

CERTIFICATE OF AMENDMENT

THE UNDERSIGNED being the President and Secretary for GLADIOLUS PRESERVE HOMEOWNERS ASSOCIATION, INC., a Florida non-profit corporation, does hereby certify that the attached Amended and Restated Declaration of Covenants, Conditions and Restrictions for Gladiolus Preserve Homeowners Association, Inc. and Amended and Restated Bylaws of Gladiolus Preserve Homeowners Association, Inc., were duly approved, adopted and enacted by the affirmative vote of the proper percentage of unit owners at a meeting called for that purpose at which a quorum was present held on the 16th day of March, 2016. The Declaration was originally recorded in the Official Records Book 3867, Page 609, *et seq.*, of the Public Records of Lee County, Florida.

Dated this 16th day of March, 2016.

WITNESSES:

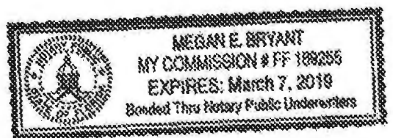
(Sign) [Signature]
(Print) Richard J. Wittgen
(Sign) [Signature]
(Print) Linda L. Williams

GLADIOLUS PRESERVE HOMEOWNERS ASSOCIATION, INC.

BY: [Signature]
President of the Association

STATE OF FLORIDA)
COUNTY OF LEE)

The foregoing instrument was acknowledged before me this 18th day of April, 2016 by Lance Hendinger, as President of Gladiolus Preserve Homeowners Association, Inc., a Florida non-profit corporation, on behalf of said corporation. Said person is personally known to me or has produced _____ as identification and did take an oath.



NOTARY PUBLIC:
[Signature]
STATE OF FLORIDA (SEAL)
My Commission Expires:

WITNESSES:

(Sign)

[Handwritten signature of Richard J. Wittgen]

(Print)

Richard J. Wittgen

(Sign)

[Handwritten signature of Linda L. Williams]

(Print)

Linda L. Williams

GLADIOLUS PRESERVE HOMEOWNERS ASSOCIATION, INC.

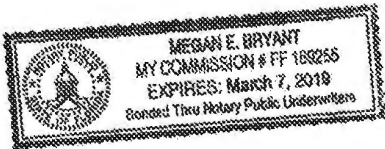
BY:

[Handwritten signature of Bradley C. Kimmel]

Secretary of the Association

STATE OF FLORIDA)
COUNTY OF LEE)

The foregoing instrument was acknowledged before me this 10th day of April, 2016 by Bradley Kimmel, as Secretary of Gladiolus Preserve Homeowners Association, Inc., a Florida non-profit corporation, on behalf of said corporation. Said person is personally known to me or has produced _____ as identification and did take an oath.



NOTARY PUBLIC:

STATE OF FLORIDA (SEAL)

My Commission Expires:

[Handwritten signature of Notary Public]

**AMENDED AND RESTATED
DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
GLADIOLUS PRESERVE HOMEOWNERS ASSOCIATION INC.**

KNOW ALL MEN BY THESE PRESENTS that on March 10, 2003, the original Declaration was recorded in Official Record Book 3867, at Page 0609 et seq., of the Public Records of Lee County, Florida. That Declaration, as it has previously been amended, is hereby further amended and is restated in its entirety, as amended.

The land subject to this Declaration (hereinafter "Gladiolus Preserve" or the "Property") is legally described in the original Declaration, Plat and exhibits thereto. No additional land is being added by this instrument and no land is being removed by this instrument. The covenants, conditions and restrictions contained in this Declaration shall run with the land and be binding upon and inure to the benefit of all present and future Owners. The acquisition of title to a Lot or any other ownership interest in the Property, or the lease, occupancy or use of any portion of a Lot or the Property, constitutes an acceptance and ratification of all provisions of this Declaration as amended from time to time, and an agreement to be bound by its terms.

1. Definitions: The following words and terms used in this Declaration or any of the governing documents (unless the context shall clearly indicate otherwise) shall have the following meanings:

1.1 Architectural Review Board or ARB shall mean the board or committee to be appointed by the Board of Directors with the powers and duties as set forth in Article 7 of this Declaration.

1.2 Articles of Incorporation or Articles shall mean the Articles of Incorporation of the Association, as filed with the Secretary of State of the State of Florida, as amended from time to time.

1.3 Association shall mean the Gladiolus Preserve Homeowners Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

1.4 Board or Board of Directors shall mean the Board of Directors of the Association, in office from time to time.

1.5 Bylaws shall mean the Bylaws adopted by the Association, as amended from time to time.

1.6 Charge or Fee means any legal or equitable indebtedness to the Association incurred by, or on behalf of, an Owner, other than assessments for common expenses. Said obligation may arise by oral or written contract, by law or equity, or may be created by the Association's documents. Charges may include fines and attorney fees.

1.7 Commercial Properties means those two (2) Commercial Parcels located at the Gladiolus Road entrance to the Association that are entitled to make use of the entry road and Surface Water Management System. Said Commercial Parcels are particularly described in Exhibit "B" to the original declaration as recorded at O.R. Book 3867, Page 0609, of the Public Records of Lee County, Florida. There exists a non-exclusive easement in favor of the Commercial Parcels over that portion of the entrance roads lying between their respective easterly and westerly boundaries for the purpose of ingress and egress and utility easements as designated on the plat for the Association. This easement may not be modified without the written agreement of all Commercial Parcel Owners. The Owner of each Commercial Property shall pay an assessment to the Association equal to one-half (1/2) of the amount assessed for one (1) Lot as a contribution toward the operation, maintenance, repair and replacement costs for the entrance roadways and their surrounding landscaping. The assessment shall be secured by a lien in the same manner as any Lot assessment. This Declaration is only applicable to the Commercial Parcels to the extent necessary to give effect to this Section and Sections 5 and 6 of this Declaration. The other provisions of the Declaration and voting rights shall not be applicable to the Commercial Parcels.

1.8 Common Area shall mean all Property shown to be Common Area on the Subdivision Plats and shall include all real and personal property now or hereinafter owned by the Association for the common use and enjoyment of the Owners, and Property owned by the Association and subject to its maintenance pursuant to the terms of this Declaration. The Common Area shall include the roads, drainage areas, swimming pool, clubhouse, fitness center, irrigation system, access gates, perimeter walls, and playground.

1.9 Common Expenses shall mean and include actual and estimated expense of operating the Association including any reasonable reserve, all as may be imposed hereunder or found to be necessary and appropriate by the Board pursuant to this Declaration, the Articles of Incorporation and the By-Laws, and any amendments thereto.

1.10 Community shall mean Gladiolus Preserve.

1.11 Family or Single Family shall refer to any one of the following:

(A) One natural person.

(B) Two or more natural persons who commonly reside together as a single housekeeping unit, each of whom is related by blood, marriage or adoption to each of the others.

(C) Two or more natural persons meeting the requirements of (B) above, except that there is among them one person who is not related to some or all of the others.

1.12 Guest means any person who is physically present in, or occupies a property on a temporary basis (thirty (30) days or less during any twelve (12) month period) at the invitation of the Owner or legally permitted occupant, without the payment of consideration. Any person who is not a Family member, as defined above, and who resides at the property for more than thirty (30) days will be deemed an unapproved tenant/occupant and is subject to the leasing provisions of this Declaration and the Association's By Laws and Rules. Said occupant(s) will be subject to eviction at the Owner's expense should they fail to comply with the same. All guests and said occupant(s) are bound to comply with the provisions of the Association's documents and the rules and regulations.

1.13 Lot shall mean a portion of the Property intended for residential use or ownership. Lots will be shown on the Plat filed for the Gladiolus Preserve subdivision.

1.14 Member: The members of the Association are the record owners of legal title to the 237 lots comprising Gladiolus Preserve. In the case of a residential lot subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the lot solely for the purposes of determining use rights.

1.15 Owner shall mean the record Owner, whether one or more persons or entities, of any Lot or Commercial Parcel which is part of the Property, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.

1.16 Plat shall mean the Plat filed for Gladiolus Preserve in the Public Records of Lee County, Florida and any amendments thereto.

1.17 Property shall mean the real property described on Exhibit "A" and Exhibit "A-1" to the original declaration as recorded at O.R. Book 3867, Page 0609, of the Public Records of Lee County, Florida.

1.18 Residential Unit shall mean a Lot together with a constructed dwelling unit which is intended to be and may be used and occupied only as a single family residence.

1.19 Surface Water Management System shall mean the integrated system of canals, ditches, dikes, weirs, lakes, culverts, and all related structures within the development as required by the Surface Water Management Permit of the South Florida Water Management District for this project as it might be amended from time to time.

2. Property Rights and Use of Common Area

2.1 General. Every Owner shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Area, subject to any restrictions, limitations or provisions contained in this Declaration or any deed of conveyance to the Association. Such right and easement may be delegated to the Members of one's family and his or her tenants and invitees, subject to such regulations or procedures as may be adopted by the Board. The aforementioned right and easement of enjoyment shall be appurtenant to and shall pass with the title to every Lot subject to the following reservations, rights, and provisions:

2.1.1 If a member is more than 90 days delinquent in paying a monetary obligation due to the association, the association may suspend the rights of the member, or the member's tenant, guest, or invitee, to use common areas and facilities until the monetary obligation is paid in full. The right of the Association to suspend an Owner's voting rights and right to use the facilities as may be located on the Common Area continues for any period during which any assessment of the Association remains unpaid, and for any infraction of the Association's rules and regulations continues for the duration of the infraction.

2.1.2 The right of the Association to dedicate, transfer or grant permits, licenses, and easements in and to the Common Area or portions thereof for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Community.

2.1.3 The right of the Association to borrow money for the purpose of improving the Property or any portion thereof, acquiring additional Common Area, or repairing or improving any facility located or to be located on the Property, and to give as security for the payment of any such loan and mortgage conveying all or any portion of the Common Area; provided, however, the lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any and all rights, interests, options, easements, and privileges herein reserved.

2.2 Owner's Right to Ingress, Egress, and Support. Every Owner shall have the right of ingress and egress over, upon, and across the Common Area necessary for access to his, her or its Lot and shall have the right to lateral support. Such rights shall be appurtenant to and pass with the title to each Lot.

2.3 Easement of Encroachment. If any portion of an improvement constructed on the Common Area encroaches upon a Lot or any portion of an improvement constructed on a Lot encroaches upon the Common Area as a result of construction, reconstruction, repair, shifting, settlement, or movement of any portion of the improvements, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the encroachment exists; provided, however, if any improvement on a Lot is knowingly and willfully or recklessly constructed, reconstructed, or repaired so as to encroach on the Common Area, no such easement shall exist.

2.4 Use of Common Area. Other than for the right of ingress and egress, the Owners are hereby prohibited and restricted from using any of the Common Area except as may be allowed by the Association's Board of Directors or as may be expressly permitted in this Declaration or any amendment thereto.

2.5 Acknowledgment of Rights of Use. Each Owner, by acceptance of a deed, is deemed to accept the reservations, rights of use, licenses, easements, and permits existing in, through, and over the Common Area.

2.6 Rules and Regulations. The Board may establish reasonable rules and regulations concerning the use of the Common Area and improvements located thereon. Such regulation shall be binding upon the Owners and users, their families, tenants, guests, invitees, and agents, until and unless such regulation, rule, or requirement is specifically overruled, canceled, or modified by the Board. The Board shall have the authority to impose reasonable monetary fines and other sanctions for violations of its rules, and monetary fines may be collected by lien and foreclosure, as provided for herein for assessments. In addition, the Board shall have the right to suspend votes and the right to use the Common Area, other than as may be necessary to access one's Lot for violation of its rules, as well as to proceed judicially to enjoin and abate violations of such rules as if such rules were use restrictions contained herein.

2.7 No Partition. Except as is permitted in this Declaration, there shall be no partition of the Common Area or any part thereof, nor shall any person acquiring any interest in any of the Property or any part thereof seek any such partition, judicial or otherwise, unless the affected area has been removed from the provisions of this Declaration. This subsection does not prohibit the Board from acquiring and disposing of tangible personal

property nor from acquiring title to real property which may or may not be subject to this Declaration.

2.8 Easements for Utilities, Etc. There is hereby reserved to the Board the power to grant easements upon, across, over, and under all of the Property for ingress, egress, installation, replacing, repairing, and maintaining master television antenna or cable systems, security, and similar systems, walkways, and all utilities, including, but not limited to, water, sewers, irrigation water, reclaimed water, telephones, internet, digital data, gas, cable television, and electricity. A six (6) foot easement and right-of-way is expressly reserved along the side Lot lines of all Lots to permit the construction and maintenance by public utility companies of water, gas, drainage, sewer, irrigation or reclaimed water, telephone and other services of like nature. Owners may not grant easements on their Lots without written consent and approval of the Association.

2.9 Lee County Easement. An access easement over the roadways of the Community has been granted to Lee County for the purpose of maintaining off-site stormwater conveyance facilities.

3. Association Membership and Voting Rights

3.1 Membership. Subject to Subsection 3.2 of this Section 3, every person who is the record Owner of a fee interest in any Lot that is subject to this Declaration shall have a membership in the Association. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership.

3.2 Multiple Owners. No Owner or Occupant whether one or more persons shall have more than one (1) membership per Lot owned or occupied; provided, however, multiple use rights for multiple Owners may be authorized and regulated by the Board. The rights and privileges of membership, including the right to vote, may be exercised by any owner.

3.3 Voting. For the purposes of voting, all Owners of Lots within the Community are voting members and are entitled to one (1) vote for each Lot owned. Owners of Commercial Properties are not voting members. The vote of a Lot is not divisible. In a situation where there are two or more persons who are authorized to cast a vote on behalf of a Lot it shall be presumed that the person casting the vote has the consent of all such persons. In the event that the persons who are authorized to vote on behalf of a Lot do not agree among themselves how their one vote shall be cast, which disagreement must be provided to the Association in writing, the vote shall not be counted.

3.4 Election of Board of Directors. Directors of the Association shall be elected at the annual meeting of the Members in the manner provided in the By-Laws. Directors may be removed and vacancies on the Board shall be filled in the manner provided in the By-Laws. A person who is delinquent in the payment of any fee, fine, or other monetary obligation to the Association for more than ninety (90) days is not eligible for board membership.

4. Association Powers and Responsibilities

4.1 Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all improvements thereon and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof. The Association shall maintain, operate, and preserve the Common Area for the good and benefit of the community.

4.2 Perimeter Wall Maintenance. The Association shall be responsible for maintaining the perimeter walls: (i) within the Drainage Easement along the northern boundary of Lots 1 through 16; (ii) within the Drainage Easement along the northern boundary of Lots 117 through 128; and (iii) within the Landscape Easement along the eastern boundary of Lots 16 through 29, as those Lots are depicted on the Plat of Gladiolus Preserve, recorded in Plat Book 73, at Page 58, of the Public Records of Lee County, Florida. The Association shall have an easement over, through and across the foregoing Lots for purposes of maintaining, repairing and replacing the perimeter wall, and also over any other perimeter Lots reasonably necessary to maintain, repair, or replace any future duly approved perimeter wall. Except in emergencies, the Association shall provide a minimum of 14 days advance written notice to any potentially affected Lot Owner whenever the Association desires to exercise its right to utilize this easement.

4.3 Conservation Areas. The conservation areas as set forth in South Florida Water Management District permit no. 36-04190-P and shown on the Plat are hereby designated as Common Area, they shall be the perpetual responsibility of the Association and may in no way be altered from their natural or permitted state. Activities prohibited within the conservation areas include, but are not limited to, construction or placing of buildings on or above the ground; dumping or placing soil or other substances such as trash; removal or destruction of trees, shrubs, or other vegetation - with the exception of exotic/nuisance vegetation removal; excavation, dredging or removal of soil material, diking or fencing; any other activities detrimental to drainage; flood control; water conservation, erosion control, or fish and wildlife habitat conservation or preservation.

4.4 Delegation of Management. The Association may contract for the management and maintenance of those portions of the Property it is required to maintain, and may authorize a licensed management agent to assist the Association in carrying out its powers and duties by performing functions which may include but are not limited to the submission of proposals, collection of assessments, keeping of records, enforcement of rules and maintenance, repair and replacement of the Common Areas with funds made available by the Association for such purposes. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the property or the enforcement of this declaration.

4.5 Acts of the Association. Unless the approval or affirmative vote of the Lot Owners is specifically made necessary by some provision of the law or the governing documents, all approvals or actions permitted or required to be given or taken by the Association may be given or taken by its Board of Directors, without a vote of the Lot Owners. The officers and Directors of the Association have a fiduciary relationship to the Lot Owners. A Lot Owner does not have the authority to act for or bind the Association by reason of being a Lot Owner.

4.6 Powers and Duties. The powers and duties of the Association include those set forth in Chapters 617 and 720, Florida Statutes, and in the governing documents. The Association may contract, sue or be sued with respect to the exercise or non-exercise of its powers and duties. For these purposes, the powers of the Association include, but are not limited to, the maintenance, management, and operation of the Common Areas. The Association has the power to enter into agreements to acquire leaseholds, memberships and other ownership, possessory, easement or use interests in lands or facilities for the use and enjoyment of the Owners.

4.7 Official Records. The Association shall maintain its official records as required by law. The books, records and papers of the Association shall be open for inspection by members or their authorized representatives. Members shall request to review the records by submitting a prior written notice to the Association. The Association will make all records available within ten (10) business days after receipt of said written notice from a member unless another date is agreed upon by all parties. The right to inspect the records includes a right to make or obtain photocopies at the reasonable expense of the member seeking copies.

4.8 Purchase of Lots. The Association has the power to purchase Lots within the Association in connection with the foreclosure of an Association lien for assessments, charges or fines or any other foreclosure of an interest that affects the Association's lien

and to hold, lease, mortgage, encumber or convey them with such power to be exercised by the Board of Directors without prior approval of the members.

4.9 Interests in Real Property. The Association has the power to acquire, encumber, convey, mortgage, sell, lease, rent, or dispose of property, both real and personal.

4.10 Roster. The Association shall maintain a current roster of names and mailing addresses of Lot Owners, including email addresses when possible, based upon information supplied by the Lot Owners. Lot Owners are responsible for notifying the Association of any change in their mailing address. All such notices shall be in writing. A copy of the roster shall be made available to any member upon request.

4.11 Alterations, Improvements, Additions. The Association has the power to make material alterations, improvements and additions to the Common Areas, including but limited to, installation of gates, gate houses, speed bumps and other traffic controls, as well any other alterations or additions and the power shall be exercised by the Board of Directors only after approval of the majority of the members unless the cost does not exceed \$10,000.00 per project in any annual year, then the Board may do so by a Board vote.

4.12 Insurance and Casualty or Liability Losses.

4.12.1 Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area against loss or damage by fire or other hazards (including flood), and including extended coverage, vandalism, and malicious mischief. If available, this insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Board shall also obtain a public liability policy applicable to the Common Area covering the Association, its Officers, Directors, Members, and Agents. Unless otherwise provided by the Board of Directors, the cost of all such insurance coverage shall be paid from the common expense. Each insurance policy may contain a deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

4.12.1.1 All policies shall be written with a company licensed to do business in Florida.

4.12.1.2 Exclusive authority to adjust losses under policies in force by the Association shall be vested in the Association's Board of directors.

4.12.1.3 In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, workmen's compensation insurance, if and to the extent necessary, and may obtain a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds.

4.12.2 Damage and Destruction. Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least seventy-five (75%) percent of the total vote of the Association shall decide after the casualty not to repair or reconstruct.

5. Commercial Parcels

5.1 Commercial Parcels. There are two (2) Commercial Parcels at the Gladiolus Road entrance to the Community that are entitled to make use of the entry road and Surface Water Management System. Each Commercial Parcel is more particularly described in Exhibit "B" to the original declaration as recorded at O.R. Book 3867, Page 0609, of the Public Records of Lee County, Florida.

5.2 Commercial Parcels. The Association acknowledges a non-exclusive easement in favor of the Commercial Parcels over that portion of the entrance roads lying between their respective easterly and westerly boundaries, more particularly described in Exhibit "A-2" to the original declaration as recorded at O.R. Book 3867, Page 0609, of the Public Records of Lee County, Florida, for the purpose of ingress and egress and utility easements as designated on the Plat. This easement may not be modified without the written agreement of all Commercial Parcel Owners. This easement may be additionally burdened by a grant of ingress and egress for the benefit of a neighboring commercial community by the Association.

5.3 Assessments. The Owner of each Commercial Parcel shall pay an assessment to the Association equal to one-half (1/2) of the amount assessed for one (1) Residential Unit as a contribution toward the operation, maintenance, repair and replacement costs for the entrance roadways and their surrounding landscaping. The assessment shall be secured by a lien in the same manner as residential lot assessments.

5.4 Applicability of Declaration. This Declaration is only applicable to the Commercial Parcels to the extent necessary to give effect to this Section 5 and to Section

6 of the Declaration. All other provisions of the Declaration shall not be applied to the Commercial Parcels.

6. Assessments

6.1 Covenant To Pay. Each Owner of a Lot or a Commercial Parcel by accepting a deed, personally covenants to pay to the Association, periodic, special, and individual assessments as hereinafter provided. For the purposes of securing the payment of such assessments, the Association shall have a continuing lien on each Lot or a Commercial Parcel. Each assessment levied upon an Owner shall also constitute a personal obligation of that Owner and, except as otherwise provided herein, an obligation of his successors and assigns.

6.2 Purposes of Assessments. The assessments levied by the Association shall be used for the purposes of promoting the general welfare of the Lot Owners and residents of the Association; to operate, maintain, repair, improve, construct, and preserve (on a non-profit basis) the Common Areas owned of the Association for the benefit of its members, their guests, tenants and invitees; and to perform all other duties and responsibilities of the Association as provided in the governing documents. Common expenses also include the funds necessary to provide reserve accounts for:

(A) renovation or major repairs to the Common Areas; and

(B) emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss.

6.3 Periodic Assessments. The Board shall fix the amount of the periodic assessments for each fiscal year of the Association (or part thereof if assessments commence on other than the first day of such fiscal year) to be levied against each Owner subject to assessment at least 30 days in advance of such period. The periodic assessments shall be payable quarterly.

6.4 Special Assessments. Special assessments may at any time be levied by the Board upon all Owners subject to periodic assessments for the following described purposes and subject to the following conditions:

6.4.1 For restoration of the Common Area after casualty, in accordance with Section 4.12.2.

6.4.2 For capital improvements upon the Common Area (including appurtenant or related fixtures and personality) provided that any such assessment that is in the aggregate in excess of \$10,000.00 shall also require the vote or written consent of a majority of the Owners subject to such assessment. However, no vote or consent shall be required for the installation or maintenance of gates to the entrances of the Community.

6.4.3 To make up deficits in operating and maintenance accounts resulting from inadequate or uncollectible periodic assessments.

6.5 Individual Assessments. All monetary fines assessed against an Owner pursuant to the governing documents, or any expense or charge of the Association attributable to or on behalf of an individual owner pursuant to the governing documents, shall be an Individual Assessment and shall become a lien against such Owner's Lot which may be foreclosed or otherwise collected as provided herein. Individual assessments include assessments that may be levied against any Owner to reimburse the Association for any expense incurred by it as a result of maintenance, repairs, or replacements which were made or performed by it with respect to the Common Area and the Lots and which are caused or arose from the willful or negligent act or neglect of such Owner, his family, his guests or his invitees. An Individual Assessment is considered to be Special Assessment against a specific Lot which is not shared with nor assessed against other Lots.

6.6 Share of Periodic and Special Assessments. With the exception of the two (2) Commercial Properties who are responsible to each pay one-half (1/2) of the amount assessed (periodic and special) for one Lot, the Owners of each Lot shall be liable for a one/two hundred thirty seventh (1/237th) share of the periodic and special assessments levied by the Association for common expenses of the Association. The periodic assessments provided for in Subsection 6.3 and the special assessments provided for in Subsection 6.4 shall be allocated to and assessed against each Lot in equal shares, except the Commercial Parcels which shall each be assessed at one-half (1/2) of the amount assessed against each Lot from time to time.

6.7 Non-Use. No Owner may exempt himself from personal liability for periodic or special assessments levied by the Association or release his Lot from the liens imposed hereby, by his failure to use the Common Area or abandonment of the Owner's Residential Unit.

6.8 Failure to Pay

6.8.1. Interest. Periodic, special, and individual assessments that are unpaid for more than ten days after the date they are due shall bear interest at the highest lawful rate from the due date until paid. The Board in its discretion may waive the interest where it determines that circumstances warrant waiver. Such waiver in any given instance shall not affect the right of the Board to require payment of interest in any other instance.

6.8.2 Application of Payments. Any restrictive endorsement on or accompanying a payment notwithstanding, all payments made to the Association by or on behalf of a Lot Owner shall be applied first to interest, then, to late fees, then to costs, fines and other charges (including but not limited to collection charges imposed by the management company, attorney and court) then to attorney fees, and then to the oldest outstanding unpaid periodic, special or individual assessments. No payment by check is deemed received until the check has cleared.

6.8.3 Collateral Assignment of Rents. The Association shall also have the right to require any tenant occupying the Lot during any period in which assessments for the Lot are due but have not been paid to the Association to pay the rent to the Association as provided below. In the event an Owner is in default in payment of assessments for common expenses or any other monetary amounts owed to the Association, the Association shall have the authority to collect rents directly from the Owner's tenant. Upon demand by the Association the tenant shall pay said rent to the Association. Such rental payments shall be collected in accordance with the procedures established by the Board of Directors and applied in accordance with the law until all past due amounts are paid in full. In the event such tenant fails to remit said rents directly to the Association within seven (7) days (but no later than the day the next rental payment is due) from the day the Association notified such tenant in writing that the rents must be remitted directly to the Association, the Association shall have the right to terminate the lease and evict the tenant. For the purpose of such eviction, the Association shall be deemed to be an agent of the landlord and all attorney fees and costs shall be the responsibility of the Owner and shall constitute a charge and may be collected as provided for in this Declaration. The authority granted in this Section is in addition to any authority granted by law.

6.8.4 Lien. The Association has a lien on each Lot for unpaid past due Association assessments, which said assessments shall include interest, late payment penalties, fines, costs and reasonable attorney fees incurred by the Association in enforcing this lien. The Association's lien shall relate back to the

date the original Declaration was recorded in the Public Record. The Claim of Lien shall state the description of the property encumbered thereby, the name of the record Owner, the amounts then due and the dates when due. The Claim of Lien must be signed and acknowledged by an officer or agent of the Association. The lien shall continue in effect until all sums secured by said lien have been fully paid, and the lien satisfied or discharged. The Claim of Lien shall secure all unpaid assessments, which include interest, late fees, fines, costs and attorney fees which are due and which may accrue or come due after the recording of the Claim of Lien and before the entry of a final judgment of foreclosure. Upon full payment, the person making payment is entitled to a satisfaction of the lien.

6.8.5 In addition, the Owner of any Lot or Commercial Parcel with respect to which an assessment is overdue by more than 30 days may be required by the Board to pay the Association a late charge of \$25.00 or 5% of the amount of the delinquent installment, whichever is greater.

6.8.6 Foreclosure of Lien. The Association may bring an action in its name to foreclose its lien for unpaid assessments, by the procedures and in the same manner as is provided in the Florida Statutes, as amended from time to time. All unpaid assessments, also constitute a personal obligation of the Owners and the Association may, in addition to any other remedy herein provided, bring an action at law against any Owner liable for unpaid or assessments. If final judgment is obtained, such judgment shall include interest on the assessments as above provided, and reasonable attorney fees to be fixed by the Court, together with the costs of the action, and the Association shall be entitled to recover reasonable attorney fees in connection with any appeal of such action. If the Association holds title due to its foreclosure action or by deed in lieu of foreclosure, the Association will not be considered jointly and severally liable with any subsequent buyer for the payment of any monetary amounts due to the Association.

6.8.7 Priority of Liens. The Association's lien for unpaid charges, assessments, fines, interest, attorney fees, costs and all other amounts shall be superior to any mortgage. The Association's lien shall relate back to the date the original Declaration was recorded in the Public Record and be superior to, and take priority over, any mortgage, lien or interest recorded after that date. Any lease of a Lot shall be subordinate and inferior to the lien of the Association, regardless of when the lease was executed.

6.8.8 Mortgage Foreclosure.

Any mortgagee acquiring title to a Lot as a result of foreclosure of the mortgage, or as the result of a deed given in lieu of foreclosure, such acquirer of title shall be liable for the all the common expenses and assessments, and without limitation, any charges, fines, interest, late fees, attorney fees and costs attributable to the Lot, or to the former Owner of the Lot, which came due prior to the mortgagee's acquisition of title. The Association will not be considered jointly and severely liable for the payment of any monetary amounts with any subsequent buyer if the Association holds title due to its foreclosure action or by deed in lieu of foreclosure. If there shall be any unpaid share of common expenses for which such acquirer is exempt from liability, such amount shall become a common expense collectible from all Owners, including such acquirer and his successors and assigns. All other persons or entities acquiring title to a Lot as the result of a foreclosure or other Court ordered sale shall be obligated to pay all past due charges, fines, assessments, interest, late fees, attorney's fees and costs regardless of whether or not the Association has filed a lien and the Association will not be considered jointly and severely liable for the payment of any monetary amounts with any subsequent buyer if the Association holds title due to its foreclosure action or by deed in lieu of foreclosure. No Owner or acquirer of title to a Lot by foreclosure, or by a deed in lieu of foreclosure, may be excused from the payment of any charges, fines, assessments, interest, late fees, attorney's fees and costs coming due during the period of his ownership.

6.9 Association's Certificate. Each Owner of a Lot or Commercial Parcel and every holder of a mortgage thereon shall have the right to require from the Association a certificate showing the amount of unpaid periodic, special, or individual assessments against the Owner with respect to his Lot or Commercial Parcel upon payment to the Association of a reasonable fee not exceeding \$25.00. Any other person other than the Owner of the Lot or Commercial Parcel in question who relies upon such certificate shall be protected thereby.

7. Architectural Control.

7.1 Improvements Requiring Approval. No building, structure, enclosure or other improvement shall be erected or altered, nor shall any grading, excavation, landscaping, change of exterior color, or other work which in any way alters the exterior appearance of any structure or Lot shall occur unless and until the plans, specifications and location of same shall have been submitted to, and approved in writing by, the Architectural Review Board (hereinafter "ARB"). All plans and specifications shall be evaluated as to harmony of external design and location in relation to surrounding structures and topography. The ARB shall have thirty (30) days after delivery of all required information, plans and materials to approve or deny any such plan, and if not denied

within such period, said plans shall be deemed approved unless within the same period the Board of Directors denies the plan in which case regardless of any action or inaction by the ARB the plan shall be deemed denied. All approved modifications or improvements shall be completed within one hundred eighty (180) days from the date of approval. All changes, alterations or modifications to an approved plan must also be approved pursuant to these same requirements.

7.2 The ARB. The architectural review and control functions of the Association shall be administered and performed by the Architectural Review Board (the ARB), which shall consist of at least three (3) persons, who shall be members of the Association. All members of the ARB shall be appointed by and shall serve at the pleasure of the Board of Directors of the Association. The Board of Directors can appoint all or some of the Directors to the ARB. A majority of the ARB shall constitute a quorum to transact business at any meeting of the ARB, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the ARB. Any vacancy occurring on the ARB because of death, resignation, or other termination of service of any member thereof, shall be filled by the Board of Directors. The members of the ARB shall receive no compensation for services other than reimbursement for actual expenses approved in advance by the Board of Directors incurred by them in the performance of their duties hereunder. The ARB shall, with the prior approval of the Board of Directors, have the power to engage the services of professionals for compensation for purposes of aiding the ARB in carrying out its functions. Notwithstanding anything to the contrary contained herein or elsewhere all decisions of the ARB are subject to review by the Board of Directors and the Board of Directors has the authority to overrule, void or otherwise modify in all respects any decision of the ARB.

7.3 Powers and Duties. The ARB shall have the following powers and duties:

7.3.1 To enforce the policies of the Board of Directors relating to architectural planning. To recommend, from time to time, to the Board of Directors of the Association the creation or modification and/or amendments to the Architectural Planning Criteria. Any Architectural Planning Criteria or modifications or amendments thereto shall be consistent with the provisions of this Declaration, and shall not be effective until adopted by a majority of the members of the Board of Directors of the Association at a meeting duly called and noticed and at which a quorum is present. Notice of the adoption, modification or amendment to the Architectural Planning Criteria, including a verbatim copy of such adoption, change or modification, shall be delivered to each member of the Association. However, receipt of notice of a Board meeting concerning the Architectural Planning Criteria or a copy of any adoption of or modification or amendment to the Architectural Planning Criteria shall not affect the validity of such change or modification.

7.3.2 To require submission to the ARB of one (1) complete set of all plans and specifications for any improvement, structure of any kind or any other work which in any way alters the exterior appearance of any structure, or Lot including without limitation, any building, fence, well, swimming pool, tennis court, enclosure, sewer, drain, disposal system, decorative building or landscape devise, object or other improvement, the construction or placement of which is proposed upon the Properties. The ARB may also require submission of samples of building materials proposed for use on or as part of any home, and may require such additional information as may reasonably be necessary to completely evaluate the proposed structure or improvement in accordance with this Declaration and the Architectural Planning Criteria.

7.3.3 To approve or disapprove any improvement or structure of any kind, including, without limitation, any building, fence, wall, screen enclosure, drain or disposal system, or other improvement or change or modification thereto, the construction, erection, performance or placement of which is proposed upon the Properties, and which is visible from the outside of any home. Evidence of approval by the ARB may be made by a certificate, in recordable form, executed by the Chairman of the ARB. Any party aggrieved by a decision of the ARB or Board of Directors shall have the right to make written request to the Board of Directors of the Association within thirty (30) days of the decision, for a re-review thereof. The determination of the Board upon re-reviewing any such decision shall in all events be dispositive.

7.3.4 To adopt a procedure for inspecting approved changes during and after construction to insure conformity with approved plans. If it is determined by the ARB or the Board of Directors that the improvement or work is not in compliance with the approved plans and specifications then upon written demand from the ARB the work shall be suspended until such time as the ARB or the Board of Directors authorizes the work to be recommenced.

7.3.5 Notwithstanding anything to the contrary contained herein if an Owner is delinquent in the payment of assessments, fines or other charges or has failed to correct a violation of these covenants or the rules of the Association for which they have been given notice the approval of the ARB may be denied or withheld pending payment of the assessments, fines or other charges or correction of the violation.

7.4 Variances. The ARB may authorize variances from compliance with any of the architectural provisions of this Declaration when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental which must be signed by at least two (2) members of the ARB. If such variances are granted, no violation of the

covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matters for which the variances were granted. The granting of such a variance shall not, however, operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting his use of the Lot, including, but not limited to, zoning ordinances and setback lines or requirements imposed by any governmental or municipal authority. The Board of Directors may overrule and void any variance granted by the ARB if such action is taken within twenty (20) days from the date the variance is granted.

7.5 Nonliability of ARB Members. Neither the ARB nor any member thereof, now its duly authorized ARB representative, shall be liable to the Association or any Owner or any other person or entity for any loss, damage, or injury arising out of or in any way connected with the performance or nonperformance of the ARB's duties hereunder, unless due to the willful misconduct or bad faith of a member, and only that member shall be liable therefore. The ARB shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration, or addition solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and to the Development. The ARB shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

7.6 Noncompliance. In the event any work for which approval plans are required under this Section is not completed in substantial compliance with said approval plans within the time limit for completion, the ARB, or its duly authorized representatives, shall notify the applicant in writing of such noncompliance specifying the particulars of noncompliance and require the applicant to remedy same within thirty (30) days. If, upon the expiration of thirty (30) days from the date of such notification, the applicant shall have failed to remedy such noncompliance, the ARB shall notify the Board in writing of such failure. The Board shall then determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing same. If a noncompliance exists, the applicant shall remedy or remove same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If the applicant does not comply with the Board ruling within such period, the Board, at its option, may either remove the noncomplying improvements or remedy the noncompliance, and the applicant shall reimburse the Association for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the

applicant to the Association, the Board shall levy an individual assessment for noncompliance against such applicant's Lot for reimbursement.

7.7 Attorney Fees. For all purposes necessary to enforce this Section 7, the Association shall be entitled to collect reasonable attorney fees, costs and other expenses against the Lot Owner, whether or not litigation is instituted, and the Board may assess such amounts in the form of an individual assessment for noncompliance.

8. General Restrictions

8.1 Antenna. No aerial or antenna shall be placed or erected upon any Lot or affixed in any manner to the exterior of any building in the Community without the written approval of the ARB, which will be granted as required by law.

8.2 Boats and Motor Vehicles. Passenger automobiles and vans and mini-trucks (used for personal transportation and not commercially) are permitted. No boats, boat trailers, commercial vehicles, full sized trucks, campers, motor homes, trailers, motorcycles or other non-passenger motor vehicles shall be placed, parked, or stored upon any portion of a Lot except where totally isolated from public view, such as in a garage. Notwithstanding the foregoing, a "pickup truck" and vehicles of its type shall be permitted to be parked in a driveway. No vehicle, however, may be parked in driveways that contain commercial lettering, magnetic signs or other commercial type message displayed in any fashion on any portion of the vehicle's exterior.

8.3 Trees. No tree or shrub, the trunk of which exceeds 4" DBH (four inches in diameter at breast height) shall be cut down or otherwise destroyed without the prior express written consent of the ARB.

8.4 Artificial Vegetation. No artificial grass, plants, or other artificial vegetation shall be placed or maintained upon the exterior portion of any Lot unless approved by the ARB.

8.5 Clothes Drying Area. No portion of any Lot shall be used as a drying or hanging area for laundry of any kind unless such facilities are within the home or in a manner as approved by the ARB.

8.6 Landscaping. All shrubs, trees, grass, and planting of every kind shall be kept well maintained, properly cultivated, and free of trash and other unsightly material. Except as otherwise provided in 8.3, all portions of Lots not improved with structures or paving shall be kept as lawns or grass, except those portions planted with trees, shrubs, bushes and other plantings. In addition, all lands forming portions of a public or private

right-of-way shall be grassed by the adjacent and abutting Owner and maintained by his, her or it as a portion of his, her or its lawn. Rock or gravel yards are prohibited. In addition to the foregoing, no planting will be allowed that impede the view of the lake by other Owners nor may an Owner plant within the portion of the lake area adjacent to its Lot, such being the exclusive responsibility of the Homeowners Association. The Board of Directors or the ARB shall be required to consent to any planting located within twenty (20) feet of lake boundary of any Lot. This paragraph does not prohibit any property owner from implementing ARB or Landscaping Committee approved Florida-friendly landscaping, as defined in s. 373.185, F.S., on his or her land or create any requirement or limitation in conflict with any provision of part II of chapter 373 F.S. or a water shortage order, other order, consumptive use permit, or rule adopted or issued pursuant to part II of chapter 373, F.S.

8.7 Service, Screening, Storage Areas. Garbage and refuse shall be placed in suitable containers which shall be concealed and contained within buildings or shall be concealed by means of a screening wall or materials similar to and compatible with that of the building or shall be concealed by sufficient landscaping to provide a permanent screen at all times of the year.

8.8 Storage Tanks. No above ground storage tanks, including but not limited to, those used for storage of water, gasoline, oil, or other liquid or gas shall be permitted on the Lot outside of the building.

8.9 Signs. No commercial signs of any kind including "For Rent" or "For Sale" may be erected on any Lot without written approval of the ARB or as may be required by legal proceedings. The ARB will not grant permission for any signs except signs displayed from the interior of a window in a Residential Unit, unless other signage is necessary to avert serious hardship to the Owner.

8.10 Nuisances. No unsightly growth shall be permitted to grow or remain upon any Lot and no refuse pile or other unsightly object shall be allowed to be placed or remain anywhere thereon. In the event any Owner shall fail or refuse after a thirty (30) day notice mailed to his last known address to keep his Lot free of such unsightly growths or objects, then the Association may enter upon said Lot and remove same at the expense of the Owner and such entries shall not be deemed a trespass. Said expense shall be added to and become part of the assessment to which said Lot is subject.

8.11 Mineral Exploration. The Property shall not be used in any manner to explore for or use commercially any water or other hydrocarbons, minerals of any kind, gravel, earth, soil, or any other such substances located in or under the ground.

8.12 Building Exterior. All windows, porches, balconies, and exteriors of all buildings on any Lot shall at all times be maintained in a neat and orderly manner.

8.13 Motor Boats. In order to preserve the tranquility of the community, there shall be no motor driven boats allowed in the lake. This provision shall not apply to boats used to maintain the lake area.

8.14 Filling of Lots. No Lot which abuts any lake or Common Area shall be altered in size by filling or excavating of such lake or Common Area. No fill may be placed on any Lot without the prior approval of the ARB.

8.15 Multiple Lots and Subdividing. Two or more adjacent Lots may be used as a single building site with the approval of the ARB. However, such a site may not be subdivided. No single Lot may be subdivided under any circumstances.

8.16 Minimum Building Area. No Residential Unit subject to this Declaration shall have a floor area, under air, of less than one thousand four hundred sixty-three (1,463) square feet.

8.17 Dwelling Roofs. All Residential Units shall be maintained using roof materials consisting of dimensional fiberglass shingles or roofing tiles and shall maintain the minimum slope of a 5 x 12 pitch roof.

8.18 Construction Materials. Each Residential Unit shall be maintained as a cement block type, except that second stories may be frame construction.

8.19 Fences. No fences will be permitted on any Lot, except as approved by the Architectural Review Board. All fencing shall be constructed of white PVC (polyvinyl chloride) type and shall be no greater than six (6) feet in height. No fence shall be placed any closer to the front line of any Lot than the rear line of the main dwelling unit constructed on the Lot. In no event shall fencing be permitted on lake front Lots.

8.20 Irrigation. There shall be no use of water from the lakes or other water management areas for irrigation or any other purpose by any individual Lot Owner.

9. Use Restrictions

9.1 Annoyance or Nuisances. No noxious or offensive activity shall be carried on upon any Lot nor shall anything be done thereon which may become an annoyance to the

neighborhood. The display or shooting of firearms, fireworks, or firecrackers is expressly forbidden.

9.2 Temporary or Accessory Structures. No structure of a temporary character, whether trailer, basement, tent, shack, garage, barn, or other outbuilding shall be maintained or used on any Lot at any time as a residence or for any other purpose, either temporarily or permanently. Any structure on which construction has commenced must be completed within a reasonable length of time.

9.3 Motor Vehicles. With the exception of golf carts or similar vehicles, no unlicensed motor vehicles shall be allowed within the Community. No motorbikes, motorcycles, motor scooters, or other vehicles of that type shall be permitted within the Community if they are a nuisance by reason of noise or manner of use in the sole judgment of the Board.

9.4 Pets. No more than two domestic pets are allowed to be kept on any Lot. Examples of non-domestic pets include: horses, cows, hogs, poultry, and livestock of any kind. Should pets become a nuisance in the opinion of the Board, they must be removed from the Community. No pets are to run at-large, but will be permitted to be kept within fenced areas of any Lot. Pet excrement shall be immediately removed.

9.5 Drainage. Drainage of streets, Lots, or curb and gutter system will not be impaired by any person or persons.

9.6 Solar Heating Panels. Solar heating panels and other passive solar devices will be located to the rear of the Property and out of sight from the road that provides access to individual homes. Solar panels will be located on the roof in a fashion so that their visibility by neighboring Owners is minimized.

9.7 Leases. No lease shall be entered into on any Lot for a period of less than one hundred eighty (180) days. In addition, there shall be no more than three separate leases entered into for any Lot in any one calendar year. All leases are subject to Association prior approval. The Association may restrict or prohibit leases by or to convicted felons, including but not limited to, registered sex offenders and persons who have been convicted of drug offenses.

10. Enforcement

10.1 Generally. The provisions of this Declaration shall be enforceable by any proceeding at law or in equity by the Association or by any Owner.

10.2 Association's Rights and Powers. The Association through its Board has the power to enforce all covenants, conditions, restrictions and agreements applicable to the Property and the Board is authorized to promulgate and enforce rules and regulations governing the use of the Common Area. The Association may bring an action to enforce such rules and regulations by injunction, by damages, and by the levying and collection of fines against any Owner. The procedure for imposing fines or suspending use rights shall be as follows:

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

- (1) a statement of the date, time and place of the hearing;
- (2) a specific designation of the provisions of Chapters 617 or 720, Florida Statutes, the governing documents or the rules which are alleged to have been violated;
- (3) a short and plain statement of the specific facts giving rise to the alleged violation(s); and
- (4) the possible amounts of any proposed fine and/or possible use rights of Common Areas or facilities to be suspended.

10.2.2 Hearing. The hearing shall be conducted before a panel of three (3) Lot Owners appointed by the Board, none of whom may then be serving as Directors or officers, or who are employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee. At the hearing, after the Association presents its evidence or testimony to the panel, the party against whom the fine and/or suspensions may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and to review, challenge, cross examine, and respond to any evidence or testimony that was presented by the Association. If the panel, by majority vote, does not agree with the proposed fine and/or suspension, it may not be levied or imposed. If the committee agrees with the proposed fine and/or suspensions, the Board of Directors shall levy same.

10.2.3 Written Notice of Fine or Suspension. If the Association imposes a fine or suspension, the Association must provide written notice of such fine or

suspension by mail or hand delivery to the parcel Owner and, if applicable, any tenant, licensee, or invitee of the parcel Owner.

10.3 Attorney's Fees and Costs. In the event of any litigation arising under this Declaration, the Articles or Bylaws, the prevailing party shall be entitled to recover reasonable attorney's fees and costs incurred at trial or appellate proceedings. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, expert witness fees, administrative costs and all other charges billed by the attorney to the prevailing party. The reasonable attorney's fees and costs incurred by the Association in any action against an Owner to enforce any provision of this Declaration, shall be a personal obligation of such Owner which shall be paid by such Owner, and any amount thereof which remains due and unpaid shall be an individual assessment and continuing lien upon such Owner's Lot, collectible in the manner provided in the section on liens.

11. Water Management

11.1 Surface Water Management System. In addition to all other purposes and powers stated herein, one of the primary purposes for the establishment of the Association is to own, operate and maintain the Surface Water Management System within the Community in accordance with permits granted by the South Florida Water Management District including all conservation and mitigation areas, lakes, retention and detention areas, culverts and related appurtenances. To effect this purpose, the Association specifically reserves the following powers if the powers elsewhere contained in this document are not sufficient:

11.1.1 to own and convey property;

11.1.2 to establish such rules and regulations as it may deem appropriate or as may be required by the South Florida Water Management District;

11.1.3 to sue and be sued;

11.1.4 to assess Members and enforce said assessments relating to the operation and maintenance of the Common Area;

11.1.5 to contract for services for operation and maintenance of said corporation as deemed appropriate and feasible; and

11.1.6 in the event of dissolution of the Association, the Association shall have the power to dedicate the operation and maintenance of the Common Area

and specifically the Surface Water Management System to an appropriate agency of local government for the purposes of operating and maintaining said Common Area in accordance with South Florida Water Management District requirements, or if not accepted by said local agency, then the Surface Water Management System shall be dedicated to a successor or similar non-profit corporation. Any amendment affecting the Surface Water Management System contained within the Property, including the water management portions of the Common Area, must first be submitted to and prior approval received from the South Florida Water Management District.

11.2 Wetlands Preservation. Conservation and Mitigation Areas. In order to further clarify the obligations of the Association and Members:

11.2.1 Lots may be adjacent to Mitigation Areas which include, but are not limited to, wetland preservation or mitigation areas and upland buffers which may be designated as protected areas under conservation easement(s).

11.2.2 The Association has responsibility for perpetual maintenance concerning the Stormwater Drainage Areas and Mitigation Areas, which include, but are not limited to, one or more conservation easements (preserved/restored/created wetlands areas and upland buffer zones) relating to the development, permitting and maintenance of the Property and shall take action against any Owners and/or Members as necessary to enforce the conditions of the conservation easement(s) and of permits extended in connection with same as such requirements may be amended from time to time by the applicable governmental authority.

11.2.3 Existing Mitigation Areas including, but not limited to, wetlands and upland buffers may not be altered from their present condition except for "exotic" or "nuisance" vegetation removal or restoration in accordance with the restoration plan set forth in the conservation easement(s). "Exotic" vegetation may include, but is not limited to, melaleuca, Brazilian pepper, Australian pine, and Japanese climbing fern or any other species currently listed by the Florida Exotic Pest Plant Council. Nuisance vegetation may include cattails, primrose willow and grape vine.

11.2.4 The Association is responsible for the perpetual maintenance of the signage required by the conservation easement(s) and/or permits in connection therewith.

11.2.5 A Mitigation Area Monitoring and Maintenance Plan is set forth in the South Florida Water Management District Permit and provides for the maintenance and monitoring of the Mitigation Areas. The Association has the responsibility and is given the power herein to oversee the maintenance and monitoring of the Mitigation Areas in order to enforce the use restrictions in connection therewith and as such requirements may be amended from time to time by the applicable governmental authority having jurisdiction.

11.3 Mitigation Areas and South Florida Water Management District Permit. The Mitigation Areas shall be the perpetual responsibility of the Association and may in no way be altered from their permitted state as documented in the South Florida Water Management District Permit No. 36-04190-P, with the exception of permitted restoration activities. Operation and maintenance of the Mitigation Areas shall be the responsibility of the Association. This will be in accordance with South Florida Water Management District, Permit No. 36-04190-P. Any proposed amendment to the Association's documents which would affect the Mitigation Areas must be submitted to the South Florida Water Management District for a determination of whether the amendment necessitates a modification of Surface Water Management permit. The District address is: South Florida Water Management District 3301 Gun Club Road, West Palm Beach, FL 33406.

12. General Provisions

12.1 Coverage and Term. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns. The covenants, conditions, and restrictions of this Declaration, as they may be amended from time to time, shall run with and bind the Property for a term of forty (40) years from the date of recordation, unless amended, as herein provided. After such initial term, such covenants, conditions, and restrictions shall be automatically extended for successive periods of ten (10) years each, unless within sixty (60) days before the commencement of any such ten (10) year period, these covenants are extinguished by a written instrument executed by the Members holding at least seventy-five (75%) percent of the votes if then in effect.

12.2 Amendment. Subject to the Water Management provisions, this Declaration may be amended only by the affirmative vote (in person or by proxy) or written consent of Members representing two-thirds (2/3) or more of the total voting power of the Association authorized to vote on amendments. Any amendment must be recorded among the Real Property Public Records of Lee County, Florida.

12.3 Annexation and Withdrawal.

12.3.1 Annexation. Annexation shall be accomplished by an Amendment to the Declaration and recorded in the Public Records of Lee County, Florida. Additional lands may be annexed into this Declaration with the approval of at least two-thirds (2/3) of the Board and two-thirds (2/3) of all Members of the Association.

12.3.2 Withdrawal. There shall be no right to withdraw lands from the effect of this Declaration.

12.4 Indemnification. To the maximum extent permitted by law, the Association shall indemnify every officer and director against any and all expenses, including counsel fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

12.5 Severability. The invalidity of any provision of this Declaration shall not affect the enforceability of the remaining provisions of this Declaration or any part hereof. In the event that any provision of this Declaration shall be declared invalid by a court of competent jurisdiction, then such provision shall be construed, to the extent possible, in a manner which would render the provision valid and enforceable or, if the provision cannot reasonably be construed in a manner which would render the provision valid and enforceable, then this Declaration shall be construed as if such provision had not been inserted.

12.6 Incorporation by Reference. All dedications, limitations, restrictions, and reservations shown on any subdivision Plat are incorporated herein and made a part hereof as if fully set forth herein and shall be constructed as being adopted in each and every contract, deed, or conveyance executed or to be executed by or on behalf of any Owner, conveying any of the Property, whether specifically referred to therein or not.

BYLAWS OF

GLADIOLUS PRESERVE HOMEOWNERS ASSOCIATION, INC.

A Not-for-Profit Corporation (Draft Date December 6, 2015)

All previous Bylaws are revoked and superseded in their entirety by these Bylaws.

ARTICLE I.

NAME AND LOCATION

The name of the corporation is GLADIOLUS PRESERVE HOMEOWNERS ASSOCIATION, INC. The principal office of the corporation is c/o Sandcastle Property Management and Brokerage, LLC, 16266 San Carlos Blvd., Suite 10, Fort Myers, Florida 33908, unless otherwise changed by the Board of Directors.

ARTICLE II.

DEFINITIONS

SECTION 1: "Association" means GLADIOLUS PRESERVE HOMEOWNERS ASSOCIATION, INC., the purpose of which is to administer the Common Areas in accordance with the provisions of the Declaration and the governing documents of the Association and enforce same.

SECTION 2: "Common Areas" means (i) those areas of land, together with improvements thereon, if any, either shown on the Development Plan or any Plat of such and intended to be devoted to the common use and enjoyment of the owners of the Properties or specifically designated as Common Areas in the Declaration, excluding any land and improvements which may have been dedicated to a governmental entity and accepted for maintenance by such governmental entity, and (ii) those areas of land, together with improvements thereon, as might be independently submitted as Common Areas by amendment to the DECLARATION. The Surface Water Management System, if any, is hereby declared to be a part of the Common Properties and to the extent same lies outside the Properties, the Association benefits from easements previously created which are necessary or appropriate to the maintenance and use of the Surface Water Management System.

SECTION 3: "DECLARATION" shall mean and refer to the Declaration of Covenants and Restrictions of GLADIOLUS PRESERVE recorded in the Public Records of Lee County, Florida.

SECTION 4: "Land Use Documents" includes all documents affecting the use of the property including all permits, plats, development orders and approvals, the DECLARATION, Bylaws and the Articles of Incorporation of the Association.

SECTION 5: "Lot" means mean a portion of the Property intended for residential use or ownership. Lots will be shown on the Plat filed for the Gladiolus Preserve subdivision.

SECTION 6: "Member" shall mean and refer to any person entitled to membership in the Association as provided in the Articles, Bylaws and DECLARATION.

SECTION 7: "Owner" means the record owner, whether one or more persons or entities, of the fee simple title to any Lot, but shall not mean or refer to a mortgagee of such Lot unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure.

SECTION 8: "The Properties" shall mean the real property subject to the DECLARATION and the development of the said property for residential use under a Homeowners Association for the purpose of enhancing and protecting the value, attractiveness and desirability of the lots comprising such development.

ARTICLE III.
MEETINGS OF MEMBERS

SECTION 1: Annual Meetings. There shall be an annual meeting of the members in February of each calendar year. The annual meeting shall be held in Lee County, Florida, at a date, time and place designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the members. The regular election of Directors shall occur as the first item of business at the annual meeting.

SECTION 2: Special Meetings. Special meetings of members must be held whenever called by the President, by a majority of the Directors, or by members having at least ten percent (10%) of the voting interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

SECTION 3: Notice of Meetings; Waiver of Notice. Notices of all members' meetings must state the date, time and place of the meeting. Notice of special meetings must include a description of the purpose or purposes for which the meeting is called. Notices must be mailed to each member at the member's address as it appears on the books of the Association, or may be furnished by personal delivery or electronic transmission. The members are responsible for providing the Association with any change of address. Notices must be mailed, transmitted or delivered at least fourteen (14) days prior to the date of the meeting. If ownership of a residential lot is transferred after notice has been mailed or transmitted, no separate notice to the new owner is required. Attendance at any meeting by a member constitutes waiver of notice by

that member, unless the member objects to the lack of notice at the beginning of the meeting. A member may also waive notice of any meeting at any time by written waiver.

SECTION 4: Voting Interests. The members of the Association are entitled to one (1) vote for each residential lot owned by them. The total number of possible votes (the voting interests) of the Association is the total number of residential Lots in the Association which is two hundred thirty seven (237). The vote of a residential lot is not divisible. The Association may suspend the voting rights of a member for the nonpayment of any monetary obligation due to the Association that is more than ninety (90) days delinquent. If a residential lot is owned by one (1) natural person, the right to vote shall be established by the record title to the residential lot. If a residential lot is owned jointly by two (2) or more natural persons, that residential lot's vote may be cast by any one (1) of the record owners. If two (2) or more owners of a residential lot do not agree among themselves how their one (1) vote shall be cast on any issue, that vote shall not be counted for any purpose. If the owner of a residential lot is other than a natural person, the vote of that residential lot shall be cast by the principal agent of corporation, partnership or trust or its designee. All votes must be cast by an owner or principal agent.

SECTION 5: Quorum. The presence at the meeting, in person or by proxy, of Members entitled to cast thirty percent (30%) of the votes of the membership shall constitute a quorum for authorization of any action, except as may otherwise be provided in the DECLARATION, the Articles of Incorporation, or these By-Laws. Members may attend by means of remote communication. If a quorum is not present at any meeting, the Members entitled to vote there at shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

SECTION 6: Proxies. Members may cast their votes at a meeting in person or by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall 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 the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the residential lot, specify the date, time and place of the meeting for which it is given, and the original must be delivered to the Secretary by the appointed time of the meeting or adjournment thereof. No proxy shall be valid if it names more than one (1) person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy. Holders of proxies must be members.

SECTION 7: Order of Business. The order of business at members' meetings shall be substantially as follows:

- (A) Call of the roll or determination of quorum
- (B) Reading or disposal of minutes of last members' meeting

- (C) Reports of Officers
- (D) Reports of Committees
- (E) Election of Directors (annual meeting only)
- (F) Unfinished Business
- (G) New Business
- (H) Adjournment

SECTION 8: Minutes. Minutes of all meetings of the members and of the Board of Directors shall be kept in a businesslike manner, available for inspection by members or their authorized representatives at all reasonable times. Minutes must be reduced to written form within thirty (30) days after the meeting.

SECTION 9: Vote Required. The acts approved by a majority of the votes cast by eligible voters at a meeting of the members at which a quorum has been attained shall be binding upon all residential lot owners for all purposes, except where a different number of votes is expressly required by law or by any provision of the governing documents.

SECTION 10: Change of Membership. A change of membership shall become effective after all the following events have occurred. At that time the membership of the prior owner shall be terminated automatically.

- (A) Recording in the Public Records of a Deed or other instrument evidencing legal title to the lot in the member.
- (B) Delivery to the Association of a copy of the recorded deed or other instrument evidencing legal title.
- (C) Designation, in writing, of a primary occupant.
- (D) Payment of an Application Fee not to exceed 10% of the routine annual assessment.

SECTION 11: Termination of Membership. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Association during the period of membership, nor does it impair any rights or remedies the Association may have against any former owner or member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

ARTICLE IV.

BOARD OF DIRECTORS, ELECTIONS, TERM OF OFFICE, REMOVAL

SECTION 1: Nominations and Elections. Nominations for election to the Board of Directors shall be made in writing at least thirty (30) days in advance of the day of election. Nominations may also be made from the floor at the annual meeting. Election to the Board of Directors shall be by written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the largest number of votes shall be elected, except that a run-off shall be held to break a tie vote. Cumulative voting is not permitted. Any person who is more than ninety (90) days delinquent in the payment of any monetary obligation to the Association is not eligible for board membership.

SECTION 2: Number. The affairs of the Association shall be managed by not less than five (5) Directors, who must be members of the Association.

SECTION 3: Term of Office. Directors shall serve one (1) year terms.

SECTION 4: Removal of Directors. Any Director may be removed, with or without cause, by a majority vote of the voting interests, either by a written petition or at a meeting called for that purpose. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given. If removal is effected by petition, a successor shall be appointed for the balance of the term by the Board at a special meeting of the Board of Directors of the Association. If removal is effected at a meeting, any vacancies created thereby shall be filled by the members at the same meeting. Any director who is removed from office is not eligible to stand again for election to the Board until the next annual election, and must turn over to the Association within seventy-two (72) hours any and all records and other property of the corporation in his possession. If a Director who is removed does not relinquish his office or turn over records as required, the circuit court in the county where the Association has its principal office may summarily order the Director to relinquish his office and turn over corporate records upon application of any member. In any such action, the prevailing party shall be entitled to recover its attorney fees and costs.

ARTICLE V.

BOARD OF DIRECTORS, POWERS AND DUTIES

SECTION 1: Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Areas and facilities including the personal conduct of the Members and their guests thereon; and to establish penalties for infractions of such rules and regulations.
- (b) Exercise on behalf of the Association all powers, duties and authority vested in or delegated to the Association and not specifically reserved to the membership by the DECLARATION, Articles of Incorporation, or by other provisions of these By-Laws.
- (c) Employ a manager, independent contractors, and such other employees as they may deem necessary, and to prescribe their duties.

SECTION 2: Duties. It shall be the duty of the Board of Directors to:

- (a) Supervise all officers, agents, and employees of the Association and see to it that their duties are properly performed;
- (b) As more fully provided in the DECLARATION, to:
 - (1) Fix the amount of the Periodic Assessment and any Special Assessments against each Lot.
 - (2) Send written notices of each assessment, Periodic and Special, to every owner subject thereto in advance.
 - (3) Foreclose the lien against any Lot for which assessments are not paid as provided in the DECLARATION or to bring an action at law against the owner personally obligated to pay the same.
- (c) Issue, or cause an appropriate officer or agent to issue on demand by any owner of record, a certificate setting forth whether or not any assessment has been paid. A statement in a certificate to the effect that an assessment has been paid shall constitute conclusive evidence of such payment. The Board may impose a reasonable charge for the issuance of these certificates.
- (d) Procure and maintain liability and hazard insurance on all property owned by the Association.
- (e) Cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (f) Cause the Common Areas to be maintained.
- (g) Shall have Board meetings as in accordance with below:
 - (1) Notice to Owners. Director's meetings may be held at such places within the State of Florida as may be designated by the Board of Directors. Meetings of the

Board of Directors shall be open to members except for meetings between the Board and its attorney with respect to proposed or pending litigation where the discussion would otherwise be governed by the attorney-client privilege, or meeting of the Board held for the purpose of discussing personnel matters. Notices of all Board meetings, together, shall be posted conspicuously in the community at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which rules affecting the use of a parcel or special assessments are to be considered shall specifically contain a statement that rules or special assessments will be considered and the nature of the rule or assessments and shall be mailed, delivered or electronically transmitted and posted at least 14 days in advance.

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

(3) Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the governing documents or by applicable statutes. A Director who is present at a meeting of the Board is required to vote on every action taken, unless he abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes of each meeting. Directors may not vote by proxy or secret ballot at Board meetings, except that secret ballots may be used in the election or removal of officers. All contracts for services provided to the Association, including without limitation, lawn maintenance, lake maintenance and sprinkler repair, shall be approved by a majority of the Directors and an individual Board member may not commit to the expenditure of funds without majority approval.

(4) Adjourned Meetings. A majority of the Directors present at any meeting of the Board of Directors, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specified later time. When the meeting is reconvened, provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted.

(h) Shall exercise emergency powers as follows:

(1) To the extent allowed by law, unless specifically prohibited by the declaration or other recorded governing documents, and consistent with s. 617.0830, F.S., the board of directors, in response to damage caused by an event for which a state of emergency is declared pursuant to s. 252.36, F.S., in the area encompassed by the association, may exercise the following powers:

(A) Conduct board or membership meetings after notice of the meetings and board decisions is provided in as practicable a manner as possible, including via publication, radio, United States mail, the Internet, public service announcements, conspicuous posting on the association property, or any other means the board deems appropriate under the circumstances.

(B) Cancel and reschedule an association meeting.

(C) Designate assistant officers who are not directors. If the executive officer is incapacitated or unavailable, the assistant officer has the same authority during the state of emergency as the executive officer he or she assists.

(D) Relocate the association's principal office or designate an alternative principal office.

(E) Enter into agreements with counties and municipalities to assist counties and municipalities with debris removal.

(F) Implement a disaster plan before or immediately following the event for which a state of emergency is declared, which may include, but is not limited to, turning on or shutting off electricity; water, sewer, or security systems; or air conditioners for association buildings.

(G) Based upon the advice of emergency management officials or upon the advice of licensed professionals retained by the board, determine any portion of the association property unavailable for entry or occupancy by owners or their family members, tenants, guests, agents, or invitees to protect their health, safety, or welfare.

(H) Based upon the advice of emergency management officials or upon the advice of licensed professionals retained by the board, determine whether the association property can be safely inhabited or occupied. However, such determination is not conclusive as to any determination of habitability pursuant to the declaration.

(I) Mitigate further damage, including taking action to contract for the removal of debris and to prevent or mitigate the spread of fungus,

including mold or mildew, by removing and disposing of wet drywall, insulation, carpet, cabinetry, or other fixtures on or within the association property.

(J) Notwithstanding a provision to the contrary, and regardless of whether such authority does not specifically appear in the declaration or other recorded governing documents, levy special assessments without a vote of the owners.

(K) Without owners' approval, borrow money and pledge association assets as collateral to fund emergency repairs and carry out the duties of the association if operating funds are insufficient. This paragraph does not limit the general authority of the association to borrow money, subject to such restrictions contained in the declaration or other recorded governing documents.

(2) The authority granted under subsection (1) is limited to that time reasonably necessary to protect the health, safety, and welfare of the association and the parcel owners and their family members, tenants, guests, agents, or invitees, and to mitigate further damage and make emergency repairs.

SECTION 3: Rules and Regulations; Use Restrictions. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing personal conduct, the use, maintenance, management and control of the common elements, and the operation of the Association. Copies of such rules and regulations shall be furnished to each residential lot owner.

ARTICLE VI. OFFICERS AND THEIR DUTIES

SECTION 1: Enumeration of Offices. The Officers of the Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, and a Secretary, Treasurer, and such other Officers as the Board may from time to time by resolution create.

SECTION 2: Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of members.

SECTION 3: Term. The Officers of the Association shall be elected annually by the Board. Each shall hold office for a term of one (1) year unless he or she shall sooner resign, or shall be removed or otherwise disqualified to serve.

SECTION 4: Special Appointments. The Board may appoint such other Officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

SECTION 5. Resignation and Removal. Any Officer may be removed from office by the Board at any time with or without cause. Any Officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6: Vacancies. A vacancy in any office may be filled by appointment of the Board. The Officer appointed to such vacancy shall serve for the unexpired term of the Officer he replaces.

SECTION 7: Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

SECTION 8. Duties. The duties of the Officers are as follows:

- (a) President. The President shall preside at all meetings of the Board of Directors; shall sign all checks and promissory notes of the Association; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds, and other instruments which are binding on the Association.
- (b) Vice-President. The Vice-President shall act in the place of the President in the event of his or her absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him or her by the Board.
- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it to all papers so requiring; serve notice of meetings of the Board to members; keep appropriate current records showing the members of the Association together with their addresses; and perform such other duties as may be required by law.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall keep proper books of the accounts; shall cause a financial report of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures, a copy of which documents shall be delivered to each member, and a report on which shall be given at the regular annual meeting of Members.

ARTICLE VII.
COMMITTEES

The Board of Directors may appoint an Architectural Review Board (ARB), as provided in the DECLARATION. In addition, the Board of Directors may appoint such other committees as it may deem appropriate in the performance of its duties.

ARTICLE VIII.
ASSESSMENTS

As more fully provided in the DECLARATION, and except as otherwise provided in the DECLARATION and in the Articles of Incorporation, each Member is obligated to pay to the Association Periodic and Special Assessments which are secured by a continuing lien on the property against which such assessments are made. All Periodic Assessments shall be paid as required by the Board of Directors, no more frequently than quarterly and within ten (10) days of billing by the Association. Any assessments not paid when due are considered delinquent. If an assessment is not paid within ten (10) days after the due date, the assessment shall bear interest from the date when due at the rate established by the Board of Directors, not to exceed the maximum legal rate of interest, and the Association may bring an action at law against the owner personally obligated to pay the same, or may foreclose the lien against the Lot which is subject thereto. Interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of any assessment due. No owner may waive or otherwise escape liability for assessments by nonuse of the common properties or abandonment of the Lot.

ARTICLE IX.
BUDGET

The Board of Directors shall adopt in advance an annual budget of common expenses for each fiscal year. The budget must reflect the estimated revenues and expenses for the next fiscal year, and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for recreational amenities. A copy of the proposed budget and a notice stating the time, date and place of the meeting of the Board at which the budget will be considered shall be mailed to or served on each owner not less than fourteen (14) days prior to that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by income accounts and expense classifications. The minutes of the Association shall reflect the adoption of the budget, and a copy of the proposed and adopted budgets shall be maintained as part of the financial records of the Association. If an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and payments shall be continued at such rate until a budget is adopted and new quarterly installments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each Lot's next due quarterly installment.

ARTICLE X.
BOOKS AND RECORDS INSPECTION

The books, records, and papers of the Association shall be subject to inspection by any Member upon ten (10) business days prior written notice after receipt by the Association. The DECLARATION, Articles of Incorporation, and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association.

ARTICLE XI.
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:
GLADIOLUS PRESERVE HOMEOWNERS ASSOCIATION, INC.

ARTICLE XII.
AMENDMENTS

These By-Laws may be amended at a regular or special meeting of Members, by vote of two-thirds (2/3) of a quorum of members present in person or by proxy.

ARTICLE XIII.
FISCAL MATTERS

The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions.

SECTION 1: Depository. The Association shall maintain its funds in such federally insured accounts at financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons authorized by the Board. The Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities and other similar investment vehicles.

SECTION 2: Accounts of the Association: The Association shall maintain its accounting books and records according to generally accepted accounting principles. There shall be an account for each residential lot. Such accounts shall designate the name and mailing address of each residential lot, the amount and due date of each assessment or charge against the residential unit, amounts paid, date of payment and the balance due.

SECTION 3: Reserves. The Board of Directors may establish in the budget one (1) or more reserve accounts for capital expenditures, deferred maintenance, or contingency reserves for unanticipated operating expenses. Board adopted reserve funds are not controlled by Chapter 720 Florida Statutes and therefore may be spent, waived or used as approved by the Board, subject to all applicable restrictions in the By-Laws and Declaration. Membership adopted

reserves are restricted by Chapter 720, Florida Statutes and therefore Membership adopted reserves may only be used, waived or reduced on a yearly basis according to Chapter 720 Florida Statutes. The purpose of reserves is to provide financial stability and to avoid the need for special assessments. The annual amounts proposed to be so reserved shall be shown in the annual budget.

SECTION 4: Assessments; Installments. The regular annual assessment based on an adopted budget shall be paid in quarterly installments, in advance, due on the first day of the quarter of each year. Written notice of the annual assessment shall be sent to the owners of each lot prior to the first quarterly installment being due, but failure to send (or receive) such notice does not excuse the obligation to pay. If an annual budget for a new fiscal year has not been adopted, or if notice of any increase has not been made at the time the payment for the first quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly installment, and payments shall be continued at such rate until a budget is adopted and new annual assessments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each unit's next due quarterly installment. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within ten (10) days after the due date it shall accrue interest from the due date at the highest rate allowed by law, and it shall incur a late fee as authorized by the declaration.

SECTION 5: Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted or non-recurring expenses, other purposes as are authorized by the Declaration and these Bylaws. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The notice of any Board meeting at which a special assessment will be considered shall be given as provided in Article V, Section 2(g) above; and the notice to the owners that the assessment has been levied must contain a statement of the purpose(s) of the assessment.

SECTION 6: Financial Reports. Not later than ninety (90) days after the close of each fiscal year, the Board shall cause to be prepared a financial report as prescribed by the Florida Statutes. The Association shall provide each member with a copy of the financial report or a written notice that a copy of the financial report is available upon request at no charge to the member.

SECTION 7: Audits. Not later than ninety (90) days after the close of each fiscal year that is evenly divisible by 5, a formal certified audit of the accounts of the Association shall be made by a certified public accountant, and a copy of the audit report shall be available to all members.

SECTION 8: Application of Payments and Co-Mingling of Funds. All monies collected by the Association may be co-mingled in a single fund or divided into two (2) or more funds, as determined by the Board of Directors. Regardless of any restrictive endorsement all payments on account by a lot owner shall first be applied to late fees, interest, costs, attorney fees, other charges, fines and then to regular or special assessments.

SECTION 9: Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year and end on December 31 that same calendar year.

SECTION 10: Checks. All checks or demands for money and notes of the Association shall be signed by any two (2) of the following officers: President, Vice-President, Secretary or Treasurer, or by such officer or officers or such other person or persons as the Board may from time to time designate.

ARTICLE XIV.
CONFLICTS

In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in case of any conflict between the DECLARATION and the Articles, the DECLARATION shall control.