

**BYLAWS**  
**SWEETWATER EAST INVESTMENT CO.**  
**DBA LAKE ESTATES**

**ARTICLE 1. OFFICE**

The principal office of Sweetwater East Investment Co., DBA Lake Henry Estates shall be located at 684 Dyson Road, Haines City, County of Polk, State of Florida.

**ARTICLE 2. PURPOSE**

The purpose of Sweetwater East Investment Co., DBA Lake Henry Estates, is to provide an organizational structure by which to conduct the business, social, civic and recreational affairs of the subdivision community.

**ARTICLE 3. DEFINITIONS**

Section 1. "Corporation" shall mean and refer to Sweetwater East Investment Co., DBA Lake Henry Estates, a Florida Corporation, its successors and assigns.

Section 2. "The Board of Directors" and the "Board" shall mean and refer to the Directors of the Corporation.

Section 3. "Owners" shall mean and refer to the recorded owner, whether one or more persons or entities of fee simple title to any lot which is a part of the subdivision properties, including contact sellers, but excluding those having such interest merely as security for performance of an obligation.

Section 4. "Meetings" shall mean and refer to meetings of the Shareholders and meetings of the Board of Directors and special meetings. Robert's Rules of Order Newly Revised shall be guidelines in all cases to which they are applicable and which are not inconsistent with these Bylaws and any special rules the Corporation may adopt.

Section 5. "Shareholders" shall mean and refer to Shareholders of the Corporation and limited to property owners, of the subdivisions of Sweetwater Golf and Tennis Club, Second Addition and Third Addition.

Section 6 "Shareholder in good standing" shall mean a Shareholder not delinquent in the payment of dues, fees or assessments.

Section 7 "Normal Operating Expenses" shall mean and refer to costs that recur on an annual or monthly basis.

Section 8 "Covenants" shall mean and refer to the Supplemental and Amended Declaration of Restrictions for the subdivisions.

Section 9 "Emergency" shall mean and refer to unforeseen circumstances and the resulting state that calls for immediate action (within twenty-four (24) hours).

#### **ARTICLE 4. MEETINGS OF SHAREHOLDERS**

Section 1. Annual Meetings. The purpose of the annual meeting of Shareholders is to elect Directors, present the preliminary Corporate Financial Statements for the preceding fiscal year and the Corporate Budget for the current fiscal year and to transact such other matters as may properly come before the Shareholders. The annual meeting of the Shareholders of the Corporation shall be held on the Second (2<sup>nd</sup>) Monday of the month of January in each year at 7 p.m. If for some dire circumstance, such as a pandemic, that the time needs to be changed, it must be posted and communicated 15 days in advance. If the day fixed for the annual meeting is a legal holiday in the State of Florida such meeting shall be held on the next business day. Failure to hold an annual meeting timely shall in no way affect the terms of Officers or Directors of the Corporation or the validity of actions of the Corporation.

Section 2. Special Meetings. Special meetings of the Shareholders may be called by the President or by a majority of the Board of Directors then in office or by Shareholders owning one-fourth (1/4) or more of the outstanding voting shares of the Corporation. The purpose of each special meeting shall be stated in the notice and shall only include purposes which are lawful and proper for Shareholders to consider.

Section 3. Place of Meeting. The place of meeting will be the principal at 684 Dyson Road, Haines City, Florida.

Section 4. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail not less than fifteen (15) days nor more than sixty (60) days before the date of the meeting. Notice shall be given by or at the direction of the President or the Secretary or the persons calling the meeting, to each Shareholder of record entitled to vote at the meeting. If mailed, such notice shall be deemed to have been delivered when deposited in the United States Mail addressed to the Shareholder at his address as it appears on the records of the Corporation with postage thereon prepaid. The notice shall also be posted immediately on the clubhouse bulletin board.

Section 5. Waiver of Notice. A written waiver of notice signed by a Shareholder, whether before or after a meeting, shall be equivalent to the giving of such notice. Attendance of a Shareholder at a meeting shall constitute a waiver of notice of such meeting except when the Shareholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. No Action Without Meetings. Action by Shareholders may be taken at meetings conducted in person and by absentee ballot. Voting will occur at regular or special meetings of Shareholders in accordance with Article 4 of these Bylaws. Shareholders' rights shall be protected by law and in accordance with Article 16.

