EXHIBIT D

BYLAWS
OF
CARRINGTON AT STONEBRIDGE CONDOMINIUM ASSOCIATION, INC.

1. **GENERAL**. These are the Bylaws of CARRINGTON AT STONEBRIDGE CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the "Association," a corporation not for profit organized under the laws of Florida for the purpose of operating a condominium pursuant to the Florida Condominium Act.

1.1 **Principal Office**. The principal office of the Association shall be at the Condominium in Naples, Collier County, Florida, or at such other location as the Board of Directors may designate.

1.2 **Seal**. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

1.3 **Definitions**. The definitions provided in Section 5 of the Declaration of Condominium shall apply to the terms used in these Bylaws.

2. **MEMBERS**.

2.1 **Qualification**. The members of the Association shall be the owners of legal title to the units. The foregoing is not intended to include persons who hold their interest merely as security for the performance of an obligation. Membership shall become effective upon the occurrence of the last to occur of the following events:

A. Recording in the Public Records of a deed or other instrument evidencing legal title to the unit in the member;

B. Approval of the Association as provided for in the Declaration;

C. Delivery to the Association of a copy of the recorded deed or other instrument evidencing title;

D. Delivery to the Association, if required, of a written designation of a primary occupant.

In case of a unit subject to an agreement for deed, the contract vendee shall be deemed the owner of the unit for purposes of determining membership and use rights.

2.2 **Voting Rights**. The members of the Association are entitled to one (1) vote for each unit owned by them. The total number of votes shall equal the total number of units. The vote of a unit is not divisible. The right to vote may not be denied because of delinquent assessments. If a condominium unit is owned by one natural person, his or her right to vote shall be established by the record title to the unit. If a unit is owned jointly by two or more natural persons who are not acting as trustees, the unit's vote may be cast by any one of the record owners. If two or more owners of a unit are unable to agree amongst themselves how their one vote shall be cast, that vote shall not be counted for any purpose. If the owner of a unit is not a natural person or is a trustee, the vote of that unit shall be cast by the unit's primary occupant designated as set forth in Article 15 of the Declaration.

2.3 **Approval or Disapproval of Matters**. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decisions shall be expressed by the same person who would cast the vote of such unit at an Association meeting, unless the joinder of record owners is specifically required.

2.4 **Change of Membership**. Following written approval of the Association, as elsewhere required herein, a change of membership in the Association shall be established by the new member's membership becoming effective as provided in 2.1 above; and the membership of the prior owner shall thereby be automatically terminated.

2.5 **Termination of Membership**. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the condominium during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS.

3.1 **Annual Meeting**. There shall be an annual meeting of the unit owners. The annual meeting shall be held in Collier County, Florida, each year during the month of February on February 15 or at a day, place and time designated by the Board of Directors, for the purpose of transacting any business duly authorized to be transacted by the members, and for the further purpose of electing Directors.

3.2 **Special Members' Meetings**. Special members' meetings must be held whenever called by the President or by a majority of the Board of Directors, and must be promptly called by the Board upon receipt of a written request from the members entitled to cast ten percent (10%) of the votes of the entire membership. Such requests shall be in writing, shall state the purpose or purposes of the meeting, and shall be signed by all members making the request.

Business at any special meeting shall be limited to the items specified in the request and contained in the notice of meeting.

3.3 **Notice of Meetings**. Written notice of all meetings of unit owners must state the time, date, and place of the meeting. The notice must be mailed to each member at his or her address as it appears on the books of the Association. The member bears the responsibility for notifying the Association of any change of address. The notice must be mailed or delivered to each member at least fourteen (14) days prior to the date of the meeting. Notice of any members meeting may be delivered in person if a written waiver of mailing is obtained.

3.4 **Notice of Annual Meeting Special Requirements**. Written notice of the annual meeting, which notice shall incorporate an identification of agenda items to be discussed at the annual meeting, shall be given to each unit owner at least fourteen (14) days prior to the date of the annual meeting and in addition shall be posted in a conspicuous place on the condominium property at least fourteen (14) continuous days preceding the annual meeting. Upon notice to the unit owners, the Board shall by duly adopted rule designate a specific location on the condominium property upon which all notices of unit owner meetings shall be posted.

