
**DECLARATION OF
COVENANTS AND RESTRICTIONS**

FOR

**SHADOW OAKS ESTATES
SUBDIVISION**

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THIS INSTRUMENT PREPARED BY:

J. Geoffrey Pflugner, Esquire
Icard, Merrill, Cullis, Timm,
Furen & Ginsburg, P.A.
2033 Main Street, Suite 101
Sarasota, Florida 34237

**DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
SHADOW OAKS ESTATES SUBDIVISION**

THIS DECLARATION OF COVENANTS AND RESTRICTIONS for Shadow Oaks Estates Subdivision is made this ___ day of March, 1998, by SHADOW OAKS DEVELOPMENT COMPANY, a Florida corporation, and VALERIE QUATTLEBAUM (hereinafter collectively "Declarant").

PREAMBLE:

Declarant owns the Subject Property described herein, and intends to develop the Subject Property as a residential subdivision community. The purpose of this Declaration is to provide various use and maintenance requirements and restrictions in the best interests of the future owners of dwellings within the property, and to protect and preserve the values of the property. This Declaration will also establish an association, which will own, operate and/or maintain various portions of the property and improvements constructed within the property, will have the right to enforce the provisions of this Declaration, and will be given various other rights and responsibilities. The expenses of the association will be shared by the owners of the property.

NOW, THEREFORE, DECLARANT hereby declares that the Subject Property, as herein defined, shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the easements,

covenants, conditions, restrictions, reservations, liens and charges set forth herein, all of which shall run with title to the Subject Property and shall be binding upon all persons having and/or acquiring any right, title or interest in the Subject Property or any portion thereof, and shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the Subject Property, or any portion thereof.

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:

1.1. Approving Party means Declarant, so long as Declarant owns any Lot, or until Declarant assigns its rights as the Approving Party to the Association, and thereafter means the Association. Declarant reserves the right to assign its rights as the Approving Party to the Association (or to any successor of Declarant) in whole or in part.

1.2. Articles mean the Articles of Incorporation of the Association, as amended from time to time.

1.3. Assessment means the amount of money which may be assessed against an 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.

1.4. Association means Shadow Oaks Estates Property Owners Association, Inc., which has been established pursuant to the Articles of Incorporation attached hereto as an exhibit.

1.5. Attorneys' Fees means fees for attorneys' services, costs of investigation, and services of paralegals, including, but not limited to, such fees and costs charged for appellate proceedings.

1.6. Board means the Board of Directors of the Association.

1.7. Bylaws mean the Bylaws of the Association, as amended from time to time.

1.8. Common Areas means any property, whether improved or unimproved, or any easement or interest therein, now or hereafter

owned by the Association, or which is declared to be a Common Area by this Declaration, or which is dedicated to the Association on any recorded plat, or which is intended to be a Common Area by Declarant. Common Areas may include but are not limited to recreation facilities, parks, linear parks, open areas, conservation areas, conservation and/or preservation easements, retention/detention areas, drainage facilities, ditches, wetlands mitigation areas, floodplain compensation areas, lakes, ponds, landscaped buffers, nature preserves, roads, streets, rights-of-way and lighting facilities thereto, guardhouses, gatehouses, entranceways, and other similar properties, provided that the foregoing shall not be deemed a representation or warranty that any or all of the foregoing types of Common Areas will be provided.

1.9. Common Expenses mean all expenses of any kind or nature whatsoever incurred by the Association, including, but not limited to, the following:

1.9.1. Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the Common Areas, or any other property to be maintained by the Association as provided in this Declaration, including, but not limited to, utilities, taxes, assessments, insurance, operation, maintenance, repairs, improvements and alterations.

1.9.2. Expenses of obtaining, repairing or replacing personal property in connection with any Common Area or the performance of the Association's duties.

1.9.3. Expenses incurred in connection with the administration and management of the Association.

1.9.4. Expenses declared to be Common Expenses by the provisions of this Declaration or by the Articles or Bylaws.

1.9.5. Any amounts or expenses payable by the Association to any other property or homeowners association, any governmental or quasi-governmental authority, or to the Declarant.

1.10. Common Surplus means the excess of all receipts of the Association over the amount of the Common Expenses.

1.11. Declarant means the Persons executing this Declaration, or any Person who may be assigned the rights of Declarant pursuant to a written assignment executed by the then

present Declarant and recorded in the public records of the county in which the Subject Property is located. In addition, in the event any Person obtains title to all of the Subject Property then owned by Declarant as a result of the foreclosure of any mortgage or deed in lieu thereof, such Person 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, such person may appoint as Declarant any third party who acquires title to all or any portion of the Subject Property by written appointment recorded in the public records of the county in which the Subject Property is located. In any event, any subsequent Declarant shall not be liable for any actions or defaults of, or obligations incurred by, any prior Declarant, except as same may be expressly assumed by the subsequent Declarant.

1.12. Declaration means this document as it may be amended from time to time.

1.13. Floodplain Compensation Area **INTENTIONALLY OMITTED**

1.14. Institutional Lender means the holder of a mortgage encumbering any Property, which holder in the ordinary course of business makes, purchases, guarantees, or insures mortgage loans, and which is not owned or controlled by the Owner of the Property encumbered. An Institutional Lender may include, but is not limited to, a bank, savings and loan association, insurance company, real estate or mortgage company, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, 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, or which encumbers any portion of the Subject Property which is owned by Declarant, whether or not such holder would otherwise be considered an Institutional Lender; and anything contained herein to the contrary notwithstanding, the holder of any such mortgage shall be entitled to all rights and protections granted to first mortgagees hereunder, whether or not such mortgage is a first mortgage.

1.15. Lot means any legally described lot within the Subject Property, or any other parcel of land located within the Subject Property, which has been or could be intended to be conveyed by Declarant to an Owner and which contains or could contain a Unit, and shall include any Unit construction upon the Lot.

1.16. Owner means the record owner(s) of the fee title to a Lot.

1.17. Person means an individual, corporation, partnership, trust or any other legal entity.

1.18. Subject Property means all of the property subject to this Declaration from time to time, which as of the execution of this Declaration is the property described in Exhibit "A" attached hereto and incorporated herein by reference, and includes any property that is hereafter added to this Declaration, and excludes any property that is hereafter withdrawn from this Declaration, by an amendment.

1.19. Unit means any 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 State of Florida.

2.1. 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.

2.2. Bylaws. A copy of the Bylaws is attached hereto 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.

2.3. Powers of the Association. The Association shall have all the powers indicated or incidental to those contained in its Articles and Bylaws. In addition, the Association shall have the power to enforce this Declaration and shall have all powers granted to it by this Declaration. By this Declaration, the Subject

Property is hereby submitted to the jurisdiction of the Association.

2.4. 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 decision shall be expressed in accordance with the Articles and Bylaws, except as otherwise provided herein.

2.5. Acts of the Association. Unless the approval or action of the Owner 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.

2.6. 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.

2.7. Owners Voting Rights. The votes of the Owners shall be established and exercised as provided in the Articles and Bylaws.

3. COMMON AREAS, DUTIES AND OBLIGATIONS OF THE ASSOCIATION.

3.1. Conveyance of Common Areas to Association.

3.1.1. By Declarant. Declarant shall have the right to convey title to any property owned by it, or any easement or interest therein, to the Association as a Common Area, and the Association shall be required to accept such conveyance. Any such conveyance shall be effective upon recording the deed or instrument of conveyance in the public records of the county where the Subject Property is located. The foregoing notwithstanding, Declarant shall not have the obligation to develop and/or convey any property to the Association as a Common Area, and if Declarant desires to

convey any property to the Association, the timing of the conveyance shall be in the sole discretion of Declarant.

3.1.2. By Any Other Person. Any other Person may also convey title to any property owned by such Person, or any easement or interest therein, to the Association as a Common Area, but the Association shall not be required to accept any such conveyance, and no such conveyance shall be effective to impose any obligation for the maintenance, operation or improvement of any such property upon the Association, unless the Board expressly accepts the conveyance by executing the deed or other instrument of conveyance or by recording a written acceptance of such conveyance in the public records of the county in which the Subject Property is located.

3.2. Surface Water Management System. It is acknowledged that the surface water management and drainage system for the Subject Property is one integrated system, and accordingly shall be deemed a Common Area, and an easement is hereby created over the entire Subject Property for surface water drainage and for the installation and maintenance of the surface water management and drainage system for the Subject Property, provided, however, that such easement shall be subject to improvements constructed within the Subject Property as permitted by controlling governmental authorities from time to time. The surface water management and drainage system of the Subject Property shall be developed, operated and maintained in conformance with the requirements of any controlling governmental authority. The Association shall maintain as a Common Expense, except as may be transferred and accepted by the appropriate governmental entity, the entire surface water management and drainage system for the Subject Property, including, but not limited to, all lakes, ponds, wetlands mitigation areas, floodplain compensation areas, conservation and/or preservation areas and/or easements, canals, swale areas, retention/detention areas, culverts, pipes, pumps, catch basins stormwater management area and related appurtenances. Specifically, the association shall maintain the drainage swale on the east and south subdivision boundaries within the drainage easement. Neither the Association, nor a property owner shall plant any vegetation within the drainage easement, nor shall they construct or place any obstruction therein. Such maintenance shall be performed in conformance with the requirements of the controlling governmental authority, and an easement for such maintenance is hereby created. Anything to the contrary notwithstanding, the Association, shall have the obligation, to operate and/or maintain any or all of the Association's surface water management and drainage system and any or all of the Association's

Common Areas, pursuant to the Declaration. Removal of planted and recruited native vegetation (not to include invasive species such as cattails) from the littoral shelf shall be prohibited. Removal shall include cutting, pulling, dredging and herbicide application.

3.3. Perimeter Wall or Fence. Declarant and the Association shall have an easement around the entire boundary of the Subject Property, which shall extend five (5) feet into the Subject Property from the outer boundary of the Subject Property, for the installation and maintenance of a wall or fence or such other use as the Declarant or Association deems appropriate from time-to-time. Lots 1 and 38 shall be subject to an easement as set forth on the Plat for an entrance way wall. If any wall or fence is constructed within such easement, the Association shall maintain the wall or fence, and the landscaping located between the wall or fence and the perimeter of the Subject Property, and an easement for such maintenance is hereby established.

3.4. Use and Benefit. All Common Areas shall be held by the Association for the use and benefit of the Association and the Owners, the residents of the Subject Property, and their respective guests and invitees, the holders of any mortgage encumbering any Property from time to time, and any other persons authorized to use the Common Areas or any portion thereof by Declarant or the Association, for all proper and reasonable purposes and uses for which the same are reasonably intended, subject to the terms of this Declaration, subject to the terms of any easement, restriction, reservation or limitation of record affecting the Common Area or contained in the deed or instrument conveying the Common Area to the Association, and subject to any rules and regulations adopted by the Association. An easement and right for such use is hereby created in favor of all Owners, appurtenant to the title to their Property.

3.5. Grant and Modification of Easements. The Association shall have the right to grant, modify or terminate easements over, under, upon and/or across any property owned by the Association, and shall have the further right to modify, relocate or terminate existing easements in favor of the Association.

3.6. 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 the approval of the Owners shall be required for any addition, alteration of improvement, or any purchase of personal property, exceeding a sum equal to three (3) month's Assessments for Common Expenses payable by all of the Members, or if the cost of the foregoing shall in any fiscal year exceed in the aggregate a sum equal to five (5) months' Assessments for Common Expenses payable by all of the Members. The foregoing approval shall in no event be required with respect to expenses incurred in connection with the maintenance, repair or replacement of existing Common Areas, or any existing improvements or personal property associated therewith. The cost and expense of any such additions, alterations or improvements to the Common Areas, or the purchase of any personal property, shall be a Common Expense. In addition, so long as Declarant owns any portion of the Subject Property, Declarant shall have the right to make any additions, alterations or improvements to the Common Areas as may be desired by Declarant in its sole discretion from time to time.

3.7. Utilities. The Association shall pay for all utility services for the Common Areas, or for any other property to be maintained by the Association, as a Common Expense.

3.8. Taxes. The Association shall pay all real and personal property taxes and assessments for any property owned by the Association, as a Common Expense.