Section 7. Voting Record. The Officers having charge of the stock transfer books for shares of the Corporation shall have available, at least ten (10) days before each meeting of Shareholders, a complete list of the Shareholders entitled to vote at such meeting or any adjournment thereof with the address of each and the number of shares held by each. For a period often (10) days prior to such meeting, the list shall be kept on file at the registered office of the Corporation, at the principal place of business of the Corporation, or at the office of the transfer agent or registrar of the Corporation, and any Shareholder shall be entitled to inspect the list at any time during usual business hours. The list shall also be available at the time and place of the meeting and shall be subject to the inspection of any Shareholder at any time during the meeting. If the requirements of this section have not been substantially complied with, then upon demand of any Shareholder in person or by proxy, the meeting shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 8. Shareholder Quorum and Voting. Shareholders representing a majority of the outstanding voting shares of the Corporation present (in person or by proxy), in addition to Shareholders voting by absentee ballot, shall constitute a quorum at any meeting of Shareholders and unless otherwise provided by law and/or these Bylaws the vote of those Shareholders representing a majority of the voting shares present and voting at the meeting (in person or by proxy) together with Shareholders voting by absentee ballot shall be the act of the Shareholders. After a quorum has been established by the Chairman at the 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. If a quorum is not present when a meeting starts, then those Shareholders representing a majority of the voting shares present at the meeting (in person or by proxy) together with those Shareholders voting by absentee ballot, may adjourn until a quorum is present.

Section 9. Voting. Each Shareholder in good standing shall be entitled to cast one (1) vote for each share of outstanding voting shares of the Corporation owned by such Shareholder on each matter submitted to a vote at any meeting of Shareholders.

Section 10. Proxies. Every shareholder entitled to vote at a meeting of Shareholders, to express consent or dissent without being present at a meeting, may authorize another person to act for him or her by proxy. The proxy shall be obtained from the corporate office in person or by written request signed by the shareholder. Every proxy shall be in writing and shall be signed by the Shareholder or a duly authorized attorney-in-fact. No proxy shall be valid after the

expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Shareholder executing it, except as otherwise provided by Florida Statutes Section 607.0722 or other law. Only natural persons shall be authorized to hold proxies. All proxies, to be valid, must be presented to the appropriate agent before the start of the meeting. The proxy holder then will be provided with the documents necessary for that meeting. The form of the proxy shall be as follows:

### LIMITED PROXY

The undersigned hereby appoints \_\_\_\_\_ as lawful agent to represent the undersigned to vote upon such matters as may properly come before the meeting of Sweetwater East Investment Co., d/b/a Lake Henry Estates, to be held on \_\_\_\_\_ at \_\_\_\_\_ (Florida Time) or any adjournment thereof:

Date \_\_\_\_\_ Print Name \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_

#### Section 10 (B) Absentee Ballots

Every Shareholder entitled to vote may elect to vote by absentee ballot through the mail system or by delivery of the absentee ballot to the Shareholders door. The Shareholder electing to vote by absentee ballot shall return the ballot to the Corporation no later than noon on the day of the Shareholders meeting.

### ARTICLE 5. BOARD OF DIRECTORS

Section 1. General Standards. A Director shall discharge his or her duties as a director: (1) in good faith, (2) with the care an ordinary prudent person in a like position would exercise under similar circumstances and (3) in a manner he or she reasonably believes to be in the best interests of the Corporation.

Section 2. General Powers. Subject to the limitations of the Articles of Incorporation, these Bylaws and the Florida General Corporation Act concerning corporate action that must be authorized or approved by the Shareholders of the Corporation, all corporate powers shall be exercised by or under the authority of the Board of Directors, and the business and affairs of the Corporation shall be controlled by the Board of Directors.