Unless a unit owner waives in writing the right to receive such notice of the annual meeting by mail, the notice shall be sent by first class mail to each unit owner. When a unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes, to that one address which Developer initially identifies for that purpose, and thereafter as one or more of the unit owners shall advise the Association in writing, or if no address is given, or the unit owners are unable to agree on an address, to the address provided on the deed of record.

An officer of the Association, or the manager or other person providing notice of the Association meeting shall provide an affidavit or United States Postal Service certificate of mailing to be retained and included in the official records of the Association affirming that the notice was mailed or hand delivered in accordance with this provision to each unit owner at the address last furnished to the Association.

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3.5 **Quorum**. A quorum at meetings of unit owners shall be attained by the presence, either in person or by proxy, of at least one-third (1/3) of the voting interests. Limited and general proxies may be used to establish a quorum.

3.6 **Participation in Meetings of Unit Owners**. Unit owners shall have the right to participate in meetings of unit owners with reference to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration and manner of such unit owner participation.

3.7 **Recording or Videotaping of Unit Owners' Meetings**. Any unit owner may tape, record or videotape any meeting of the unit owners, subject to reasonable rules adopted by the Division.

3.8 **Vote Required**. The acts approved by a majority of the voting interests represented at a meeting at which a quorum has been attained shall be binding upon all unit owners for all purposes, except where a higher vote is required by the Florida Condominium Act or by any provision of the Declaration of Condominium, Articles of Incorporation or these Bylaws.

3.9 **Proxies**. At a meeting of the unit owners, votes may be cast in person, or by proxy where appropriate. A proxy may be given by any person entitled to vote, but shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the unit owner executing the same. To be valid, a proxy must be in writing, dated, signed by all applicable owners, or by the person authorized in writing by all owners to cast the vote for the unit, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Secretary of the Association at least forty-eight (48) hours prior to the appointed time of the meeting or adjournment thereof. Holders of proxies need not be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy.

Limited proxies may be used by unit owners to establish a quorum and for votes taken to waive or reduce reserves, to waive financial statement requirements, to amend the Declaration of Condominium, Articles of Incorporation or Bylaws and for any other matter for which the Florida Condominium Act permits or requires a vote of unit owners. General proxies may be used to establish a quorum, for matters for which limited proxies are not required and for voting non-substantive changes to items for which a limited proxy is required and was given. Proxies may not be used in the election of members of the Board of Directors of the Association.

3.10 **Adjourned Meetings**. Any duly called meeting of the members may be adjourned to a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance, if the adjourned meeting was properly noticed.

3.11 **Order of Business**. The order of business at all unit owner meetings shall be substantially as follows:

A. Call of the roll or certification of quorum.

B. Proof of notice of meeting or waiver of notice.

C. Reading or disposal of minutes of previous unit owner meeting.

D. Reports of Officers.

E. Reports of Board of Directors

F. Reports of Committees.

G. Election of Directors (where applicable).

H. Unfinished Business.

I. New Business.

J. Adjournment.

3.12 Minutes. Minutes of all meetings of members and of the Board of Directors shall be kept in a businesslike manner and available for inspection by members or their authorized representatives and Board members at all reasonable times and for a period of seven (7) years after the meeting.

3.13 Parliamentary Rules of Conduct. Roberts' Rules of order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with the Bylaws. The President may appoint a Parliamentarian whose decision on questions of Parliamentary Procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.14 Action by Members Without Meeting. Any action required or permitted to be taken at a meeting of the members may be taken by mail without a meeting, if written consents, setting forth the action to be taken, are signed by the members having not less than the minimum number of votes that would be necessary to take such action at a meeting, or sixty percent (60%) of the total votes of the entire membership, whichever is greater, unless a lesser vote is required by law. If the requisite number of written consents are received by the secretary within thirty (30) days of mailing notice of the proposed action to the members, a resolution passed by the Board of Directors on the action so authorized shall be of full force and effect as if a full membership meeting has been held. Within ten (10) days after adopting the resolution, the Board shall send written notice of the action taken to all members who have not consented in writing. Nothing in this section shall be construed in derogation of members' rights to call a special meeting of the membership, as elsewhere provided in these Bylaws. The written consents used to authorize an action without a meeting shall become a part of the Association official records. If the vote is obtained by polling the unit owners by mail, the unit owners list on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

4. BOARD OF DIRECTORS.

4.1 Administration of Condominium Association. The administration of the affairs of the Association shall be conducted by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration of Condominium, Articles of Incorporation and these Bylaws, shall be exercised by the Board, subject to approval or consent of the unit owners only when such is specifically required.