3.9. Insurance. The Association shall purchase insurance, as a Common Expense, as follows:

3.9.1. Hazard Insurance protecting against loss or damage by fire and all other hazards that are normally covered by the standard extended coverage endorsement, and all other perils customarily covered for similar types of projects, including those covered by the standard all-risk endorsement, covering 100% of the current replacement cost of all Common Areas and property owned by the Association, excluding land, foundations, excavations and other items normally excluded from insurance coverage. The Association shall not use hazard insurance proceeds for any purpose other than repair, replacement or reconstruction of any damaged or destroyed property without the approval of at least two-thirds (2/3) of the votes of the Owners.

3.9.2. Comprehensive General Liability Insurance

protecting the Association from claims for bodily injury, death or property damage providing for coverage of at least \$500,000 for any single occurrence or such lesser amount as is approved by the Owners. Limited to common areas only.

3.9.3. Blanket Fidelity Bonds for anyone who handles or is responsible for funds held or administered by the Association, covering the maximum funds that will be in the custody or control of the Association or any managing agent, which coverage shall be at least equal to the sum of three (3) months' assessments on all lots plus reserve funds, provided that so long as Declarant is in control of the Association, said bonds shall not be required.

3.9.4. Such other insurance as may be desired by the Association, such as flood insurance; errors and omissions insurance, workman's compensation insurance, or any other insurance.

3.9.5. All insurance purchased by the Association must include a provision requiring at least ten (10) days written notice to the Association before the insurance can be canceled or the coverage reduced for any reason.

3.9.6. Any deductible or exclusion under the policies shall be a Common Expense and shall not exceed \$2,500.00 or such other sum as is approved by the Owners.

3.9.7. Upon request, each Institutional Lender shall have the right to receive a copy or certificate of the insurance purchased by the Association, and shall have the right to require at least ten (10) days' written notice to the Institutional Lender before any insurance can be canceled or the coverage reduced for any reason.

3.10. Default. Any Member or Institutional Lender may pay for any utilities, taxes or assessments, or insurance premiums which are not paid by the Association when due, or may secure new insurance upon the lapse of an insurance policy, and shall be owed immediate reimbursement therefor from the Association, plus interest and any costs of collection, including Attorneys' Fees.

3.11. Damage or Destruction. In the event any improvement (other than landscaping) within any Common Area is damaged or destroyed due to fire, flood, wind, or other casualty or reason, the Association shall restore, repair, replace or rebuild

(hereinafter collectively referred to as a "repair") the damaged improvement to the condition the improvement was in immediately prior to such damage or destruction, unless otherwise approved by two-thirds (2/3) of the votes of the Owners. If any landscaping within any Common Area or any other property maintained by the Association is damaged or destroyed, the Association shall only be obligated to make such repairs to the landscaping as is determined by the Board in its discretion. Any excess cost of repairing any improvement over insurance proceeds payable on account of any damage or destruction shall be a Common Expense, and the Association shall have the right to make a special Assessment for any such expense.

3.12. Maintenance of Common Areas and other Property. The Association shall maintain all Common Areas and property owned by the Association, and all improvements thereon, in good condition at all times. In addition, the Association shall have the right to assume the obligation to operate and/or maintain any property which is not owned by the Association if the Board, in its sole discretion, determines that the operation and/or maintenance of such property by the Association would be in the best interests of the residents of the Subject Property. Without limitation, the Association shall have the right to assume the obligation to operate and/or maintain any walls or fences on or near the boundaries of the Subject Property, and any pavement, landscaping, sprinkler systems, sidewalks, paths, signs, entrance features, or other improvements, in or within forty (40) feet of any road right-of-ways or perimeter boundaries within or contiguous to the Subject Property. The Association may also enter into agreements with any other Person, or any governmental authority, to share in the maintenance responsibility of any property if the Board, in its sole and absolute discretion, determines this would be in the best interest of the Owner and the Association. Furthermore, the Association shall have the right, if so determined by the Board, to maintain all or any portion of the landscaping, sidewalks, paths or other improvements on each Lot if necessary, and in the event the Board elects to perform such maintenance, the cost of the same shall be attributed to such Lot(s). The foregoing notwithstanding, the Association shall not be obligated to maintain or repair or pay for maintenance and repair of, or relating to, the irrigation system in or on each Lot but only up to the Lot boundary. If Association chooses, in its sole discretion, to repair or maintain such system because the Owner of such Lot has failed to do so, the Association may charge the cost of such repairs, maintenance or payment to said Owner as an assessment as provided herein.

3.13. Mortgage and Sale of Common Areas. The Association shall not have the right to encumber, sell or transfer any Common Area (i) without the approval of the Owners if the Board unanimously determines that the mortgage, sale or transfer is in the best interests of the Association or will not materially and adversely affect the Owners, or (ii) if the mortgage, sale or transfer is approved by the Owners.

4. EASEMENTS. Each of the following easements are hereby created, which shall run with the land and, any of the other provisions of this Declaration notwithstanding, 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.

4.1. 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, same being for the use and benefit of the Owners and the residents of the Subject Property, their mortgagees, and their guests and invitees.

4.2. Perpetual Nonexclusive Easement in Common Areas. The Common Areas shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive appurtenant 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.

4.3. Intentionally Omitted.

4.4. Additional Easements. Declarant (so long as it owns any Lot or any property whatsoever) 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 Declarant or any person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements benefitting or affecting the Subject Property. In connection with

the grant, modification, relocation, abandonment or termination of any easement, Declarant reserves the right to relocate roads, parking areas, utility lines, and other improvements upon or serving the Subject Property. So long as the foregoing will not unreasonably and adversely interfere with the use of Lots for dwelling purposes, no consent 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 consent 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. The Association is hereby given an easement across each Lot for the purpose of performing maintenance as described in paragraph 3.12.

4.5. Sale and Development Easement. Declarant reserves and shall have an easement over, upon, across and under the Subject Property as may be reasonably required in connection with the development, construction, sale and promotion, or leasing, of any Lot within the Subject Property or within any other property owned by Declarant.

4.6. Reciprocal Easements. There shall be reciprocal appurtenant easements between each Lot and such portion or portions of the Common Area adjacent thereto, or between adjacent Lots, or both, for lateral and subjacent supports; for electrical, plumbing, sewer, telephone, cable, drainage and other convenience or utility serving more than one Lot; for overhanging roofs and eaves installed by Declarant and for replacement thereof; and for encroachments caused by then willful construction, reconstruction, repair, settling or shifting of any improvements constructed, reconstructed or altered thereon in accordance with the terms of this Declaration. The extent of said easements for lateral and subjacent support and for overhang shall be that reasonably necessary to effectuate the purposes thereof; and said easements of encroachment shall extend to a distance of not more than five (5) feet, as measured from any point on the common boundary along a line perpendicular to such boundary at such point. The foregoing notwithstanding, in no event shall there be any easement for overhangs or encroachment if the same is caused by willful misconduct on the part of an Owner, tenant or the Association. Anything contained herein to the contrary notwithstanding, should electrical, plumbing, sewer, telephone, cable or other utility service to a Lot cross through or under another Lot (survey lot) and be in need of repair or replacement, this said repair or

replacement shall not occur in the easement in the survey lot if said repair or replacement would in any way damage or interfere with the use and enjoyment of the improvements erected on said survey lot. In such event the utility service shall be relocated in the Common Area.

5. USE RESTRICTIONS.

5.1. One Unit Per Lot. No more than one (1) Unit shall be constructed on any Lot.

5.2. Garages. Each Unit shall have an attached garage providing parking for at least two (2) automobiles. No garage shall be permanently enclosed, and no portion of a garage intended for the parking of an automobile shall be converted into a living space or storage area. All garage doors shall remain closed when not in use, and no pedestrian door shall be built into the garage door, and no screen door shall be added to the garage door opening.

5.3. Occupancy. No Unit shall be permanently occupied by more than two (2) persons for each bedroom in the Unit. Permanent occupancy for purposes hereof shall mean more than sixty (60) days in any twelve (12) month period or calendar year. In addition, 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.

5.4. No Trade or Business. Except as reserved to Declarant, and except for uses or activities associated with the construction, development, and sale of the Subject Property or any Lot, Unit, or portion thereof, by Declarant or its assigns, 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. The foregoing shall not prohibit any Owner from leasing his entire Lot, but no building or other improvement upon a Lot shall be leased separately from the entire Lot and no part of any Unit shall be used for the purpose of renting rooms or transient purposes.

5.5. Leases. All leases of a Unit must be in writing and specifically be subject to this Declaration, the Articles and the Bylaws, and copies of any leases shall be delivered to the Approving Party upon request.

5.6. Outside Storage of Personal Property. The personal property of any resident of the Subject Property shall be kept inside the resident's Unit or a fenced or a walled-in yard, except for patio furniture and accessories, and other personal property commonly kept outside, which must be neat in appearance and in good condition.

5.7. Portable Buildings. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any Lot for storage or otherwise.

5.8. Garbage and Trash. Each Owner shall regularly pick up all garbage, trash, refuse or rubbish on the Owner's Lot. All garbage, trash, refuse or rubbish must be placed in appropriate trash facilities or bags. All containers, dumpsters or garbage facilities shall be kept in a clean and sanitary area screened from view by landscaping. No noxious or offensive odors shall be permitted. 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 after 5:00 p.m. on the day before the scheduled day of collection, and any trash containers must be returned by the evening of the collection day to their normal location. Lawn and garden residues and refuse (i.e., grass clippings, etc.) shall be properly disposed of in accordance with all applicable governmental ordinances, resolutions and regulations.

5.9. Vehicles and Boats. Only automobiles, vans, and pickup trucks with a carrying capacity of one (1) ton or less, and other vehicles manufactured and used as private passenger vehicles, may be parked within the Subject Property overnight without the prior written consent of the Approving Party, unless kept within an enclosed garage. In particular and without limitation, without the prior written consent of the Approving Party, no vehicle containing commercial lettering, signs or equipment, and no truck, recreational vehicle, camper, trailer or vehicle other than a private passenger vehicle as specified above, and no boat, may be parked or stored outside of a Unit overnight. No overnight parking is permitted on any streets, lawns or areas other than driveways and garages, without the consent of the Approving Party. The foregoing notwithstanding, automobiles owned by governmental law enforcement agencies are expressly permitted. The foregoing restrictions shall not be deemed to prohibit the temporary parking of commercial vehicles while making delivery to or from, or while used in connection with providing services to, the Subject

Property. Motorcycles, motorbikes, mopeds, all-terrain vehicles and the like are not permitted to be operated within the Subject Property, except to enter or exit the Subject Property, or parked overnight outside of an enclosed garage, except with the prior written consent of the Approving Party, which may be withdrawn at any time. Any permitted motorized vehicle must be licensed for street use and equipped with appropriate noise muffling equipment so that the operation of same does not create an unreasonable annoyance to the residents of the Subject Property. Subject to governmental regulations, golf carts may be operated on roadways within the Subject Property and must be stored within an enclosed garage.

5.10. Pets. No animals, livestock or poultry of any kind shall be permitted within the Subject Property except for common household domestic pets. No pit bull terriers are permitted without the consent of the Approving Party. Any pet must be carried or kept on a leash while outside of a Unit or fenced-in area. No pet shall be kept outside of a Unit, or in any screened porch or patio, unless someone is present in the Unit. No pet shall be permitted to go or stray on any other Lot without the permission of the Owner of the Lot. Any pet may not be an unreasonable nuisance or annoyance to other residents of the Subject Property. Any resident shall immediately pick up and remove any solid animal waste deposited by his pet on the Subject Property. No commercial breeding of pets is permitted within the Subject Property. The Approving Party may require any pet to be immediately and permanently removed from the Subject Property due to a violation of this paragraph.

5.11. Landscaping. The initial landscaping of any Lot, and any material modifications, additions or substitutions thereof, must be approved by the Approving Party. The Owner of each Lot containing a Unit shall be required to maintain the landscaping on his Lot, and on any contiguous property between his Lot and the pavement edge of any abutting road or the waterline of any abutting lake or canal, all in accordance with the landscaping plans approved by the Approving Party, and in accordance with the provisions of this Declaration and the requirements of any controlling governmental authority. All such landscaping shall be maintained by the Owner in first class condition and appearance and, as reasonably required, mowing, watering, trimming, fertilizing and weeding, insect and disease control shall be performed by the Owner. All landscaped areas shall be primarily grass, and shall not be paved or covered with gravel or any

artificial surface without the prior written consent of the Approving Party. All dead or diseased sod, plants, shrubs, trees or flowers shall be promptly replaced, and excessive weeds, underbrush or unsightly growth shall be promptly removed.

5.12. Maintenance. Each Owner shall maintain his Unit and all improvements and personal property upon his Lot in first class condition at all times. The exterior of all Units, including, but not limited to, roofs, walls, doors, windows, patio areas, pools, screenings and awnings shall be maintained in first class condition and repair and in a neat and attractive manner. All exterior painted areas shall be painted as reasonably necessary, with colors which are harmonious with other Units, and no excessive rust deposits on the exterior of any unit, peeling of paint or discoloration of same shall be permitted. No Owner shall materially alter the exterior color of his Unit without the consent of the Approving Party. All sidewalks, driveways and parking areas within the Owner's Lot or serving the Owner's Unit shall be cleaned and kept free of debris; and cracks, damaged and/or eroding areas on same shall be repaired, replaced and/or resurfaced as necessary. Each Owner shall be responsible for and shall maintain in first class condition and repair all irrigation systems contained within, on, in, or over such Owner's Lot, Unit or Property, including but not limited to greywater irrigation lines, piping, valves, heads, and controls.

5.13. Air Conditioning Units. Only central air conditioning units are permitted, and no window, wall or portable air conditioning units are permitted. All air conditioning units shall be screened.

5.14. Clotheslines and Outside Clothes Drying. No clotheslines or clothes poles shall be erected, and no outside clothes-drying is permitted, except where such activity is advised or mandated by governmental authorities for energy conservation purposes, in which event the Approving Party shall have the right to approve the portions of any Lot used for outdoor clothes-drying purposes and the types of devices to be employed in this regard, which approval must be in writing and not unreasonably withheld.

5.15. Nuisances. No nuisances shall be permitted within the Subject Property, and no use or practice which is in 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

unreasonably offensive or unlawful action shall be permitted, and all laws, zoning ordinance and regulations of all controlling governmental authorities shall be complied with at all times by the Owners.

5.16. Outside Antennas and Flag Poles. No outside signal receiving or sending antennas, dishes or devices are permitted without the consent of the Approving Party, except DBS, DDS and

other similar antenna type dishes ("Dishes") one meter or smaller in diameter. Said Dishes shall be located so as to meet all local fire codes and be so situated as to compliment or supplement the architectural integrity of the unit. All Dishes will be located in back yards and out of view of adjoining lot owners unless such location would compromise the integrity of the signal. The foregoing shall not prohibit any antenna or signal receiving dish owned by the Approving Party which services the entire Subject Property. No flag poles are permitted without the consent of the Approving Party.

5.17. Electrical Interference. No electrical machinery, device or apparatus shall be used or maintained on any Lot or within a Unit which causes interference with the television or audio reception of another Unit.

5.18. Further Subdivision. No Lots shall be further subdivided without the prior written consent of the Approving Party if same would result in the creation of more Lots than before such resubdivision. The foregoing notwithstanding, portions of a Lot may be conveyed to the Owner(s) of contiguous Lot(s) in order to increase the size of the contiguous Lot(s), so long as any remaining portion of the divided Lot not so conveyed is independently useful for the construction of a Unit that complies with the requirements of this Declaration. If all of any Lot is divided between the contiguous Lots in order to increase the size of the contiguous Lots, then the Owners of the divided Lot shall be required to divide among themselves the vote and Assessment responsibility of the divided Lot pursuant to an instrument recorded in the public records of the county in which the Subject Property is located and approved by the Association.

5.19. Oil, Gas, and Other Tanks. All oil tanks and gas tanks and other tanks, including but not limited to water softeners, shall be underground in walled-in or landscaped areas as approved by the Approving Party so that they shall be substantially

concealed or hidden from any eye-level view from any street or adjacent property.

5.20. Signs. No owner other than Declarant shall erect or display, either on the Lot or on the Unit, any sign or advertisement or engage in any commercial activity thereon or therefrom, unless prior written approval from the Approving Party has been obtained and under the following circumstances:

- (a) Directional or traffic signs may be installed by the appropriate governmental authority, by Declarant, or by the Board, and entrance or other identification signs may be installed by or with the consent of Declarant or the Board;
- (b) Declarant and any Speculative Buyer may display signs on Lots owned by Declarant or Speculative Builder;
- (c) One "For Sale" sign not more than two square foot (measured on one side thereof) may be displayed on a Lot by the Owner or the agent for such Owner, provided said sign is of uniform design as adopted by the Board;
- (d) A name plate and address plate in size and design approved by Declarant may be displayed on a Lot.

In the event any sign is installed on any Lot or on the exterior of any Unit which violates this paragraph, the approving Party shall have the right to remove such sign without notice to the Owner, and the removal shall not be deemed a trespass and the Approving Party shall not be liable to the Owner for the removal or for any damage or loss to the sign.

Nothing contained in this Declaration shall prevent Declarant, or any person designated by Declarant, from erecting or maintaining such commercial and display signs on such temporary dwellings, model houses and other structures, Units, or Lots as Declarant may deem advisable for development purposes, including construction of any improvements or structures thereon, provided such are in compliance with the appropriate governmental requirements or regulations applicable thereto.

5.21. Window Treatments. Window treatments shall consist of draperies with white lining or light colored backing, 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.

5.22. Surface Water Management. No Owner or any other Person shall do anything to adversely affect the surface water management and drainage of the Subject Property without the prior written approval of the Approving Party and any controlling governmental authority, including, but not limited to, the excavation or filling in of any lake or any portion of the Subject Property, provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the Subject Property by Declarant or by the developer of any portion of the Subject Property in accordance with permits issued by controlling governmental authorities.

It shall be the responsibility of each Owner within the Subject Property at the time of construction of a building, residence, or structure, to comply with the construction plans for the surface water management system pursuant to Chapter 40D-4, F.A.C., approved and on file with the Southwest Florida Water Management District as of May of 1993.

It is each Owner's responsibility not to remove native vegetation (excluding cattails) that becomes established within the wet detention ponds abutting their Property, if any. Removal includes dredging, the application of herbicide, and cutting. Owners should address any question regarding authorized activities within the wet detention pond to the Southwest Florida Water Management District, Venice Permitting Department.

5.23. Swimming Pools. No above-ground swimming pools, spas or the like shall be installed without the consent of the Approving Party, and no swimming pools, spas or the like shall be installed in front of the front building line.

5.24. Fences or Walls. No fences, walls or hedges shall be installed except with the consent of the Approving Party. Any approved fence, wall or hedge must be maintained in good condition at all times. The Approving Party shall have the right to require all fences and walls throughout the Subject Property to be of a specified standard type of construction and material, and shall have the right to prohibit any other types of fences and/or walls, and shall further have the right to change such standard from time to time as the Approving Party deems appropriate.

5.25. Mailboxes. No mailboxes are permitted without the consent of the Approving Party, except for mailboxes which are identical to mailboxes originally provided for each Unit(s) by Declarant.

5.26. Mining. No oil or natural gas drilling, refining, quarrying or mining operation of any kind shall be permitted upon any Lot, and no derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted on any Lot.

5.27. Street Lighting. All Lots may in the future be within a street lighting district pursuant to which lighting services are provided, and taxes or Assessments therefor levied in accordance with applicable governmental ordinances, rules and regulations, now or hereafter in effect.

5.28. Governmental Regulations. Every Owner, their licensees, guests, invitees and tenants, shall abide by all governmental statutes, ordinances, regulations, and rules, including, but not limited to, those regarding pets and leashes, parking and conduct.

5.29. Structures and Setbacks. No structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1) Unit, except that more than one Lot may be used for one Unit, in which event the Restrictions shall apply to such Lots as if they were a single Lot, subject to easements recorded on the plat and reserved herein, provided that easements in the middle of such combined lots (including those granted to utilities and government entities) may be extinguished by the Approving Party so as to allow construction on the middle of combined Lots. No structure shall be erected nearer than twenty (20) feet from a

front lot line or rear lot line of any Lot. No structure shall be erected nearer than eight (8) feet from side lot line of any lot. No structure will be located within thirty (30) feet of the normal waterline of any water retention pond or designated "Lake". A swimming pool may be located only in the rear and not in the front yard or side yard of any Lot. All mechanical equipment, including, but not limited to, water softeners, pumps or pool heaters shall same meaning given by the Sarasota County Zoning Code in effect as of the date of recording these restrictions.

5.30. Utilities. Intentionally omitted.

5.31. Architectural Standards. All construction will comply with the SBCCI requirements. In addition, the following specifications will apply:

- a) Height at Roof Ridge: 30'0" maximum
- b) Size: Total living area to be 1800 sf. minimum
- c) Roofing: 240# Architectural style fiberglass shingles in approved colors only
- d) Color, Exterior: Colors per approved selection, all exterior trim to be white or ivory

5.32. Architectural Control.

5.32.1. Owner to Obtain Approval. No owner shall make any Improvement, and no Owner shall apply for any governmental approval or building or other permit for any Improvement unless the Owner first obtains the written approval for the Improvement from the Approving Party. For purposes of this Paragraph, the term "Improvement" shall mean any building, fence, wall, patio area, pool, spa, deck, landscaping, grading, drainage, driveway, walkway, or any other alteration, addition, improvement or change of any kind or nature which is constructed, made, installed, placed or removed in, on or from any Lot, or in, on or from the exterior of any Unit or any other improvement upon any Lot, except for maintenance or repair which does not result in a material change to any improvement, including the color of same.

5.32.2. Approving Party's Consent. Any request by an Owner for approval by the Approving Party to any Improvement shall be in writing and shall be accompanied by plans and specifications or other details as the Approving Party may deem reasonably necessary in connection with its determination as to whether or not it will approve same. The plans and specifications submitted for

approval shall show the nature, kind, shape, height, materials, color and location of all proposed Improvements. If the Approving Party deems the plans and specifications deficient, the Approving Party may require such further detail in the plans and specifications as the Approving Party deems necessary in connection with its approval of same, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors, and until receipt of the foregoing, the Approving Party may postpone review of any plans submitted for approval. The Approving Party shall have the right to charge a reasonable fee in connection with the approval of any request to pay for the cost of any architect or engineer hired by the Approving Party to review any plans and specifications. Approval of any request shall not be withheld in a discriminatory manner or in a manner which unreasonably prohibits the reasonable improvement of any Lot or Unit, but may be withheld due to aesthetic considerations. The Approving Party shall notify the Owner of its approval or disapproval, or that the Approving Party requires additional to the plans and specifications, by written notice within thirty (30) days after request for such approval is made in writing to the Approving Party, and in the event the Approving Party fails to disapprove any request within such thirty (30) day period, the request shall be deemed approved, and upon request the Approving Party shall give written notice of such approval. In consenting to any proposed Improvement, the Approving Party may condition such consent upon conditions being met or changes being made. If the Approving Party consents to any Improvement, the Owner may proceed to make the Improvement in strict conformance with the plans and specifications approved by the Approving party, and subject to any conditions of the Approving Party's approval.

5.32.3. Inspections. Upon completion of any Improvement, the Owner shall give written notice of the completion of same to the Approving Party. Within sixty (60) days thereafter, the Approving Party shall inspect the Improvement, and if the Approving Party finds that the Improvement was not completed in

conformance with the approved plans and specifications, it shall notify the Owner in writing of such non-compliance within said sixty (60) day period, specifying the particulars of such non-compliance, and within thirty (30) days thereafter the Owner shall correct the deficiencies set forth in the notice, and upon completion of the work required to correct the deficiencies, the Owner shall again give the Approving Party notice of the completion of the work, and the provisions of this Paragraph shall again become operative. If for any reason the Approving Party fails to notify the Owner of any deficiencies within ninety (90) days after receipt of a notice of completion from the Owner, the Improvement shall be deemed to have been completed in accordance with the approved plans and specifications.

5.32.4. No Liability. The Approving Party shall not be liable to any Owner in connection with the exercise or nonexercise of architectural control hereunder, or the approval or disapproval of any Improvement. Any approval of any plans or specifications by the Approving Party shall not be deemed to be a determination that such plans or specifications are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the Approving Party, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the Approving Party shall not be liable for any deficiency, or any injury resulting from any deficiency, in such plans and specifications. If the Approving Party approves any Improvement, same shall not require the Approving Party, or any subsequent Approving Party, to approve any similar Improvement in the future, and the Approving Party shall have the right in the future to withhold approval of similar Improvements, requested by any other Owner.

5.32.5. Remedy for Violations. In the event that Paragraphs 5.31 and/or 5.32 are violated in that any Improvement is made without first obtaining the approval of the Approving Party or is not made in strict conformance with any approval granted by the Approving Party, the Approving Party shall specifically have the right to injunctive relief to require the Owner to stop, remove and/or alter any Improvement in a manner which complies with the requirements of the Approving Party, or the Approving Party may pursue any other remedy available to it with Owner paying all attorney fees and costs incurred by Approving Party therefor. If the Approving Party is Declarant, then in connection with the enforcement of this Paragraph 5.32, Declarant shall have all of the rights of enforcement granted to the Association pursuant to

paragraphs 7.1 through 7.3 of this Declaration, including, but not limited to, the right to impose a fine against the defaulting Owner, and to assess a lien on the defaulting Owner, except that any fines paid by the defaulting owner shall be paid to the Association. In connection with the enforcement of this Paragraph 5.32, the Approving Party shall have the right to enter onto any Lot and make any inspection necessary to determine that the provisions of this Paragraph 5.32 have been complied with. The failure of the Approving Party to object to any Improvement prior to the completion of the Improvement shall not constitute a waiver of the Approving Party's right to enforce the provisions of this Paragraph 5.32. Any action to enforce Paragraphs 5.31 and/or 5.32 must be commenced within one (1) year after actual notice of the violation to the Approving Party, or within three (3) years after the date of the violation, whichever occurs first. The foregoing shall be in addition to any other remedy set forth herein for violations of this Declaration. Anything contained within this Declaration to the contrary notwithstanding, the Approving Party shall have the exclusive authority to enforce the provisions of this Paragraph 5.32.

5.32.6. Compliance with Governmental Requirements. In addition to the foregoing requirements, any improvement made by an Owner must be in compliance with the requirements of all controlling governmental authorities, and the Owner shall be required to obtain an appropriate building permit or other permit or approval from the applicable governmental authority when required by controlling governmental requirements. Any consent or approval by the Approving Party to any Improvement may be made conditioned upon the Owner obtaining a building permit or other appropriate permit(s) or approval(s) for same, or providing the Approving Party written evidence from the controlling governmental authority that such permit(s) will not be required, and in that event the Owner shall not proceed with any Improvement until such permit(s) or evidence that permit(s) is not required is submitted to the Approving Party.

5.32.7. Certificate. At the request of any Owner, the Association shall issue without charge a written certification that the Improvements located upon the Owner's Lot are not in violation of the provisions of this Paragraph 5.31.

5.33. Land Sales Exemption. Declarant intends to sell individual lots or other portions of the Subject Property under one or more exemptions available to Declarant under the Interstate Land Sales Full Disclosure Act and under Florida Uniform Land Sales Practices Law, each of these being herein referred to as "Land Sales Laws". To the extent any sale of a portion of the Subject Property would otherwise require registration and disclosure under either or both of the Land Sales Laws, such sales will only be made in reliance upon one or more of the exemptions available under the Land Sales Laws. Declarant will only convey portions of the Subject Property if it is satisfied that the conveyance will not violate any provision of the Land Sales Laws. Accordingly, no conveyance of any portion of the Subject Property shall be made unless the conveyance is exempt from registration or disclosure under the Land Sales Laws.

Declarant shall have the right to include restrictive covenants to this effect in Homeowners Association documents, deeds, purchase and sale agreements, and other instruments affecting the Subject Property, but the failure to include restrictive covenants or limitations shall not operate to permit anyone to convey any portion of the Subject Property in violation of the provisions of this paragraph 5.32.

5.34. Rules and Regulations. The Approving Party may adopt additional reasonable rules and regulations relating to the use and maintenance of the Subject Property. Copies of such rules and regulations and amendments shall be furnished by the Approving Party to any Owner upon request. All rules and regulations shall be binding on all Owners as provided therein.

5.35. Waiver. The Approving Party 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 Approving Party, special circumstances exist which justify such waiver or deviation, or such waiver or deviation, when coupled with any conditions imposed for the waiver or deviation by the Approving Party, will not adversely affect any other Owners. In granting any waiver or deviation, the Approving Party may impose such conditions restrictions as the Approving

Party may deem necessary, and the Owner shall be required to comply with any such restrictions or conditions in connection with any 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 Approving Party, 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. Furthermore, any approval given by the Approving Party as to any matter shall not be deemed binding upon the Approving Party in the future, and shall not require the Approving Party to grant similar approvals in the future as to any Lot or Owner.

5.36. Exceptions. The foregoing use and maintenance restrictions shall not apply to Declarant, or to any portion of the Subject Property while owned by Declarant, and shall not be applied in a manner which would prohibit or restrict the development of any portion of the Subject Property and the construction of any Units, buildings and other improvements thereon, or any activity associated with the sale or leasing of any Units by Declarant. In addition, Declarant shall have the right to exempt any other builder or developer from any of the foregoing use and maintenance restrictions. Specifically, and without limitation, Declarant shall have the right to, and any other builder or developer who is exempted from the foregoing restrictions by Declarant shall have the right to: (I) construct any buildings or improvements within the Subject Property, and make any additions, alterations, improvements or changes thereto, (ii) maintain customary and usual sales, leasing, general office and construction operations on any Property; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon any Property for sales, leasing, construction, storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction on any Property; and (v) post, display, inscribe or affix to the exterior of a Unit or upon any Property, signs and other materials used in developing, constructing, selling or promoting any Property. Provided, further, that until Declarant has completed all of the contemplated improvements and closed the sales of all Lots, neither the Association nor any Owner, or the use of the Subject Property shall interfere with completion of the contemplated improvements and the sale of Lots by Declarant.

5.37. Construction Agreement. Intentionally Omitted.

6. ASSESSMENT FOR COMMON EXPENSES.

6.1. 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 shall be responsible for the payment to the Association of any Assessments owed by the prior Owner, except for any Assessments owed by Declarant, and except as provided in Paragraph 7.1.6 of this Declaration.

6.2. Prior to the beginning of each fiscal year of the Association, 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 regular Assessments for Common Expenses the Board may make special Assessments for Common Expenses, which may include Assessments to provide funds to pay for an existing or proposed deficit of the Association, or for any additions, alterations or improvements to any Common Area, or for any other purpose. Special Assessments for Common Expenses shall be levied in the same manner as hereinbefore provided for regular Assessments, and shall be payable in one lump sum or as otherwise determined by the Board in its sole discretion and 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 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.

6.3. Assessments for Common Expenses as to each Lot shall be equal and shall commence when a certificate of occupancy for a Unit on a Lot is issued, or upon the conveyance of the Lot by Declarant, whichever occurs last.

6.4. The foregoing notwithstanding, during the period when Declarant owns at least one Lot, Declarant shall not be liable for Assessments for Common Expenses for any Lots owned by Declarant, but during such period, Declarant shall be responsible for all Common Expense actually incurred by the Association in excess of the Assessments for Common Expenses and any other income receivable by the Association, including working capital fund contributions. In the event the Association incurs any expense not ordinarily anticipated in the day-to-day management and operation of the Subject Property, including, but not limited to, expenses incurred in connection with lawsuits against the Association, or incurred in connection with damage to property, or injury or death to any person, which are not covered by insurance proceeds, the liability of Declarant for such Common Expenses shall not exceed the amount that Declarant would be required to pay if it were liable for Assessments for Common Expenses as any other Owner, and any excess amounts payable by the Association shall be assessed to the other Owners. After Declarant no longer appoints a majority of the Directors of the Association, Declarant will no longer be required to pay any monies to the Association, including Assessments for Common Expenses for Lots owned by Declarant, or for any deficits of the Association, but Declarant may elect to pay Assessments or to fund all or any portion of the deficits of the Association in its sole discretion, without prejudice to its right to discontinue such payments at any time thereafter. During the period when Declarant is not liable for Assessments for Common Expenses, the Association will only be required to fund that portion of any reserve account which is reflected in the budget which is attributable to Units owned by Owners other than Declarant.

7. DEFAULT.

7.1. Monetary Defaults and Collection of Assessments.

7.1.1. Late Fees and Interest. If any Assessment is not paid within ten (10) days after the due date, or if any check for any Assessment is dishonored, the Association shall have the right to charge the applicable Owner a late or bad check fee of ten

percent (10%) of the amount of the Assessment, or Twenty-Five Dollars (\$25.00), whichever is greater, plus interest at the then highest rate of interest allowable by law 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.

7.1.2. Acceleration of Assessments. If any Owner is in default in the payment of any Assessment owed to the Association for more than ten (10) 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.

7.1.3. Lien for Assessments. The Association automatically 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, 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 shall be superior to any homestead right of any Owner, and each and every Owner expressly waives any right of homestead under Florida law and the Florida Constitution to the extent that either Declarant, Master Association, or Homeowners Association can enforce its lien rights through a foreclosure proceeding. The lien is effective from and after recording a claim of lien in the public records of 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 fees, costs interest and Assessments or other moneys 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.

7.1.4. 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 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, whether or not incurred in legal proceedings, and all sums paid by the Association for titles 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.

7.1.5. Rental and Receiver. If an Owner remains in possession of his Unit and the claim of lien of the Association against his Lot 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.

7.1.6. Subordination of Lien. Where any person obtains title to a Lot pursuant to the foreclosure of a first mortgage of record, or where the holder of a first mortgage accepts a deed to a Lot in lieu of foreclosure of the first mortgage of record of such lender, such acquire of title, its successors and assigns, shall not be liable for any Assessments or for other moneys 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 moneys are Common Expenses collectible from all of the Owners, including such acquire and its 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 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 moneys 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 moneys have been paid in full.

7.1.7. Assignment of Claim and 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 moneys owed to the Association to any third party.

7.1.8. Unpaid Assessments Certificate. Within fifteen (15) days after written request by any Owner or any Institutional Lender holding or making a mortgage encumbering any Lot, the Association shall provide the Owner or Institutional Lender a written certificate as to whether or not the Owner of the Lot is in default with respect to the payment of Assessments or with respect to compliance with the terms and provisions of this Declaration, and any person or entity who relies on such certificate in purchasing or in making a mortgage loan encumbering any Lot shall be protected thereby.

7.1.9. 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 Attorney's Fees incurred by the Association incidental to the collection of assessments and other moneys owed to the Association by the Owner and/or for the enforcement of its lien; next towards interest any Assessments or other moneys due to the Association, provided herein, and next towards any unpaid Assessments owed the Association, in the inverse order that such Assessments were due.

7.2. 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 of any of the provisions of this Declaration, the Articles, the Bylaws or the Rules and Regulations of the Association (other than the non-payment of any Assessment or other moneys), the Association shall notify the Owner or 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, or 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 repeated, the Association may, at its option:

7.2.1. Impose a fine against the Owner or tenant as provided in Paragraph 7.3; and/or

7.2.2. 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

7.2.3. Commence an action to recover damages; and/or

7.2.4. 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 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 percent (10%) of such expenses, and all expenses incurred by the Association in connection with any legal proceedings to enforce this Declaration, including reasonable Attorneys' Fees, whether or not incurred in legal proceedings, 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.

7.3. Fines. The amount of any fine shall be determined by the

Board, and shall not exceed one (1) month's Assessment for Common Expenses for the first offense, two (2) months' Assessment for Common Expenses for a second similar offense, and three (3) months' Assessment for Common Expenses for a third or subsequent similar offense. The foregoing notwithstanding, if any violation of this Declaration or the Rules and Regulations is of a continuing nature, and if the Owner fails to cure any continuing violation within thirty (30) days after written notice of such violation or if such violation is not capable of being cured within such thirty (30) day period, or if the Owner fails to commence action reasonably necessary to cure the violation within such thirty (30) day period or shall thereafter fail to diligently proceed to cure the violation as soon as is reasonably practical, a daily fine may be imposed until the violation is cured in an amount not to exceed one-quarter (1/4) of one (1) month's Assessment or Common Expenses. Prior to imposing any fine, the Owner or tenant shall be afforded an opportunity for a hearing after reasonable notice to the Owner or tenant of not less than fourteen (14) days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, Bylaws or Rules and Regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. The Owner or tenant shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review; challenge and respond to any material considered by the Association. At the hearing, the Board shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the Board so determines, it may impose such fine as it deems appropriate by written notice to the Owner or tenant. If the Owner or tenant fails to attend the hearing as set by the Board, the Owner or tenant shall be deemed to have admitted the allegations contained in the notice to the Owner or tenant. Any fine imposed by the Board shall be due and payable within ten (10) days after written notice of the imposition of the fine, or if a hearing is timely requested within ten (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 ten (10) days after same is due, the Association shall have the right to evict the tenant as hereinafter provided.

7.4. 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, to the extent otherwise provided by law and to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a Lot or Unit, or the Common Area.

7.5. 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, or the Rules and Regulations, 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.

7.6. 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 the Bylaws, shall not constitute a waiver of the right of the Association to enforce such right, provision, covenant or condition in the future.

7.7. Rights Cumulative. All rights, remedies and privileges granted to the Association pursuant to any terms, provisions, covenants or conditions of this Declaration, the Articles, the Rules, or the Bylaws shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the Association from executing any additional remedies, rights or privileges as may be granted or as it might have by law.

7.8. Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration may be enforced by Declarant (so long as Declarant is an Owner of any portion of the Subject Property), any controlling governmental authority, 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, including Attorneys' Fees, 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 (except the Declarant as provided above) shall be entitled to recover damages or to enforce any lien created herein as it 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 the entitled to recover its reasonable Attorneys' Fees.

8. 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, ninety percent (90%) 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.

9. ANNEXATION. While at the time of recording this Declaration, the covenants, conditions and restrictions contained herein apply only to the property described in Exhibit "A," Declarant does reserve the right, at its sole discretion, to annex to the terms of this Declaration additional lands that it may own or acquire in the

vicinity. As provided hereafter for amendments, said annexation may be accomplished solely by the Declarant without the joinder or consent of the Association, Owners or the holders of liens on Lots. There is no obligation on the part of Declarant to make such an annexation, but at the time an amendment of annexation is recorded, said annexed land shall become subject to the terms and conditions of this Declaration.

10. AMENDMENT.

10.1. This Declaration may be amended upon the approval of not less than two-thirds (2/3) of the Owners except that if any provision of this Declaration requires more than a two-thirds (2/3) vote of the Owners to approve any action, such provision may not be amended to require a lesser vote, and may not be deleted without the same number of votes required to approve such action. In addition, so long as Declarant owns any portion of the Subject Property or any property whatsoever subject to the Master Declaration this Declaration may be amended from time to time, by Declarant and without the consent of the Association or any Owner, and no amendment may be made by the Owners without the written joinder of Declarant. Such right of Declarant to amend this Declaration shall specifically include, but shall not be limited to: (I) amendments adding any property which will be developed in a similar manner as the Subject Property, or deleting any property from the Subject Property which will be developed differently than the Subject Property provided that any such amendment shall require the joinder of the owners of such property or any portion thereof if the owners are different than Declarant, and further provided that Declarant shall not have the obligation to add any property to or delete any property from the Subject Property, and (ii) amendments required by any Institutional Lender or governmental authority in order to comply with the requirements of same. In order to be effective, any amendment to this Declaration must first be recorded in the public records of the county in which the Subject Property is located, and in the case of an amendment made by the Owners, such amendment shall contain a certification by the President and Secretary of the Association that the amendment was duly adopted.

10.2. 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 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, Declarant, unless Declarant joins in the execution of the amendment. No amendment shall affect the ownership or control or responsibility for operation and maintenance of the surface water management and drainage system of the Subject Property, including, but not limited to, the drainage facilities, ditches, retention/detention areas, wetlands mitigation areas, stormwater management system and preservation easements, without the prior written approval of Sarasota County. No amendment to this Declaration shall impair, restrict or prove detrimental to the rights of Sarasota County as provided within the Declaration, and as subsequently amended, without the joinder and consent of an authorized officer, representative or agent of Sarasota County.

11. SPECIAL PROVISIONS REGARDING INSTITUTIONAL LENDERS.

11.1. Notice of Action. Upon written request to the Association by an Institutional Lender holding, insuring or guaranteeing a first mortgage encumbering any Lot, identifying the name and address of the holder, insurer or guarantor and the Lot number or address, any such holder, insurer or guarantor will be entitled to timely written notice of:

- 11.1.1. Any condemnation or casualty loss which affects a material portion of the Subject Property or the Lot;
- 11.1.2. Any sixty (60) day default in the payment of Assessments or charges owed to the Association or in the performance of any obligation hereunder by the Owner of the Lot;
- 11.1.3. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- 11.1.4. Any proposed action which would require the consent of a specified percentage of Institutional Lenders.

11.2. 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, the Bylaws, or to any action of 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.

11.3. Payment of Taxes and Insurance. Any Institutional Lender may pay any taxes or assessments owed to any governmental authority by the Association which are in default, or any overdue insurance premiums required to be purchased by the Association pursuant to this Declaration, or may secure new insurance upon the lapse of a policy, and shall be owed immediate reimbursement therefor from the Association plus interest at the highest rate permitted by law and any costs of collection, including Attorneys' Fees.

12. MISCELLANEOUS.

12.1. Conflict With Articles or Bylaws. In the event of any conflict between the Articles and the Bylaws and this Declaration, this Declaration, the Articles and the Bylaws and finally the Rules

and Regulations (if any), in that order of priority, shall control.

12.2. 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.

12.3. Severability. 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.

12.4. Validity. In the event any court shall hereafter determine that any provisions as originally drafted herein violate the rule against perpetuities, the period specified in this Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rules of law.

12.5. Assignment of Declarant's Rights. Any or all of the rights, privileges or options provided to or reserved by Declarant in this Declaration, the Articles or the Bylaws or Rules may be assigned by Declarant, in whole or in part as to all or any portion of the Subject Property, to any person or entity pursuant to an assignment recorded in the public records of the county in which the Subject Property is located. Any partial assignee of any of the rights of Declarant shall not be deemed the Declarant, and shall have no other rights, privileges or options other than as are specifically assigned. No assignee of Declarant shall have any liability for any acts of Declarant or any prior Declarant unless such assignee is assigned and agrees to assume such liability.

12.6. Performance of Association's Duties by Declarant. Declarant shall have the right from time to time, at its sole discretion, to perform at Declarant's expense the duties and obligations required hereunder to be performed by the Association, and in connection therewith to reduce the budget of the Association and the Assessments for Common Expenses payable by the Owner, provided, however, that any such performance on the part of Declarant may be discontinued by Declarant at any time, and any

such performance shall not be deemed to constitute a continuing obligation on the part of Declarant.

12.7. Inapplicability of Condominium Act. It is acknowledged that the Association is not intended to be a condominium association, and is not intended to and shall not be governed by the provisions of Florida Statutes, Chapter 718.

12.8. Actions Against Declarant. The Association shall not institute any legal proceedings against Declarant, or spend or commit to spend any Association funds in connection with any legal proceedings against Declarant, or make a special Assessment for funds to pay for costs or Attorneys' Fees in connection with any legal proceedings against Declarant without the consent of ninety percent (90%) of the votes of all of the Owners obtained at a meeting of the Owners called expressly for the purpose of approving such action. In the event any legal proceedings are prosecuted, defended or otherwise made against Declarant, Declarant shall be entitled to recover attorneys' fees and costs associated with such legal action, including those on appeal, from any or all adverse parties should Declarant prevail on any aspect of such action.

12.9. Modification of Development Plan. Intentionally Omitted.

12.10. Dedications. The Declarant reserves the right to dedicate, grant or convey any portion of the Subject Property owned by it, or any interest or easement therein, to any governmental or quasi-governmental agency or private or public utility company, and shall also have the right to direct the Association to likewise dedicate, grant or convey any Common Areas, or any interest or easement in any Common Areas, whereupon the Association shall execute such documents as will be necessary to effectuate such dedication. This right of Declarant shall terminate when Declarant no longer has any interest in any portion of the Subject Property, either as Owner or mortgagee, and thereafter the right shall be vested within the Association. Any Property, or any interest or easement therein, which is dedicated, granted or conveyed pursuant to this Paragraph shall not be subject to the covenants and restrictions contained within this Declaration, unless the instrument so dedicating, granting, or conveying such Property, interest or easement specifically provides that same is subject to the covenants and restrictions contained within this Declaration.

IN WITNESS WHEREOF, DECLARANT has executed this DECLARATION
this ____ day of _____, 19 ____.

WITNESSES:

Shadow Oaks Development Company
Florida corporation

Sherrie L. Brooker

BY: [Signature]

SHERRIE L. BROOKER
Tambla D. Toms
TAMBLA D. TOMS

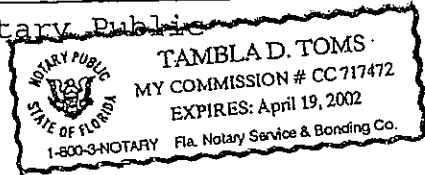
Sherrie L. Brooker
Tambla D. Toms

SHERRIE L. BROOKER
TAMBLA D. TOMS

STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this 18th
day of March, 1998, by J. Geoffrey Pflugner, as VICE Pres.
of SHADOW OAKS DEVELOPMENT COMPANY, on behalf of said corporation.
He is personally known to me or has produced _____
_____ as identification and did not take an
oath.

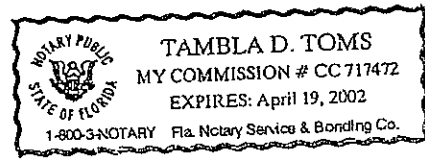
Tambla D. Toms
Notary Public



STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this 18th
day of March, 1998, by Valerie Quattlebaum. She is
personally known to me or has produced _____
_____ as identification and did not take an oath.

Tambla D. Toms
Notary Public



CONSENT TO DECLARATION
FOR
SHADOW OAKS ESTATES SUBDIVISION

The undersigned, being the holder of one or more mortgages which encumber the property described in Exhibit "A" of the Declaration for Shadow Oaks Estates Subdivision to which this Consent is attached, hereby consents to the Declaration, and agrees that any mortgage held by the undersigned encumbering the property described in Exhibit "A" of the Declaration is subject to the terms and provisions of the Declaration.

WITNESSES:

BARNETT BANK, N.A.

By: _____

_____ as its: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of March, 1998, by _____, as _____ of Barnett Bank, N.A. on behalf of said corporation. He or she is personally known to me or has produced _____ as identification and did not take an oath.

Notary Public

EXHIBIT "A"
Legal Description for
SHADOW OAKS ESTATES SUBDIVISION

LOTS 86 AND 87, PALMER FARMS, SECOND UNIT, A SUBDIVISION RECORDED IN PLAT BOOK 3, PAGES 20 AND 20-A, PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA, LESS THEREFROM THE SOUTH 477.91 FEET OF SAID LOTS 86 AND 87, AND LESS THE WEST 20.00 FEET OF SAID LOT 86; ALSO LESS THEREFROM THE NORTH 5.00 FEET OF SAID LOTS 86 AND 87 FOR ADDITIONAL RIGHT OF WAY TO PORTER ROAD CONVEYED TO SARASOTA COUNTY PER O.R. BOOK 1970, PAGE 2710, PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA.

ALL OF THE ABOVE BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

THAT PORTION OF LOTS 86 AND 87, PALMER FARMS SECOND UNIT, A SUBDIVISION RECORDED IN PLAT BOOK 20, PAGES 20 AND 20-A, PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA, DESCRIBED AS FOLLOWS.

COMMENCE AT A 4"x4" CONCRETE MONUMENT WITH DISK STAMPED SWN PLS 2612 FOUND MARKING THE NW CORNER OF SAID LOT 86; THENCE ALONG THE WEST LINE OF SAID LOT 86, S.00°14'12"W., 5.07 FEET TO A LINE THAT IS 5.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID LOT 86; THENCE ALONG SAID PARALLEL LINE, N.80°52'43"E., 20.27 FEET TO A 4"x4" CONCRETE MONUMENT WITH 2" ALUMINUM DISK STAMPED PLS 4521 FOR A POINT OF BEGINNING OF LAND BEING DESCRIBED; THENCE CONTINUE ALONG SAID PARALLEL LINE, N.80°52'43"E., 649.64 FEET TO A 4"x4" CONCRETE MONUMENT WITH 2" ALUMINUM DISK STAMPED PLS 4521 ON THE EAST LINE OF SAID LOT 87; THENCE ALONG SAID EAST LINE, S.00°19'11"W., 1022.89 FEET TO A 4"x4" CONCRETE MONUMENT WITH 2" ALUMINUM DISK STAMPED PLS 4521; THENCE S.86°44'30"W., 640.71 FEET TO A 4"x4" CONCRETE MONUMENT WITH 2" ALUMINUM DISK STAMPED PLS 4521 ON A LINE THAT IS 20.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT 86; THENCE ALONG SAID PARALLEL LINE, N.00°14'12"E., 956.31 FEET TO THE POINT OF BEGINNING AND CONTAINING 633,543.06 SQUARE FEET OR 14.54 ACRES, MORE OR LESS.

**(Exhibit 4 to Articles of Incorporation,
Exhibit B hereof)**

EXHIBIT "B"
Articles of Incorporation for
SHADOW OAKS ESTATES PROPERTY OWNERS ASSOCIATION, INC.
A Florida corporation not-for-profit

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 APR 22 PM 3: 35

ARTICLES OF INCORPORATION
OF
SHADOW OAKS ESTATES PROPERTY OWNERS' ASSOCIATION, INC.,
a Florida corporation not-for-profit

PREAMBLE:

SHADOW OAKS ESTATES PROPERTY COMPANY, a Florida corporation ("DECLARANT"), owns certain property in Sarasota County, Florida. DECLARANT intends to record a Declaration of Covenants and Restrictions for Shadow Oaks Estates Subdivision (the "DECLARATION") which will affect the property. This Association is being formed to administer the DECLARATION and to perform, among other things, 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 attached as an Exhibit. All of the definitions contained in the DECLARATION shall apply to these Articles, and to the Bylaws of the Association. Until such time as the DECLARATION is so recorded, the incorporator shall be the member of the Association.

ARTICLE I - NAME AND ADDRESS

The name of the corporation is: SHADOW OAKS ESTATES PROPERTY OWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit (hereinafter referred to as the "ASSOCIATION").

The address of the principle office of the corporation is: 2033 Main Street, Suite 101, Sarasota, Florida 34237, and the corporation's mailing address is: 2033 Main Street, Suite 101, Sarasota, Florida 34237.

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 administer, enforce and carry out the terms and provisions of the DECLARATION, as same may be amended from time to time.
3. To administer, enforce and carry out the terms and provisions of any other declaration of covenants and restrictions, or similar document, submitting property to the jurisdiction of, or assigning responsibilities, rights or duties to the ASSOCIATION, and accepted by the BOARD.
4. To promote the health, safety, welfare, comfort, and social and economic welfare of the ASSOCIATION MEMBERS, and the OWNERS and residents of the SUBJECT PROPERTY, as authorized by the DECLARATION, by these ARTICLES, and by the BYLAWS.
5. Not to operate as a condominium association and be governed by Chapter 718, Florida Statutes.

ARTICLE III - POWERS

The ASSOCIATION shall have the following powers:

1. All of the common law and statutory powers of a corporation not-for-profit under the laws of Florida which are not in conflict with the terms of these ARTICLES.
2. All of the powers, express or implied, granted to the ASSOCIATION by the DECLARATION or which are reasonably necessary in order for the ASSOCIATION to administer, enforce, carry out and perform all of the acts, functions, rights and duties provided in, or contemplated by, the DECLARATION.
3. To make, establish and enforce rules and regulations governing the use and maintenance of the SUBJECT PROPERTY.
4. To make and collect ASSESSMENTS against MEMBERS of the ASSOCIATION to defray the costs, expenses, reserves 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.
5. To own, purchase, sell, mortgage, lease, administer, manage, operate, maintain, improve, repair and/or replace real and personal property.
6. To purchase insurance for the protection of the ASSOCIATION, its officers, Directors and MEMBERS, and such other parties as the ASSOCIATION may determine to be in the best interests of the ASSOCIATION.
7. To operate, maintain, repair, and improve all COMMON AREAS, and such other portions of the SUBJECT PROPERTY as may be determined by the BOARD from time to time.
8. To exercise architectural control over all buildings, structures and improvements to be placed or constructed upon any portion of the SUBJECT PROPERTY pursuant to the DECLARATION.
9. To contract for any services within the SUBJECT PROPERTY as the BOARD in its discretion determines necessary or appropriate.
10. To provide, purchase, acquire, replace, improve, maintain and/or repair such buildings, structures, street lights and other structures, landscaping, paving and equipment, both real and personal, related to the health, safety and social welfare of the MEMBERS of the ASSOCIATION and the OWNERS and residents of the SUBJECT PROPERTY as the BOARD in its discretion determines necessary or appropriate.
11. To employ personnel necessary to perform the obligations, services and duties required of or to be performed by the ASSOCIATION and/or to contract with other for the performance of such obligations, services and/or duties.
12. To operate and maintain the surface water management and drainage system for the SUBJECT PROPERTY, including all lakes, retention areas, culverts, and related appurtenances.
13. To sue and be sued.

ARTICLE IV - MEMBERS

1.1 OWNER MEMBERS. The OWNER of such a LOT shall be a MEMBER of the ASSOCIATION. Such memberships shall be initially established upon the recording of these ARTICLES and the DECLARATION among the public records of Sarasota County.

1.2 DECLARANT. DECLARANT shall be a MEMBER of the ASSOCIATION so long as DECLARANT owns any PROPERTY, or any portion of the property described in Exhibit "4" of the DECLARATION.

2. TRANSFER OF MEMBERSHIP.

2.1 In the case of an OWNER MEMBER, transfer of membership in the ASSOCIATION shall be established by the recording in the Public Records of the county in which the SUBJECT PROPERTY is located, of a deed or other instrument establishing a transfer of record title to any LOT for which membership has already been established as hereinafter provided, the OWNER(s) designated by such instrument of conveyance thereby becoming an OWNER MEMBER(s), and the prior OWNER's membership thereby being terminated. In the event of death of an OWNER MEMBER, his membership shall be automatically transferred to his heirs or successors in interest. The foregoing notwithstanding, the ASSOCIATION shall not be obligated to recognize such a transfer of membership until such time as the ASSOCIATION receives a true copy of the deed or other instrument establishing the transfer of ownership of the PROPERTY, and it shall be the responsibility and obligation of the former and new OWNER of the PROPERTY to provide such true copy of said instrument to the ASSOCIATION.

2.2 The share of a MEMBER in the funds and assets of the ASSOCIATION cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the LOT associated with the membership of the MEMBER, nor may a membership be separately assigned, hypothecated or transferred in any manner except as an appurtenance to such LOT.

3. MEMBERS' VOTING RIGHTS. The total number of MEMBERS' votes shall be equal to the total number of LOTS within the SUBJECT PROPERTY from time to time. On all matters upon which the membership shall be entitled to vote, there shall be one (1) vote for each LOT.

4. MEETINGS. The BYLAWS shall provide for an annual meeting of the MEMBERS of the ASSOCIATION and may make provision for special meetings of the MEMBERS. During the period when DECLARANT appoints a majority of the directors, no annual meetings will be required.

ARTICLE V - DIRECTORS

1. The affairs of the ASSOCIATION shall be managed by a BOARD consisting of not less than three (3) Directors and not more than seven (7) at the commencement of each year, and which shall always be an odd number. The number of Directors shall be determined in accordance with the BYLAWS. In the absence of such determination, there shall be three (3) Directors.

2. The Directors of ASSOCIATION shall be elected by the MEMBERS.

3. All of the duties and powers of the ASSOCIATION existing under Chapter 617 of the Florida Statutes, 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.

4. Directors may be removed and vacancies on the BOARD shall be filled in the manner provided by the BYLAWS.

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

Frank Cassata c/o 4 C's Management
200 West Main Street
Babylon, New York 11702

Mario Comparetto 4647 Stoneridge Trail
Sarasota, Florida 34232

Harold R. Rosenberg 110 Whispering Oaks Court
Sarasota, Florida 34232

ARTICLE VI - 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 Frank Cassata
Vice President Harold R. Rosenberg
Secretary/Treasurer Mario Comparetto

ARTICLE VII - 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, by reason of the fact that he is or was a Director, employee, officer or agent of the ASSOCIATION, against expenses (including attorney's fees and appellate attorneys' fees), judgements, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such 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 such 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 such court shall deem proper. The termination of any action, suit or proceeding by judgement, 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 a 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, a quorum of disinterested Directors so directs, by independent legal counsel in written opinion, or (c) by a majority 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 Director, officer, 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 in this Article.

5. The indemnification provided by this Article 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 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 him against such liability under the provisions of this Article.

ARTICLE VIII - BYLAWS

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

ARTICLE IX - 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 in 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 of a summary of the changes to be affected 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 meeting of 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 have been satisfied.
6. In addition to the above, so long as DECLARANT appoints a majority of the Directors of the ASSOCIATION, DECLARANT shall be entitled to unilaterally amend these ARTICLES and the BYLAWS. Furthermore, no amendment shall make any changes which would in any way affect any of the rights, privileges, power or options herein provided in favor of, or reserved to, DECLARANT, unless DECLARANT joins in the execution of the amendment.
7. Upon the approval of an amendment to these ARTICLES, 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 SUBJECT PROPERTY is located.

ARTICLE X - TERM

The ASSOCIATION shall have perpetual existence.

ARTICLE XI - INCORPORATOR

The name and street address of the incorporator is: J. Geoffrey Pflugner, Esquire, 2033 Main Street, Suite 101, Sarasota, Florida 34237.

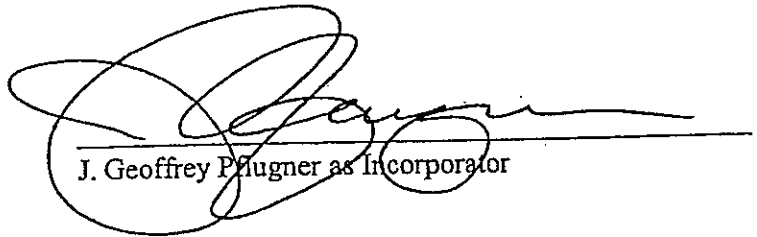
ARTICLE XII - INITIAL REGISTERED OFFICE ADDRESS
AND NAME OF INITIAL REGISTERED AGENT

The street address of the initial registered office of the ASSOCIATION is 2033 Main Street, Suite 101, Sarasota, Florida 342137. The initial registered agent of the ASSOCIATION at that address is J. Geoffrey Pflugner.

ARTICLE XIII - DISSOLUTION

The ASSOCIATION may be dissolved as provided by law, provided that any such dissolution must receive the affirmative vote of two-thirds of the votes of the entire membership of the ASSOCIATION. In the event of dissolution and 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 practicable to 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 nonprofit 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 under the DECLARATION unless made in accordance with the provisions of such DECLARATION.

The undersigned incorporator adopts these ARTICLES OF INCORPORATION this 21st day of April, 1998.



J. Geoffrey Pflugner as Incorporator

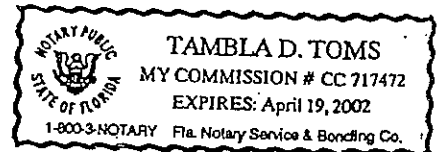
STATE OF FLORIDA
COUNTY OF SARASOTA

Before me, a Notary Public authorized to take acknowledgments in the state and county set forth above, personally appeared J. GEOFFREY PFLUGNER, who is personally known to me and is known by me to be the person who executed the foregoing Articles of Incorporation, and he acknowledged before me that he executed those Articles of Incorporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the state and county last aforesaid this 21st day of April, 1998.



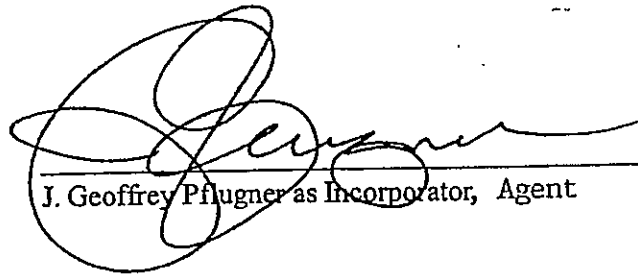
NOTARY PUBLIC
My Commission Expires:



ACCEPTANCE OF APPOINTMENT
AS REGISTERED AGENT
FOR
SHADOW OAKS ESTATES PROPERTY OWNERS'
ASSOCIATION, INC.,
a Florida corporation not-for-profit

Having been named to accept service of process for the above stated corporation, at the place designated in the corporation's Articles of Incorporation, the undersigned hereby acknowledges and accepts the appointment and agrees to act in this capacity, and it further agrees to comply with the provisions of all statutes relative to the proper and complete performance of its duties.

Dated: April 21, 1998.



J. Geoffrey Pflugner as Incorporator, Agent

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
98 APR 22 PM 3:35

EXHIBIT "C"
Bylaws of the Association

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**BYLAWS
OF
SHADOW OAKS ESTATES
PROPERTY OWNERS' ASSOCIATION, INC.
a Florida corporation not-for-profit**

1. GENERAL PROVISION.

1.1. Identify. These are the Bylaws of SHADOW OAKS ESTATES PROPERTY OWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, hereinafter referred to as the "Association". 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.

1.2. Principal Office. The principal office of the Association shall be at such place as the Board may determine from time to time.

1.3. Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.4. 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.

1.5. 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, insurers 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 those items from time to time required by law to be maintained which on the date of the initial adoption of these Bylaws includes the following:

1.5.1. Minutes of all meetings of the members and of the Board, these to be kept in a businesslike manner and retained for at least seven (7) years.

1.5.2. A copy of all plans, permits, warranties and other items provided by the developer.

1.5.3. A copy of these Bylaws and of each amendment to them.

1.5.4. A certified copy of the Articles, and of each amendment to them.

1.5.5. A copy of any current rules of the Association.

1.5.6. A current roster of all Members and their mailing addresses, parcel identifications (if applicable), and, if known, telephone numbers.

1.5.7. All current insurance policies of the Association or a copy thereof.

1.6. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the parcel owners have an obligation or a responsibility.

1.6.1. Accounting records for the Association as are required to be maintained by law, the Association, the Declaration, Articles, and Bylaws. The accounting records must be maintained for a period of not less than seven (7) years. All contracts for work to be performed shall also be considered accounting records. Bids for work to be performed shall also be considered part of the accounting records, but copies need be maintained only for a period of one (1) year.

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.

1.7. 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.

2.1. Qualification. Pursuant to the Articles, all of the records 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).

2.2. 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 established 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.

2.3. 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. 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 address of any such mortgagee shall also be maintained in the member register.

3. MEMBERSHIP VOTING.

3.1. Voting Rights. There shall be one (1) vote for each Lot owned by a Homeowner member, as defined in the Articles of Incorporation. 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 (1) Lot, the member shall be entitled to one (1) vote for each such Lot.

3.2. 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 (1/3) of the Lots shall constitute a quorum. Members may not vote by general proxy, but may vote by limited proxy. Limited proxies and general proxies may be used to establish a quorum. Limited proxies may also be used for votes taken to amend the Articles or Bylaws or for any matter that requires or permits a vote of the members.

3.3. Determination as to Voting Rights.

3.3.1. 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 this Lot.

3.3.2. 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 co-owners of the Lot.

3.3.3. 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. Members may not vote by general proxy, but may vote by limited proxies. Limited proxies and general proxies may be used to establish a quorum. Limited proxies may also be used for votes taken to amend the Articles or Bylaws or for any matter that requires or permits a vote on the members. Proxies may not be used for the election of members of the Board.

4. MEMBERSHIP MEETINGS.

4.1. 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 meeting.

4.2. 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.

4.3. 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 by first class mail or personal delivery to each member entitled to vote at such meeting not less than five (5) nor more than sixty (60) days before the date of the meeting, either personally or by first class mail, by or at the direction of the president, the secretary or the officer or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid. 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 (10) 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 its 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 sent with respect to the Lot, which shall be given to any co-owner as defined in Paragraph 3.3.2. of these Bylaws. Notice to a member shall be sent to the Lot of such member or co-owner, unless the Lot Owner(s) of the Lot otherwise request. Notice of any meeting in which assessments are to be established shall specifically contain a statement that assessments shall be considered and a statement of the nature of such assessments.

4.4. Waiver of Notice. Whenever any notice is required to be given to any member under the provisions of the Articles or these 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 any business because the meeting is not lawfully called or convened.

4.5. Annual Meeting. The annual meeting for the purpose of electing directors and transacting any other business shall be held once each year at a time and place to be determined 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.

4.6. 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 twenty-five percent (25%) of the members, or as otherwise provided by law. Such request shall state the purpose of the proposed meeting. Business transacted at all special meeting shall be confined to the subjects stated in the notice of meeting. Notice of any special meeting shall be given by the secretary, or other officer of the Association, to all of the members within thirty (30) days after same is duly called, and the meeting shall be held within forty-five (45) days after same is duly called.

4.7. 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, and if no member entitled to vote is present, then any officer for 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.

4.8. Organization. At each meeting of the member, 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.

4.9. Order of Business. The order of business at the annual meetings of the members shall be:

- 4.9.1. Determination of chairman of the meeting;
- 4.9.2. Calling of the roll and certifying of proxies;
- 4.9.3. Proof of notice of meeting or waiver of notice;
- 4.9.4. Reading and disposal of any unapproved minutes;
- 4.9.5. Election of inspectors of election;
- 4.9.6. Determination of number of directors;
- 4.9.7. Election of directors;
- 4.9.8. Reports of directors, officers or committees;
- 4.9.9. Unfinished business;
- 4.9.10. New business; and
- 4.9.11. 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 (7) 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 or take such action at a meeting at which all members entitled to vote thereon were present and voted. Within ten (10) 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 3.3.2. of these Bylaws.

5. DIRECTORS.

5.1. Membership.

5.1.1. The affairs of the Association shall be managed by a Board of not less than three (3) nor more than seven (7) 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 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.

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

5.2.1. Within sixty (60) days after the members other than 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 rights 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 six (6) months after the date of the special meeting, and upon such election the next annual meeting of the members shall not be held.

5.2.2. Except as provided above, the members shall elect directors at the annual members' meeting.

5.2.3. 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 the 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.

5.2.4. 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.

5.3. 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.

5.4. 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, unless required by law.

5.5. 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.

5.6. Special Meetings. Special meetings of the Board may be called by any director, or by the President, at any time.

5.7. 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 forty-eight (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 (3) days before the day on which such meeting is to be held. Notices of meeting shall be posted in a conspicuous place on the Subject Property at least forty-eight (48) hours in advance, except in an emergency. Notice of any meeting in which assessments are to be established shall specifically contain a statement that assessments shall be considered and a statement of the nature of such assessments. 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 or 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.

5.8. Attendance at Board Meetings. All meetings of the Board shall be open to all Members and institutional lenders. A director may appear at a Board meeting by telephone conference, but in that event a telephone speaker shall be attached so that any discussion may be heard by the directors and any Members present as in an open meeting.

5.9. 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.

5.10. 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.

5.11. Presiding Officer. The presiding officer of the Board meetings 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.

5.12. Order of Business. The order of business at a Board meeting shall be:

- 5.12.1. Calling of roll;
- 5.12.2. Proof of due notice of meeting;
- 5.12.3. Reading and disposal of any unapproved minutes;
- 5.12.4. Reports of officers and committees;
- 5.12.5. Election of officers;
- 5.12.6. Unfinished business;
- 5.12.7. New business; and
- 5.12.8. Adjournment.

5.13. Minutes of Meeting. 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 (7) years.

5.14. 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.

5.15. 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.

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

5.16.1. 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 (3) 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 moneys owned to the Association.

5.16.2. 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 (10%) 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.

5.17. Vacancies.

5.17.1. 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 successor 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.

5.17.2. In the event that 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 apply to the Circuit Court, the Lot Owner shall mail to the Association and post in a conspicuous place on the property served by the Association, a notice describing the intended action giving the Association the opportunity to fill the vacancies. If during such time the Association fails 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.

5.18. 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.

5.19. 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.

5.20. 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. Such powers and duties of the directors shall include, without limitation (except as limited elsewhere herein), the following:

5.20.1. Operating, caring, upkeep and maintaining the Common Areas, and any other portion of the Subject Property determined to be maintained by the Board.

5.20.2. Prepare and adopt an annual operating budget, which budget would be sufficient in amount to pay for all necessary expenses and expenditures to be shared in common by the Owners, including a reasonable reserve for repairs, upkeep and replacement of Common Areas and for contingencies.

- 5.20.3. Determining the expenses required for the operation of the Association.
- 5.20.4. Establishing, levying, collecting and Assessments for Common Expenses from Owners required to pay same.
- 5.20.5. Employing and dismissing personnel.
- 5.20.6. Adopting and amending rules and regulations covering the details of the operation and use of property owned and/or maintained by the Association.
- 5.20.7. Maintaining bank accounts on behalf of the Association and designating signatories required therefor.
- 5.20.8. Determine who shall act as legal counsel for the Association whenever necessary.
- 5.20.9. Obtaining and reviewing insurance for property owned and/or maintained by the Association.
- 5.20.10. Making repairs, additions and improvements to, or alterations of, property owned and/or maintained by the Association.
- 5.20.11. Borrowing money on behalf of the Association; provided, however, that (I) the consent of the Owners having at least two-thirds (2/3) of the votes of the entire membership, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of \$10,000.00; and (ii) no lien to secure repayment of any sum borrowed may be created on any property without the consent of the owner of such property.
- 5.20.12. Contracting for the management and maintenance of property owned and/or maintained by the Association, authorizing a management agent or company to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of the Declaration, the Articles, these Bylaws or any rules, and maintenance, repair and replacement of the Common Areas with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by all Association documents and the Declaration, including, but not limited to, the making of Assessments, enforcement of the Declaration, Articles, Bylaws, and any rules, promulgation of rules, and execution of contracts on behalf of the Association.
- 5.20.13. Exercising all powers specifically set forth in the Declaration, the Articles, these Bylaws, and as otherwise provided by statute or law, and all powers incidental thereto or implied therefrom.
- 5.20.14. Entering into and upon any portion of the Subject Property, including Units, when necessary to maintain, care and preserve any property in the event the Owner fails to do so.
- 5.20.15. Collecting delinquent Assessments by suit or otherwise, abating nuisances, and enjoining or seeking damages from the Owners or anyone else for violations of these Bylaws and the terms and conditions of the Declaration or of the Rules and Regulations of the Association.
- 5.20.16. Acquiring and entering into agreements whereby the Association acquires leaseholds, memberships, and other possessory or use interests in lands or facilities, whether or not

contiguous to the lands operated by the Association, intended to provide for the enjoyment, recreation, or other use and benefit of the Owners and declaring expenses in connection therewith to be Common Expenses; all in such form and in such manner as may be deemed by the Board to be in the best interest of the Association, and the participation in the acquisition of any interest in lands or facilities for the foregoing purposes may be direct or indirect, meaning, without limiting the generality of the foregoing, by direct ownership of land or acquisition of stock in a corporation owning land.

5.20.17. Owning, acquiring, building, operating, and maintaining streets, roads, rights-of-way and lighting facilities incident thereto, drainage facilities, ditches, retention and detention ponds, landscape buffers, wetlands mitigation areas, preservation easements and recreation facilities, all for the benefit of the Owners.

5.20.18. Insofar as permitted by law, to do any other thing that, in the opinion of the Board, will promote the common benefit and enjoyment of the Owners.

6. OFFICERS.

6.1. 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 pre-emptively 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 other 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.

6.2. 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 or such resignation shall not be necessary to make such resignation effective.

6.3. 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.

6.4. 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.

6.5. 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.

6.6. 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 instruments 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 or the president.

6.7. The Treasurer. The treasurer 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.

6.8. 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.

7.1. 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 Assessment come due, the amount paid upon the account of the Owner, and the balance due.

7.2. Budget. Pursuant to paragraph 5.20 of these Bylaws, the Board of Directors shall have the power and duty of preparing and adopting an annual operating budget for the Association. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget of common expenses to Owners prior to the Board meeting at which the budget will be considered. Notice of any meeting which assessments against parcels are to be established shall specifically contain a statement that assessments shall be considered and a statement of the nature of each assessment. The meeting will be open to Owners, and if an adopted budget requires assessment against Owners in any fiscal or calendar year exceeding 115% of the assessments for the preceding year, the Board, upon written application of 25% of members to the Board, shall call a special meeting of the owners within thirty (30) days, upon not less than ten (10) days written notice to each Owner. At the special meeting, Owners shall consider and enact a budget, and the adoption of such budget shall require a vote of not less than a majority of those Unit Owners present in person or by proxy, provided that a quorum is present. The Board may propose a budget to Owners at a meeting of members or in writing, and if the budget or proposed budget is approved by Owners at the meeting or by majority of Owners in writing, the budget shall be adopted. In determining whether assessments exceed 115% of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Association property, expenses which are not anticipated to be incurred on a regular or annual basis (such as, but not limited to, expenses incurred in connection with lawsuits against the Association or incurred in connection with damage to property or injury or death to any person which are not covered by insurance proceeds), assessments made by the Master Association, and assessments for betterment to the Association property or the Common Area shall be excluded from the computation.

7.3. 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. Fidelity bonds shall be required of all signatories on any account of the Association as provided for by the Declaration except for the Declarant.

7.4. Application of Payments and Commingling 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.

7.5. 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; (b) the Assessment roll of the members referred to above; and (c) such other items as may be required by law. The Board may, and upon the vote of a majority of the Association shall, conduct a review of the accounts of the Association by a certified public accountant, and if such a review is made, a copy of the report shall be furnished to each member, or the member's authorized representative, within fifteen (15) days after same is completed.

7.6. 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.

8.1. 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:

9.1. 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.

9.2. Initiation. A resolution to amend these Bylaws may be proposed either by any director or at the direction of ten (10%) percent or more of the members of the Association.

9.3. Adoption of Amendments.

9.3.1. 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.

9.3.2. 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.

9.4. 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.

9.5. 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.

9.6. 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.

10.1. 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.

10.2. 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.

10.3. Conflicts. In the event of any conflict, the Declaration, the Articles and these Bylaws shall govern, in that order.

10.4. 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.

10.5. 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 be 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 _____ day of March, 1998.

MISCELLANEOUS RULES OF
SHADOW OAKS ESTATES SUBDIVISION
Adopted pursuant to Section 5.34
of the Declaration of Covenants and Restrictions
on March 22, 2000

1. No person may withdraw water contained in any stormwater retention facility (ponds, lakes, swales, etc.) for any purpose.
2. No person may utilize any stormwater facility (ponds, lakes, swales, etc.) for swimming. Signs indicating "No Swimming" shall be obeyed by all residents, guests and invitees.
3. Pool cages. Section 5.29 of the Declaration of Covenants and Restrictions requires a 20' rear set back for all structures. For the purposes of this section and subject to the approval required by Section 5.23 of the Declaration of Covenants and Restrictions, a swimming pool shall not be considered a structure. However, all swimming pools will have a minimum 10' set back requirement from rear lot lines. Pool cages will be permitted for all pools approved pursuant to this Rule and Section 5.23.

AMENDED
FENCE REGULATIONS
(June 19, 2001)

These amended regulations relating to fencing in Shadow Oaks Estates Subdivision are adopted pursuant to Section 5.34 of the Declaration of Covenants and Restrictions for Shadow Oaks Estates Subdivision to implement Section 5.24 thereof.

I. LOTS

- A. Lots 7-17 and 28-35 are considered water view lots and must use Type "A" fence only.
- B. Lots 1-6, 18-27 and 36-38 are considered non-water view lots and must use Type "A" or "B" fence only.
- C. Lots 1-5 and lot 38 are lots with frontage on Porter Road. In lieu of the Type "A" or "B" fence, the owner must use a concrete block wall with stucco that matches the current concrete wall features that are displayed on Lot #5.

II. LOCATION

- A. Perimeter only on side and rear.
- B. Side line perimeter fences shall be no closer to the front lot line than the front corner of the house, less ten (10) feet.
- C. If the fence is to run parallel with the street, it must extend from the side lot line to the house on both sides of the property.

III. FENCE MATERIAL

All fence material must be made of PVC and of the quality and style similar to that manufactured by Bufftech, except that Lots 1-5 and 38 must be concrete block as outlined in Paragraph 1 above.

IV. FENCE TYPES

- A. Type A. Either Cape Cod Concave 3" pointed picket or Charleston Concave 1 ½ pointed picket or the equivalent. The posts shall be 52" and the lowest point of the picket shall be 45". All shall be white in color.
- B. Type B. 72" solid Chesterfield or its equivalent. All shall be white in color.
- C. Lots 1-5 and 38 must have a concrete block wall with stucco as set forth in paragraph 1 above for that portion of the lot fronting on Porter Road.



Traditional

*Cape Cod
Concave*

3" Pointed Picket

B

ufftech's Traditional fences give you state-of-the-art,

virtually maintenance-free durability with a nostalgic feel

that never goes out of style.

Charleston Concave

1-1/2" Pointed Picket

Traditional Styles

Heights: 3' & 4'

Color: White

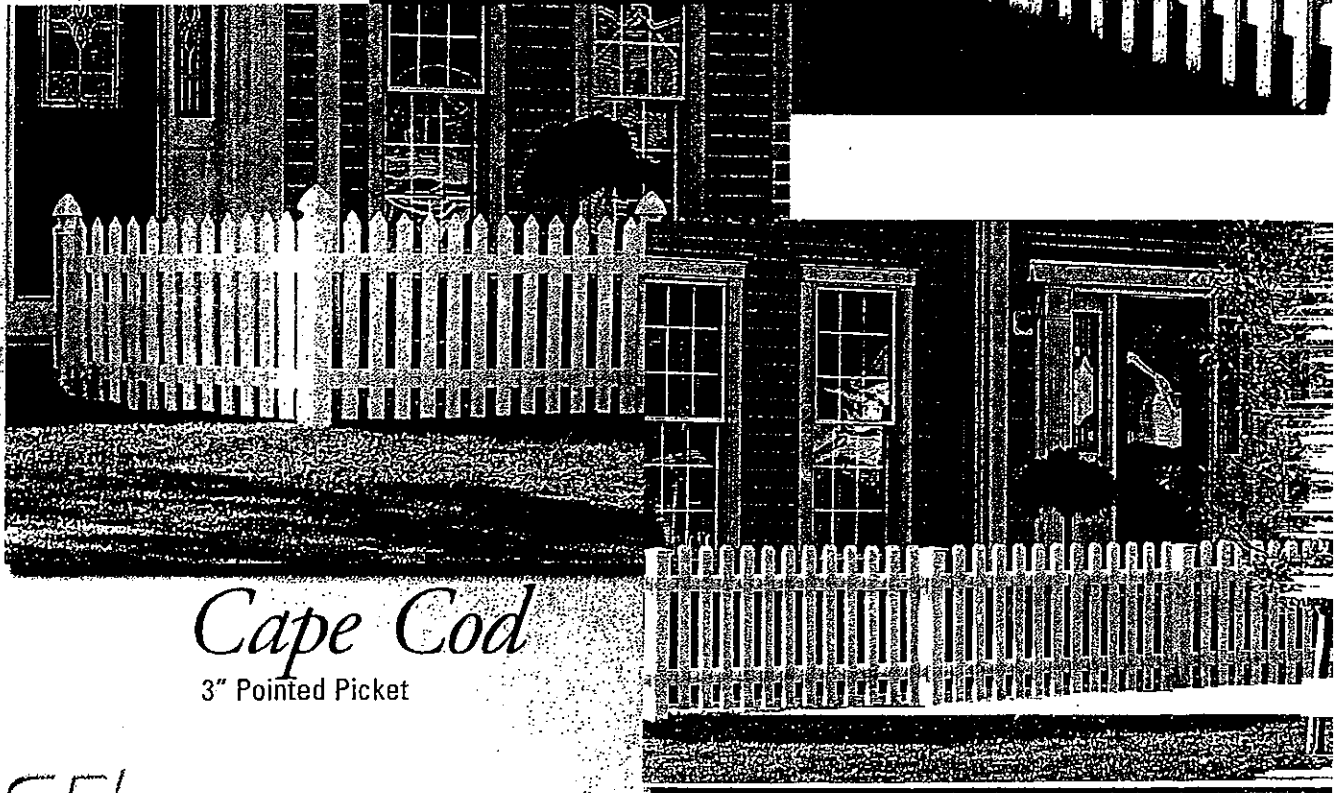
Picket Styles:

1-1/2" Pointed Picket

(Charleston Concave)

3" Dog Ear Picket (Yorkshire)

3" Pointed Picket (Cape Cod
and Cape Cod Concave)



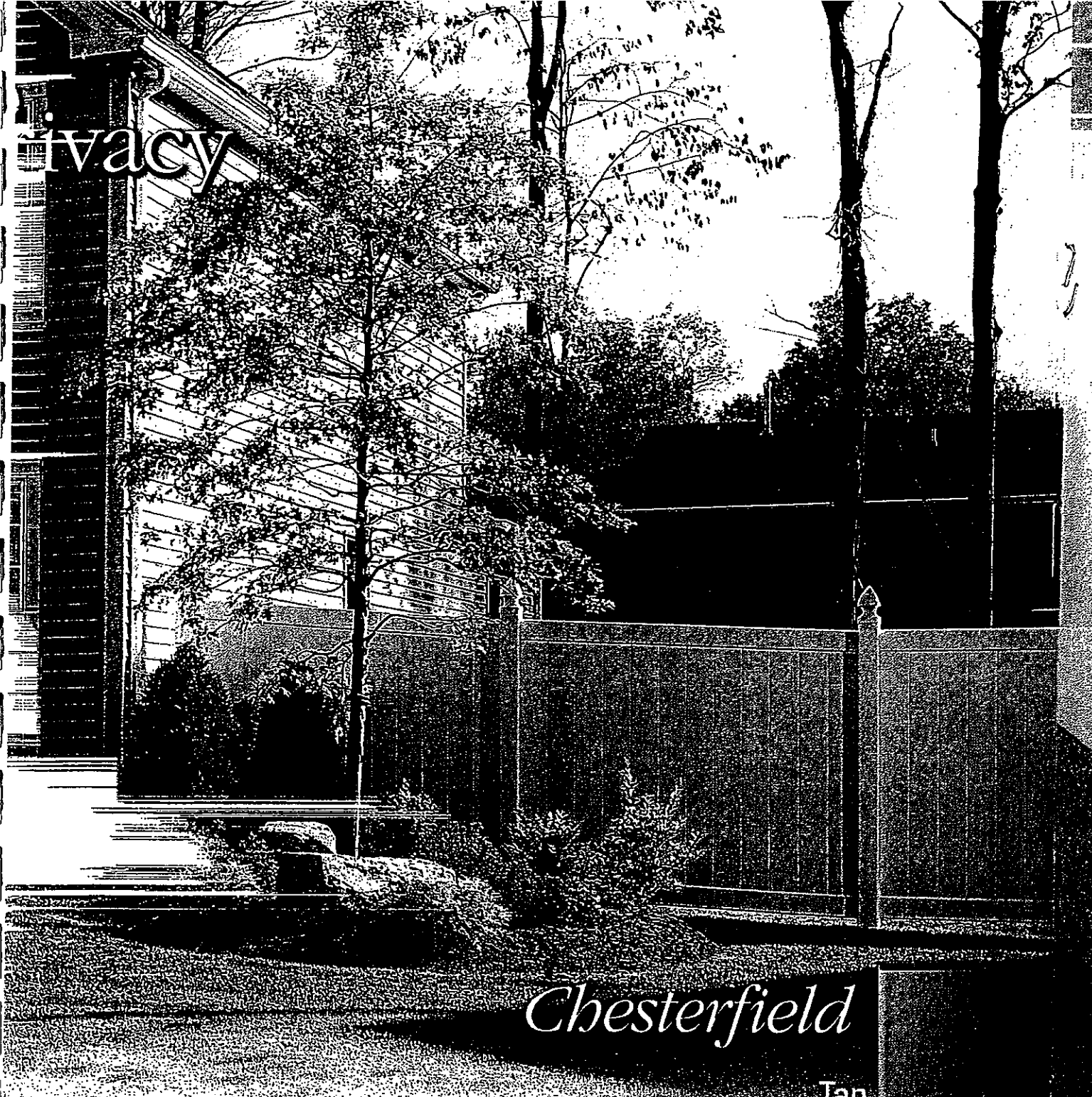
Cape Cod

3" Pointed Picket

Traditional!

Yorkshire

3" Dog Ear Picket



Privacy

Chesterfield

Tan

Reproduction of the color shown is as accurate as modern printing will permit. Before making final selection, request color sample from dealer.

B

ufftech's Privacy fences offer the ideal solution

for you and your neighbors - they look the same on both sides

while providing the privacy you both desire.

Chesterfield

with Lattice Accent

Privacy Styles

Heights: 5' plus 1' accent & 6'

Colors: White & Tan

Accents: White Only

Picket Style:

Tongue & Groove



Chesterfield
with Victorian Accent

Privacy