, in which case, such waiver may be retroactive to the beginning of the fiscal year. Reserve funds and any accrued interest on the funds shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called

meeting of the Association, or by the written approval of a majority of the voting interests. The budget will contain a reasonable allowance for contingencies and provide funds for all unpaid operating expenses previously incurred. If at any time a budget shall prove insufficient, it may be amended by the Board of Directors for the remaining portion of the fiscal year, provided that notice of the Board meeting at which the revised budget will be considered along with a copy of the proposed revisions to the budget shall be mailed to each member as provided in Article 7.2 hereof.

7.1.1 The only voting interests which are eligible to vote on questions that involve waiving or reducing the funding of reserves, or using existing reserve funds for purposes other than purposes for which the reserves were intended, are the voting interests of the units subject to assessment to fund the reserves in question.

7.1.2 Proxy questions related to waiving or reducing the funding of reserves or using existing reserves for purposes other than purposes for which the reserves were intended shall contain the language and font and size requirements to comply with F.S. §718.112(2) (f) (4).

7.1.3 If the Board of Directors adopts an annual budget which requires assessments against unit owners which exceed 115 percent of assessments for the preceding fiscal year, the Board shall conduct a special meeting of the unit owners to consider a substitute budget if the Board receives, within 21 days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of the total voting interests. The special meeting shall be conducted within 60 days after adoption of the annual budget. At least 14 days prior to such special meeting, the Board shall hand deliver to each unit owner, or mail to each unit owner a notice of the meeting. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled.

7.2. MAILING - A copy of the proposed annual budget shall be mailed to the unit owners not less than 14 days prior to the meeting of the directors at which the budget will be adopted together with a notice of the meeting.

7.3. ASSESSMENTS - The shares of the unit owners of the common expenses may be made payable in installments due monthly or quarterly (as determined by the Board) in advance and shall become due on the first day of each such period and which shall become delinquent 10 days thereafter. The Association shall have the right to accelerate assessments of an owner delinquent in the payment of common expenses. Accelerated assessments shall be due and payable on the date a claim of lien is filed and may include the amounts due for the remainder of the fiscal year for which the claim of lien was filed.

7.4. SPECIAL ASSESSMENTS - Assessments for common expenses which are not provided for and funded in the Budget or an amendment to the Budget may be made by the Board of Directors, and the time of payment shall likewise be determined by them. Notice of the Board meeting at which such assessments shall be considered shall be posted and mailed to each unit owner as provided in Article 3.7 hereof. The funds collected pursuant to a special assessment

shall be used only for the specific purpose or purposes set forth in such notice. However, upon completion of such specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the Board, either be returned to the unit owners or applied as a credit towards future assessments.

7.5. ASSESSMENT ROLL - The assessments for common expenses and charges shall be set forth upon a roll of the units which shall be available for inspection at all reasonable times by unit owners. Such roll shall indicate for each unit the name and address of the owner, and the assessments and charges paid and unpaid. A certificate made by a duly authorized representative of or by the Board of Directors as to the status of a unit's account may be relied upon for all purposes by any person for whom made.

7.6. LIABILITY FOR ASSESSMENTS AND CHARGES - A unit owner shall be liable for all assessments and charges coming due while the owner of a unit, and such owner and owner's grantees after a voluntary conveyance shall be jointly and severally liable for all unpaid assessments and charges due and payable up to the time of such voluntary conveyance. Liability may not be avoided by waiver of the use or enjoyment of any common elements or Association property or by abandonment of the unit for which the assessments are made. Where an institutional mortgagee holding a first mortgage of record obtains title to a unit by foreclosure, such mortgagee and its successors and assigns shall only be liable for such unit's assessments, charges or share of the common expenses which became due prior to acquisitions of title as provided in the Florida Condominium Act, as amended from time to time.

7.7. LIENS FOR ASSESSMENTS - The unpaid portion of an assessment including an accelerated assessment which is due, together with all costs, interest, late fees, and reasonable attorneys' fees for collection, including appeals, shall be secured by a lien upon the unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association in accordance with the requirements of Florida Statute §718.116 as same may be amended from time to time.