4.2 **Number and Terms of Service**. The number of Directors which shall initially constitute the whole Board of Directors shall be four (4). In order to provide for a continuity of experience by establishing a system of staggered terms, at the first election at which unit owners other than the Developer elect a majority of the Directors, the number of Directors to be elected shall be three (3). The two (2) candidates receiving the highest number of votes shall be elected for two (2) year terms. The candidate receiving the next highest number of votes shall be elected for a one (1) year term. In the cases of tie votes, the Directors elected shall decide amongst themselves who shall serve the longer terms. Thereafter, all Directors shall be elected for two (2) year terms. A Director shall serve until his or her successor is duly elected, unless he or she shall sooner resign or is recalled as provided in Section 4.7 below. Directors shall be elected by the members on the day of the annual meeting, or in the case of a vacancy, as provided in Section 4.6 below.

4.3 **Qualifications**. Except for Directors appointed by the Developer, each Director must be a member or the spouse of a member.

4.4 **Nominations and Elections**. Directors shall be elected according to the procedure established by the Florida Condominium Act, Chapter 718, Florida Statutes, and the administrative rules promulgated thereunder.

4.5 **Vacancies on the Board**. A vacancy on the Board caused by the expiration of a Director's term or for any other reason, shall be filled by electing a new Board member. If the office of any Director or Directors becomes vacant, the Developer shall appoint a Director to serve in the place of the vacating Director who was previously appointed by the Developer, and unit owners other than the Developer shall vote for a Director or Directors to serve in the place of a Director who was appointed by unit owners other than the Developer, in accordance with Rule 61B-23.0026 of the Florida Administrative Code.

4.6 **Recall and Removal of Directors**. Subject to the provisions of the Florida Condominium Act and these Bylaws pertaining to turnover of Association control, any member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the unit owners to approve the recall of a member or members of the Board of Directors may be called by ten percent (10%) of the voting interests with notice of such meeting to be given as for any meeting of unit owners as provided in Section 3.3 above. The notice must state the purpose of the meeting.

A. If the recall is approved by a majority of all voting interest by a vote at a meeting, the recall will be effective as provided herein. The Board of Directors shall duly notice and hold a board meeting within 5 full business days of the adjournment of the Unit Owner meeting to recall one or more board members. At the meeting, the Board of Directors shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within 5 full business days any and all records and property of the Association in their possession, or shall proceed as set forth in Section 4.7(c) below.

B. If the recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by Chapter 48 and The Florida Rules of Civil Procedure. The Board of Directors shall duly notice and hold a meeting of the Board within five (5) full business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a member or members of the Board of Directors, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records of the Association in his, her or their possession, or proceed as described in Section 4.7(C) below.

C. If the Board of Directors determines not to certify the written agreement to recall a member or members of the Board, or does not certify the recall by a vote at a meeting, the Board shall, within five (5) full business days after the meeting, file with the Division a petition for binding arbitration pursuant to the procedures of the Florida Condominium Act.

D. If the Board of Directors fails to duly notice and hold a board meeting within five (5) full business days of service of an agreement in writing or within five (5) full business days of the adjournment of the Unit Owner recall meeting, the recall shall be deemed effective and the board members so recalled shall immediately turn over to the Board of Directors any and all records and property of the Condominium Association.

E. If a vacancy occurs on the Board as a result of a recall and less than a majority of the board members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors, notwithstanding any provision to the contrary contained herein.

4.7 **Organizational Board Meeting**. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors, at such place and time as may be fixed by the Directors at the annual meeting at which they were elected.

4.8 **Regular Board Meetings**. Regular meetings of the Board may be held at such time and place in Collier County, Florida, as shall be determined from time to time by the President or a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram at least three (3) days prior to the day named for such meeting.

4.9 **Special Board Meetings**. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than two (2) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

4.10 **Attendance By Unit Owners**. Meetings of the Board of Directors, and any committee thereof at which a quorum of the members of that committee are present, shall be open to all unit owners. The right to attend the Board meetings shall include the right to speak at such meetings with reference to all designated agenda items, subject to reasonable rules promulgated by the Board of Directors governing the frequency, duration and manner of unit owner statements.

4.11 **Notice to Unit Owners**. Adequate notice of all Board meetings shall specifically incorporate an identification of agenda items to be discussed at the meeting, and shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours preceding the Board meeting, except in an emergency. Written notice of any Board meeting at which non-emergency special assessments, or at which any amendment(s) to rules regarding unit use will be proposed, discussed or approved, shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with the 14-day notice requirement shall be made by an affidavit executed by the Secretary of the Association and filed in the official records of the Association. Upon notice to the unit owners, the Board shall, by duly adopted rule, designate a specific location on the condominium property upon which all notices of Board meetings shall be posted. Written notice of any meeting in which regular assessments against unit owners are to be considered for any reason, shall specifically contain a statement that such assessments will be considered, and the nature of any such assessments.

4.12 **Waiver of Notice**. Any Director may waive notice of a meeting, before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.13 **Quorum of Directors**. A quorum at a Board meeting shall be attained by the presence in person of a majority of the Directors. Members of the Board of Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed to be equivalent to presence in person at a meeting.

4.14 **Vote Required**. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the condominium documents or by applicable statutes. Directors may not vote or participate by proxy at Board meetings.

4.15 **Presumption of Assent**. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless he or she voted against such action or abstained from voting because of an asserted conflict of interest.

4.16 **Adjourned Meetings**. The majority of those present at any meeting of the Board of Directors, regardless of whether a quorum has been attained, may adjourn the meeting from time to time, as long as the re-scheduled meeting is properly noticed.

4.17 **The Presiding Officer**. The President of the Association, or in his or her absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of those present.

4.18 **Compensation of Directors and Officers**. Neither Directors nor officers shall receive compensation for their services unless compensation of such services is approved by at least two-thirds (2/3) of the voting interests. Nothing herein shall preclude the Board of Directors from employing a Director or officer for the management of the Condominium or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out-of-pocket expenses relating to the proper exercise of their respective duties.

4.19 **Committees**. The Board of Directors may appoint from time to time such standing or temporary committees, as the Board may deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee.

5. **OFFICERS**.

5.1 **Officers and Elections**. The executive officers of the Association shall be a President and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed with or without cause by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board of Directors shall, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall determine to be required to effectively manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President.

5.2 **President**. The President shall be the chief executive officer of the Association; he or she shall preside at all meetings of the members and Directors, shall be ex-officio a member of all standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. He or she shall execute bonds, mortgages and other contracts requiring the seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

5.3 **Vice-Presidents**. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall prescribe.

5.4 **Secretary**. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and shall cause all votes and the minutes of all proceedings to be kept in a book for that purpose, and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He or she shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly-adopted amendments to the condominium documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 **Treasurer**. The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Association, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board, or whenever the Board may so require, an account of all his or her transactions as Treasurer and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

6. **FISCAL MATTERS**. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

6.1 **Depository**. The Association shall maintain its accounts in such financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities, and other similar investment vehicles.

6.2 **Budget**. The Board of Directors shall, at a meeting prior to December 31st of each year, adopt an annual budget. The proposed budget of common expenses shall be detailed and shall reflect the amounts budgeted by accounts and expense classifications. In addition, the budget or a schedule attached thereto, shall reflect the amounts budgeted for the garages constituting limited common elements, the cost of which is to be shared only by those entitled to use said limited common elements.

If in any fiscal or calendar year an adopted budget requires assessments against the unit owners which exceed one hundred fifteen percent (115%) of the assessments for the preceding year, the Board of Directors, upon written application to said Board of ten percent (10%) of the voting interests, the Board shall call a special meeting of the unit owners within thirty (30) days, upon not less than ten (10) days written notice to each unit owner. At the special meeting, unit owners shall consider and enact a budget. The adoption of the budget shall require a vote of not less than a majority vote of all the voting interests. If a meeting of the unit owners has been called and a quorum is not attained or a substitute budget is not adopted by the unit owners, the budget adopted by the Board of Directors shall go into effect as scheduled.

In determining whether assessments exceed one hundred fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterment to the condominium property shall be excluded from the computation. However, as long as Developer is in control of the Board of Directors, said Board shall not impose an assessment for any year greater than one hundred fifteen percent (115%) of the prior fiscal year or calendar year's assessment without approval of a majority of all the voting interests.

6.3 **Reserves for Capital Expenditures and Deferred Maintenance**. In addition to annual operating expenses, the proposed budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and shall further include any other item for which the deferred maintenance expense or replacement cost exceeds the sum of $10,000.00.

The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any extension of the estimated remaining useful life of a reserve item caused by deferred maintenance.

Prior to turnover of control of the Association by Developer to the unit owners other than Developer, Developer may vote its voting interests in each of the first two (2) years of operation of the Association to waive the reserves, after which time reserves may only be waived or reduced upon the vote taken each fiscal year of a majority of all non-Developer voting interests, voting in person or by limited proxy at a duly called meeting of the Association. Reserve funds, and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called meeting of the Association. If a meeting of the unit owners has been called to determine to provide no reserves or reserves less adequate than is required, and such result or a quorum is not attained, the reserves as included in the budget shall go into effect.

6.4 **Budget Meeting**. The Board shall mail a meeting notice and copies of the proposed annual budget of common expenses to the unit owners not less than fourteen (14) days prior to the meeting at which the budget will be considered. The budget meeting shall be open to all unit owners.

6.5 **General Reserves**. In addition to the statutory reserves provided in Section 6.3 above, or in place of them if the members so vote, the Board may establish one or more additional reserve accounts for contingencies, operating expenses, repairs, minor improvements or deferred maintenance. The purpose of such reserves is to provide financial stability and to avoid the need for special assessments on a frequent basis. The amounts proposed to be so reserved shall be reflected in the proposed annual budget each year. These funds may be spent for any purpose approved by the Board.

6.6 **Assessments**. Regular annual assessments based on the adopted budget shall be paid in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Written notice of each quarterly installment shall be sent to all members at least fifteen (15) days prior to the due date. Failure to send or receive such notice shall not excuse the obligation to pay. If an annual budget has not been adopted at the time a quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and shall be continued at such rate until a budget is adopted and pro rata assessments are calculated, at which time any overage or shortage calculated shall be added or subtracted from each unit's next due quarterly installment.

6.7 **Special Assessments**. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, emergency, or non-recurring expenses, or for such other purposes as are authorized by the Declaration of Condominium and these Bylaws. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The notice of any special assessment must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s) or returned to the members as provided by law. Notice of a Board meeting at which a special assessment will be considered must contain a statement to that effect, and must disclose the nature of the assessment. The total of all special assessments made in any fiscal year shall not exceed fifteen percent (15%) of the total annual budget for that year, including reserves, unless a majority of the voting interests first consent.

6.8 **Fidelity Bonds**. The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association, in such amounts as may be required by law for each such person(s) or such higher amounts as may be determined by the Board of Directors. The Association shall bear the cost of such bonding. All such persons providing management services to the Association shall provide the Association with a certificate of insurance evidencing compliance with the bonding requirements and the cost of bonding may be reimbursed by the Association.

6.9 **Financial Reports**. Not later than sixty (60) days after the close of each fiscal year, the Board shall prepare and distribute a financial report showing in reasonable detail, the financial condition of the Association as of the close of its fiscal year and an income and expense statement for the year, detailed by accounts.

6.10 **Application of Payments and Co-Mingling of Funds**. All funds shall be maintained separately in the Association's name. Reserve and operating funds of the Association shall not be commingled for purposes of investment. No manager or business entity required to be licensed or registered under Section 468.432, Florida Statutes, and no agent, employee, officer, or director of a condominium association may commingle any Association funds with his funds or with the funds of any other condominium association or community association as defined in Section 468.431, Florida Statutes. All payments on account by a unit owner shall be applied as to interest, delinquencies, costs and attorney's fees, other charges, and regular or special assessments, in such manner and amounts as the Board of Directors may determine, subject to Section 10.6 of the Declaration.

6.11 **Transfer Fee**. A transfer fee in an amount not to exceed the sum of one hundred dollars ($100.00) per applicant may be charged by the Association in connection with the sale, mortgage, lease, sublease or other transfer of a unit. A husband and wife or parent and dependent child shall be considered to be a single applicant. The transfer shall be approved by the Association as provided in Section 16 of the Declaration of Condominium. No transfer fee shall be charged for a renewal lease or sublease.

6.12 **Fiscal Year**. The fiscal year for the Association shall begin on the first day of January of each year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code of the United States of America.

7. **RULES AND REGULATIONS; USE RESTRICTIONS**. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the operation, use, maintenance, management and control of the common elements and the operation of the Association. Copies of such rules and regulations shall be furnished to each unit owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the unit owners and must be uniformly applied and enforced.

Each unit owner, each tenant and other invitee, and the Association shall be governed by, and shall comply with the provisions of the Declaration of Condominium, Articles of Incorporation and these Bylaws and the rules and regulations adopted by the Board of Directors. The provisions of all of the above shall be deemed expressly incorporated into any lease of any unit in the condominium.

8. **COMPLIANCE AND DEFAULT; REMEDIES**. In addition to the remedies provided in Article 20 of the Declaration, the following provisions shall apply:

8.1 **Fines**. The Association may levy reasonable fines against a unit for the failure of the owner of the unit, or its occupant, licensee or invitee, to comply with any provision of the Declaration of Condominium, these Bylaws or reasonable rules of the Association, or whose owner commits any violation of the Condominium Act. No fine will become a lien against a unit. Such fines shall be in an amount deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the sum of $100.00. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall, in the aggregate, exceed the sum of $1,000.00. No fine may be levied except after giving reasonable notice and opportunity for a hearing before the Board to the unit owner and, if applicable, its family members, licensees, invitees or lessees. The hearing shall be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied. These provisions do not apply to unoccupied units.

The procedure for imposing such fines shall be as follows:

A. The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing, after reasonable notice, of not less than fourteen (14) days. The notice shall include:

(1) A statement of the date, time and place of the hearing;

(2) A statement of the provisions of the Declaration of Condominium, Bylaws or rules which have allegedly been violated; and

(3) A short and plain statement of the matters asserted by the Association.

B. The party against whom the fine may be levied shall have a reasonable opportunity to respond, to present his or her evidence, to provide written and oral argument on all issues involved, and to review, challenge, and respond to any material considered by the Association.

8.2 **Correction of Health and Safety Hazards**. Any violations which are deemed by the Board of Directors to be a hazard to the public health or safety may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the unit owner.

8.3 **Mandatory Non-Binding Arbitration**. In the event of a dispute between or among unit owners and the Association arising from the operation of the Condominium, the parties shall submit the dispute to mandatory non-binding arbitration as further provided in the Florida Condominium Act.

8.4 **Availability of Remedies**. Each member, for himself or herself, his or her heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the majority's right to enjoy the condominium property free from unreasonable restraint and annoyance.

9. **RIGHT TO ELECT MEMBERS OF BOARD OF DIRECTORS OF ASSOCIATION AND TRANSFER OF ASSOCIATION CONTROL**.

9.1 **Members' Rights to Elect Members of Board of Directors**. When unit owners other than Developer own fifteen percent (15%) or more of the units in the Condominium operated by the Association, said unit owners shall be entitled to elect no less than one-third (1/3) of the members of the Board of Directors of the Association.

Unit owners other than Developer are entitled to elect not less than a majority of the members of the Board of Directors of the Association upon the occurrence of the first of the following events:

A. Three (3) years after fifty percent (50%) of the units that will be operated ultimately by the Association have been conveyed to purchasers;

B. Three (3) months after ninety percent (90%) of the units that will be operated ultimately by the Association have been conveyed to purchasers;

C. When all the units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by Developer in the ordinary course of business;

D. When some of the units have been conveyed to purchasers, and none of the others are being constructed or offered for sale by Developer in the ordinary course of business; or

E. Seven (7) years after recordation of the Declaration of Condominium creating the initial phase of the Condominium.

9.2 **Developer's Right to Elect Members of Board of Directors**. Developer shall be entitled to designate at least one (1) member of the Board of Directors of the Association so long as Developer holds for sale in the ordinary course of business at least five percent (5%) of the units in the Condominium operated by the Association.

9.3 **Notice of Turnover Election**. Within seventy-five (75) days after the unit owners other than the Developer are entitled to elect one or more Directors, the Association shall call, upon not less than sixty (60) days notice, an election for members of the Board. The election may be called and the notice given by any unit owner if the Association fails to do so.

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9.4 **Developer's Rights**. So long as the Developer holds any unit for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

A. Any amendment to the condominium documents which would adversely affect the Developer's rights;

B. Any action by the Association that would be detrimental to the sales of units by the Developer. However, an increase in assessments for common expenses shall not be deemed to be detrimental to the sales of units; or

C. Any assessment against Developer-owned units for capital improvements.

9.5 **Turnover of Association Control**. At the time when unit owners other than the Developer elect a majority of the Directors of the Association, the Developer shall relinquish control of the Association, and the unit owners shall accept control. Simultaneously, or with regard to financial records required by Section 718.301(4)(c), Florida Statutes, within ninety (90) days thereafter, Developer shall deliver to the Association, at Developer's expense, all property of the unit owners and of the Association which is held or controlled by Developer and all items and documents that Developer is required to deliver or turn over to the Association under Florida law. Developer may turn over control of the Association to unit owners other than Developer prior to the above-mentioned dates, in its sole discretion, by causing all of its appointed Directors to resign, whereupon it shall be the affirmative obligation of unit owners other than Developer to elect Directors and assume control of the Association. Provided that at least thirty (30) days notice of Developer's decision to cause its appointees to resign is given to unit owners, neither the developer, nor such appointees shall be liable in any manner in connection with such resignations, even if unit owners other than Developer refuse or fail to assume control.

Following the time Developer relinquishes control of the Association, Developer may exercise the right to vote any Developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the Association or selecting the majority of members of the Board of Directors.

10. AMENDMENT OF BYLAWS.

10.1 **Prior to Turnover**. Prior to turnover, amendments may be proposed and adopted by a majority of members of the Board of Directors alone, unless such amendment requires approval by the record owners of other units pursuant to Sections 718.110(4) or 718.110(8), Florida Statutes.

10.2 **After Turnover**. After turnover, amendments to these Bylaws shall be proposed and adopted in the following manner:

10.2.1 **Proposal**. An amendment or amendments to these Bylaws may be proposed either by a majority of the members of the Board of Directors, or upon written petition signed by at least one-fourth (1/4) of the voting interests of the unit owners.

10.2.2 **Submit to Vote**. Such duly proposed amendment(s) shall be submitted to a vote of the members and the Board of Directors, not later than the next annual meeting, subject to the minimum notice requirements imposed by law.

10.2.3 **Vote Required**. Except as otherwise provided by law or by specific provision of the condominium documents, these Bylaws may be amended by affirmative vote of not less than a majority of the voting interests present and voting, or voting by limited proxy at any annual or special meeting and the affirmative approval of a majority of the members of the Board of Directors at a regular or special Board meeting. Alternatively, amendments may be adopted without a meeting by following the procedure set forth in Section 3.14 of these Bylaws.

10.3 **Necessary Amendments**. These Bylaws shall be deemed amended, if necessary, to comply with the provisions of the Declaration of Condominium or the Florida Condominium Act.

10.4 **Recording**. A copy of each amendment shall be attached to a certificate stating that the amendment was duly adopted, which certificate shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida. The front page of the certificate must identify the book and page of the public records where the Declaration of condominium is recorded.

10.5 **Amendments**. These Bylaws shall not be amended or revised by reference to its title or number only. Proposals to amend existing bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead a notation must be inserted immediately preceding the proposed amendment in substantially the language provided in the Florida Condominium Act.

11. MISCELLANEOUS.

11.1 **Certificate of Compliance**.

11.2 **Gender**. Whenever the masculine or singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

11.3 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of this instrument shall remain in full force and effect.

11.4 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Condominium or Articles of Incorporation, the provisions of the Declaration of Condominium or Articles of Incorporation shall prevail over these provisions of the Bylaws.

The foregoing constitute the first Bylaws of CARRINGTON AT STONEBRIDGE CONDOMINIUM ASSOCIATION, INC., and were duly adopted at the first meeting of the Board of Directors held on the 30th day of April, 19 96.

R. Stephen Pate
President

Attest:

Phyllis A. Reed
Secretary