

OF

ASHLEY OAKS VILLAS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS OF ASHLEY OAKS VILLAS is made this 15th day of February, 1996, by ASHLEY OAKS DEVELOPMENT CORPORATION, a Florida corporation ("DECLARANT").

1. DEFINITIONS. The terms used in this DECLARATION, and in the ARTICLES and the BYLAWS, shall have the following meanings, unless the context otherwise requires:

1.01 ARTICLES means the Articles of Incorporation of the ASSOCIATION, as same may be amended from time to time.

1.02 ASSESSMENT means the amount of money which may be assessed against any OWNER for the payment of the OWNER'S share of COMMON EXPENSES, and/or any other funds which an OWNER may be required to pay to the ASSOCIATION as provided by this DECLARATION, the ARTICLES or the BYLAWS.

1.03 ASSOCIATION means Ashley Oaks Villas Homeowners Association, Inc., a Florida corporation not-for-profit.

1.04 BOARD means the Board of Directors of the ASSOCIATION.

1.05 BYLAWS means the Bylaws of the ASSOCIATION, as same may be amended from time to time.

1.06 COMMON AREAS means any property, whether improved or unimproved, or any easement or interest therein, which is owned by the ASSOCIATION or which is declared to be a COMMON AREA by this DECLARATION. COMMON AREAS may include, but are not limited to, the swimming pool, swimming pool buildings, facilities and area, open areas, roads, entrance ways, parking areas, retention areas, preservation areas and other similar properties. The term COMMON AREAS is further defined in paragraph 3.01 below.

1.07 COMMON EXPENSES means all expenses properly incurred by the ASSOCIATION which include, but are not limited to, the following:

1.07.1 Expenses incurred in connection with the administration and management of the ASSOCIATION.

1.07.2 Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the COMMON AREAS, or any portion of the COMMON AREAS, LOTS and UNITS to be maintained by the ASSOCIATION as provided in this DECLARATION.

1.07.3 Expenses of obtaining, repairing or replacing personal property in connection with any COMMON AREA or in connection with the performance of the ASSOCIATION'S duties.

1.07.4 Expenses of providing utility services for street lighting or for the COMMON AREAS.

1.07.5 Expenses declared to be COMMON EXPENSES by the provisions of this DECLARATION and/or by the ARTICLES or BYLAWS.

1.07.6 Assessments payable by the ASSOCIATION to any other person or entity.

1.08 COMMON SURPLUS shall mean and refer to the excess of all receipts of the ASSOCIATION over the amount of the COMMON EXPENSES.

1.09 DECLARANT shall mean and refer to the person or

entity executing this DECLARATION, or any person or entity who may be assigned the rights of DECLARANT pursuant to a written assignment executed by the then present DECLARANT recorded in the Public Records of the County in which the SUBJECT PROPERTY is located. In addition, in the event the holder of any mortgage executed by DECLARANT obtains title to all the SUBJECT PROPERTY then owned by DECLARANT, such mortgagee may elect to become the DECLARANT by a written election recorded in the Public Records of the County in which the SUBJECT PROPERTY is located, and regardless of the exercise of such election, the mortgagee may appoint as DECLARANT any third party who acquires title to all of the SUBJECT PROPERTY owned by the mortgagee by written appointment recorded in the Public Records recorded in the County in which the SUBJECT PROPERTY is located. In any event, such mortgagee, and its assigns, shall not be liable for any defaults or obligations incurred by any prior DECLARANT, except as same may be expressly assumed by the mortgagee or its assigns. In any event, the term "DECLARANT" shall not include any person or entity acquiring title only to one or more LOTS which contain a UNIT, unless DECLARANT specifically assigns its rights as DECLARANT to such person or entity.

1.10 DECLARATION shall mean and refer to this Declaration of Covenants and Restrictions of Ashley Oaks Villas, as it may be amended from time to time.

1.11 INSTITUTIONAL LENDER means the holder of a first mortgage encumbering a LOT, which holder in the ordinary course of business makes, purchases, guarantees, or insures residential mortgage loans, whether construction or permanent, and which holder is not the OWNER of the LOT and is not owned or controlled by the OWNER. An INSTITUTIONAL LENDER may include, but is not limited to, a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, an agency of the United States or any other governmental authority, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or any other similar type of lender generally recognized as an institutional-type lender. For definitional purposes only, an INSTITUTIONAL LENDER shall also mean the holder of any mortgage executed by or in favor of DECLARANT, whether or not such holder would otherwise be considered an INSTITUTIONAL LENDER.

1.12 LOT means any parcel of land located within the SUBJECT PROPERTY, which has been or is intended to be conveyed by DECLARANT to an OWNER and which contains or is intended to contain a UNIT, and shall include any UNIT constructed upon the LOT from time to time.

1.13 OWNER means the record owner(s) of a LOT.

1.14 SUBJECT PROPERTY means the property which is subject to this DECLARATION, which property is described in Exhibit "A" attached hereto, plus any additional property which may be made subject to this DECLARATION and less any property which may be withdrawn from this DECLARATION, pursuant to an amendment to this DECLARATION, and includes any UNITS or improvements constructed thereon.

1.15 UNIT shall mean and refer to the residential dwelling constructed upon a LOT.

2. ASSOCIATION. In order to provide for the administration of the SUBJECT PROPERTY and this DECLARATION, the ASSOCIATION has been organized under the Laws of the State of Florida.

2.01 ARTICLES. A copy of the ARTICLES is attached hereto as Exhibit "B." No amendment to the ARTICLES shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the ARTICLES, except as specifically provided herein.

2.02 BYLAWS. A copy of the BYLAWS is attached as Exhibit "C." No amendment to the BYLAWS shall be deemed an

amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the BYLAWS, except as specifically provided herein.

2.03 Membership. All OWNERS shall be members of the ASSOCIATION. Membership as to each LOT shall be established, and transferred, as provided by the ARTICLES and the BYLAWS.

2.04 Approval or Disapproval of Matters. Whenever the decision of the OWNERS is required upon any matter, whether or not the subject of an ASSOCIATION meeting, such decisions shall be expressed in accordance with the ARTICLES and the BYLAWS.

2.05 Acts of the ASSOCIATION. Unless the approval or action of the OWNERS and/or a certain specific percentage of the BOARD is specifically required by this DECLARATION, the ARTICLES, or BYLAWS, or by applicable law, all approvals or actions required or permitted to be given or taken by the ASSOCIATION shall be given or taken by the BOARD, without the consent of the OWNERS, and the BOARD may so approve an act through the proper officers of the ASSOCIATION without a specific resolution. When an approval or action of the ASSOCIATION is permitted to be given or taken, such action or approval may be conditioned in any manner the ASSOCIATION deems appropriate, or the ASSOCIATION may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal, except as herein specifically provided to the contrary.

2.06 Voting. On all matters as to which the OWNERS shall be entitled to vote, there shall be one vote for each UNIT, to be cast in the manner provided in the ARTICLES and the BYLAWS.

3. COMMON AREAS.

3.01 The COMMON AREAS shall consist of all of the SUBJECT PROPERTY except for the LOTS. DECLARANT shall have the right to convey title to any COMMON AREA to the ASSOCIATION, and in addition shall have the right to convey title to any property owned by DECLARANT, or any interest therein, to the ASSOCIATION as a COMMON AREA, and any such conveyance shall be effective upon recording the deed or instrument of conveyance without acceptance by the ASSOCIATION. In any event DECLARANT shall be required to convey all COMMON AREAS no later than the closing of the last LOT by DECLARANT. In addition, the ASSOCIATION may accept the conveyance of any property, or any interest therein, by any other person other than DECLARANT as a COMMON AREA, but no such conveyance shall be effective without the written acceptance by the ASSOCIATION recorded in the Public Records of the County in which the SUBJECT PROPERTY is located.

3.02 Use. All persons residing within any UNIT, and their guests and invitees, shall have and are hereby given the right to use all COMMON AREAS for the purposes for which same are intended, subject to the terms of this DECLARATION and reasonable nondiscriminatory rules and regulations which may be adopted by the BOARD from time to time.

3.03 COMMON EXPENSES. All expenses incurred by the ASSOCIATION in connection with the ownership, operation and maintenance of the COMMON AREAS, whether or not same are conveyed to the ASSOCIATION, shall be COMMON EXPENSES.

3.04 Additions, Alterations or Improvements. The ASSOCIATION shall have the right to make additions, alterations or improvements to the COMMON AREAS, and to purchase any personal property, as it deems necessary or desirable from time to time, provided, however, that if the cost of any additions, alterations, improvements or personal property shall in any calendar year exceed in the aggregate the sum of Two Hundred (\$200.00) Dollars (which sum shall be increased in direct proportion to any increase in the Consumer Price Index subsequent to the date of the recording of this DECLARATION as published by the Bureau of Labor Statistics of the U.S. Department of Labor, using the U.S. City Average. All Items (1982-84=100), or any similar index if the foregoing Index is discontinued) multiplied by the number of

UNITS within the SUBJECT PROPERTY as of the time such additions, alterations, improvements or personal property purchases are to be made, then such additions, alterations, improvements or personal property purchases shall not be made without the approval of a majority of the votes of the OWNERS.

4. EASEMENTS. Each of the following easements are hereby created, which shall run with the land and, notwithstanding any of the other provisions of this DECLARATION, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of this DECLARATION.

4.01 Easements for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks as the same may from time to time exist upon the COMMON AREAS and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the COMMON AREAS as may from time to time be paved and intended for such purposes; the same being for the use and benefit of the OWNERS and the residents of the SUBJECT PROPERTY, the holders of any mortgage encumbering any LOT, and their guests and invitees.

4.02 Perpetual Nonexclusive Easement in COMMON AREAS. The COMMON AREAS shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive easement in favor of all OWNERS and residents of the SUBJECT PROPERTY from time to time, and their guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended.

4.03 Service and Utility Easements. Easements in favor of governmental and quasi-governmental authorities, utility companies, cable television companies, ambulance or emergency vehicle companies, and mail carrier companies, over and across all roads existing from time to time with the SUBJECT PROPERTY, and over, under, on and across the COMMON AREAS, as may be reasonably required to permit the foregoing, and their agents and employees, to provide their respective authorized services to and for the SUBJECT PROPERTY and the OWNERS. Also, easements as may be required for the installation, maintenance, repair and providing of utility services, equipment and fixtures in order to adequately serve the SUBJECT PROPERTY or any LOT, including, but not limited to, electricity, telephones, sewer, water, lighting, irrigation, drainage and cable television facilities, and electronic security. However, easements affecting any LOT which serve any other portion of the SUBJECT PROPERTY shall only be under the LOT, and shall only be for utility services actually constructed, or reconstructed, and for the maintenance thereof, unless otherwise approved in writing by the OWNER of the LOT. An OWNER shall do nothing on his LOT which interferes with or impairs the utility services using these easements. The BOARD or its designee shall have a right of access to each LOT and UNIT to inspect, maintain, repair or replace the utility service facilities contained under the LOT and to remove any improvements interfering with or impairing the utility services or easement herein reserved; provided such right of access shall not unreasonably interfere with the OWNER'S permitted use of the LOT and, except in the event of an emergency, entry into any UNIT shall be made with reasonable notice to the OWNER.

4.04 Utility Meters. DECLARANT reserves the right to locate water and sewer, electric, and other utility meters serving any UNIT. An easement shall exist for the maintenance, repair and the reading of said meters.

4.05 Encroachments. If any portion of the COMMON AREA encroaches upon any LOT; if any UNIT encroaches upon any LOT or upon any portion of the COMMON AREAS; or if any encroachment shall hereafter occur as a result of (i) construction or reconstruction of any improvements; (ii) settling or shifting of any improvements; (iii) any addition, alteration or repair to the COMMON AREAS made by or with the consent of the ASSOCIATION, (iv) any repair or restoration of any improvements (or any portion

thereof) or any UNIT after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any UNIT or the COMMON AREAS; or (v) any nonpurposeful or non-negligent act of an OWNER except as may be authorized by the BOARD, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand.

4.06 Easements for overhanging troughs or gutters, downspouts and the discharge therefrom of rainwater and the subsequent flow thereof over the LOTS and the COMMON AREAS.

4.07 Additional Easements. DECLARANT (so long as it owns any LOTS) and the ASSOCIATION, on their behalf and on behalf of all OWNERS, each shall have the right to (i) grant and declare additional easements over, upon, under and/or across the COMMON AREAS in favor of the OWNERS and residents of the SUBJECT PROPERTY and their guests and invitees, or in favor of any other person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements within or outside of the SUBJECT PROPERTY in favor of the ASSOCIATION and/or the OWNERS and residents of the SUBJECT PROPERTY and their guests and invitees or in favor of any person, entity, public or quasi-public authority, or utility company, as the DECLARANT or the ASSOCIATION may deem desirable for the proper operation and maintenance of the SUBJECT PROPERTY, or any portion thereof, or for the health, safety or welfare of the OWNERS, or for any other reason or purpose. So long as such additional easements, or the modification, relocation or abandonment of existing easements will not unreasonably and adversely interfere with the use of LOTS for dwelling purposes, no joinder of any OWNER or any mortgagee of any LOT shall be required or, if same would unreasonably and adversely interfere with the use of any LOT for dwelling purposes, only the joinder of the OWNERS and INSTITUTIONAL LENDERS of LOTS so affected shall be required. To the extent required, all OWNERS hereby irrevocably appoint DECLARANT and/or the ASSOCIATION as their attorney-in-fact for the foregoing purposes.

4.08 Easements for Sales Purposes. DECLARANT shall have an easement over and upon the SUBJECT PROPERTY as may be reasonably required in connection with the development, construction and sale of the LOTS and UNITS within the SUBJECT PROPERTY, until such time as DECLARANT no longer owns any LOT.

4.09 Easements and Restrictions of Record. The SUBJECT PROPERTY is subject to restrictions, reservations and easements which have been placed of record prior to the recording of this DECLARATION.

5. MAINTENANCE OF THE SUBJECT PROPERTY.

5.01 By the ASSOCIATION. The ASSOCIATION shall operate, maintain, repair and replace, as a COMMON EXPENSE, the following portions of the SUBJECT PROPERTY:

5.01.1 COMMON AREAS. The ASSOCIATION shall maintain all COMMON AREAS or other areas for which the duty to maintain has been delegated to and accepted by the ASSOCIATION, and all roads, parking areas, common driveways, landscaping and improvements contained thereon from time to time. Provided, however, the Association shall not be responsible for repair of any damage to a driveway to a LOT caused intentionally or negligently by the OWNER of that LOT.

5.01.2 Landscaping. The ASSOCIATION shall be responsible for the maintenance and care of all landscaping throughout the SUBJECT PROPERTY and in the unpaved portion of contiguous road right-of-ways, which responsibility shall specifically include the maintenance and care of all landscaping upon all of the LOTS, except for any landscaping contained within the front patio of any UNIT. The ASSOCIATION shall plant, remove and/or replace sod, plants, flowers, shrubbery and trees when in the sole discretion of the BOARD same is appropriate and in the best interest of the SUBJECT PROPERTY. The ASSOCIATION'S

responsibility shall include mowing, trimming, pruning, edging, fertilizing, and weed, insect and disease control.

5.01.3 Subdivision Wells and Water Sprinkler System. The ASSOCIATION shall maintain and repair wells (if any), pipes and water sprinkler systems throughout the SUBJECT PROPERTY, except for wells, pipes and sprinkler systems serving the front patio or fenced-in area of any LOT.

5.01.4 Utility Services. The ASSOCIATION shall maintain all utility services not owned by any governmental authority or utility company, except for utility services located within any LOT, which serve only the LOT or the unit on the LOT.

5.01.5 Other Property. The ASSOCIATION shall have the right to maintain such other areas within or contiguous to the SUBJECT PROPERTY as the BOARD determines from time to time is in the best interest of the OWNERS, and the cost of any such maintenance shall be a COMMON EXPENSE.

5.01.6 Notwithstanding the foregoing, if any such maintenance is required due to the actions of any OWNER, or the residents of any UNIT, or their guests or invitees, the OWNER of the UNIT shall be responsible for the cost of such maintenance and may be assessed for such cost by the ASSOCIATION.

5.02 By The OWNERS. Each OWNER shall maintain his UNIT and all improvements upon his LOT in first class condition, except those portions of his UNIT and LOT which are to be maintained by the ASSOCIATION as discussed above. Included within the responsibility of the OWNER, shall be exterior walls, roofs, windows, screens, sliding glass doors, and doors on the exterior of his UNIT, and framing for same, and all landscaping and improvements within the front patio of the OWNER'S UNIT, all of which shall be maintained by the OWNER in good condition and repair and in a neat and attractive manner.

6. INSURANCE OF UNITS; RECONSTRUCTION AFTER CASUALTY. In order to protect property values and maintain the SUBJECT PROPERTY'S appearance by preventing the existence of partially or completely demolished UNITS for unreasonably long periods of time, and in order to protect all OWNERS from the effects of the negligence or imprudence of other OWNERS, the following provisions shall apply:

6.01 Duty to Insure and to Reconstruct. Each OWNER shall at all times maintain casualty insurance on his UNIT and all other insurable improvements in an amount equal to the full replacement cost thereof. If any UNIT or other improvements located on any LOT are destroyed or damaged as a result of a fire, windstorm, flood, tornado, hurricane or other casualty, the OWNER shall cause repair or replacement to be commenced within six (6) months from the date that such damage or destruction occurred, and to complete the repair or replacement within nine (9) months thereafter. All such repairs or replacements must restore the improvements to substantially their original character, design and condition and shall utilize and conform with the original foundation and boundary of the original improvements.

6.02 Failure to Reconstruct. If, after thirty (30) days written notice, any OWNER fails to commence or complete construction to repair or replace any damaged or destroyed improvements within the time periods provided for in Section 6.01 above or make reasonable provisions therefor, then the ASSOCIATION shall have the right but not the obligation, as such OWNER'S attorney-in-fact, to commence and/or complete the repairs sufficient to substantially restore the improvements to their original condition, according to the plans and specifications of the original improvements. If the ASSOCIATION exercises the rights afforded to it by this Section, the OWNER shall be deemed to have assigned to the ASSOCIATION all rights to insurance proceeds that may be available because of the damage or destruction of the improvements. The ASSOCIATION shall have the right to recover from the OWNER any costs not paid by insurance,

and shall have a lien on the LOT and UNIT to secure payment.

6.03 Failure to Insure; ASSOCIATION as Additional Insured. For the purpose of this Section, each OWNER agrees that the ASSOCIATION shall be named as an additional insured under any hazard and/or flood insurance policy relating to his UNIT and other improvements constructed on his LOT. The ASSOCIATION may require each OWNER to deliver proof of such insurance from time to time. If any OWNER fails or refuses to maintain such insurance coverage at levels deemed reasonably necessary by the ASSOCIATION or if the OWNER allows the required insurance coverage to lapse, or for some other reason, causes the same to become ineffective, the ASSOCIATION may, but is not obligated to, purchase whatever coverage it deems reasonably necessary for the benefit of the OWNER and the ASSOCIATION. The costs so incurred by the ASSOCIATION shall become due and payable by the OWNER in all respects, together with interest, reasonable attorney's fees and costs of collection, immediately upon the ASSOCIATION'S notifying the OWNER in writing that it has procured such insurance.

6.04 ASSOCIATION'S Right of Entry. For the purpose of performing the duties authorized by this Section, the ASSOCIATION, through its duly authorized agents and employees, shall have the right, after reasonable notice to the OWNER, to enter upon the LOT and enter the UNIT at reasonable hours and perform such duties.

7. ASSOCIATION INSURANCE. Insurance shall be carried and kept in force at all times by the ASSOCIATION in accordance with the following provisions:

7.01 Duty and Authority to Obtain. The BOARD shall obtain and keep in force at all times the insurance coverage which it is required to carry, and may obtain and keep in force any or all of such other or additional insurance coverage as it may deem necessary. The name of the insured shall be the ASSOCIATION or, in the discretion of the BOARD, an insurance trustee, individually and as agent for the ASSOCIATION and for the OWNERS without naming them, and their mortgagees.

7.02 Required Coverage. The ASSOCIATION shall maintain adequate liability insurance, and shall maintain casualty insurance covering all buildings and other insurable improvements within the COMMON AREAS in an amount equal to at least ninety percent (90%) of the maximum insurable replacement value thereof, as determined annually by the BOARD. The ASSOCIATION'S insurance shall afford protection against:

7.02.1 Property Damage. Loss or damage by fire, extended coverage (including Windstorm), vandalism and malicious mischief, and other hazards covered by the standard "All Risk" property contract.

7.02.2 Liability. Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as shall be required by the BOARD with cross liability endorsement to cover liabilities of the OWNERS as a group to any single OWNER.

7.02.3 Automobile. Automobile liability for bodily injury and property damage for all owned and/or non-owned motor vehicles in such limits of protection and with such coverage as shall be required by the BOARD.

7.02.4 Compensation. The ASSOCIATION shall maintain Worker's Compensation Insurance only to the extent required by law.

7.03 Optional Coverage. The ASSOCIATION may purchase and carry such other insurance coverage as its BOARD may determine from time to time to be in the best interests of the ASSOCIATION and OWNERS.

7.04 Description of Coverage. A detailed summary of

the coverage included in the master policies shall be available to each OWNER. The master policies shall be available for inspection by OWNERS upon request.

7.05 Waiver of Subrogation. If available and where applicable, the BOARD shall endeavor to obtain insurance policies which provide that the insurer waives its right to subrogate as to any claim against OWNERS, the ASSOCIATION, or their respective servants, agents or guests, except for any claim based upon gross negligence evidencing reckless, willful or wanton disregard for life or property.

7.06 Insurance Proceeds. All insurance policies purchased by the ASSOCIATION shall be for the benefit of the ASSOCIATION, and all proceeds shall be payable to the ASSOCIATION.

7.07 Distribution of Proceeds. Proceeds of insurance policies received by the ASSOCIATION shall be used to defray the cost of repair or reconstruction. Any proceeds remaining after defraying costs shall become part of the ASSOCIATION'S COMMON SURPLUS.

8. ASSESSMENT FOR COMMON EXPENSES.

8.01 Each OWNER of a LOT shall be responsible for the payment to the ASSOCIATION of ASSESSMENTS for COMMON EXPENSES for each LOT owned by the OWNER, which amount shall be assessed to the OWNER as described below. In addition, each OWNER of a LOT shall be liable for all unpaid ASSESSMENTS for COMMON EXPENSES owed by the prior OWNER of the OWNER'S LOT without prejudice to any right the OWNER may have to recover from the prior OWNER any ASSESSMENTS so paid. However, no OWNER shall be liable for any ASSESSMENTS owed by DECLARANT.

8.02 Prior to the beginning of each fiscal year, the BOARD shall adopt a budget for such fiscal year which shall estimate all of the COMMON EXPENSES to be incurred by the ASSOCIATION during the fiscal year. The BOARD shall then establish the ASSESSMENT for COMMON EXPENSES for each LOT, and shall notify each OWNER in writing of the amount, frequency, and due dates of the ASSESSMENT for COMMON EXPENSES. From time to time during the fiscal year, the BOARD may modify the budget, and pursuant to the revised budget or otherwise, the BOARD may, upon written notice to the OWNERS, change the amount, frequency and/or due dates of the ASSESSMENTS for COMMON EXPENSES. If the expenditure of funds for COMMON EXPENSES is required in addition to funds produced by ASSESSMENTS for COMMON EXPENSES, the BOARD may make special ASSESSMENTS for COMMON EXPENSES, which shall be levied in the same manner as hereinbefore provided for regular ASSESSMENTS, and shall be payable in the manner determined by the BOARD, as stated in the notice of any special ASSESSMENT for COMMON EXPENSES. In the event any ASSESSMENTS for COMMON EXPENSES are made payable in equal periodic payments, as provided in the notice from the ASSOCIATION, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the ASSOCIATION notifies the OWNER in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any ASSESSMENTS for COMMON EXPENSES be due less than ten (10) days from the date of the notification of such ASSESSMENTS.

8.03 The ASSESSMENT for COMMON EXPENSES as to each LOT shall commence upon the conveyance of the LOT by DECLARANT.

8.04 The ASSESSMENTS for COMMON EXPENSES shall be due and payable on the first of each month. If the closing of a sale is on a day other than the first of the month, the ASSESSMENT for the first month shall be prorated and shall be due and payable at closing.

8.05 Until such time as DECLARANT no longer owns any

LOT, or until DECLARANT notifies the ASSOCIATION in writing that DECLARANT elects to pay ASSESSMENTS for COMMON EXPENSES as in the case of any other OWNER, DECLARANT shall not be liable for ASSESSMENTS for COMMON EXPENSES for any LOTS owned by DECLARANT, but in lieu thereof, DECLARANT shall be responsible for all COMMON EXPENSES in excess of the ASSESSMENTS for COMMON EXPENSES receivable from the other OWNERS. During such period when DECLARANT is not liable for ASSESSMENTS for COMMON EXPENSES for LOTS owned by DECLARANT, the ASSESSMENTS for COMMON EXPENSES shall be established by DECLARANT based upon its good faith estimate of what the ASSESSMENTS for COMMON EXPENSES would be if all UNITS and improvements contemplated within the SUBJECT PROPERTY were completed, so that ASSESSMENTS FOR COMMON EXPENSES during such period will be approximately equal to what said ASSESSMENTS would be if the development of the SUBJECT PROPERTY was complete.

9. USE RESTRICTIONS.

9.01 UNITS. Only one UNIT may be constructed on any LOT. No UNIT shall be permanently occupied by more than two persons for each bedroom in the UNIT. Additional temporary guests are permitted so long as they do not create an unreasonable source of noise or annoyance to the other residents of the SUBJECT PROPERTY.

9.02 No Trade or Business. No trade, business, profession or commercial activity, or any other nonresidential use, shall be conducted upon any portion of the SUBJECT PROPERTY or within any LOT or UNIT.

9.03 Leasing. All leases of a UNIT must be in writing and specifically be subject to this DECLARATION, the ARTICLES and the BYLAWS, and copies delivered to the ASSOCIATION prior to occupancy by the tenant(s). The ASSOCIATION may establish rules and regulations governing the leasing of UNITS, including procedures for applying to the ASSOCIATION for approval and the assessment of a reasonable charge for processing applications. Without limiting the generality of the foregoing, no lease shall be for a period of less than one (1) year without the prior written consent of the ASSOCIATION, which may be withheld in the ASSOCIATION's sole discretion. Any person(s) occupying a UNIT in the absence of the OWNER shall be deemed occupying the UNIT pursuant to a lease, regardless of the presence or absence of consideration with respect to the occupancy. Notwithstanding the foregoing, an OWNER may permit members of his immediate family to occupy his UNIT as a guest in his absence for periods of less than one (1) year, provided the BOARD is given prior written notice of such occupancy.

9.04 Alterations, Additions or Improvements. No OWNER shall make, install, place or remove any building, fence, wall, swimming pool, spa, landscaping or any other alteration, addition, improvement or change of any kind or nature whatsoever to, in or upon any portion of the COMMON AREAS, the OWNER's LOT, or the exterior of the OWNER's UNIT, unless the OWNER first obtains the written consent of the ASSOCIATION to such addition, alteration, improvement or change. Any request by an OWNER for consent by the ASSOCIATION to any addition, alteration, improvement or change shall be in writing and shall be accompanied by plans and specifications or other details as the ASSOCIATION may deem reasonably necessary in connection with its determination as to whether or not it will approve any such addition, alteration, improvement or change. The ASSOCIATION's approval as to same shall not be unreasonably withheld, but may be withheld based upon aesthetic considerations. All additions, alterations, improvements or changes made by an OWNER shall be in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction, and with any conditions imposed by the ASSOCIATION with respect to design, structural integrity, aesthetic appeal, construction details or otherwise. An OWNER making or causing to be made any additions, alterations, improvements or changes agrees, and shall be deemed to have agreed, for such OWNER, and the OWNER's heirs, personal representatives, successors and assigns, as appropriate, to hold the

ASSOCIATION and all other OWNERS harmless from any liability or damage to the SUBJECT PROPERTY and expenses arising therefrom. Each OWNER shall be solely responsible for and shall maintain all exterior additions, alterations, improvements or changes made by the OWNER or his predecessor in a first class condition and in good working order as originally approved by the ASSOCIATION. The foregoing shall not be deemed to prohibit repairs or replacements required to be made by the OWNER, provided such repairs or replacements are in substantial conformity, including materials and colors, with that originally installed by the DEVELOPER or last approved by the ASSOCIATION. NOTE: APPROVAL OF ANY ALTERATION, ADDITION, IMPROVEMENT OR CHANGES MUST ALSO BE OBTAINED FROM THE PARTY EXERCISING ARCHITECTURAL CONTROL PURSUANT TO THE DECLARATION OF COVENANTS AND RESTRICTIONS OF ASHLEY OAKS.

9.05 Prohibited Improvement. Without limiting the provisions of Paragraph 9.04, no OWNER shall permanently enclose any screened-in porch or patio, and no OWNER shall install any fence or wall without the prior written approval of the ASSOCIATION.

9.06 Outside Storage of Personal Property. The personal property of the OWNER shall be stored inside the OWNER'S UNIT with the exception of the OWNER'S permitted motor vehicles.

9.07 No Temporary Buildings. No out-buildings, portable buildings, temporary or accessory buildings or structures, storage buildings, or tents, shall be erected, constructed or located upon any LOT for storage or otherwise, without the prior written consent of the ASSOCIATION.

9.08 Garbage and Trash. Each OWNER shall regularly pick up all garbage, trash, refuse or rubbish on the OWNER'S LOT. Garbage, trash, refuse or rubbish that is required to be placed at the front of the LOT in order to be collected may be placed and kept at the front of the LOT for periods not exceeding twenty-four (24) hours and the same shall be placed in trash containers with lids. All containers, dumpsters or garbage facilities shall be stored inside a UNIT or behind mechanical pad wall and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.

9.09 Vehicle Parking and Storage. No trucks, commercial vehicles, buses, recreational vehicles, mobile homes, boats, campers or trailers shall be parked at any time upon any portion of a LOT or COMMON AREAS, unless parked within a garage and totally out of view. This restriction shall not prohibit the temporary parking of commercial vehicles making deliveries, or while used in connection with the providing of services to any UNIT. No overnight parking on any roadway of any vehicle will be permitted. Garage doors shall be kept functional and closed when the garage is not in use. OWNERS shall keep all their passenger cars within a garage and totally out of view except for temporary loading, unloading, cleaning or emergency situations. Passenger cars of guests and invitees of an OWNER may temporarily park on such OWNER'S driveway and on the side of roadways while visting the OWNER. Such temporary parking by guests and invitees shall not exceed four weeks on such OWNER'S driveway and shall not be overnight on the side of roadways without the advance consent of the ASSOCIATION. No maintenance or repairs shall be performed on any vehicle upon any portion of the SUBJECT PROPERTY except in an emergency situation. The ASSOCIATION may establish rules and regulations governing parking on LOTS and COMMON AREAS. Excepted from the foregoing shall be DECLARANT and its designees in connection with and as a part of its program of sale, leasing, constructing, promoting and developing of and within the SUBJECT PROPERTY and maintenance of the COMMON AREAS by the ASSOCIATION.

9.10 Animals and Pets. Only common household pets are permitted within any UNIT. No pet is permitted which creates an unreasonable source of noise or annoyance to other residents of the SUBJECT PROPERTY. No pet may be kept outside of any UNIT in the absence of any resident of the UNIT. Any pet must be carried or kept on a leash when outside of a UNIT. Any resident will be required to immediately pick up any animal waste deposited by his

pet on any portion of the SUBJECT PROPERTY. The ASSOCIATION may require any pet to be immediately and permanently removed from the SUBJECT PROPERTY due to a violation of these restrictions.

9.11 Air Conditioning Units. Only central air conditioning units are permitted, and no window, wall, or portable air conditioning units are permitted.

9.12 Clotheslines and Outside Clothes Drying. No clothesline or clothespole shall be erected, and no clothes-drying is permitted which is visible from the exterior of the LOT.

9.13 Nuisances and Annoyances. No nuisances shall be permitted within the SUBJECT PROPERTY, and no use or practice which is an unreasonable source of annoyance to the residents within the SUBJECT PROPERTY, or which shall interfere with the peaceful possession and proper use of the SUBJECT PROPERTY by its residents shall be permitted. No offensive or unlawful action shall be permitted, and all laws, zoning ordinances and regulations of all controlling governmental authorities shall be complied with at all time by the OWNERS.

9.14 Outside Antennas. No outside antennas or signal receiving dishes of any kind are permitted.

9.15 Signs. No signs are permitted which are visible from the exterior of any LOT.

9.16 Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other tasteful window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an OWNER or tenant first moves into a UNIT or when permanent window treatments are being cleaned or repaired.

9.17 Landscaping. Without limiting the provisions of Paragraph 9.04, the party exercising architectural control may grant permission to an OWNER to install special landscaping on the OWNER's LOT, which when installed shall be maintained by the OWNER in good condition at all times. If the OWNER fails to perform such maintenance, the ASSOCIATION will have the right to remove the landscaping and install sod or other standard landscaping at the OWNER's expense.

9.18 Maintenance. Except for portions of the SUBJECT PROPERTY to be maintained by the ASSOCIATION as elsewhere provided, each OWNER shall maintain, in a first class condition, his LOT and his UNIT and all other improvements existing upon his LOT from time to time.

9.19 Rules and Regulations. The OWNERS shall comply with all reasonable rules and regulations adopted by the ASSOCIATION relating to the use and maintenance of the UNITS and the COMMON EXPENSES.

9.20 Waiver. The ASSOCIATION shall have the right to waive the application of one or more of these restrictions, or to permit a deviation from these restrictions, as to any LOT where, in the discretion of the BOARD, circumstances exist which justify such waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any violation of these restrictions, such actions or inactions shall not be deemed to prohibit or restrict the right of the ASSOCIATION, or any other person having the right to enforce these restrictions, from insisting upon strict compliance with respect to all other LOTS, nor shall any such actions be deemed a waiver of any of the restrictions contained herein as same may be applied in the future.

9.21 Exceptions. The foregoing use and maintenance restrictions shall not apply to the customary and usual activities in connection with the development of the SUBJECT PROPERTY, the construction of UNITS and other improvements within

the SUBJECT PROPERTY, nor to the sale of UNITS by DECLARANT or any other person or entity initially constructing UNITS within any portion of the SUBJECT PROPERTY. Specifically, and without limitation, DECLARANT and any person or entity developing or initially constructing any UNITS within any portion of the SUBJECT PROPERTY shall have the right to: (i) construct any UNITS, or improvements within the SUBJECT PROPERTY, and make additions, alterations, improvements or changes thereto; (ii) maintain customary and usual sales, general office and construction operations within the SUBJECT PROPERTY; (iii) place, erect or construct portable temporary or accessory buildings or structures within the SUBJECT PROPERTY for sales, construction, storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of the SUBJECT PROPERTY; (v) post, display, inscribe or affix upon a LOT or to the exterior of a UNIT or upon any portion of the SUBJECT PROPERTY "For Sale" or other reasonable signs used in the development or construction of any portion of the SUBJECT PROPERTY and for promotional purposes; and (vi) excavate fill from any lakes within the SUBJECT PROPERTY, store fill on the SUBJECT PROPERTY, and sell excess fill from the SUBJECT PROPERTY.

9.22 Restriction on Transfer of Ownership of UNITS. Notwithstanding anything to the contrary in this DECLARATION, the ARTICLES or BYLAWS, the transfer of ownership of LOTS and UNITS shall be subject to ASSOCIATION approval. The ASSOCIATION may establish rules and regulations governing the sale and transfer of ownership of LOTS and UNITS, including procedures for applying to the ASSOCIATION for approval and the assessment of a reasonable charge for processing applications.

10. DECLARANT'S RIGHTS. In addition to other DECLARANT rights provided elsewhere, so long as the DECLARANT holds title to any LOTS for sale in the ordinary course of business, the following shall apply, notwithstanding any other provisions in this DECLARATION, the ARTICLES or BYLAWS to the contrary.

10.01 DECLARANT'S Use. Until the DECLARANT has completed all of the contemplated improvements and has sold all of the LOTS neither the OWNERS nor the ASSOCIATION shall unreasonably interfere with the completion of the contemplated improvements or sale of LOTS. The DECLARANT may make any use of the unsold LOTS and the COMMON AREAS as may reasonably be expected to facilitate completion and sales, including without limitation, maintenance of a sales office, display of signs, leasing of residences, and showing the LOTS and residences for sale to prospective purchasers.

10.02 Assignment. All or any portion of the rights, privileges, powers and immunities granted or reserved to the DECLARANT may be assigned by the DECLARANT to any person or entity, without the consent of any other OWNER or any holder of a mortgage secured by any LOT (other than the holder of a first mortgage secured by an interest of the DECLARANT in the SUBJECT PROPERTY). In the event of the foreclosure of any mortgage owed by the DECLARANT, or deed in lieu of such foreclosure, the person first acquiring title to such interest by reason of such foreclosure, or deed in lieu of foreclosure, shall succeed to all rights, powers, privileges and immunities of the DECLARANT in and to such interest, as well as all duties and obligations of the DECLARANT.

10.03 Amendments by DECLARANT. As long as the DECLARANT owns any LOTS for sale in the ordinary course of business, the DECLARANT reserves the right to amend this Declaration and its recorded exhibits for any purpose. The number of LOTS may be changed. Said amendments may be made and executed solely by the DECLARANT and recorded in the Public Records of Sarasota County, Florida, without any requirement of securing the consent of any OWNER, the ASSOCIATION, or the holder of any lien encumbering a LOT or residence. Such amendments shall not adversely affect the lien or priority of any institutional mortgage recorded prior to the amendment.

10.04 Sale or Leases of LOTS. The DECLARANT shall have the right to sell, lease or transfer any LOT owned by it on such terms and conditions as it deems in its own best interest.

11. DEFAULT.

11.01 Monetary Defaults and Collection of Assessments.

11.01.1 Interest and Late Fees. If any ASSESSMENT is not paid within ten (10) days after the due date, the ASSOCIATION shall have the right to charge the defaulting OWNER a late fee of ten (10%) percent of the amount of the ASSESSMENT, or Ten (\$10.00) Dollars, whichever is greater, plus interest at the then highest rate of interest allowable by law, but not greater than eighteen (18%) percent per year, from the due date until paid. If there is no due date applicable to any particular ASSESSMENT, then the ASSESSMENT shall be due ten (10) days after written demand by the ASSOCIATION.

11.01.2 Acceleration of ASSESSMENTS. If any OWNER is in default in the payment of any ASSESSMENT owed to the ASSOCIATION for more than thirty (30) days after written demand by the ASSOCIATION, the ASSOCIATION upon written notice to the defaulting OWNER shall have the right to accelerate and require such defaulting OWNER to pay to the ASSOCIATION ASSESSMENTS for COMMON EXPENSES for the next twelve (12) month period, based upon the then existing amount and frequency of ASSESSMENTS for COMMON EXPENSES. In the event of such acceleration, the defaulting OWNER shall continue to be liable for any increases in the regular ASSESSMENTS for COMMON EXPENSES, for all special ASSESSMENTS for COMMON EXPENSES, and/or for all other ASSESSMENTS payable to the ASSOCIATION.

11.01.3 Lien for ASSESSMENTS. The ASSOCIATION has a lien on each LOT for unpaid ASSESSMENTS owed to the ASSOCIATION by the OWNER of such LOT, and for late fees and interest, and for reasonable attorneys' fees incurred by the ASSOCIATION incident to the collection of the ASSESSMENT or enforcement of the lien, including fees for appellate work, and all sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances in order to preserve and protect the ASSOCIATION's lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the LOT is located, stating the description of the LOT, the name of the record OWNER, and the amount due as of the recording of the claim of lien. A recorded claim of lien shall secure all sums set forth in the claim of lien, together with all ASSESSMENTS or other monies owed to the ASSOCIATION by the OWNER until the lien is satisfied. The lien is in effect until all sums secured by it have been fully paid or until the lien is barred by law. The claim of lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien.

11.01.4 Collection and Foreclosure. The ASSOCIATION may bring an action in its name to foreclose a lien for ASSESSMENTS in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid ASSESSMENTS without waiving any claim of lien, and the applicable OWNER shall be liable to the ASSOCIATION for all costs and expenses and reasonable attorney's fees incurred by the ASSOCIATION in connection with the collection of any unpaid ASSESSMENTS, and the filing, enforcement, and/or foreclosure of the ASSOCIATION'S lien, including reasonable attorneys' fees for appellate practice, and all sums paid by the ASSOCIATION for taxes and on account of any other mortgage, lien, or encumbrance in order to preserve and protect the ASSOCIATION'S lien. The BOARD is authorized to settle and compromise the ASSOCIATION'S lien if the BOARD deems a settlement or compromise to be in the best interest of the ASSOCIATION.

11.01.5 Rental and Receiver. If a OWNER remains in possession of his UNIT and the claim of lien of the ASSOCIATION against his UNIT is foreclosed, the court, in its discretion, may

require the OWNER to pay a reasonable rental for the UNIT, and the ASSOCIATION is entitled to the appointment of a receiver to collect the rent.

11.01.6 Subordination of Lien. Where any person obtains title to a LOT pursuant to the foreclosure of a first mortgage of record of an INSTITUTIONAL LENDER, or where an INSTITUTIONAL LENDER accepts a deed to a LOT in lieu of foreclosure of the first mortgage of record of such lender, except as provided by Florida law such acquirer of title, its successors and assigns, shall not be liable for any ASSESSMENTS or for other monies owed to the ASSOCIATION which are chargeable to the former OWNER of the LOT and which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the payment of such funds is secured by a claim of lien recorded prior to the recording of the foreclosed or underlying mortgage. The unpaid ASSESSMENTS or other monies shall be COMMON EXPENSES collectible from all of the OWNERS, including such acquirer and his successors and assigns. The new OWNER, from and after the time of acquiring such title, shall be liable for payment of all future ASSESSMENTS for COMMON EXPENSES and such other expenses as may be assessed to the OWNER's LOT. Any person who acquires a LOT, except through foreclosure of a first mortgage of record of an INSTITUTIONAL LENDER, or deed in lieu thereof, including, without limitation, persons acquiring title by sale, gift, devise, operation of law or by purchase at a judicial or tax sale, shall be liable for all unpaid ASSESSMENTS and other monies due and owing by the former OWNER to the ASSOCIATION, and shall not be entitled to occupancy of the UNIT or enjoyment of the COMMON AREAS, or of the recreational facilities as same may exist from time to time, until such time as all unpaid ASSESSMENTS and other monies have been paid in full.

11.01.7 Assignment of Claim Lien Rights. The ASSOCIATION, acting through its BOARD, shall have the right to assign its claim and lien rights for the recovery of any unpaid ASSESSMENTS and any other monies owed to the ASSOCIATION, to any third party.

11.01.8 Unpaid ASSESSMENTS - Certificate. Within ten (10) days after written request by any OWNER or INSTITUTIONAL LENDER, the ASSOCIATION shall provide a certificate showing the amount of unpaid ASSESSMENTS or other monies owed to the ASSOCIATION by the OWNER, and any person or entity who relies on such certificate in purchasing any LOT or in making a mortgage loan encumbering the LOT of the OWNER shall be protected thereby.

11.01.9 Application of Payments. Any payments made to the ASSOCIATION by any OWNER shall first be applied towards any sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances which may have been advanced by the ASSOCIATION in order to preserve and protect its lien; next toward reasonable attorneys' fees incurred by the ASSOCIATION incidental to the collection of assessments and other monies owed to the ASSOCIATION by the OWNER and/or for the enforcement of its lien; next towards interest on any ASSESSMENTS or other monies due to the ASSOCIATION, as provided herein; and next towards any unpaid ASSESSMENTS owed to the ASSOCIATION, in the inverse order that such ASSESSMENTS were due.

11.02 Non-Monetary Defaults. In the event of a violation by any OWNER or any tenant of an OWNER, or any person residing with them, or their guests or invitees, (other than the non-payment of any ASSESSMENT or other monies) of any of the provisions of this DECLARATION, the ARTICLES, the BYLAWS or the Rules and Regulations of the ASSOCIATION, the ASSOCIATION shall notify the OWNER and any tenant of the OWNER of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the OWNER or tenant fails to commence and diligently proceed to completely cure such violation as soon as practicable within seven (7) days after written notice by the ASSOCIATION, or if any similar violation is thereafter re

peated, the ASSOCIATION may, at its option:

11.02.1 Impose a fine against the OWNER or tenant as provided in Paragraph 11.03; and/or

11.02.2 Commence an action to enforce the performance on the part of the OWNER or tenant, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

11.02.3 Commence an action to recover damages; and/or

11.02.4 Take any and all actions reasonably necessary to correct such failure, which action may include, where applicable, but is not limited to, removing any addition, alteration, improvement or change which has not been approved by the ASSOCIATION, or performing any maintenance or other act required to be performed by this DECLARATION.

All expenses incurred by the ASSOCIATION in connection with the correction of any failure, plus a service charge of ten (10%) percent of such expenses, and all expenses and reasonable attorney's fees incurred by the ASSOCIATION in connection with any legal proceedings to enforce this DECLARATION, including reasonable attorneys' fees for appellate practice, shall be assessed against the applicable OWNER, and shall be due upon written demand by the ASSOCIATION. The ASSOCIATION shall have a lien for any such ASSESSMENT and any interest, costs or expenses associated therewith, including attorneys' fees incurred in connection with such ASSESSMENT, and may take such action to collect such ASSESSMENT or foreclose said lien as in the case and in the manner of any other ASSESSMENT as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the County in which the SUBJECT PROPERTY is located.

11.03 Fines. The amount of any fine shall be determined by the BOARD, and shall not exceed one-third of one month's ASSESSMENT for COMMON EXPENSES for the first offense, two-thirds of one month's ASSESSMENT for COMMON EXPENSES for a second similar offense, and one month's ASSESSMENT for COMMON EXPENSES for a third or a subsequent similar offense. Any fine shall be imposed by written notice to the OWNER or tenant, signed by an officer of the ASSOCIATION, which shall state the amount of the fine, the violation for which the fine is imposed, and shall specifically state that the OWNER or tenant has the right to contest the fine by delivering written notice to the ASSOCIATION within 10 days after receipt of the notice imposing the fine. If the OWNER or tenant timely and properly objects to the fine, the BOARD shall conduct a hearing within 30 days after receipt of the OWNER's or tenant's objection, and shall give the OWNER or tenant not less than 10 days' written notice of the hearing date. At the hearing, the BOARD shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and that the fine imposed is appropriate. The OWNER or tenant shall have the right to attend the hearing and to produce evidence on his behalf. At the hearing the BOARD shall ratify, reduce or eliminate the fine and shall give the OWNER or tenant written notice of its decision. Any fine shall be due and payable within 10 days after written notice of the imposition of the fine, or if a hearing is timely requested within 10 days after written notice of the BOARD's decision at the hearing. Any fine levied against an OWNER shall be deemed an ASSESSMENT, and if not paid when due all of the provisions of this DECLARATION relating to the late payment of ASSESSMENTS shall be applicable. If any fine is levied against a tenant and is not paid within 10 days after same is due, the ASSOCIATION shall have the right to evict the tenant pursuant to Paragraph 11.06.

11.04 Negligence. An OWNER shall be liable and may be assessed by the ASSOCIATION for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION.

11.05 Responsibility of an OWNER for Occupants, Tenants, Guests and Invitees. Each OWNER shall be responsible for the acts and omissions, whether negligent or willful, of any person residing in his UNIT, and for all guests and invitees of the OWNER or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the COMMON AREAS, or any liability to the ASSOCIATION, the OWNER shall be assessed for same as in the case of any other ASSESSMENT, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the ASSOCIATION. Furthermore, any violation of any of the provisions of this DECLARATION, of the ARTICLES, or the BYLAWS, by any resident of any UNIT, or any guest or invitee of an OWNER or any resident of a UNIT, shall also be deemed a violation by the OWNER, and shall subject the OWNER to the same liability as if such violation was that of the OWNER.

11.06 Right of ASSOCIATION to Evict Tenants, Occupants, Guests and Invitees. With respect to any tenant or person present in any UNIT or any portion of the SUBJECT PROPERTY, other than an OWNER and the members of his immediate family permanently residing with him in the UNIT, if such person shall materially violate any provision of this DECLARATION, the ARTICLES, or the BYLAWS, or shall create a nuisance or an unreasonable and continuous source of annoyance to the residents of the SUBJECT PROPERTY, or shall willfully damage or destroy any COMMON AREAS or personal property of the ASSOCIATION, then upon written notice by the ASSOCIATION such person shall be required to immediately leave the SUBJECT PROPERTY and if such person does not do so, the ASSOCIATION is authorized to commence an action to evict such tenant or compel the person to leave the SUBJECT PROPERTY and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be assessed against the applicable OWNER, and the ASSOCIATION may collect such ASSESSMENT and have a lien for same as elsewhere provided. The foregoing shall be in addition to any other remedy of the ASSOCIATION.

11.07 No Waiver. The failure of the ASSOCIATION to enforce any right, provision, covenant or condition which may be granted by this DECLARATION, the ARTICLES, or by BYLAWS, shall not constitute a waiver of the right of the ASSOCIATION to enforce such right, provision, covenant or condition in the future.

11.08 Rights Cumulative. All rights, remedies, and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this DECLARATION, the ARTICLES or the BYLAWS, shall be deemed to be cumulative, and the exercise of any one of more shall neither be deemed to constitute an election of remedies, nor shall it preclude the ASSOCIATION thus exercising the same from executing such additional remedies, rights or privileges as may be granted or as it might have by law.

11.09 Enforcement By or Against Other Persons. In addition to the foregoing, this DECLARATION may be enforced by DECLARANT, or the ASSOCIATION, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this DECLARATION shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this DECLARATION. In addition to the foregoing, any OWNER shall have the right to bring an action to enforce this DECLARATION against any person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any person, and the prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees, including fees for appellate

practice.

12. TERM OF DECLARATION. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this DECLARATION, unless within such time, one hundred (100%) percent of the OWNERS execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). Any termination of this DECLARATION shall be effective on the date the instrument of termination is recorded in the public records of the county in which the SUBJECT PROPERTY is located, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by the DECLARANT so long as the DECLARANT owns any LOT, or holds any mortgage encumbering any LOT.

13. AMENDMENT.

13.01 This DECLARATION may be amended from time to time, by the DECLARANT and without the consent of the ASSOCIATION or any OWNER, so long as the DECLARANT owns any LOT. In addition, this DECLARATION may be amended upon the approval of not less than seventy (70%) percent of the votes of the entire membership of the ASSOCIATION, provided, however, that any such amendment, in order to be effective, must be approved in writing and signed by the DECLARANT so long as the DECLARANT owns any LOT. In order to be effective, any amendment to this DECLARATION must first be recorded amongst the public records of the county in which the SUBJECT PROPERTY is located, and except for amendments made by the DECLARANT, any amendment shall contain a certification by the President and Secretary of the ASSOCIATION that the amendment was duly adopted.

13.02 No amendment shall discriminate against any OWNER, or class or group of OWNERS, unless the OWNERS so affected join in the execution of the amendment. No amendment shall change the number of votes of any OWNER or increase any OWNER's proportionate share of the COMMON EXPENSES, unless the OWNERS affected by such amendment join in the execution of the amendment. No amendment may be made which adds or amends any material provision of this DECLARATION, the ARTICLES, or the BYLAWS, which establish, provide for, govern or regulate voting, ASSESSMENTS, ASSESSMENT liens of subordination of such liens, or any provisions which are for the express benefit of INSTITUTIONAL LENDERS except for amendments granting or expanding the rights or protections of the foregoing, without the approval of INSTITUTIONAL LENDERS holding first mortgages encumbering at least fifty-one (51%) percent of the LOTS.

13.03 Additions to and Deletions from SUBJECT PROPERTY. Without limiting the provisions of Paragraph 13.01, DECLARANT shall specifically have the right to amend Exhibit "A" of this DECLARATION to delete any portion of the SUBJECT PROPERTY, or to add any property to the SUBJECT PROPERTY, and no such amendment shall require the joinder of any OWNER or any mortgagee of any UNIT. Notwithstanding the foregoing, DECLARANT may not delete any portion of the SUBJECT PROPERTY unless such property is owned by DECLARANT, and may not delete any portion of the SUBJECT PROPERTY from this DECLARATION if such property is necessary to serve any LOT conveyed by DECLARANT, for ingress and egress purposes. If any portion of the SUBJECT PROPERTY is deleted from Exhibit "A" by an amendment to this DECLARATION, thereafter this DECLARATION shall have no further effect on this title to such property. With respect to additions to the SUBJECT PROPERTY, any property which is added to the SUBJECT PROPERTY by an amendment to Exhibit "A" of this DECLARATION must be contiguous to the

SUBJECT PROPERTY, or be separate from the SUBJECT PROPERTY only by a road or canal.

14. SPECIAL PROVISIONS REGARDING INSTITUTIONAL LENDER.

14.01 Notice of Action. Upon written request to the ASSOCIATION by an INSTITUTIONAL LENDER holding, insuring or guaranteeing a first mortgage encumbering any UNIT, identifying the name and address of the holder, insurer or guarantor and the UNIT number or address, any such holder, insurer or guarantor will be entitled to timely written notice of:

14.01.1 Any condemnation loss or any casualty loss which affects a material portion of the SUBJECT PROPERTY;

14.01.2 Any delinquency in the payment of ASSESSMENTS or other monies owed by an OWNER, or any other default in the performance by the OWNER of any obligation under this DECLARATION, the ARTICLES, or the BYLAWS, which OWNER'S UNIT is subject to a first mortgage held, insured or guaranteed by such holder, insurer or guarantor, which remains uncured for a period of sixty (60) days;

14.01.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the ASSOCIATION;

14.01.4 Any proposed action which would require the consent of a specified percentage of INSTITUTIONAL LENDERS.

14.01.5 Consent of INSTITUTIONAL LENDERS. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgage(s) encumbering any LOTS is required by this DECLARATION, the ARTICLES, the BYLAWS, or any applicable statute or law, to any amendment of the DECLARATION, the ARTICLES, or the BYLAWS, or to any action of the ASSOCIATION, or to any other matter relating to the SUBJECT PROPERTY, the ASSOCIATION, or to any other matter relating to the SUBJECT PROPERTY, the ASSOCIATION may request such consent or approval of such holder(s) by written request sent certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by such holders). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by the ASSOCIATION), which response must be received by the ASSOCIATION within thirty (30) days after the holder receives such request, and if such response is not timely received by the ASSOCIATION, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the directors of the ASSOCIATION, which affidavit, where necessary, may be recorded in the public records of the county where the SUBJECT PROPERTY is located, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as to the matters therein contained. The foregoing shall not apply where an INSTITUTIONAL LENDER is otherwise required to specifically join in an amendment to this DECLARATION.

15. MISCELLANEOUS PROVISIONS.

15.01 Conflict with ARTICLES or BYLAWS. In the event of any conflict between the ARTICLES and the BYLAWS and/or this DECLARATION, this DECLARATION, the ARTICLES, and the BYLAWS, in that order, shall control.

15.02 Authority of ASSOCIATION and Delegation. Nothing contained in this DECLARATION shall be deemed to prohibit the BOARD from delegating to any one of its members, or to any officer, or to any committee or any other person, any power or right granted to the BOARD by this DECLARATION including, but not limited to, the right to exercise architectural control and to

approve any deviation from any use restriction, and the BOARD is expressly authorized to so delegate any power or right granted by this DECLARATION.

15.03 Rights of Successors in Interest and Assignees of DECLARANT. Any right, power or authority granted to or reserved by the DECLARANT pursuant to this DECLARATION, the ARTICLES or the BYLAWS, either express or implied, may be exercised or enforced by any successor in interest or assignee of the DECLARANT. However, any purchaser of any LOT from the DECLARANT shall not be deemed a successor in interest or an assignee of the DECLARANT for purposes of this Paragraph, unless the DECLARANT specifically assigns its rights hereunder to such purchaser by written document recorded in the public records of the county in which the SUBJECT PROPERTY is located.

15.04 Partial Invalidity. The invalidation in whole or in part of any of these covenants, conditions, reservations and restrictions, or any section, subsection, sentence, clause, phrase, word or other provision of this DECLARATION shall not affect the validity of the remaining portions which shall remain in full force and effect.

15.05 Gender. Unless otherwise so required, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

15.06 Real Covenants. All of the restrictions, reservations, covenants, conditions and easements contained herein constitute covenants running with the land and shall rule perpetually unless terminated or amended as provided herein, and shall be binding upon all OWNERS as herein defined, and in consideration of receiving and by acceptance of any deed, grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions of this DECLARATION and the ARTICLES and BYLAWS. Both the burdens imposed and the benefits derived from this DECLARATION shall run with each LOT, as herein defined.

15.07 Actions Against Declarant. The ASSOCIATION shall not commence any legal proceedings against DECLARANT without the prior written consent of 100% of the OWNERS.

IN WITNESS WHEREOF, DECLARANT has executed this DECLARATION this 15th day of February, 1996.

WITNESSES:

ASHLEY OAKS DEVELOPMENT CORPORATION, a Florida corporation

By: James E. Marqua
JAMES E. MARQUA
Its President

Sharon J. Joyce
STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this 15th day of February, 1996, by JAMES E. MARQUA, President of ASHLEY OAKS DEVELOPMENT CORPORATION, INC., a Florida corporation, on behalf of the corporation.

Sharon J. Joyce
Notary Public, State of Florida

Personally known (Or) ID Produced _____
Type of ID Produced _____

THIS INSTRUMENT PREPARED BY:
THOMAS R. TJADEN, ESQUIRE
Anderson, Morgan & Tjaden, P.A.
8075 S. Beneva Road, Suite 6
Sarasota, Florida 34238
(941) 921-4661



SHARON J. JOYCE
COMMISSION # CC 357772
EXPIRES APR 27, 1998
BONDED THRU
ATLANTIC BONDING CO., INC

EXHIBIT "A"

The North 10 feet of the South 259.13 feet of Lot 6, Block 4, of SARASOTA-VENICE COMPANY'S SUBDIVISION, of Section 9, Township 37 South, Range 18 East, as per plat thereof recorded in Plat Book A, page 68, of the Public Records of Sarasota County, Florida, LESS the westerly 170 feet of said property.

TOGETHER WITH all of Lot 6, Block 4, of SARASOTA-VENICE COMPANY'S SUBDIVISION, of Section 9, Township 37 South, Range 18 East, as per plat thereof recorded in Plat Book A, page 68, of the Public Records of Sarasota County, Florida, LESS the South 259.13 feet of said Lot 6, Block 4, and also LESS the west 25 feet of said Lot 6, which is used for T/W purposes, LESS and except the South 107.04 feet of the West 145.00 feet of the above described tract of land.

ARTICLES OF INCORPORATION
OF
ASHLEY OAKS VILLAS HOMEOWNERS ASSOCIATION, INC.,
a Florida Corporation Not-for-Profit

FILED

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The undersigned incorporator, for the purpose of forming a corporation not-for-profit pursuant to the laws of the State of Florida, Florida Statutes, Chapter 617, hereby adopts the following Articles of Incorporation.

PREAMBLE

ASHLEY OAKS DEVELOPMENT CORPORATION, a Florida corporation ("DECLARANT"), owns certain property in Sarasota County, Florida (the "SUBJECT PROPERTY"), and intends to execute and record a Declaration of Covenants and Restrictions of Ashley Oaks Villas (the "DECLARATION") which will affect the SUBJECT PROPERTY. This association is being formed as the association to administer the DECLARATION, and to perform the duties and exercise the powers pursuant to the DECLARATION, as and when the DECLARATION is recorded in the Public Records of Sarasota County, Florida, with these Articles of Incorporation attached as an exhibit. All of the definitions contained in the DECLARATION shall apply to these Articles of Incorporation, and to the Bylaws of the Association.

ARTICLE I - NAME

The name of the corporation is "ASHLEY OAKS VILLAS HOMEOWNERS ASSOCIATION, INC.", hereinafter referred to as the "ASSOCIATION".

ARTICLE II - PURPOSE

The purposes for which the ASSOCIATION is organized are as follows:

1. To operate as a corporation not-for-profit pursuant to Chapter 617 of the Florida Statutes.
2. To enforce and exercise the duties of the ASSOCIATION as provided in the DECLARATION.
3. To promote the health, safety, welfare, comfort, and social and economic benefit of the members of the ASSOCIATION.

ARTICLE III - POWERS AND DUTIES

The ASSOCIATION shall have the following powers and duties:

1. All of the common law and statutory powers of a corporation not-for-profit under the laws of the State of Florida.
2. To administer, enforce, carry out and perform all of the acts, functions, rights and duties provided in, or contemplated by, the DECLARATION, including but not limited to, the following:
 - a. To own, purchase, sell, mortgage, encumber, lease, administer, manage, operate, maintain, improve, repair and/or replace real and personal property.
 - b. To make and collect ASSESSMENTS against OWNERS to defray the costs, expenses and losses incurred or to be incurred by the ASSOCIATION, and to use the proceeds thereof in the exercise of the ASSOCIATION's powers and duties.
 - c. To enforce the provisions of the DECLARATION, these ARTICLES, and the BYLAWS.
 - d. To make, establish and enforce reasonable rules and regulations governing the use of COMMON AREAS, LOTS, UNITS and other property under the jurisdiction of the ASSOCIATION.
 - e. To grant and modify easements, and to dedicate property owned by the ASSOCIATION to any public or quasi-public agency, authority or utility company for public, utility, drainage and cable television purposes.
 - f. To borrow money for the purposes of carrying out the powers and duties of the ASSOCIATION.

g. To exercise control over exterior alterations, additions, improvements, or changes in accordance with the terms of the DECLARATION.

h. To obtain insurance as provided by the DECLARATION.

i. To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the ASSOCIATION and for property operation of the properties for which the ASSOCIATION is responsible, or to contract with others for the performance of such obligations, services and/or duties.

j. To sue and be sued.

ARTICLE IV - MEMBERS

1. The members of the ASSOCIATION shall consist of all of the record owners of LOTS. Membership shall be established as to each LOT upon the recording of the DECLARATION. Upon the transfer of ownership of fee title to, or fee interest in, a LOT, whether by conveyance, devise, judicial decree, foreclosure, or otherwise, and upon the recordation amongst the public records in the county in which the SUBJECT PROPERTY is located of the deed or other instrument establishing the acquisition and designating the LOT affected thereby, the new OWNER designated in such deed or other instrument shall thereupon become a member of the ASSOCIATION, and the membership of the prior OWNER as to the LOT designated shall be terminated, provided, however, that the ASSOCIATION shall not have the responsibility or obligation of recognizing any such change in membership until it has been delivered a true copy of the applicable deed or other instrument, or is otherwise informed of the transfer of the ownership of the LOT. Prior to the recording of the DECLARATION, the incorporator shall be the sole member of the ASSOCIATION.

2. The share of each member in the funds and assets of the ASSOCIATION, and the COMMON SURPLUS, and any membership in this ASSOCIATION, cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the LOT for which that membership is established.

3. On all matters upon which the membership shall be entitled to vote, there shall be only one vote for each LOT. In the event any LOT is owned by more than one person and/or entity, the vote for such LOT shall be cast in the manner provided by the BYLAWS. Any person or entity owning more than one LOT shall be entitled to one vote for each LOT owned.

4. The BYLAWS shall provide for an annual meeting of the members of the ASSOCIATION and shall make provision for special meetings.

ARTICLE V - TERM OF EXISTENCE

The ASSOCIATION shall have perpetual existence.

ARTICLE VI - INCORPORATION

The name and street address of the incorporator is:

ASHLEY OAKS DEVELOPMENT CORPORATION
2250 Gulf Gate Drive, Suite A
Sarasota, Florida 34231

ARTICLE VII - DIRECTORS

1. The property, business and affairs of the ASSOCIATION shall be managed by a BOARD which shall consist of not less than three (3) directors, and which shall always be an odd number. The BYLAWS may provide for a method of determining the number of directors from time to time. In the absence of a determination as to the number of directors, the BOARD shall consist of three (3) directors. Directors are not required to be members of the ASSOCIATION.

2. All of the duties and powers of the ASSOCIATION existing under the DECLARATION, these ARTICLES and the BYLAWS shall be exercised exclusively by

the BOARD, its agents, contractors or employees, subject to approval by the members only when specifically required.

3. The DECLARANT shall have the right to appoint all of the directors until three (3) months after 90% of the UNITS that will be ultimately within the SUBJECT PROPERTY have been conveyed to purchasers, or three (3) years after 50% of all of the UNITS that will be ultimately within the SUBJECT PROPERTY have been conveyed to purchasers, whichever occurs first, and thereafter the directors shall be elected by the members in the manner provided in the BYLAWS. The DECLARANT may waive its right to elect one or more directors by written notice to the ASSOCIATION, and thereafter such directors shall be elected by the members.

4. Directors may be removed and vacancies on the BOARD shall be filled in the manner provided by the BYLAWS, however, any director appointed by the DECLARANT may only be removed by the DECLARANT, and any vacancy on the BOARD shall be appointed by the DECLARANT if, at the time such vacancy is to be filled, the DECLARANT is entitled to appoint the directors.

5. The names and addresses of the initial directors, who shall hold office until their successors are appointed or elected, are as follows:

JAMES E. MARQUA, PHILLIP TORRENCE and BRIAN M. McSWEENEY
2250 Gulf Gate Drive, Suite A, Sarasota, Florida 34131

ARTICLE VIII - OFFICERS

The officers of the ASSOCIATION shall be a president, vice president, secretary, treasurer and such other officers as the BOARD may from time to time by resolution create. The officers shall serve at the pleasure of the BOARD, and the BYLAWS may provide for the removal from office of officers, for filling vacancies, and for the duties of the officers. The names of the officers who shall serve until their successors are designated by the BOARD are as follows:

President	JAMES E. MARQUA
Vice President	BRIAN M. McSWEENEY
Secretary/Treasurer	PHILLIP O. TORRENCE

ARTICLE IX - INDEMNIFICATION

1. The ASSOCIATION shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than action by or in the right of the ASSOCIATION) by reason of the fact that he is or was a director, employee, officer or agent of the ASSOCIATION, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful; except, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misfeasance or malfeasance in the performance of his duty to the ASSOCIATION unless and only to the extent that the court in which the action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, in and of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the ASSOCIATION; and with respect to any criminal action or proceeding, that he had no reasonable cause to believe that his conduct was unlawful.

2. To the extent that a director, officer, employee or agent of the ASSOCIATION has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph 1 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

3. Any indemnification under Paragraph 1 above (unless ordered by a court) shall be made by the ASSOCIATION only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper under the circumstances because he has met the applicable standard of conduct set forth in Paragraph 1 above. Such determination shall be made (a) by the BOARD by a majority vote of quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such quorum is not obtainable or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in written opinion, or (c) by approval of the members.

4. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the ASSOCIATION in advance of the final disposition of such action, suit or proceeding as authorized by the BOARD in the specific case upon receipt of an undertaking by or on behalf of the directors, officer, or employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the ASSOCIATION as authorized herein.

5. The indemnification provided herein shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the laws of the State of Florida, any BYLAW, agreement, vote of members or otherwise; and as to action taken in an official capacity while holding office, shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

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

ARTICLE X - BYLAWS

The first BYLAWS shall be adopted by the BOARD and may be altered, amended or rescinded by the DECLARANT, the Directors and/or members in the manner provided by the BYLAWS.

ARTICLE XI - AMENDMENTS

Amendments to these ARTICLES shall be proposed and adopted in the following manner:

1. A majority of the BOARD shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be the annual or a special meeting.

2. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote thereon within the time and in the manner provided in the BYLAWS for the giving of notice of a meeting of the members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

3. At such meeting, a vote of the members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of a majority of the votes of the entire membership of the ASSOCIATION.

4. Any number of amendments may be submitted to the members and voted upon by them at any one meeting.

5. If all of the directors and all of the members eligible to vote sign a written statement manifesting their intention that an amendment to these ARTICLES be adopted, then the amendment shall thereby be adopted as though the above requirements had been satisfied.

6. No amendment shall make any changes in the qualifications for membership nor in the voting rights of members without approval by all of the members and joinder of all INSTITUTIONAL LENDERS holding mortgages upon the LOTS. No amendment shall be made that is in conflict with the DECLARATION. Prior to the closing of the sale of all LOTS within the PROPERTY, no amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the DECLARANT, unless the DECLARANT shall join in the execution of the amendment, including, but not limited to, any right of the DECLARANT to appoint directors pursuant to Article VII.

7. No amendment to these ARTICLES shall be made which discriminates against any OWNER(S), or affects less than all of the OWNERS within the PROPERTY, or without the written approval of all of the OWNERS so discriminated against or affected.

8. Upon the approval of an amendment to these ARTICLES, the articles of amendment shall be executed and delivered to the Department of State as provided by law, and a copy certified by the Department of State shall be recorded in the public records of the county in which the PROPERTY is located.

ARTICLE XII- DISSOLUTION

In the event of dissolution or final liquidation of the ASSOCIATION, the assets, both real and personal, of the ASSOCIATION, shall be dedicated to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the ASSOCIATION. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization, to be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the ASSOCIATION. No such disposition of ASSOCIATION properties shall be effective to divest or diminish any right or title of any MEMBER vested in him under the recorded DECLARATION unless made in accordance with the provisions of such DECLARATION.

ARTICLE XIII

INITIAL REGISTERED OFFICE ADDRESS
AND NAME OF REGISTERED AGENT

The initial registered office of the ASSOCIATION shall be at 2250 Gulf Gate Drive Suite A, Sarasota, Florida 34231, Florida. The initial registered agent of the ASSOCIATION at that address is ASHLEY OAKS DEVELOPEMENT CORPORATION, a Florida corporation.

WHEREFORE, the incorporator, and the initial registered agent, have executed these ARTICLES on this 14th day of October, 1995. The principal address and the registered office address are the same.

ASHLEY OAKS DEVELOPEMENT CORPORATION
a Florida corporation,
Incorporator and Registered Agent

By: [Signature]
JAMES E. MARQUA, its President

STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this 14th day of October, 1995, by JAMES E. MARQUA, President of and on behalf of ASHLEY OAKS DEVELOPEMENT CORPORATION, a Florida corporation, as Incorporator and as Registered Agent.

[Signature]
Notary Public, State of Florida

FILED
95 OCT 17 PM 2:04
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Personally known X (Or) ID Produced _____
Type of ID Produced _____

NOTARY PUBLIC
STATE OF FLORIDA
SHARON J. JOYCE
COMMISSION # CC357772
EXPIRES APR 27, 1998
BONDED THRU
ATLANTIC BONDING CO., INC.

BYLAWS

OF

ASHLEY OAKS VILLAS HOMEOWNERS ASSOCIATION, INC.
a Florida corporation not-for-profit

1. GENERAL-PROVISIONS.

1.01 Identity. These are the BYLAWS OF ASHLEY OAKS VILLAS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION," a corporation not-for-profit formed under the laws of the State of Florida. The ASSOCIATION has been organized for the purposes stated in the ARTICLES and shall have all of the powers provided in these BYLAWS, the ARTICLES, the DECLARATION, and any statute or law of the State of Florida, or any other power incident to any of the above powers.

1.02 Principal Office. The principal office of the ASSOCIATION shall be at such place as the BOARD may determine from time to time.

1.03 Fiscal Year. The fiscal year of the ASSOCIATION shall be the calendar year.

1.04 Seal. The seal of the ASSOCIATION shall have inscribed upon it the name of the ASSOCIATION, the year of its incorporation and the words "Corporation Not-for-Profit." The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed or otherwise reproduced upon any instrument or document executed in the name of the ASSOCIATION.

1.05 Inspection of Books and Records. The books and records of the ASSOCIATION shall be open to inspection by all OWNERS or their authorized representatives, and all holders, insurer or guarantors of any first mortgage encumbering a LOT, upon request, during normal business hours or under other reasonable circumstances. Such records of the ASSOCIATION shall include current copies of the DECLARATION, ARTICLES and BYLAWS, and any amendments thereto, any contracts entered into by the ASSOCIATION, and the books, records and financial statements of the ASSOCIATION. The ASSOCIATION shall be required to make available to prospective purchasers of LOTS current copies of the DECLARATION, ARTICLES and BYLAWS, and the most recent annual financial statement of the ASSOCIATION.

1.06. Definitions. Unless the context otherwise requires, all terms used in these BYLAWS shall have the same meaning as are attributed to them in the ARTICLES, and the DECLARATION.

2. MEMBERSHIP IN GENERAL.

2.01 Qualifications. Pursuant to the ARTICLES, all of the record owners of LOTS shall be members of the ASSOCIATION. Membership for each LOT shall be established upon the recording of the DECLARATION. Prior to the recording of the DECLARATION, the incorporator shall be the sole member of the ASSOCIATION, but its membership shall terminate upon the recording of the DECLARATION, unless it owns any LOT(S).

2.02 Changes in Membership. The transfer of the ownership of any LOT, either voluntarily or by operation of law, shall automatically terminate the membership of the prior owner, and the transferee or new owner shall automatically become a member of the ASSOCIATION. It shall be the responsibility of any such transferor and transferee of a LOT to notify the ASSOCIATION of any change in the ownership of any LOT, and the corresponding change in any membership, by delivering to the ASSOCIATION, a copy of the deed or other instrument of conveyance which establishes a transfer of ownership. In the absence of such notification, the ASSOCIATION shall not be obligated to recognize any change in membership or ownership of a LOT for purposes of

notice, voting, ASSESSMENTS, or for any other purpose.

2.03 Member Register. The secretary of the ASSOCIATION shall maintain a register in the office of the ASSOCIATION showing the names and addresses of the members of the ASSOCIATION. It shall be the obligation of each member of the ASSOCIATION to advise the secretary of any change of address of the member, or of the change of ownership of the member's LOT, as set forth above. Any member who mortgages his LOT shall notify the ASSOCIATION of the name and address of his mortgagee and shall file a copy of the mortgage and underlying promissory note with the ASSOCIATION. Any member who satisfies the mortgage encumbering his LOT shall also notify the ASSOCIATION thereof, and shall file a copy of the satisfaction of mortgage with the ASSOCIATION. The names and addresses of any such mortgagee shall also be maintained in the member register.

3. MEMBERSHIP VOTING

3.01 Voting Rights. There shall be one vote for each LOT. In the event any LOT is owned by more than one person, or is owned by a person other than an individual, the vote for such LOT shall be cast as set forth below, and votes shall not be divisible. In the event any member owns more than one LOT, the member shall be entitled to one vote for each such LOT.

3.02 Majority Vote and Quorum Requirements. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding upon all members and OWNERS for all purposes, except where otherwise provided by law, in the DECLARATION, in the ARTICLES, or in these BYLAWS. Unless otherwise so provided, at any regular or special meeting, the presence in person or by proxy of persons entitled to cast the votes for one-third of the LOTS shall constitute a quorum.

3.03 Determination as to Voting Rights.

3.03.01 In the event any LOT is owned by one person, his right to cast the vote for the LOT shall be established by the record title to his LOT.

3.03.02 In the event any LOT is owned by more than one person or by an entity, the vote for the LOT may be cast at any meeting by any co-owner of the LOT provided, however, that in the event a dispute arises between the co-owners as to how the vote for the LOT shall be cast, or in the event the co-owners are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to cast the vote for the LOT on the matter being voted upon at that meeting, but their membership shall be counted for purposes of determining the existence of a quorum. For purposes of this paragraph, the principals or partners of any entity (other than a corporation) owning a LOT shall be deemed co-owners of the LOT, and the directors and officers of a corporation owning a LOT shall be deemed as co-owners of the LOT.

3.04 Proxies. Every member entitled to vote at a meeting of the members, or to express consent or dissent without a meeting, may authorize another person or persons to act on the member's behalf by a proxy signed by such member or his attorney-in-fact. Any proxy shall be delivered to the secretary of the meeting at or prior to the time designated in the order of business for delivering proxies. Any proxy 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 member executing it. Every proxy shall specifically set forth the name of the person voting by proxy, and the name of the person authorized to vote the proxy for him. Every proxy shall contain the date, time and place of the meeting for which the proxy is given, and if a

limited proxy, shall set forth those items which the proxy holder may vote, and the manner in which the vote is to be cast.

4. MEMBERSHIP MEETINGS

4.01 Who May Attend. In the event any LOT is owned by more than one person, all co-owners of the LOT may attend any meeting of the members. In the event any LOT is owned by a corporation, any director or officer of the corporation may attend any meeting of the members. However, the vote for any LOT shall be cast in accordance with the provisions of Paragraph 3 above. INSTITUTIONAL LENDERS have the right to attend all members meetings.

4.02 Place. All meetings of the members shall be held at the principal office of the ASSOCIATION or at such other place and at such time as shall be designated by the BOARD and stated in the notice of meeting.

4.03 Notices. Written notice stating the place, day and hour of any meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each member entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting, by or at the direction of the president, the secretary or the officer or persons calling the meeting. For the purpose of determining members entitled to notice of, or to vote at, any meeting of the members of the ASSOCIATION, or in order to make a determination of the members for any other purpose, the BOARD shall be entitled to rely upon the member register as same exists ten days prior to the giving of the notice of any meeting, and the BOARD shall not be required to take into account any changes in membership occurring after that date but may, in their sole and absolute discretion, do so. Notwithstanding the foregoing, if a LOT is owned by more than one person or by an entity, only one notice shall be required to be given with respect to the LOT, which may be given to any co-owner as defined in Paragraph 3.03.02 of these BYLAWS. Notice to any member or co-owner shall be sent to the LOT of such member or co-owner, unless the LOT OWNER(S) of the LOT otherwise request.

4.04 Waiver of Notice. Whenever any notice is required to be given to any member under the provisions of the ARTICLES or BYLAWS, or as otherwise provided by law, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a member at a meeting shall constitute a waiver of notice of such meeting, except when the member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened.

4.05 Annual Meeting. The annual meeting for the purpose of electing directors and transacting any other business shall be held at eight o'clock p.m. on the second Tuesday in February of each year, or at such other time in the months of January or February or each year as shall be selected by the BOARD and as is contained in the notice of such meeting. However, so long as DECLARANT is entitled to appoint a majority of the directors of the Association, no annual meetings will be required.

4.06 Special Meetings. Special meetings of the members may be called at any time by any director, the president, or at the request, in writing by not less than 25% of the members, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Notice of any special meeting shall be given by the secretary, or other office of the ASSOCIATION, to all members within thirty (30) days after same is called, and the meeting shall be held within forty-five (45) days after the same is duly called.

4.07 Adjournments. Any meeting may be adjourned or

continued by a majority vote of the members present in person or by proxy and entitled to vote, or if no member entitled to vote is present, then any officer of the ASSOCIATION, may adjourn the meeting from time to time. If any meeting is adjourned or continued to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting. If the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, notice of the adjourned meeting may be given to members not present at the original meeting, without giving notice to the members which were present at such meeting.

4.08 Organization. At each meeting of the members, the president, the vice president, or any person chosen by a majority of the members present, in that order, shall act as chairman of the meeting. The secretary, or in his absence or inability to act, any person appointed by the chairman of the meeting, shall act as secretary of the meeting.

4.09 Order of Business. The order of business at the annual meeting of the members shall be:

- 4.09.01 Determination of chairman of the meeting;
- 4.09.02 Calling of the role and certifying of proxies;
- 4.09.03 Proof of notice of meeting or waiver of notice;
- 4.09.04 Reading of and disposal of any unapproved minutes;
- 4.09.05 Election of inspectors of election;
- 4.09.06 Determination of number of directors;
- 4.09.07 Election of directors;
- 4.09.08 Reports of directors, officers or committees;
- 4.09.09 Unfinished business;
- 4.09.10 New business; and
- 4.09.11 Adjournment

4.10 Minutes. The minutes of all meetings of the members shall be kept in a book available for inspection by the members or their authorized representatives, and the directors, at any reasonable time. The ASSOCIATION shall retain these minutes for a period of not less than seven years.

4.11 Actions Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of the members of the ASSOCIATION, may be taken without a meeting, without prior notice, and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members having not less than the minimum number of votes that would be necessary to authorize to take such action at a meeting at which all members entitled to vote thereon were present and voted. Within ten days after obtaining such authorization by written consent, notice shall be given to those members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action. If a LOT is owned by more than one person or by a corporation, the consent for such LOT need only be signed by one person who would be entitled to cast the vote for the LOT as a co-owner pursuant to Paragraph 3.03.02 of these BYLAWS.

5. DIRECTORS

5.01 Membership.

5.01.01 The affairs of the ASSOCIATION shall be managed by a BOARD of not less than three (3) nor more than nine (9) directors. So long as the DECLARANT is entitled to appoint any director pursuant to the ARTICLES, the number of directors will be determined, and may be changed from time to time, by the DECLARANT by written notice to the BOARD. After the DECLARANT is no longer entitled to appoint any director, the number of directors may be changed at any meeting where the members are to elect any directors (i) by the then existing BOARD, if prior to such meeting of the members the BOARD votes to change the number of directors and such change is indicated in the notice of the meeting sent to the members, or (ii) by the members at the meeting prior to the election of the directors. If the number of directors on the BOARD is not changed, then the number of directors shall be the same as the number on the BOARD prior to such meeting (plus any unfilled vacancies created by the death, resignation or removal of a director). In any event there shall always be an odd number of directors.

5.02 Election of Directors by Members. Election of directors to be elected by the members of the ASSOCIATION shall be conducted in the following manner:

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5.02.01 Within sixty days after the members other than the DECLARANT are entitled to elect any directors, as provided in the ARTICLES, or within sixty (60) days after the DECLARANT notifies the ASSOCIATION that it waives its right to appoint one or more directors, the ASSOCIATION shall call, and give not less than thirty (30) days' nor more than forty (40) days notice of, a special meeting of the members to elect any directors the members are then entitled to elect, or to replace the appropriate number of directors previously appointed by the DECLARANT. Such special meeting may be called and the notice given by any member if the ASSOCIATION fails to do so. At such special meeting the members shall be required to elect any directors which they are entitled to elect, and if they fail to do so any directors appointed by DECLARANT which would have been replaced by any directors elected by the members may resign without further liability or obligation to the ASSOCIATION. In the event such a special meeting is called and held, at the meeting the members may elect not to hold the next annual meeting of the members if such next annual meeting would be less than four (4) months after the date of the special meeting, and upon such election the next annual meeting of the members shall not be held.

5.02.02 Except as provided above, the members shall elect directors at the annual members' meetings.

5.02.03 Prior to any special or annual meeting at which directors are to be elected by the members, the existing BOARD may nominate a committee, which committee shall nominate one person for each director to be elected by the members, on the basis that the number of directors to serve on the BOARD will not be altered by members at the members' meeting. Nominations for additional directorships created at the meeting shall be made from the floor, and other nominations may be made from the floor.

5.02.04 The election of directors by the members shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each member voting being entitled to cast his votes for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

5.03 Term of Office. All directors elected by the members shall hold office until the next annual meeting of the members and until their successors are duly elected, or until such director's death, resignation or removal, as hereinafter

provided or as otherwise provided by statute or by the ARTICLES.

5.04 Organizational Meeting. The newly elected BOARD shall meet for the purposes of organization, the election of officers and the transaction of other business immediately after their election or within ten (10) days of same at such place and time as shall be fixed by the directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary.

5.05 Regular Meetings. Regular meetings of the BOARD may be held at such time and place as shall be determined, from time to time, by a majority of the directors.

5.06 Special Meetings. Special meetings of the BOARD may be called by any director, or by the president, at any time.

5.07 Notice of Meetings. Notice of each meeting of the BOARD shall be given by the secretary, or by any other officer or director, which notice shall state the day, place and hour of the meeting. Notice of such meeting shall be delivered to each director either personally or by telephone or telegraph, at least 48 hours before the time at which such meeting is to be held, or by first class mail, postage prepaid, addressed to such director at his residence, or usual place of business, at least three days before the day on which such meeting is to be held. Notice of a meeting of the BOARD need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting, an objection to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the BOARD need be specified in any notice or waiver of notice of such meeting.

5.08 Quorum and Manner of Acting. A majority of the directors determined in the manner provided in these BYLAWS shall constitute a quorum for the transaction of any business at a meeting of the BOARD. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the BOARD, unless the act of a greater number of directors is required by statute, the DECLARATION, the ARTICLES, or by these BYLAWS. A director may join by written concurrence in any action taken at a meeting of the BOARD but such concurrence may not be used for the purposes of creating a quorum.

5.09 Adjourned Meetings. A majority of the directors present at a meeting, whether or not a quorum exists, may adjourn any meeting of the BOARD to another place and time. Notice of any such adjourned meeting shall be given to the directors who are not present at the time of the adjournment, and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

5.10 Presiding Officer. The presiding officer of the BOARD shall be the chairman of the BOARD if such an officer is elected; and if none, the president of the ASSOCIATION shall preside. In the absence of the presiding officer, the directors shall designate one of their members to preside.

5.11 Order of Business. The order of business at a BOARD meeting shall be:

5.11.01 Calling of role;

5.11.02 Proof of due notice of meeting;

- minutes;
- 5.11.03 Reading and disposal of any unapproved
 - 5.11.04 Reports of officers and committees;
 - 5.11.05 Election of officers;
 - 5.11.06 Unfinished business;
 - 5.11.07 New business; and
 - 5.11.08 Adjournment

5.12 Minutes of Meetings. The minutes of all meetings of the BOARD shall be kept in a book available for inspection by the members of the ASSOCIATION, or their authorized representatives, and the directors at any reasonable time. The ASSOCIATION shall retain these minutes for a period of not less than seven years.

5.13 Committees. The BOARD, may by resolution duly adopted, appoint committees. Any committee shall have and may exercise such powers, duties and functions as may be determined by the BOARD from time to time, which may include any powers which may be exercised by the BOARD and which are not prohibited by law from being exercised by a committee.

5.14 Resignation. Any director may resign at any time by giving written notice of his resignation to another director or officer. Any such resignation shall take effect at the time specified therein or, if the time when such resignation is to become effective is not specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.15. Removal of Directors. Directors may be removed as follows:

5.15.01 Any director other than a director appointed by the DECLARANT may be removed by majority vote of the remaining directors, if such director (a) has been absent for the last three consecutive BOARD meetings, and/or adjournments and continuances of such meetings; or (b) is an OWNER and has been delinquent for more than thirty (30) days after written notice in the payment of ASSESSMENTS or other monies owed to the ASSOCIATION.

5.15.02 Any director other than a director appointed by the DECLARANT may be removed with or without cause by the vote of a majority of the members of the ASSOCIATION at a special meeting of the members called by not less than ten percent of the members of the ASSOCIATION expressly for that purpose. The vacancy on the BOARD caused by any such removal may be filled by the members at such meeting or, if the members shall fail to fill such vacancy, by the BOARD, as in the case of any other vacancy on the BOARD.

5.16 Vacancies.

5.16.01 Vacancies in the BOARD may be filled by a majority vote of the directors then in office, though less than a quorum, or by a sole remaining director, and a director so chosen shall hold office until the next annual election and until his successors is duly elected, unless sooner displaced. If there are no directors, then a special election of the members shall be called to elect the directors. Notwithstanding anything contained herein to the contrary, the DECLARANT at all times shall have the right to appoint the maximum number of directors permitted by the ARTICLES, and any vacancies on the BOARD may be filled by the DECLARANT to the extent that the number of directors then serving on the BOARD which were appointed by the DECLARANT is less than the number of directors the DECLARANT is

then entitled to appoint.

5.16.02 In the event the ASSOCIATION fails to fill vacancies on the BOARD sufficient to constitute a quorum in accordance with these BYLAWS, any LOT OWNER may apply to the Circuit Court of the County in which the PROPERTY is located for the appointment of a receiver to manage the affairs of the ASSOCIATION. At least thirty (30) days prior to applying to the Circuit Court, the LOT OWNER shall mail to the ASSOCIATION a notice describing the intended action giving the ASSOCIATION the opportunity to fill the vacancies, the LOT OWNER may proceed with the petition. If a receiver is appointed, the ASSOCIATION shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all powers and duties of a duly constituted member of the BOARD, and shall serve until the ASSOCIATION fills vacancies on the BOARD sufficient to constitute a quorum.

5.17 Directors Appointed by the Declarant.

Notwithstanding anything contained herein to the contrary, the DECLARANT shall have the right to appoint the maximum number of directors in accordance with the privileges granted to the DECLARANT pursuant to the ARTICLES. All directors appointed by the DECLARANT shall serve at the pleasure of the DECLARANT, and the DECLARANT shall have the absolute right, at any time, and in its sole discretion, to remove any director appointed by it, and to replace such director with another person to serve on the BOARD. Replacement of any director appointed by the DECLARANT shall be made by written instrument delivered to any officer or any other director, which instrument shall specify the name of the person designated as successor director. The removal of any director and the designation of his successor by the DECLARANT shall become effective immediately upon delivery of such written instrument by the DECLARANT.

5.18 Compensation. The Directors shall not be entitled to any compensation for serving as Directors unless the members approve such compensation, provided however, the ASSOCIATION may reimburse any Director for expenses incurred on behalf of the ASSOCIATION without approval of the members.

5.19 Powers and Duties. The directors shall have the right to exercise all of the powers and duties of the ASSOCIATION, express or implied, existing under these BYLAWS, the ARTICLES, the DECLARATION, or as otherwise provided by statute or law.

6. OFFICERS.

6.01 Members and Qualifications. The officers of the ASSOCIATION shall include a president, a vice president, a treasurer and a secretary, all of whom shall be elected by the directors and may be preemptively removed from office with or without cause by the directors. Any person may hold two or more offices except that the president shall not also be the secretary. The BOARD may, from time to time, elect such officers and designate their powers and duties as the BOARD shall find to be appropriate to manage the affairs of the ASSOCIATION from time to time. Each officer shall hold office until the meeting of the BOARD following the next annual meeting of the members, or until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall have resigned, or until he shall have been removed, as provided in these BYLAWS.

6.02 Resignations. Any officer may resign at any time by giving written notice of his resignation to any director or officer. Any such resignation shall take effect at the time specified therein, or if there is no time specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make such resignation effective.

6.03 Vacancies. A vacancy in any office, whether arising from death, resignation, removal or any other cause may be filled for the unexpired portion of the term of the office which shall be vacant in the manner prescribed in these BYLAWS for the regular election or appointment of such office.

6.04 The President. The president shall be the chief executive officer of the ASSOCIATION. He shall have all of the powers and duties which are usually vested in the office of president of an association or corporation including, but not limited to, the power to appoint committees from among the members from time to time, as he may in his discretion deem appropriate to assist in the conduct of the affairs of the ASSOCIATION.

6.05 The Vice President. The vice president shall, in the absence or disability of the president, exercise the powers and perform the duties of the president. He shall also assist the president generally and exercise such other powers and perform such other duties as may be prescribed by the directors.

6.06 The Secretary. The secretary shall prepare and keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instrument requiring a seal when duly executed. He shall keep the records of the ASSOCIATION, except those of the treasurer, and shall perform all other duties incident to the office of secretary of an association, and as may be required by the directors of the president.

6.07 The Treasurer. The treasurer shall have custody of all property of the shall have custody of all property of the ASSOCIATION, including funds, securities, and evidences of indebtedness. He shall keep books of account for the ASSOCIATION in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the BOARD for examination at reasonable times. He shall submit a Treasurer's Report to the BOARD at reasonable intervals and shall perform all other duties incident to the office of treasurer. He shall collect all ASSESSMENTS and shall report to the BOARD the status of collections as requested.

6.08 Compensation. The officers shall not be entitled to compensation unless the BOARD specifically votes to compensate them. However, neither this provision, nor the provision that directors will not be compensated unless otherwise determined by the members, shall preclude the BOARD from employing a director or an officer as an employee of the ASSOCIATION and compensating such employee, nor shall they preclude the ASSOCIATION from contracting with a director for the management of property subject to the jurisdiction of the ASSOCIATION, or for the provision of services to the ASSOCIATION, and in either such event to pay such director a reasonable fee for such management or provision of services.

7. FINANCES AND ASSESSMENTS.

7.01 ASSESSMENT ROLL. The ASSOCIATION shall maintain an ASSESSMENT roll for each LOT, designating the name and current mailing address of the OWNER, the amount of each ASSESSMENT against such OWNER, the dates and amounts in which the ASSESSMENTS come due, the amounts paid upon the account of the OWNER, and the balance due.

7.02 Depositories. The funds of the ASSOCIATION shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the BOARD from time to time. Funds shall be withdrawn only upon checks and demands for money signed by such officers, directors or other persons as may be designated by the BOARD.

7.03 Application of Payments and Compilation of Funds. All sums collected by the ASSOCIATION from ASSESSMENTS may be commingled in a single fund or divided into more than one fund, as determined by the BOARD.

7.04 Accounting Records and Reports. The ASSOCIATION shall maintain accounting records according to good accounting practices. The records shall be open to inspection by OWNERS and INSTITUTIONAL LENDERS or their authorized representatives, at reasonable times. The records shall include, but not be limited to, (a) a record of all receipts and expenditures, and (b) the ASSESSMENT roll of the members referred to above. The BOARD may, and upon the vote of a majority of the members shall, conduct a review of the accounts of the ASSOCIATION by a public accountant, and if such a review is made, a copy of the report shall be furnished to each member, or their authorized representative, within fifteen days after same is completed.

7.05 Reserves. The budget of the ASSOCIATION shall provide for a reserve fund for the periodic maintenance, repair and replacement of improvements to the COMMON AREAS and those other portions of the SUBJECT PROPERTY which the ASSOCIATION is obligated to maintain.

8. PARLIAMENTARY RULES

8.01 Roberts' Rules of Order (latest edition) shall govern the conduct of the ASSOCIATION meetings when not in conflict with any DECLARATION, the ARTICLES or these BYLAWS.

9. AMENDMENTS

Except as otherwise provided, these BYLAWS may be amended in the following manner:

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

9.02 Initiation. A resolution to amend these BYLAWS may be proposed either by any director, or by or at the direction of ten (10%) percent or more of the members of the ASSOCIATION.

9.03 Adoption of Amendments.

9.03.01 A resolution for the adoption of the proposed amendment shall be adopted either: (a) by unanimous vote of all of the directors; or (b) by not less than a majority of the votes of the entire membership of the ASSOCIATION. Any amendment approved by the members may provide that the BOARD may not further amend, modify or repeal such amendment.

9.03.02 Notwithstanding anything contained herein to the contrary, so long as the DECLARANT is entitled to appoint a majority of the directors, the DECLARANT shall have the right to unilaterally amend these BYLAWS without the joinder or approval of the BOARD or any member, and so long as the DECLARANT owns any LOT, no amendment to these BYLAWS shall be effective without the written approval of the DECLARANT.

(ALT) 9.03.02 Notwithstanding anything contained herein to the contrary, so long as the DECLARANT is entitled to appoint a majority of the directors, the DECLARANT shall have the right to unilaterally amend these BYLAWS without the joinder or approval of the BOARD or any member.

9.04 No amendment shall make any changes in the qualification for membership nor in the voting rights or property rights of members without approval by all of the members and the joinder of all record owners of mortgages upon the LOTS. No amendment shall be made that is in conflict with the DECLARATION or the ARTICLES. Prior to the closing of the sale of all LOTS, no amendment shall make any changes which would in any way affect

any of the rights, privileges, powers or options herein provided in favor of, or reserved to, the DECLARANT, unless the DECLARANT shall join in the execution of the amendment, including, but not limited to, any right of the DECLARANT to appoint directors.

9.05 No amendment to these BYLAWS shall be made which discriminates against any OWNER(S), or affects less than all of the OWNERS without the written approval of all of the OWNERS so discriminated against or affected.

9.06 Execution and Recording. No modification of, or amendment to, the BYLAWS shall be valid until recorded in the public records of the county in which the PROPERTY is located.

10. MISCELLANEOUS.

10.01 Tenses and Genders. The use of any gender or of any tense in these BYLAWS shall refer to all genders or to all tenses, wherever the context so requires.

10.02 Partial Invalidity. Should any of the provisions hereof be void or become unenforceable at law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

10.03 Conflicts. In the event of any conflict, the DECLARATION, the ARTICLES, and these BYLAWS, shall govern, in that order.

10.04 Captions. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit or describe the scope of these BYLAWS or the intent of any provisions hereof.

10.05 Waiver of Objections. The failure of the BOARD or any officers of the ASSOCIATION to comply with any terms and provisions of the DECLARATION, the ARTICLES, or these BYLAWS which relate to time limitations shall not, in and of itself, invalidate the act done or performed. Any such failure shall be waived if it is not objected to by a member of the ASSOCIATION within ten (10) days after the member is notified, or becomes aware, of the failure. Furthermore, if such failure occurs at a general or special meeting, the failure shall be waived as to all members who received notice of the meeting or appeared and failed to object to such failure at the meeting.

The foregoing was adopted as the BYLAWS of the ASSOCIATION at the First Meeting of the BOARD on the 23rd day of October, 1995.

By: James E. Marqua
JAMES E. MARQUA

By: Brian M. McSweeney
BRIAN M. MCSWEENEY

By: Phillip O. Torrence
PHILLIP O. TORRENCE

3/17
Return to:
Anderson, Morgan Tjaden, P.A.
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CLERK OF CIRCUIT COURT
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