7.8. LIEN FOR CHARGES - Unpaid charges which are due together with costs, interest, late fees, and reasonable attorney's fees including appeal, for collection shall be secured by a common law lien upon the unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association.

7.9. COLLECTION - INTEREST; ADMINISTRATIVE LATE FEE; APPLICATION OF PAYMENTS - Assessments or charges paid on or before the tenth day after the date due shall not bear interest, but all sums not paid on or before ten (10) days after the date they are due shall bear interest at the rate determined by the Board of Director from time to time, up to but not to exceed the highest lawful rate (now 18% per annum) from the date due until paid. In addition to such interest the Association may charge an administrative late fee in an amount not to exceed the greater of \$25.00 or 5% of each installment of the assessment for which payment is late, or the maximum late fee permissible by law as same may be amended from time to time. All payments upon account shall be first applied to interest, then the late fee, then to any costs and reasonable attorney's fees incurred and then to the assessment payment first due. All interest and late fees collected shall be credited to the common expense account.

7.10. COLLECTION - SUIT - The Association, at its option, may enforce collection of delinquent assessments or charges by suit at law, by foreclosure of the lien securing the assessments, or by any other remedy available under the laws of the State of Florida, and in any event the Association shall be entitled to recover the payments which are delinquent at the time of collection, judgment or decree, together with those which have become due by acceleration plus interest and late fees thereon and all costs incident to the collection and the proceedings, including reasonable attorneys' fees, including appeals. The Association must deliver or mail by certified mail to the unit owner a written notice of its intention to foreclose the lien as provided by law.

7.11. ACCOUNTS - All sums collected from assessments or charges shall be credited to accounts from which shall be paid the expenses for which the respective assessments or charges are made.

7.12. ASSOCIATION DEPOSITORY - The depository of the Association shall be a bank or banks or state or federal savings and loan associations with offices in Florida, and other insured depositories as shall be designated from time to time by the Directors and in which the monies for the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

7.13. COMMINGLING OF FUNDS PROHIBITED - All funds shall be maintained separately in the Association's name. Reserve and operating funds may be commingled for purposes of investment, but separate ledgers must be maintained for each account. No community association manager or business entity required to be licensed or registered under F.S. §468.432, and no agent, employee, officer, or Director of the Association shall commingle any Association funds with his funds or with the funds of any other condominium association or community association as defined in F.S. §468.431, or with those of any other entity.

7.14. FINANCIAL REPORTS - A complete financial report of actual receipts and expenditures of the Association shall be made annually which shall comply with the Florida Administrative Code, as amended, and with the Florida Condominium Act, as amended, as determined in the Code based upon the amount of the Association's budget from time to time. A copy of the report or notice that same is available at no cost shall be furnished to each member and the Division as provided by law. Such higher level of financial reporting shall be done as necessary to comply with Florida Statute §718.111(13), as same may be amended from time to time.

7.15. FIDELITY BONDING - The Association shall maintain insurance or fidelity bonding of all persons who control or disburse funds of the association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time. As used in this paragraph, the term "persons who control or disburse funds of the association" includes, but is not limited to, those individuals authorized to sign checks on behalf of the association, and the president, secretary, and treasurer of the association. The association shall bear the cost of any such bonding. In the case of a licensed manager, the cost of bonding may be reimbursed by the Association as the parties may agree. All persons providing management services to the Association or otherwise having the authority to

control or disburse Association funds shall provide the Association with a certificate of insurance evidencing compliance with this paragraph, naming the Association as an insured under said policy.

8. PARLIAMENTARY RULES - Robert's Rules of Order shall govern the conduct of association meetings when not in conflict with the Declaration, the Articles of Incorporation, the By-Laws of the Association or with the laws of the State of Florida.

9. BY-LAW AMENDMENTS - Amendments to the By-Laws shall be adopted in the following manner:

9.1. NOTICE of the subject matter of a proposed amendment shall be included in the notice of any meeting or the text of any written agreement at which a proposed amendment is considered.