Section 3. Number. Qualification. Election and Tenure. The number of Directors shall be five (5). The number of Directors may be increased or decreased from time to time by the Shareholders in accordance with these Bylaws. Directors must be Shareholders of the Corporation. Directors shall be elected by Shareholders, in accordance with Article 4 of these Bylaws, at the Annual Meeting of Shareholders or at a Special Meeting called for that purpose. Directors shall be elected to hold office, if qualified under these Bylaws, for a two (2) year term, such term to expire at the Annual Meeting of Shareholders held two (2) years after their election. No spouse of a Director may serve simultaneously with the other spouse.

Section 4 Annual Meetings. The Board of Directors shall hold its annual meeting at the same place as and from two (2) to three (3) days following each annual meeting of Shareholders for the purpose of the election of Officers by secret ballot and the transaction of such other business as may come before the meeting. The elected Board members and Officers shall assume their duties following the Annual Board Meeting at which time the retiring Secretary and Treasurer shall deliver the books and Corporate seal in good order to the new Secretary and Treasurer. If a majority of the Directors is present at the annual meeting of the Shareholders, no prior notice of the annual meeting of the Board of Directors shall be required.

Section 5. Meeting Notice and Agenda A notice as well as an agenda of all Board of Directors meetings shall be posted on the clubhouse bulletin board at least forty-eight (48) hours in advance of the meeting, except in an emergency.

Section 6. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly on such date, at such time and at such place as shall be determined from time to time by the Board of Directors provided such place shall have adequate seating space for all attending shareholders.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President, the Vice President, or any two (2) Directors.

The person or persons authorized to call special meetings of the Board may fix a reasonable time and place for holding them. Special meetings may or may not be open to all Shareholders. Executive sessions, which are closed to the Shareholders, may be held provided (1) no action by formal vote be taken and (2) the session not be used as a means of circumventing these bylaws. Whether Special Meetings or Executive Sessions, the secretary shall take minutes and post them on the bulletin board.

Section 8. Regulations. The Directors may adopt regulations for governing their meetings, provided such regulations are not inconsistent with the Articles of Incorporation or these Bylaws. Board regulations adopted by the Board may be amended or repealed by the Board as the Directors deem necessary and desirable.

Section 9. Action Without Meeting. In an emergency, any action of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken signed by all of the Directors is filed in the minutes of the Board of Directors. Such consent, which may be given by electronic means, shall have the same effect as a unanimous vote.

Section 10. Waiver. Any Director may waive notice of any meeting, either before, at or after such meeting by signing a waiver of notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of such meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.

Section 11. Quorum and Voting. A majority of Directors in office shall constitute a quorum for the transaction of business. The vote of a majority of Directors present at a meeting at which a quorum is present shall constitute the action of the Board of Directors. If less than a quorum is present, then a majority of those Directors present may adjourn the meeting from time to time without notice until a quorum is present.

Section 11b. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 12. Vacancies. Within an election year, the first vacancy occurring on the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors unless otherwise provided by law, these Bylaws or the Articles of Incorporation. (Remaining directors does not include the departing director.) A Director elected by the Board to fill a vacancy shall hold office for the remainder of the term of the departing Director. If the directors are unable to reach an agreement or in the event of subsequent vacancies, and a Director's remaining term is in excess of 60 days, a special meeting of the Shareholders shall be held within a reasonable time to vote for a Director. Any Director elected by the Shareholders to fill a vacancy shall hold office for the remainder of the term. Ballots for filling vacancies shall be separate from the annual slate. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of Shareholders or a special meeting of Shareholders called for that purpose.

Section 13. Removal. At any meeting of Shareholders called expressly for that purpose, any Director or Directors may be removed from office, with or without cause, by Shareholders' vote in accordance with Article 4. New Directors may be elected by the Shareholders for the unexpired terms of Directors removed from office at the same meetings at which such removals are voted. If the Shareholders fail to elect persons to fill the unexpired terms of removed Directors, and if the Shareholders did not intend to decrease the number of Directors to serve on the Board, then the vacancies unfilled shall be filled in accordance with provisions in these Bylaws for vacancies.

Section 14. Indemnification. Directors as such shall not receive any remuneration for their services. By resolution of the Board of Directors, any Director may be indemnified for expenses and cost, including attorney's fees, actually and necessarily incurred in connection with any claim asserted against that Director, by action in court or otherwise, by reason of his or her being or having been such Director, except in relation to matters as to which he or she shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought. The Corporation shall maintain Directors and Officers Errors or Omission Liability Insurance as a guarantee of Indemnification of the Directors.

Section 15. Expenditure Limitation. The Board of Directors shall not take action to approve any expenditure in excess of \$15,000.00 over and above normal operating expenses, nor shall action be taken to obligate the Corporation in any way for any contracts or other instruments with a value in excess of \$15,000.00 (other than those related to normal operating expenses) without a prior vote of approval from Shareholders, in accordance with Article 4 of these Bylaws. Purchases, projects, contracts or other instruments that are above \$15,000.00 limit and have been approved by the shareholders, shall be allowed a maximum of a 10% overage for justifiable cause. No single purchase, project, contract or other instrument shall be separated in any way to circumvent this expenditure limitation. Notwithstanding the above, nothing shall prevent the Board of Directors to effect emergency repairs within the Community whenever necessary. However, if the cost of those repairs exceeds \$15,000.00, the Shareholders shall be so informed by means of a notice posted forthwith on the clubhouse bulletin board explaining the cost and reason for those emergency repairs.

Section 16. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting because of an asserted conflict of interest.

## **ARTICLE 6. OFFICERS**

Section 1. Officers. Officers must be Directors of the Corporation and shall be a President, Vice President, Secretary and Treasurer, each of whom shall be elected by the Board of Directors. The Board of Directors may elect or appoint one (1) assistant secretary, and one (1) assistant treasurer, as it shall deem desirable, such assistant to have the authority and to perform the duties prescribed from time to time by the Board of Directors and such other assistant officers as may be deemed appropriate may be elected by the Board of Directors from time to time. Any two offices may be held by the same person. A failure to elect a President, Vice President, Secretary or Treasurer shall not affect the existence of the Corporation.

Section 2. Election and Term of Office. The Officers of the Corporation shall be elected annually by the Board of Directors from its members at its meeting after each annual meeting of Shareholders. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each Officer shall hold office, if qualified under these Bylaws, until his or her successor shall have been duly elected and qualified, or until his

or her death, or until he or she shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any Officer may be removed from office at any time, with or without cause, on the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served thereby. Removal shall be without prejudice to any contract rights of the person so removed, but election of an Officer shall not of itself create contract rights.

Section 4. Vacancies. Vacancies in offices, however occasioned, may be filled at any time by election by the Board of Directors for the unexpired terms of such offices.

Section 5. President. The President shall be the Chief Executive Officer of the Corporation and shall preside at all meetings of the Shareholders and of the Board of Directors. If not contrary to these Bylaws the President may sign with the Secretary, or any other proper Officers of the Corporation authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments that the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other Officer or agent of the Corporation. In general, the President shall perform all the duties pertaining to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice President. In the absence of the President or in the event of an inability or refusal to act, the Vice President shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions of the President. The Vice President shall perform such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 7. Treasurer. The Treasurer shall indemnify the Corporation with a bond or crime insurance for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors shall determine and such bond or insurance paid by the Corporation. The Treasurer shall have charge and custody of the administering and direction of carrying out all business aspects through an Office Manager or other employees. The Treasurer shall be responsible for all funds and securities of the Corporation, and direction to receive and give receipts for money due and payable to the Corporation from any source whatsoever, and direction to deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors and keep accurate records thereof and report same at each meeting of the Corporation and in general, perform all the duties pertaining to the office of Treasurer and oversight for such other duties as from time to time may be assigned by the President or by the Board of Directors.

Section 8. Secretary. The Secretary shall keep the minutes of the meetings of the Shareholders and of the Board of Directors in one or more books provided for that purpose, take care of



correspondence and report on said minutes and correspondence at each meeting of the Corporation, see that all notices are given in accordance with the provisions of these Bylaws or as required by law, be custodian of the corporate records and of the corporate seal of the Corporation and see that the corporate seal is affixed to all documents, the execution of which on behalf of the Corporation under its seal is authorized in accordance with the provisions of these Bylaws; keep and maintain the Shareholders book of the Corporation containing the name and address of each Shareholder, both Florida and other address with telephone numbers, the date of the Shareholder's admission to membership, and the fact of any termination of the Shareholder's membership, and the date thereof, and in general perform all duties pertaining to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board of Directors. The Secretary shall file appropriate and required tax and other forms, both State and Federal, retaining copies of these forms for seven (7) years, or as required by law.

Section 9. Delegation of Duties. In the absence or disability of any Officer of the Corporation or for any other reason deemed sufficient by the Board of Directors, the Board may delegate such Officer's powers or duties to any other Officer or to any other Director. If the Treasurer's duties are delegated to another Officer or Director under this section, such other Officer or Director shall, prior to the assumption of duties, give a bond or insurance as required in accordance with Article 6, Section 7.

## ARTICLE 7. COMMITTEES

Section 1. Creation of Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees. For each committee, the Board of Directors shall appoint a Shareholder to be Committee Chairman, who in turn shall form the committee and have the names of the committee members posted on the clubhouse bulletin board. Committees shall serve at the pleasure of the Board of Directors and may be appointed, amended or disbanded whenever, in the Board's opinion, the best interest of the Corporation will be so served.

Section 2. Committees. The Board of Directors shall appoint a Shareholder to be Committee Chairman, for the following committees, who in turn shall form the committee from among the Shareholders:

(a) A Compliance Committee, which shall be a standing committee, to review and judge the validity of complaints submitted. The committee shall prepare a written report of complaints and submit them at each Board of Directors meeting.

(b) A Bylaws Committee, which shall be a standing committee, to research and prepare alterations, additions and amendments to these Bylaws. (See Article 15)

(c) A Budget Committee by September 1 of each year to prepare a budget for the coming fiscal year to be presented to the Board prior to October 31 and to the Shareholders at the annual meeting.

(d) A Nominating Committee to nominate candidates for election to the Board of Directors. (See Article 8 Section 1)

(e) An Election Committee to conduct any voting in accordance with Article 8 Section 4.

(f) An Audit Committee each November to examine the financial records of the corporation. (See Article 13)

Section 3. Other Committees. Other committees shall have such functions and may exercise such power as can be lawfully delegated and to the extent provided in the resolution or resolutions creating such committee or committees.

Section 4. Meetings. Regular meetings of the committees may be held without notice at such time and at such place as shall from time to time be determined by the Committee Chairman and special meetings of the committees may be called by any member thereof upon two (2) days notice to the other members of such committee, or on such shorter notice as may be agreed to by each of the other members of such committee.

Section 5. Vacancies. Vacancies in the membership of any committee shall be filled by the Committee Chairman.

Section 6. Quorum. At all meetings of committees, a majority of the committee members then in office shall constitute a quorum for the transaction of business.

Section 7. Manner of Acting. The acts of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of such committee. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

Section 8. Minutes. The committees shall keep regular minutes of their proceedings and submit the same to the Board of Directors when requested.

Section 9. Compensation. Members of the committees shall serve without paid compensation except for necessary out of pocket expenses.

Section 10. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors or until a successor is appointed, unless the committee shall be sooner terminated, or unless such member shall be removed from such committee, or unless such member shall cease to qualify as a member of such committee, or shall resign.

## ARTICLE 8. NOMINATIONS AND ELECTIONS

Section 1. Nominating Committee. The Nominating Committee Chairman shall form the committee not later than sixty (60) days before the annual meeting of the Shareholders to conduct the nominating process. (See Article 8 Section 2)

Section 2. Candidates. The nominating committee shall solicit and receive by December 1<sup>st</sup> the names of candidates for vacancies on the Board of Directors, verify their qualifications under these Bylaws and obtain from each of them a resume of their education, experience, career history and other relevant data. This information shall then be posted on the clubhouse bulletin board for a minimum of fifteen (15) days and presented at the annual meeting of Shareholders.

Section 3. Nomination. DELETED

Section 4. Election Committee.

The Election Committee Chairman shall form the committee not later than forty-five (45) days before the annual meeting of the Shareholders or not less than fifteen (15) days before a special meeting of shareholders held in accordance with Article 5 Section 12 for the purpose of electing board members or any other special meeting called for the purpose of voting. At any of the aforementioned meetings, the election committee is responsible for, but not limited to, registering shareholders, establishing quorum, validating proxies, preparation of and counting ballots, including absentee ballots, and reporting results of election to the shareholders. The election of Board members shall be with written ballot and shall include any absentee ballots. Directors shall be elected by a plurality of those voting either in person or by absentee ballot.

## ARTICLE 9. STOCK CERTIFICATES AND INTEREST BEARING NOTES

Section 1. Form, Issuances, and Exchanges. The shares of the Corporation shall be represented by certificates signed by the President or Vice President, and by the Secretary or another Director. Each share certificate shall state the following: (a) the name of the Corporation, (b) that the Corporation is organized under the laws of the State of Florida, (c) the name of the person(s) to whom issued and the mailing address of the lot, (d) the number of shares, one (1), and (e) that the shares are without par value. Each certificate shall also set forth on the face or back thereof that the Corporation will furnish to any Shareholder on request and without charge, a full statement of the designations, preferences, limitations and relative rights of the shares authorized to be issued. Any certificate representing shares that are restricted as to the sale, disposition, or other transfer of such shares, shall: also state that such shares are restricted as to transfer and shall set forth or fairly summarize on the certificate or shall state that the Corporation, will furnish to any Shareholder on request and without charge, a full statement of such restrictions. Share ownership is restricted to property owners of the subdivisions of Sweetwater Golf and Tennis Club, Second Addition and Third Addition, in accordance with Article 3, Section 5 of the Corporate Bylaws, and is limited to the registered owner(s) of the lots within these subdivisions. Subject to the

following provisions, each lot will be issued one (1) share certificate by the Corporation. This share certificate will represent a common voting share. Those owner(s) who initially chose not to participate in the voting membership of the Corporation may still refrain from same, but now have the opportunity to purchase a common voting share in the amount of \$1,000 pursuant to these Bylaws. No lot shall be issued more than one (1) share, nor its owner(s) have the ability to cast more than one (1) vote per lot. Lot owners who previously purchased from the Corporation, and have the corresponding ability to vote one (1) share, but who may have purchased, and have the corresponding ability to vote up to six (6) shares, are now required to exchange their shares that are in excess of their one (1) common voting share, for an interest bearing note. The maximum number of shares that can be exchanged for an interest bearing note is five (5). Each share exchanged shall have a value of \$1,000.00. The Corporation will not issue a note in excess of \$5,000.00. In consideration for the exchange the lot owner will receive a yearly interest payment with a return of five (5%) percent per annum. Whether a new lot owner or an existing lot owner, no lot owner shall now have more than one (1) share and the ability to cast more than one (1) vote based on that common voting share. No dividend will be paid by the Corporation as to any owner's common voting share. In the event of a sale, assignment or transfer of ownership of a lot, the common voting share will follow the property, and transfer to the new owner(s) of said lot. The Corporation will become obligated to redeem the principal of any interest bearing note only upon the change of ownership of a lot, or within fifteen (15) years, whichever occurs first, and subject to the availability of corporate redemption funds. If the corporate redemption funds become exhausted for any given year, the Corporation is not relieved of its obligations stated herein, but may pay the outstanding principal of any redeemable interest bearing note the following calendar year, in the order of lot sale. Interest will be paid until the note is redeemed. In no way will the corporation buy back or pay an owner for their common voting share.

Section 2. Transfers and Exchanges Transfers and exchanges of shares of the Corporation shall be made in the manner specified in the Florida Uniform Commercial Code. The only share that will transfer (from one (1) owner(s) to a subsequent owner(s) of the same lot) is the common voting share. All interest bearing notes issued by the Corporation are transferable.

Section 3. Lost, Stolen or Destroyed Certificates. The Corporation shall issue a new stock certificate in the place of any certificate previously issued if the holder of record (a) makes proof in affidavit form that it has been lost, destroyed or stolen, (b) requests the issuance of a new certificate before the Corporation has notice of any adverse claim, (c) gives bond in such form as the Corporation may direct, to indemnify the Corporation against any claim that may be made on account of the alleged loss, destruction, or theft of the certificate and (d) satisfies any other reasonable requirements imposed by the Corporation.

## **ARTICLE 10. BOOKS, RECORDS AND REPORTS**

Section 1. Report to Shareholders. The Corporation shall provide an annual report to the Shareholders of the Corporation not later than Four (4) months after the close of each fiscal year of the Corporation. Such report shall include a balance sheet as of the close of the fiscal year of the Corporation and an income statement for the year ended on such closing date. Such financial

statements shall be prepared from and in accordance with the books of the Corporation, in conformity with generally accepted accounting principles applied on a consistent basis.

Section 2. Inspection of Corporate Records. Any person who has been a holder of record of shares of the Corporation for at least six (6) months immediately preceding the demand shall have the right, at any reasonable time, on written demand stating the purpose thereof, to examine and have copies made from the relevant books and records of accounts, minutes and records of Shareholders of the Corporation. Upon the written request of any Shareholder the Corporation shall mail to such Shareholder a copy of the most recent balance sheet and profit and loss statement. If such request is received by the Corporation before such financial statements are available for its last fiscal year, the Corporation shall mail such financial statements as soon as they become available. The Corporation may charge reasonable fees for copies and for the service of providing information.

Section 3. Storing Records. Balance sheets and profit and Loss Statements filed in the principal office of the Corporation shall be kept for at least seven (7) years, or longer if required by law, and shall be subject to inspection by any Shareholder in person or by agent, in accordance with Article 10, Section 2.

**ARTICLE 11. DIVIDENDS AND ITEREST ON NOTES**

Dividends will not be paid by the Corporation. The Corporation will pay interest at the rate of five (5%) percent per annum on any interest bearing notes issued by the Corporation pursuant to these Bylaws until said notes are redeemed by the owner(s) pursuant to the terms stated herein.

**ARTICLE 12. FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year. The Board of Directors is authorized to change this fiscal year for the convenience of the Corporation.

**ARTICLE 13. AUDIT**

By November 30 of each year the Board of Directors shall appoint an Audit Committee of Shareholders who are not members of the Board of Directors. This committee shall examine the Corporation's financial records and report to the Board of Directors by December 31 and to the Shareholders of the Corporation at the annual meeting.

**ARTICLE 14. SEAL**

The Corporate seal shall bear the name of the Corporation between two concentric circles and in the inside of the inner circle shall be the year of incorporation.

**ARTICLE 15. AMENDMENTS**

These Bylaws may be amended or repealed by a majority vote of the Shareholders of the Corporation at a regular or special meeting of Shareholders if so done in accordance with Article 4 of these Bylaws.

The text of any amendments proposed by the bylaws committee shall be presented at a regular or special meeting of Shareholders and then posted on the clubhouse bulletin board for a minimum of fifteen (15) days. At the next regular or special meeting of Shareholders the proposed amendment(s) will be read, discussed and voted on by the Shareholders in accordance with Article 4.

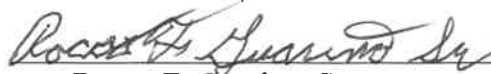
**ARTICLE 16. SHAREHOLDERS' RIGHTS**

Neither the Board of Directors nor the Shareholders shall take any action to dispose of any of the Community's amenities nor take any action for merger, consolidation or sale or exchange of assets for which dissenting Shareholders' rights are provided by the Florida General Corporation Act, without prior notice to all Shareholders containing a clear statement of the right of dissenting Shareholders to be paid the fair value of their shares upon compliance with the applicable statutory provisions. Any proposed action covered by this Article must be voted on and approved by the Shareholders of the Corporation in writing at a Special Meeting expressly called for that purpose and in accordance with Article 4 of these Bylaws. Any certificate to be filed as a result of the Shareholders' action under this Article shall state that written Shareholders' consent was given in accordance with Section 607.0704. Florida Statutes.

**ARTICLE 17. APPROVAL**

These Bylaws were approved in accordance with Article 15 of these Bylaws on January 11, 2021, and supersede previous Bylaws dated January 11, 1999, January 10, 2000, January 13, 2003, April 4, 2006, April 1, 2008, January 12, 2009, November 16, 2010 and November 2, 2020.

SWEETWATER EAST INVESTMENT CO. DBA  
LAKE HENRY ESTATES

BY:   
Secretary Rocco F. Guarino, Sr.