

PREAMBLE

The Corporate purposes and objective of Sunny Grove Park, Inc., without limitation, are set forth herein.

The purposes of the Corporation have been the acquisition and continued ownership of a tract of land now locally known, described, and designated as "Sunny Grove Park, Inc." a fifty-five (55) and older mobile home community, Estero, Florida. The community must be occupied by at least one person fifty-five (55) years old or older; with approved age verification system where all current and prospective residents provide a copy of drivers' license, or birth certificate, or passports (only one needed for verification), which is maintained in Sunny Grove Park by the secretary/clerk. The Corporation (1)shall provide the Shareholders a site for their mobile homes in said tract of land for the purpose of occupancy as dwellings and (2) secondarily, shall rent to non-shareholders recreational vehicle spaces for occupancy and the apartment adjacent to the office shall be occupied in accordance with the Fair Housing Amendments Act of 1988 as amended by the Housing for Older persons Act of 1995, and as provided in parallel state or local ordinances, all amended from time to time as more specifically addressed Article VII of these By-Laws.

(Revised 2/27/12)

The Articles and By-Laws were amended in 1986 and the intention was and is to have one hundred fifty-five (155) shares of stock issued to the one hundred fifty-five (155) permanent mobile homes sites in the park. This has been the general intent from the Corporation's inception and hopefully is clearly documented and restricted, all as provided by the law and to continue by them.

The Corporation shall be the overseer and manager of the real estate, the water and sewer system appurtenant thereto, the personal property, machinery, equipment, materials, and supplies necessary for the control, operation, and management of the Corporation's property within Sunny Grove Park; and, in addition, the Corporation shall be the overseer, controller, manager of all monetary funds and revenue to be derived from the Park and of the expenses incurred by the operation of business in conformity with the purposes and objectives of the corporation.

CRIMINAL BACKGROUND CHECKS

All prospective buyers and renters will be subject to a criminal background check conducted by the corporation board of directors prior to being approved as a resident or renter

REVISED 03/28/2023

UPDATED BY-LAWS OF SUNNY GROVE PARK, INC.

ARTICLE I MEETINGS OF SHAREHOLDERS

Section 1. **Annual Meeting.** The Annual Meeting of the Shareholders of this Corporation shall be held on the Fourth Monday in February of each year. Business transacted at the Annual Meeting shall include the election of Directors, Shareholders Committees, adoption of the Annual Budget, and amendment of the By-Laws if so called for and other proper business. Parliamentary Procedure shall be under the “Robert’s Rules of Order-Revised” unless otherwise designated herein. If the designated meeting day shall fall on a legal holiday, then the meeting shall be held on the first business day thereafter.

Section 2. **Special Meetings.** Special meetings of the Shareholders shall be held when directed by the President or the Board of Directors or when requested in writing by the holders of not less than ten per cent (10%) of all the shares entitled to vote at the meeting. A meeting requested by the Shareholders shall be called for a date not less than twenty (20) nor more than sixty (60) days after the request is made unless the Shareholders requesting the meeting designate a later date. The call for the meeting shall be issued by the Secretary unless the President, Board of Directors, or the Shareholders requesting the meeting shall designate another person to do so.

Section 3. **Place.** All meetings of Shareholders shall be held at the Sunny Grove Hall located on the Corporation’s property. **No Alcoholic beverages allowed in Sunny Grove Recreation Hall on Board Meeting Nights** (Revised (02/24/2020))

Section 4. **Notice.** Written notice stating the date and hour of the meeting and, in the case of a Special Meeting, the purpose or purposes for which the meeting is being called shall be delivered not less than twenty (20) nor more than (60) days prior to the meeting date, either personally or via First Class Mail, by or at the direction of the President, the Secretary, or the officer or person(s) calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the Shareholder at his address as it appears on the Stock Transfer books of the Corporation, with postage thereon prepaid.

Section 5. **Notice of Adjourned Meeting.** When a meeting is adjourned to another time or a quorum is not present, it shall be necessary to give a notice of the recommended meeting as provided in Article 1, Section 4 hereof.

Section 6. **Shareholder Quorum and Voting.** One hundred four (104) of the shares entitled to vote, represented either in person or by Proxy, shall constitute a quorum at a meeting of the Shareholders.

If a quorum is present to vote, two-thirds (2/3) of the shareholders voting on the subject matter shall constitute an act of the Shareholders with the following exceptions:

- (a) Except that adoption of a measure shall require a minimum of seventy (70) votes to pass.
- (b) Except if otherwise provided by law, Articles of Incorporation, or By-Laws; and
- (c) Except in the election of the Board of Directors and Shareholders' Committees.

Section 6a. **Absence of a Quorum.** If a quorum is not present, the meeting shall be postponed to a date not later than sixty (60) days after the meeting date with notice as provided in Article I, Section 4.

Section 7. **Voting of Shares.** Each outstanding share shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of the Shareholders.

Late Entry: A shareholder entering the meeting after registration is closed and voting is in process, **shall be** entitled to vote on matters presented **after** his/her entry, **but not on** matters previously voted on. He/she will be registered with time of entry and given the appropriate ballots.

A blank vote presented at a meeting of the Shareholders **shall not** be added into the total number of votes cast.

A spoiled vote presented at a meeting of the Shareholders **shall be** counted only if a clear intent can be determined by the Tellers.

Section 8. **Proxies.** A Shareholder may vote either in person or by Proxy executed in writing by the Shareholder or his duly authorized attorney-in-fact. No Proxy shall be valid after the duration of eleven (11) months from the date thereof unless otherwise provided in the Proxy.

A blank proxy vote presented at a meeting of the Shareholders **shall not** be added into the total number of votes cast.

A spoiled proxy vote presented at a meeting of the Shareholders **shall be** counted only if a clear intent can be determined by the Proxy Committee.

Section 9. **Registration Clerks.** Registration Clerks and Tellers must be Shareholders. Registration shall be at the Clerk for each street and the names of the Shareholders on each street entitled to vote shall be listed by Post Office designated addresses, i.e., house numbers:

- (a) The Shareholder must sign the Registration and be given the appropriate Ballot(s).
- (b) At least five (5) hours prior to the convening of the meeting, the Proxy Committee shall mark each Registration sheet with a red line and print in the word "Proxy". Proxy votes received after the marking by the Proxy Committee, **shall not be accepted or counted in the total number of votes cast**. The Proxy votes shall then be counted, recorded, and submitted by the Proxy Committee for the record of votes cast by Proxy;
- (c) A Shareholder who previously voted by proxy shall withdraw the proxy vote **only** up until five (5) hours prior to the scheduled Shareholders meeting.
- (d) Persons requesting Proxies to be voted by a designated person shall sign the Registration at the voted person's Registration and present the signed Proxy to the Clerk and be delivered the appropriate ballot(s) for each Proxy submitted.

(Revised 2/27/12)

Section 10. **Preamble.** The Preamble is made a part hereof and included herein as though set out in full herein.

Section 11. **Shareholder Defined.**

1. For Purposes of **Voting.**

- A. A Shareholder is the person or persons named on the share of stock and recorded on the Corporation records.
 - 1) If held in two names, at least one signature should be signed on the Proxy and/or registrar sheets.
 - 2) Regardless of number of names on the certificate, it is only one share and only one vote.
 - 3) When a Shareholder gives, or specifies a power of attorney or person representative to act for them, with appropriate document filed, then that person may exercise the right to vote with noted initials after signature.
- B. When the Shareholder is a Trust and the Trustee or Trustees are shown on the Certificate, the trustee/s may vote the singular share.
- C. When the Shareholder or specified signatory is deceased, the Lawful personal representative may vote the share. In the event of a successor Trustee/s, the same shall hold and in each case an appropriate document shall reflect the authority.

2. For the purpose of **Holding Office.**

- A. Any person or persons named on the Certificate of Stock individually, jointly, Trustee, and co-trustee and residing in the park, may hold office.

B. Any spouse NOT named on the certificate of Stock, but residing in Shareholder's unit may also hold office, so long as residing in the unit of the Shareholder.

C. Estate Representatives, and persons operating power of attorney shall not be an officer, director, etc.

(Revised (02/26/2018))

ARTICLE II DIRECTORS

Section 1. **Functions and Restrictions.** All Corporate powers shall be exercised by or under the authority of, and the business affairs of the Corporation shall be managed under the direction of the Board of Directors except as hereinafter restricted:

(a) Neither the Board of Directors nor any Officer(s) of the Corporation is/are authorized to enter into any contract with a duration in excess of the limits set forth elsewhere herein, nor in excess of budget allowance(s), nor to execute any agreement(s) and/or consent orders unless the Shareholders upon notice (with reasons and fact presented) grant authority, not to exceed 36 months, as a special exception;

(b) No action outside of the approved budget shall be taken to expend a total sum in excess of ten thousand (\$10,000) in any year. No action to spend in excess of the Budget shall be passed unless approved at two (2) Board of Directors' meetings, held no less than 15 days apart. Any expenditure in excess of the budget shall be contained in the President's report.

(c) It is the intent of the Shareholders that the Officers and Directors are responsible for the day-to-day operation of the Park (Corporation).

(d) There shall be no sale of any of the Corporation's personal property without a resolution duly passed by the Board of Directors.

Section 2. **Qualifications.** Directors of the Corporation shall be Shareholders in the Corporation.

Section 3. **Compensation.** The Finance Committee shall recommend compensation for the Directors **of the Corporation*** for their presentation to a vote of the Shareholders.

Section 4. **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/she votes against such

action or abstains from voting with respect thereto because of asserted conflict of interest so recorded.

Section 5. **Number.** See Article V of Articles of Incorporation.

Section 6. **Election and Term.** Each person presently serving as a member of the Board of Directors shall hold office until the next Annual Meeting of the Shareholders and until his/her successor shall have been elected and qualified or until his/her earlier resignation, removal from office, or death. Each Director's term expires as designated in the election at the Annual Meeting and all terms thereafter are for three (3) years. Each Director shall hold office for the term for which he/she is elected and until his/her successor shall have been elected and qualified or until his/her earlier resignation, removal from office, or death.

*Amendment approved Annual Mtg 2/23/09

Section 6a. **Method of Election.** The election of the Directors shall be by secret ballot.

Search committee slate is due on January 2nd, or if it is a Holiday or a Sunday then the first business day thereafter, which shall be posted in each Recreation Hall and Park's Office on said date. This would allow anyone not nominated to petition for any post/slot they might want to serve.

Section 6a (1) **Nominating Petition.** Shareholders may nominate a Shareholder for the election as a Director.

- (a) Search Petition shall contain at least 15 Shareholders signatures.
- (b) It shall specify the term nominee is seeking.
- (c) It may specify the incumbent against whom they seek the office.
- (d) The Petition must be delivered to the Secretary of the Corporation or the Board of Directors no less than six weeks prior to the election they have Petition to be included in.
- (e) The Secretary of the Corporation shall deliver a copy of the Petition to the Search Committee within three days.
- (f) The Proxy and Ballot shall so reflect (as Petition) the Nominee as same.

The Board of Directors shall have ballots prepared listing the candidates recommended by the Search Committee and also containing spaces for write-in candidates and indicating the expiration of the term of each vacancy.

Section 6b. **Votes Needed to Elect.** The candidates receiving the majority of the votes cast shall be declared elected for the specific term for which he or she was nominated if the votes are majority of the total votes for all candidates. If not, a runoff election of the two (2) candidates receiving the most votes shall take place.

Section 7. **Vacancies.** Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of the majority of the remaining Directors though less than a quorum of said Board of Directors.

A Director elected by the Board of Directors to fill a vacancy shall hold office only until the next election of Directors by the Shareholders at which time the Shareholders shall elect a Director to fill the specific term held by the vacated Director.

Any vacancy existing on the Board of Directors at the time of the mailing of the notice of a meeting shall be filled by an elected Shareholder at the upcoming meeting. Failure to submit a vacancy terminates the right of the Board of Directors to fill the vacancy and it must be vacant until the Shareholders elect a replacement.

Section 8. **Removal of Directors.** At a meeting of the Shareholders called expressly for that purpose or at the Corporation's scheduled Annual meeting, any Director or the entire Board of Directors can be removed, without cause, by a vote of at least one hundred four (104) of the Shareholders for removal. The Board of Directors shall not remove a Director duly elected by the Shareholders.

Section 9. **Quorum and Voting.** Four (4) of the number of Directors fixed by these By-Laws shall constitute a quorum for the transaction of business. The act of the majority of the Directors presents at a meeting at which a quorum is present shall be the act of the Board of Directors. Specifically meeting the quorum provided for in Section 12.

Section 10. **Committees of Board.** The Board of Directors, by resolution adopted by a majority of the full Board, may designate, among its members, a Committee or Committees for the purpose of investigating any and all matters of interest to the Corporation and to report their findings to the Directors. The Board of Directors shall have the power to appoint any and all committees it deems necessary from among the Shareholders of the Corporation. The Board of Directors shall not delegate ultimate authority to any Committee.

Section 11. **Place of Meeting.** Regular and special meetings of the Board of Directors shall be held at Sunny Grove Hall located on the Corporation's property of Sunny Grove Park, Inc.

Section 12. **Notice and Call of Meetings.** Regular meetings of the Board of Directors shall be held, without notice, on the first Monday of January, February, March, April, and December, and the second Monday of November, at 7:30 O'clock p.m., in Sunny Grove Hall in Sunny Grove Park, Inc., and shall be open to all Shareholders as observers only. The Board shall provide time to the Shareholders to present pertinent matters to the Board during session. The Board shall set reasonable time limitations, restrictions, and provide same in the agenda. Written notice of the time of special meetings of the Board of Directors shall be given to each

Director either by personal delivery, telegram, or cablegram at least five (5) days before the meeting and such notice of special meetings shall also be posted on the Corporation's official bulletin board five (5) days before the meetings. All meetings other than regular meetings shall include telephone conference with non-resident Board members. All Board member must waive notice of a Special Meeting unless physically unable to do so, to conduct any business. The purpose of this provision is to assure full Board participation by all Board members and not action based on a minimal number of the Board. If the regular meeting falls on a Holiday, it shall be held the next Monday.

Neither the business to be transacted nor the purpose of the regular or special meeting of the Board of Directors need be specified in the notice of the meeting.

A majority of the Directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time. Notice of any such adjourned meeting shall be given to the Directors who were not present at the time of adjournment and to the Shareholders by posting the notice of the time of the reconvened meeting on the Corporation's official bulletin board.

Special meetings of the Board of Directors may be called by the Chairman of the Board, by the President of the Corporation, or by any two (2) Directors in conformance with the rules governing the time, notice, and call of meetings, paragraph #1 of this Section, however, subject to required waiver by all Directors as herein provided.

It is understood that meetings of the Board of Directors of Sunny Grove Park, Inc. may be held when some of the Board's members are not residing in Florida. It is understood that telephone conference meetings shall be held and Waivers executed by mail.

Section 13. **Term Limitations.** No Director shall be elected to more than two (2) consecutive terms without one year's absence.

ARTICLE III OFFICERS

Section 1. **Officers.** The Officers of the Corporation shall consist of a President, a Vice-President, a Secretary, and a Treasurer, each of whom shall be elected from the Shareholders by the Board of Directors, at the first opportunity to call a meeting following the Annual Meeting. Such other Officers and Assistant Officers and Agents as may be deemed necessary may be elected or appointed from time to time by the Board of Directors. **One person holding any elected or appointed office, a Director, an Officer, Assistant Officer or Agent shall not be compensated for any other position during their term of office by the Corporation.** No one person shall hold more than one (1) office either on the Board or on Shareholders committees.

(Revised 2/28/11)

Section 2. **Duties.** The Officers of this Corporation shall have the following duties:

The President shall be the Chief Executive Officer of the Corporation, shall have general and active management of the business and affairs of the Corporation subject to the directions of the Board of Directors and the restrictions set forth in these By-Laws, and shall preside at all meetings of the Board of Directors and of the Shareholders.

That the President shall submit, in writing, information of a significant nature, possible problems, important Corporate information, to the Shareholders twice annually – one with the Financial Report and the Proxies for the Annual Meeting and one mailed each year in the period from July 15th to the first (1st) of August. The mid-year report may include on separate paper, information from the year-around residents of an information nature, i.e., health matters, deaths, changes of ownership, etc. The President's report shall be summarized and presented at the Annual meeting as opening remarks. The purpose of this requirement is to keep the Shareholders informed of general information, corporate business and the possible problems as the problems are developing or may be developing.

The Vice President shall take the place of the President in the absence of the President.

The Secretary shall have custody of and maintain all of the Corporate records except the financial records, shall record the Minutes of all meetings of the Board of Directors and of the Shareholders, shall send all notices of all meetings, and shall perform such other additional duties as may be prescribed by the Board of Directors or by the Corporation's President, and set forth in these By-Laws.

The Treasurer shall have custody of all corporate funds and with the advice and consent of the Finance Committee, shall invest those funds in compliance with the By-Laws. The Treasurer shall have custody of all Corporate financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the Annual Meetings of the Shareholders and whenever else required by the Board of Directors or the Corporation's President, and shall perform such other duties as may be prescribed by the Board of Directors and as set forth in these By-Laws. The Treasurer shall complete, a Treasurer's report, Appendixes A, B, C, D, and E, from the Treasurer's records and deliver same to the Finance Committee.

Section 3. **Removal of Officers.** An Officer or Agent elected or appointed by the Board of Directors may be removed by an affirmative vote of four (4) or more members of the Board, whenever, in the Board's judgment, the best interests of the Corporation will be served thereby.

Any vacancy in any office may be filled by the Board of Directors.

Section 4. **Compensation of Officers.** The Finance Committee shall recommend compensation for the Officers to the Board of Directors for their presentation to a vote of the Shareholders.

Section 5. **Bond.** Any person or persons who are vested with signature rights as to Corporate funds shall be bonded. The Bond shall be in such sum as the Board shall fix and in no case less than the funds over which control is exercised.

ARTICLE IV STOCK CERTIFICATES

Section 1. **Issuance.** Every holder of a share in this Corporation shall be required to have a Certificate representing that share.

Section 1 (a). **Number and Name on the Certificate.** A share in this Corporation may be held by or sold to a mobile home owner in Sunny Grove Park, Inc. Only persons who have title to a mobile home on a permanent mobile home site in Sunny Grove Park, Inc., shall be entitled to own a share of Sunny Grove Park, Inc. Upon the foreclosure of any Shareholder's Certificate as provided for in Article XIII of these By-laws, such person shall be subject to ejection and shall remove their mobile home from the Sunny Grove Park as ordered by a court of law. **Revised 2/4/2026**

The name or names on the Shareholder's Certificate shall be the same as the name or names on the mobile home title of ownership. No share in this Corporation shall be pledged in any manner at any time.

Section 1 (b). **Limitation on Certificate.** **Except as provided in Section 5 of this Article IV, no** person shall own a legal or beneficial interest, or any other ownership interest, in more than one (1) share in the Corporation. All dwelling units permanently situated in Sunny Grove Park are subject to ARTICLE VII OCCUPANCY RESTRICTIONS. **Revised 02/27/2023**

Section 2. **Form.** Certificates representing shares in this Corporation shall be signed by the President or Vice President and countersigned by the Secretary or Treasurer and shall be sealed with the Seal of this Corporation or a facsimile thereof.

Section 3. **Transfer of Stock.** The Corporation shall register a Certificate presented to it for transfer to the purchaser of a mobile home if the Certificate is properly endorsed by the Certificate holder of record or his duly authorized attorney-in-fact and upon compliance with the rules, Articles, and By-Laws of the Corporation within thirty (30) days of receipt. A transfer in complete form received six (6) days or more prior to the Annual Meeting shall be transferred in a maximum of five (5) days. The register shall be closed for transfers if the completed forms for transfers are received less than five (5) days prior to the Annual or Special Meeting of the Shareholders.

Section 4. **Lost, Stolen, or Destroyed Certificates.** If the Shareholder shall claim to have lost or destroyed a certificate of a share issued by this Corporation, a new Certificate shall be issued upon the making of an Affidavit of that fact by the person claiming the Certificate to be lost, stolen, or destroyed and, at the discretion of the Board of Directors, upon the deposit of a bond or other indemnity in such amount and with such sureties, if any, as the Board may reasonably require.

Section 5. **Contributions to Capital-Buy-In Fee.** At the Corporation's issuance of a new Membership Certificate upon the purchase of a Mobile Home, a contribution shall be made by, or on behalf of, the Purchaser to the Corporation's Reserve Accounts for capital expenditures. The initial amount of the contribution shall be **Seven Thousand and 00/100 Dollars (\$7,000.00) effective March 1, 2023**, but may be increased or decreased at the recommendation of the Board of Directors or the Finance Committee with a majority vote of the Shareholders at an Annual or Special Meeting. **Revised 02/27/2023**

No Membership Certificate shall be transferred without payment of the Contribution to Capital Buy-In Fee with the exceptions of:

- 5) **EXCEPTIONS:** The Board may waive the Contribution to Capital Buy-In Fee:
- 5.1) in transfers for estate planning reasons, such as transfer to a trust
 - 5.2) a Shareholder who becomes an owner due to inheritance by trust or any other legal means that provides for inheritance
 - 5.3) existing Shareholder shall be allowed to transfer within the confines of Sunny Grove Park. **An existing Shareholder may purchase a second home and share within Sunny Grove Park for the purpose of occupying the new home. When such second share is purchased, the Shareholder must occupy the new home and may use the previous home for rental, subject to the provisions of Article VII, Section 2, until the share and home related to the previous home are sold. If such home and share are not sold within (6) months from the date of acquiring title to the second home and related share, the Shareholder will no longer have the ability to rent the previous home and will be required to pay a second Capital Buy-In Fee, which will be refunded when the previous home and share are transferred to a new owner.**

Revised 02/27/2023

***All claims of exclusion shall be submitted in writing and supported with any/all legal documents to the Corporate Secretary to be presented to the Board of Directors for approval or decline with the advice of attorney when required.

(Revised 2/23/15)

ARTICLE V BOOKS AND RECORDS

Section 1. **Books and Records.** This Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Board of Directors, Shareholders, and Directors' Committees.

This Corporation shall keep, at its registered office or principal place of business, a record of its Shareholders, giving the names and addresses of all said Shareholders.

Any books, records, and minutes shall be in written form or in any other form capable of being converted into written form within a reasonable time.

A complete set of all Corporate Books and records shall be maintained in the Corporation office.

Section 2. **Shareholders' Inspection Rights.** Any person who is a Shareholder of record shall have the right to examine either in person or via agent or attorney, at any reasonable time or times, for any proper purpose, its relevant books and records of accounts, minutes, and records of Shareholders to make extracts there from at their own expense.

Request shall be in writing and state the special sections of Corporation records to be examined.

Either a member of the Corporation's Board of Directors, an Officer, or a designated Agent must be present at all times the Corporation records are being examined and no records shall be removed from the Corporation's office.

ARTICLE VI COMMITTEES

Section 1. **Introduction.** The Corporation's Shareholders do hereby establish the following Committees which shall perform the functions set forth herein. The Committee's members shall be elected from the Shareholders and shall serve on **only one** (1) shareholders' committee or the Board of Directors: No Committee member shall be elected for more than two (2) consecutive terms without one (1) year's absence.

(Revised 2/27/06)

- (a) Finance Committee
- (b) By-Laws/Rules Committee
- (c) Boat Docks Committee
- (d) **Search Committee**
- (e) Audit Committee
- (f) Proxy Committee

(Revised 2/22/21)

Section 2. **Quorum.** Two-thirds (2/3) of the members of a Committee shall constitute a quorum.

Section 3. **Meetings.** There shall be no regularly scheduled meetings. All committee meetings shall be specially called. A meeting may be called by the Committee's Chairman or by any two (2) Committee members. All Committee meeting shall be held on Sunny Grove Park, Inc.'s real estate.

Section 3a. **Vacancies.** Vacancy in any of the Committees shall be filled by the Committee until the next Annual Meeting at which time the unexpired term shall be submitted to the Shareholders.

Section 4. **Notice of Meetings.** Notice of Committee meetings may be waived by the Committee members; however, if a written notice is required, said notice shall be posted on the Corporation's official bulletin board and mailed to the Committee members via U.S. Mail, postage prepaid, at least ten (10) days prior to the meeting.

Section 5. **Material(s) to be Delivered to Committees.** When the delivery of names, Amendments and/or Resolutions to a Committee is required, said material(s) shall be delivered personally to the Corporation's Secretary, who shall receipt therefore indicating the date received, or sent via U.S. Mail (Certified Mail, Return Receipt Requested) to the official address of the Corporation, addressed to the Corporation's Secretary.

Section 6. **Membership and Term of Office of All Committees Except the Auditing Committee and the Proxy Committee.** Each committee shall be composed of five (5) members who shall serve on their respective Committees for terms of three (3) years. The expiration of the elected year shall be shown for election and identification purposes.

(Revised 2/28/11)

Section 7. **Membership and Terms of Office of the Auditing Committee and of the Proxy Committee.** The Auditing Committee and the Proxy Committee shall be composed of four (4) members serving four (4) year terms each. The expiration of the elected year shall be shown for election and identification purposes.

Section 8. **Authority if Inactive.** In the event any Committee shall fail to meet and perform as required, the Corporation's Board of Directors is empowered to act to accomplish the neglected function.

Section 9. **Function of the Finance Committee.**

(a) Upon conferring with the Corporation's Board of Directors and its Officers, the Finance Committee shall be responsible for the preparation of a reasonably detailed Financial Report showing the income and expenses of the Corporation.

(b) Along with the notice of the Annual Meeting, the Board of Directors shall submit the Finance Committee's proposed Budget for the current calendar year, from January 1st through

December 31st. The Budget shall list all expected receipts and their sources. It shall list all expected expenditures by categories, i.e., Administration, Operation, Maintenance, Repair and Replacement, Capital Outlay, Debt Service, and Fixed Charges. The Budget as presented and/or as amended shall be voted on at the Annual Meeting.

(c) In like manner, this Committee shall prepare an Operating Budget for the following calendar year which shall also be delivered with the notice of the Annual Meeting. The operating Budget shall be included in Appendix A, B, C, D, and E, as provided for in the Proxy. See attached Appendix A, B, C, D, and E, for the form of the Financial Report which may be expanded, but must contain at least the Appendix A, B, C, D, and E, information.

(d) In addition, this Committee shall make recommendations relative to the Capital fund accounting which shall be submitted to the Shareholders for a vote.

(e) This Committee shall make recommendations relative to the maintenance fees paid by the mobile home sites, travel trailer rental, apartment rental, boat dock **maintenance fees** and boat launching fees for the next twelve (12) months and the same shall be submitted to the Shareholders for a vote. **Revised 02/27/2023**

(f) This Committee shall oversee the financial well-being of the Corporation and make such recommendations to the Shareholders as it deems reasonable and necessary in keeping with the By-Laws and the betterment of the Corporation and its Shareholders.

(g) The Finance Committee shall be available for consultation with the Treasurer regarding investment of the Corporate funds.

Section 10. Function of the By-Laws/Rules Committee:

(a) The By-Laws/Rules Committee shall be responsible to review the Corporation's Articles, By-Laws and Rights, Rules and Regulations, except for those relating to boat docks and use of the boat launching ramp.

(b) Any Shareholder may submit, in writing, **accompanied by 10% /16 signatures of the Shareholders of record. *** Any proposed amendment to either the Articles, By-Laws or Rules to the Committee at least sixty (60) days prior to the date set for the Corporation's Annual Meeting. This Committee shall submit any proposed changes to the Board of Directors for their presentation to the Shareholders at the Annual Meeting or any Special Meeting called for that purpose, and shall recommend either the approval or disapproval of each change submitted with its recommendation and explain the reasons for its recommendation. It shall provide for voting on each such change on the proxy along with the Committee's recommendations.

***Amendment approved Annual Meeting 2/23/09**

Section 11. Function of the Boat Docks Committee:

(a) The Committee shall be responsible for the review of Sunny Grove Park, Inc. Rights, Rules and Regulations relating to the assignment of boat docks to individual Shareholders and the use of the boat launching ramp. It shall review existing Rules and Regulations and recommend proposed changes.

(b) The committee shall be responsible to ensure all corporate owned boat docks are properly maintained and shall forward to the Board of Directors, on a no less than an annual

basis, its recommendations regarding funds required to perform maintenance on the boat docks along with its plan (use of volunteer labor or otherwise) to complete the recommended maintenance work.

(c) The Committee shall perform such other additional duties as may be prescribed by the Board of Directors or by the Corporation President and as set forth elsewhere in these By-Laws.

(d) Any Shareholder may submit, in writing, any proposed amendment to the Boat Docks Rules and Regulations with the following restrictions;

a. The proposed amendment must contain the signatures of a minimum of ten (10%) percent (16 signatures) of the Shareholders of Record, and

b. The proposed amendment is submitted to the Committee at least forty-five (45) day prior to the date set for the Corporation's Annual Meeting.

(e) Committee shall recommend the approval or disapproval of each change submitted along with its recommendation to the Board of Directors for their presentation to the Annual Shareholders Meeting and provide for voting on each such change on the proxy along with any Committee's recommendation.

(f) It is the intent of the Shareholders that the Boat Docks Rules and Regulations shall include specific penalties, both fines and revocation procedures, which will allow the Shareholder approved Rules and Regulations to be enforced.

(g) It is also the intent of the Shareholders that there is a shared responsibility between the Committee and the Board of Directors as it relates to the assignment and of all boat docks. The committee shall oversee both the assignment and the use of the boat docks to ensure conformance with the Shareholder approved Boat Docks Rules and Regulations and shall submit all of its recommendations to the Board of Directors for them final action.

(h) It is also the intent of the Shareholders that the Board of Directors shall be the final authority to enforce the Shareholder approved Boat Docks Rules and Regulations; Including the authority to assess fines and/or revoke the assignment of a boat dock when an assignee is deemed to be in violation of the Shareholder approved Boat Docks Rules and Regulations and the assignee fails to take any required corrective action.

(i) The Board of Directors shall act upon any recommendation received from the committee at its next scheduled Regular meeting or Special Meeting, which shall be noted in the minutes of the meeting in which the recommendations are acted upon. The Board of Director shall be the final authority to accept, reject or modify any recommendations of the Committee.

Section 12. **Function of Search Committee.** The Search Committee shall select at least one candidate to fill each vacancy on the Board of Directors and one (1) candidate to fill each vacancy on each Committee, designating the specific offices and the terms, i.e., year the term expires, to be served on the ballot to be submitted.

After the final nominating slate is posted and if a nominating petition for a specific committee, which may specify the present incumbent against whom they seek office, is received with at least ten (10) voting Shareholder signatures nominating a shareholder, the nominating petition must be delivered to the Secretary of the Corporation or the Board of

(Revised 2/24/2025)

Directors no less than six (6) weeks prior to the Annual Meeting and the nominee shall be placed on the ballot. The Secretary shall deliver a copy to the Search Committee within three (3) days.

All offices expire following the Annual Meeting and the newly elected members shall take office immediately except as otherwise provided herein.

Section 13. **Function of the Audit Committee.**

A. The Audit Committee shall be responsible for audits of the books and records of the Corporation. The Committee's audit report shall be given to the Board of Directors, the Finance Committee and the Shareholders along with any recommendations requiring action. The Committee's report may state that the audit had been completed and everything was found to be in proper order.

B. An internal audit shall be completed both annually and whenever there is a change in Corporate Treasurer. An audit shall also be completed when requested by a majority vote of either the Board of Directors or the Finance Committee.

Section 14. **Function of the Proxy Committee.** The proxy committee shall be responsible for the votes cast by proxy. The committee shall, upon receipt of proxies by the corporation, maintain a record in accordance with the By-Laws of proxies and, upon a vote wherein the proxies have directed their will, the committee shall vote as directed-(yes) the number of proxies and (no) the number of proxies-to the tellers collecting the ballots. In the event a proxy is received blank, this vote will not be counted for or against.

Section 15. **Hold Multiple Offices.** No person shall hold more than one (1) office in the Corporation. This includes the Board of Directors and Shareholders Committees.

Section 16. **Committees' Report at Annual Meeting.** The Committees shall present a summary of their reports to the Shareholders by member of the Committee or a designated Shareholder. Any report requiring action (a vote) shall be on the Proxy and be submitted in written vote form. The matter shall be submitted to-wit: "Shall the report of the committee be accepted as printed? Yes _____, No _____."

Section 17. **Term Limitations.** No Committee member shall be elected to more than two (2) consecutive terms without one year's absence.

ARTICLE VII ADULT MOBILE HOME PARK

Section 1. **Owner occupancy.** In accordance with the Fair Housing Amendment Acts of 1988 as amended by the Housing for Older Persons Act of 1995, and as provided in parallel state or local ordinances, all as amended from time to time, at least one (1) person fifty-five (55) years of age or older must simultaneously occupy each mobile home site, as the permanent occupant of said mobile home site, while any other person occupies said mobile home site. The Board of Directors shall have the authority to establish additional regulation, if necessary, to define "permanent occupancy". It is the intention of this provision that the individuals who customarily reside in the mobile home site as their primary or seasonal residence will be the" permanent occupant" and that such persons be in simultaneous residence while persons under age 55 are occupying the mobile home site. Any additional permanent occupant of the mobile home site, who is under the age of fifty-five (55) and age eighteen (18) or older may occupy and reside in the mobile home site as long as one of the permanent occupants is age fifty-five (55) or older, and is simultaneous residence.

Guests under the age of eighteen (18) shall be allowed to occupy a mobile home site on a temporary basis, not to exceed thirty (30) days in any calendar year for each such guest, and subject to the guest regulations provided elsewhere in the By-Laws or the Rules and Regulations, as long as one of the permanent occupants is age fifty-five (55) or older and is in simultaneous residence. Guests under the age of fifty-five (55), including guests under the age of (18), shall be allowed to occupy a mobile home site on a temporary basis, not to exceed thirty (30) days in any calendar year for each such guest and subject to the guest regulations provided elsewhere in the By-Laws or the Rules and Regulations when no permanent occupant who is age fifty-five (55) or older is or is not in simultaneous residence. A guest shall be considered any occupant who is not an Owner or Shareholder. Any guest that occupies a Unit in excess of thirty (30) days cumulatively in any calendar year shall be considered an "Occupant" and shall be subject to the same application and screening process as an Owner in accordance with Article XVII below. No Persons under the age of eighteen (18) shall be permitted to use the recreational or common facilities unless accompanied by an adult.

Notwithstanding these provisions, the Board in its sole discretion shall have the right to establish hardship exceptions to permit persons of age eighteen (18) or older and less than fifty-five (55) years of age to permanently reside in the community even in the absence of simultaneous residence by a person or persons fifty-five (55) years of age or older, provided that said exceptions shall not be permitted in situations where the granting of a hardship exception will result in violating applicable fair housing law standards. The Board of Directors may establish additional policies and procedures for the purpose of ensuring that the required percentages of occupancy by older persons are maintained at all times. The Board of Directors

shall have the sole and absolute authority to deny occupancy of a mobile home site by any person(s) whose occupancy would violate this provision

(Revised 2/26/24)

Section 2. **Tenant Occupancy.** Be it known that Sunny Grove Park is a “Resident Owned” Park, therefore, purchasing a mobile home for rental purposes is discouraged. Purchasers may not rent/lease their unit any time during the first full year of ownership. A second home purchased under Article IV, Section 5 may not be rented until the share and home applicable to the first share are sold and transferred to a new owner. Subsequent to the first year of ownership (or sale of the first home when a second home is purchased.), the Board of Directors may approve rental of a specific unit subject to, but not limited to, evidence of just because which may include:

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- (a) Shareholder becomes incapacitated and is unable to occupy the unit due to physical and/or mental disabilities.
- (b) Shareholder is deceased and settlement of a complicated estate is delayed.
- (c) Shareholder is involved in legal entanglements.
- (d) Shareholder is incarcerated.

Exceptions may be made by the Board of Directors in situations where related children are purchasing a dwelling unit for occupancy by their elderly parents. Satisfactory evidence of the parent/child relationship may be required.

Tenants are subject to the same age restrictions as are owner/occupants. All tenants and Occupants shall be subject to the same application and screening process as an Owner in accordance with Article XVII below.

Section 3. The seller of a dwelling unit shall provide the prospective purchaser with a copy of these restrictions prior to consummating the sale. Additional copies are available upon request at no charge.

(Revised 2/26/2024)

ARTICLE VIII MAINTENANCE FEE

Section 1. **Accountability.** Each of the mobile home sites {one hundred fifty-five (155) Shareholders} shall be required to pay such sum as is established by the Shareholders as a month maintenance or rental fee. The fee shall commence April 1st of each year and extend through March 31st of the following year and shall be paid in twelve (12) equal monthly installments which shall be fixed at the Corporation’s Annual Meeting. See Finance Committee’s Function.

Section 2. At least annually, the Finance Committee, along with the recommendations and/or requests from the Board of Directors, shall prepare a proposed Budget in accordance with the Articles of Incorporation and the By-Laws/Rules of the Corporation. Adoption of the proposed budget at a regularly scheduled Annual Meeting of the Shareholders, with a quorum present, shall require approval by a majority of votes cast.

If the Annual Budget proposal is not accepted, the previous year's budget shall remain in force until a new Budget is approved.

Section 3. **Rules and Provisions for Payment of Maintenance Fee.**

- A. All Maintenance fees are due in advance.
- B. A fifty-dollar (\$50) discount shall apply if the maintenance fee is paid in advance for twelve (12) months and if said fee is paid on or before the 5th working day of April of the current year.
- C. If the maintenance fee is paid in twelve (12) equal installments, the fee payment shall be considered to be late if it is not paid by the 5th working day of the month in which it is due.
- D. There will be a fee assessed by the Board of Directors to reflect the cost to the Corporation.

Section 4.

A. Each Shareholder shall be liable for all Maintenance Fees which come due while he or she is the Shareholder. The liability for maintenance fees may not be avoided by non-use or waiving the use of any common elements or by the abandonment of the unit for which the maintenance fees are made.

B. *Any installment of the maintenance fees not paid within five (5) working days of the date due will be fined one dollar (\$1) a day (maximum twenty-five (\$25) per month) from the due date until paid. In addition, the Corporation will, after not less than thirty (30) days written notice to the Shareholder, assert a lien on the Share Certificate of the Shareholder to secure the payment of delinquent maintenance fees. The lien shall be evidenced by executing a claim of lien stating a description of Share Certificate, the name and address of the Corporation, the name of the Shareholder, and the amount of delinquent and maintenance fees due. It must be executed and acknowledged by at least two or more officers of the Corporation. The claim of lien may, at the discretion of the Corporation, be recorded in the public records of Lee County, Florida. The claim of lien shall not be released until sums secured by it (or such other amount to which the Corporation shall agree by way of settlement) have been fully paid or until it is barred by law. The claim of lien shall secure (whether or not stated therein) all maintenance fees which are due and which may accrue subsequent to the recording of the claim of lien, as well as interest at the highest rate permitted by law and all reasonable costs (including an administrative fee) and attorneys' fees incurred by the Corporation incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien. The Corporation may bring action in its name to foreclose a lien for unpaid maintenance fees and may also bring an action at law to recover a money judgment for the unpaid maintenance fees without waiving the claim of lien. Additionally, the Corporation is entitled to ejectment of any mobile home owner and the ejectment of the mobile home from Sunny Grove Park upon the foreclosure of a Shareholder's Certificate

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C. In the event a fine, charge or penalty is assessed against the Corporation (Park) for the violation of a County or State Law, which is the result of an act of an individual Mobile Home owner in building additions, etc., to their units, shareholder shall pay the fine or penalty. If not paid, then the Board shall by resolution after notice assess the cost to the Shareholder's Certificate and serve notice of charge. The charge shall be a lien as provided in the By-Laws Article VIII, Section 3.

D. Payment shall be considered paid when received in the hands of the Corporation in Estero, Florida.

ARTICLE IX FUNDS

Section 1. **Separation of Funds.** The Corporation shall retain its funds in three (3) separate funds, all in the name of the Corporation, however separately identified on the books and record of the Corporation and on the funds, if possible.

(Revised 02/2014)

(a) **General Fund.** The General Fund is established to retain the Corporation's general income from maintenance fees, rental fees , miscellaneous income, and some interest.

(Revised 02/2014)

(b) **Capital fund.** The Corporation shall retain a Capital Fund, the amount of which shall be decided upon the recommendation from the Finance Committee to the Board of Directors, for their presentation to the Shareholders. All interest earned by a Capital Fund Account shall become a part of that Capital Fund Account. This fund can only be used by vote of a majority of the Shareholders of Record.

(c) **Reserve Fund.** The Corporation may establish a Reserve Fund as needed for future major projects

(Revised 2014)

Section 2. **Depository.** All funds of the Corporation shall be established in accounts in more than one Depository protected by the FDIC, NCUA, (National Credit Union Association) or invested in US Treasury obligations.

(Revised 2/24/2025)

ARTICLE X DOCUMENTS IN RESALE OF MOBILE HOME AND STOCK

Section 1. **Information.** Each Shareholder shall be furnished with copies of the Corporation's Articles of Incorporation as amended, complete By-Laws, Rules and Regulations, and the last Financial Report.

Section 2. **Proposed Buyer(s).** The Seller(s) shall notify any Buyer(s) that the documents referred to in Section 1 of this Article should be carefully examined before the purchase and the Seller(s) shall make copies available to the Buyer(s). If a new set of copies is necessary a reasonable charge for same, shall be made by the Corporation.

Section 2-A **CRIMINAL BACKGROUND CHECKS**
All prospective buyers and renters will be subject to a criminal background check conducted by the corporation board of directors prior to being approved as a resident or renter

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Completed Sale. With the issuance of a Certificate transferring shares to a new Buyer, the Corporation shall present the documents set forth in Section 1 of this Article with the Certificate to the Buyer.

If a Shareholder purchases a second unit, the Shareholder's certificate to the new unit will be transferred to the Shareholder through the Secretary and would have the house number on it. The Certificate for the original unit will be held by the Shareholder until such time as the unit is sold, or otherwise disposed of. During this time the original share will not have voting privileges.

Section 3. **Payment of Indebtedness.** Any fees of any type and/or indebtedness owed to the Corporation shall be due, payable and paid in full, including all late charges, prior to any transfer of a share of the Corporation's stock.

ARTICLE XI UTILITIES DIVISION

Section 1. The electric usage and lines from the meter box are the responsibility of the unit/lot owner. Any upgrading of service is the unit owners' responsibility. The Electric Company will bill for electrical usage.

Section 2. The Corporation shall be responsible for all lines to the water meter of each mobile home.

(a) The water usage and lines from the meter valve to each mobile home is the responsibility of the unit/lot owner.

(b) Billing to the Shareholders shall be made for water and sewer on a pro-rated billing as per gallon meter usage.

(c) The billing for water and sewer usage shall be at least annually and shall be due and paid in full at least 30 days following the mailing/delivery of the bill.

Such water and sewer usage fees shall be secured by the Corporation's claim of lien in the same manner as the maintenance fee pursuant to Article VIII, Section 4(B), and subject to all other penalties and remedies for unpaid maintenance fees as elsewhere provided for herein

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(d) The Corporation shall pay, as an expense, the cost of billing collection, and usage (Park general) of the Corporation.

Section 3. Maintenance of the sewer lines running from each unit are the responsibility of the Corporation starting at ground level and extending to all sewer lines throughout the Park.

ARTICLE XII IDEMINIFICATION OF DIRECTORS AND OFFICERS

Section 1. The Board is empowered to properly insure the Directors and Officers against liability while carrying out their duties.

Section 2. Every Director and every Officer of the Corporation will be indemnified by the Corporation against all expenses and liabilities, including legal fees, reasonably incurred by or imposed upon him/her in connection with any proceeding or any settlement of any proceeding to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been a Director, or Officer of the Corporation, whether or not he/she is Director, or Officer at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his/her duties. Provided that in the event of settlement, this right of indemnification will only apply if the Board of Directors approves such settlement and reimbursement as being in the best interest of the Corporation. The foregoing right of indemnification will be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

Section 3. Provided, however, the authority herein is not in excess of budgeted and or By-Laws restrictions.

ARTICLE XIII BALLOT (PROXY)

Section 1. The Ballot shall be in such form as prescribed by the By-Laws. It shall be solicited on behalf of the Corporation for the Proxy Committee to vote as directed and

provided. It shall contain places to vote for Committee reports, budget, and election of Directors and Committee members as are set forth herein.

Section 2. A sample Ballot is attached as a form to be followed, see Appendix F.

ARTICLE XIV DIVIDENDS

The Corporation's Board of Directors may, from time to time, declare, and the Corporation may pay dividends on its shares in cash or property, except when the Corporation is insolvent or when the payment thereof would render the Corporation insolvent, subject to the provisions of Florida Statutes.

ARTICLE XV CORPORATE SEAL

The Corporation's Board of Directors shall provide a Corporate Seal which shall be circular in form.

ARTICLE XVI LEASING

The lease of a mobile home is defined as occupancy of the mobile home by any person other than the Shareholder, whether pursuant to verbal or written agreement, where said occupancy by the non-Shareholder involves consideration (the payment of money, the exchange of goods or services, etc.). The term "tenant" and "lessee" shall likewise be used interchangeably. Should a Shareholder wish to lease his unit, he shall furnish the Corporation with a copy of the proposed lease and the name of the proposed lessee, as well as all proposed occupants. All tenants and Occupants shall be subject to the same application and screening process as an Owner in accordance with Article XVII below. The Corporation shall have thirty (30) days from the receipt of notice within which to approve or disapprove of the proposed lease or proposed lessees or occupants. The Corporation shall give the Shareholder written notice of its decision within said period. Failure to notify the Shareholder shall be deemed an approval. No individual rooms may be rented and no transient tenants may be accommodated. "Rent-Sharing" and subleasing is prohibited. All leases shall be for a minimum period of thirty (30) days and for a maximum period of six (6) consecutive months. No mobile home may be leased more than once in any twelve (12) month period. Tenant occupancy is subject to any and all conditions and restrictions set forth in these Bylaws, including but not limited to the restrictions contained in Article VII, Section 2.

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ARTICLE XVI LEASING

ARTICLE XVII CONVEYANCES SALES AND TRANSFERS

In order to ensure a community of congenial residents and thus protect the value of the Park and dwelling units, the sale, occupancy and transfers of dwelling units shall be subject to the following provisions:

Section 1. Transfers Subject to Approval. The following transfers shall be subject to prior written approval of the Board of Directors and any transfer undertaken without prior written approval of the Board of Directors shall be void:

A. All sales of units, whether by transfer, foreclosure sale, transfer in lieu of foreclosure, or other judicial process.

B. All transfers by gift.

C. All transfers by devise or inheritance.

D. Any other transfer of title to or possession of a unit, including the lease or occupancy of a unit

E. All transfers subject to approval shall require, as a condition of approval, the payment to the •Association of a transfer fee not to exceed \$100 per applicant other than husband/wife or parent/dependent child, which are considered one applicant. The transfer fee is subject to change, from time to time, as determined by the Board of Directors.

Section 2. Notice to Association. Prior to approving any transfer subject to approval hereunder the Association shall be notified in written notice of the transferor's intent to make the transfer with a copy of the documentation evidencing the intended transfer, including, but not limited to, a copy of the contract for sale in the case of a sale, a copy of the transferor's Last Will and Testament in the event of a transfer by devise, a copy of the lease in the event of a lease, and a copy of any other documentation pertaining to a proposed transfer subject to approval hereunder which the Association may reasonably require, completed applications on forms prescribed by the Association, if applicable, a personal interview with the proposed transferee(s) and any other intended occupants of the unit, and such other and

further information about the intended transferees or occupants as the Association may reasonably require.

Section 3. Association's Election. Within sixty (60) days of receipt of the last of the information required pursuant to Section 2 above, the Association must either approve or disapprove the transfer. Failure on the part of the Association to respond within said sixty (60) day period shall constitute automatic approval for the proposed transfer.

A. Approval. In the event the Association approves any transfer subject to approval hereunder, the Association shall notify the transferor and transferee of its approval in writing. In the event the Association approves any other transfers subject to approval hereunder, the Association shall deliver to the transferor or the transferor's designee an executed certificate of approval, approving the transfer, executed by an authorized representative of the Association.

B. Disapproval of Transfer of Title. In the event the Board of Directors disapproves a proposed transfer of title for good cause, the transfer shall not be made. If good cause exists for the Association to disapprove a proposed sale, occupancy, conveyance or transfer by gift, devise or inheritance, the Association shall not be obligated to purchase or provide a substitute purchaser for the Unit. Good cause shall be defined to include the following:

(1) The applicant fails to qualify for membership in the Association, including, but not limited to, those applicants who fail to qualify for membership because of the restrictions on occupancy or ownership set forth in these By-Laws; or

(2) The person seeking approval (which shall include all proposed occupants) has been convicted at any time of a felony involving violence to persons or a felony where the victim was a minor or has been convicted of any other felony within the ten (10) years preceding the date of application; or

(3) The applicant takes possession of the Unit prior to approval by the Association as provided for herein; or

(4) The person seeking approval has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his conduct in this community as a guest, owner or occupant of a Unit; or

(5)The applicant fails to comply with the requirements of Section 2 above.

(6) No transfer of title will be approved if, at the time of the application or at any time prior to the time approval is to be granted, the Unit is delinquent in the payment of any financial obligation to the Association under these By-Laws, unless such delinquency is satisfied prior to or at closing, or if the Unit is in violation of any provision of these By-Laws which remains uncured at the time the Association is required to make its election hereunder.

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ARTICLE XVII MUNICIPAL SEWAGE SYSTEM PROJECT

Section 1. Municipal Sewage System Project (“MSSP”) Fee. The Board of Directors is authorized to adopt the MSSP Fee for the purpose of funding the Corporation’s connection to the Municipal Sewage System including but not limited to the costs of construction, dismantling of the existing Sewage Treatment Plant, permitting, engineering, legal fees, loan fees and costs, and any other costs associated with the MSSP.

The MSSP Fee shall be divided equally among the one hundred fifty-five (155) shares in the Corporation, with each share being responsible for a proportionate amount of the total MSSP Fee.

The Board shall have the authority to impose the MSSP Fee as a special assessment and set the due date(s) thereof.

The Board shall have the authority to apply \$500,000.00 of the Corporation’s Reserve and Capital Funds to the expense of the MSSP.

The Board shall have the authority to borrow money at such interest rates and subject to such terms and conditions as the Board may agree. The Board shall have the authority to mortgage or pledge as security for said loans the real or personal property of the Corporation, including the rights to collect any special assessment levied for the MSSP Fee. The Board shall have the authority to require that Shareholders who elect to pay the MSSP Fee over time, as opposed to making an up front payment, pay interest or other loan carrying costs, and to set the frequency of such payments. The Board shall have the authority, but not the obligation, to establish a

“due on sale” requirement that would require any Shareholder who sells their share, and who has elected to pay in installments, to pay all outstanding installments, including interest, at the time of sale of a Share.

The MSSP Fee shall constitute a lien on the Share Certificate of each Shareholder, which shall be enforced in accordance with Article VIII, Section 4 of the By-Laws. Any Shareholder who fails to pay the assessment when due shall be subject to the same penalties and enforcement mechanisms as provided for maintenance fees in Article VIII of the By-Laws.

The Board of Directors shall have the authority to adopt or utilize procedures as necessary to impose and administer the MSSP Fee, including establishing forms, notices, and other administrative mechanisms, as well as setting the terms of installment payments and carrying costs, to the extent the Corporation borrows money to fund the MSSP.

The Board shall have all authorities necessary to implement the MSSP, including but limited to the granting of easements and licenses, conveying real property owned by the Corporation, and entering into contracts with third parties as may be necessary or desirable, in the sole discretion of the Board, to implement the MSS.

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