9.2. PROPOSAL OF AMENDMENTS - An amendment may be proposed by either a majority of the Directors or by twenty-five percent (25%) of the voting interests.

9.3. ADOPTION OF AMENDMENTS - A resolution or written agreement adopting a proposed amendment must receive approval of a majority of the Board of Directors and of at least a majority of the voting interests of the Association present (in person or by proxy) and voting at a duly noticed meeting of the Association or by the written agreement of a majority of the total voting interests of the Association. Amendments correcting errors or omissions may be adopted by the Board alone.

9.4. EFFECTIVE DATE - An amendment when adopted shall become effective only after being recorded in the Polk County Records according to law.

9.5. AUTOMATIC AMENDMENT - These By-Laws shall be deemed amended, if necessary, so as to make the same consistent with the provisions of the Declaration of Condominium or the Articles of Incorporation. The Board of Directors, without a vote of the owners, may adopt by majority vote amendments to these By-Laws as the Board deems necessary or advisable to comply with or take advantage of such operational changes as may be contemplated by future amendments to chapters 607, 617 and 718 of the Florida Statutes, or such other statutes or administrative regulations regulating the operation of the Association.

9.6. PROPOSED AMENDMENT FORMAT - Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended. New words shall be underlined and words to be deleted shall be ~~lined through~~. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying, "SUBSTANTIAL REWORDING OF BY-LAWS. SEE BY-LAW NUMBER ___ FOR PRESENT TEXT."

10. FNMA REQUIREMENTS. In accordance with the Federal National Mortgage Association Condensed Legal Guidelines for Condominium Projects, Southeastern Region, the Association will additionally have the following duties:

10.1 DOCUMENTS AND RECORDS – The Association shall be required to make available to unit owners and lenders, and to holders, insurers and guarantors of any first mortgage, current copies of the declaration of condominium, bylaws, other rules concerning the condominium project and the books, records and financial statements of the Association. “Available” means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

10.2 LENDERS’ NOTICES – Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the unit number and address, any holder of a first mortgage on a unit or insurer or governmental guarantor of a first mortgage on a unit will be entitled to timely written notice of:

10.2.1 Any condemnation, loss or other casualty loss which affects a material portion of the condominium or any unit on which there is a first mortgage held, insured or guaranteed by any such first mortgage holder or first mortgage insurer or guarantor, as applicable.

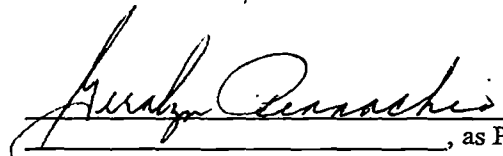
10.2.2 Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a first mortgage held, insured or guaranteed by such first mortgage holder or first mortgage insurer or guarantor, which remains uncured for a period of sixty days.

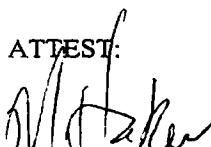
10.2.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

10.2.4 Any proposed action which would require the consent of a specified percentage of mortgage holders.

10.3 FINANCIAL STATEMENTS – Any holder of a first mortgage shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

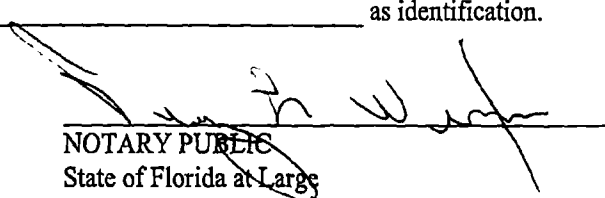
The foregoing was adopted as the Amended and Restated By-Laws of Stonewater Condominium Association, Inc. on this 1 day of July, 2025.


_____, as President

ATTEST:

_____, as Secretary

STATE OF FLORIDA
COUNTY OF POLK

The foregoing instrument was acknowledged before me this 1st day of July, 2025, by Gerald Pennachio, as President, and Marcel Haack, as Secretary, of Stonewater Condominium Association, Inc., on behalf of the corporation. They are personally known to me or have produced _____ and _____ as identification.


NOTARY PUBLIC
State of Florida at Large

My Commission Expires:

