

Forest Ridge Shores at
Fountain Lakes
Neighborhood Association,
Inc.

Sale Packet



8840 Terrene Court, Suite 102 Bonita Springs, FL
34135 (239) 454-8568
Fax: (239) 454-5191

Forest Ridge Shores at Fountain Lakes Neighborhood Association, Inc.

C/O Pegasus Property Management
8840 Terrene Ct #102
Bonita Springs, FL 34135
Office: 239-454-8568
Sales@Pegasuscam.com

PURCHASE APPLICATION

Please submit the application at least 20 days prior to the sale date.

ATTACH THE FOLLOWING:

- Completed copy of the signed Purchase Application.
- Copy of the Sales Contract
- \$150 non-refundable Application Fee made payable to: Pegasus Property Management
- Notice regarding PETS: There is a Three pet limit per household, No Pitbulls and no exotic pets including snakes.

I/ (We) hereby apply for approval to purchase:

Applicant Name(s): _____

Signature: _____ Date: _____

Current Mailing Address: _____

[] I hereby apply for approval to Purchase _____
(Complete Address to be purchased including Unit number)

Realtor: _____ Phone: _____

To facilitate consideration of this application, I represent that the following information is factual and correct and agree that any falsifications or misrepresentation in this application will justify its disapproval. I consent to your further inquiry concerning this application.

PLEASE TYPE OR PRINT THE FOLLOWING INFORMATION:

1. Full name of Applicant: _____

Full Name of Spouse/Domestic Partner (if applicable) _____

Email Address: _____

Telephone: Home: _____ Mobile: _____ Work: _____

Current Home Address: _____

Applicant Employer: _____

Employer Address: _____

2. Full name of Applicant: _____

Full Name of Spouse/Domestic Partner (if applicable) _____

Email Address: _____

Telephone: Home: _____ Mobile: _____ Work: _____

Current Home Address: _____

Applicant Employer: _____

Employer Address: _____

3. Please state the name, relationship and age of all other people who will be occupying the unit regularly.

Name	Relationship	Age
a. _____	_____	_____
b. _____	_____	_____
c. _____	_____	_____
d. _____	_____	_____

4. Person to be notified in case of emergency: _____

Address: _____ Phone: _____

5. I (we) am purchasing this Unit with the intent to: Reside here on a full time basis
 Reside here on a part-time basis Lease this Unit

6. I (we) will provide the Association with a copy of our recorded deed within ten (10) days after closing.

7. I (we) are aware of, have received a copy of, and agree to abide by the Declaration, By-laws and Rules & Regulations for Forest Ridge Shores at Fountain Lakes Neighborhood Association. A copy can be retrieved from www.Homewisedocs.com
Initial ____ / ____

8. I (we) are aware of, have received a copy of, and agree to abide by the Declaration, By-laws, and Rules & Regulations (otherwise known as the Governing Documents) for Fountain Lakes Community Association. A copy can be retrieved from www.HomewiseDocs.com.
Initial ____ / ____

Applications may take up to thirty (30) days to process. A copy of the approved application will be mailed or emailed to the owner and/or applicant.

AUTHORIZATION: I (we) hereby authorize Pegasus Property Management and/or Forest Ridge Shores at Fountain Lakes Neighborhood Association to verify all information contained in the application and to conduct a full background, including but not limited to employment, income, eviction and criminal and to authorize that they may contact any persons or companies listed in the application.

Applicant

Date

Co-Applicant

Date

Applicant(s) Approved

Applicant(s) Disapproved

Board Member / Property Manager

Date

FOREST RIDGE SHORES HOA

64 UNITS-QUARTERLY

FOR THE PERIOD: JANUARY 1, 2026 - DECEMBER 31, 2026

ADOPTED BUDGET

ACCOUNT NO.	DESCRIPTION	2025 BUDGET	7/30/2025 ACTUAL	8/1-12/31/25 ESTIMATED	2025 ESTIMATED	VARIANCE	2026 BUDGET	PER QUARTER	PER UNIT/QTR
REVENUE									
6300	REGULAR ASSESSMENT FEE	110,080.00	64,213.33	45,866.67	110,080.00	0.00	115,200.25	28,800.06	450.00
6450	LATE FEES	0.00	270.31	0.00	270.31	270.31	0.00	0.00	0.00
6650	MISC INCOME	0.00	1,000.00	0.00	1,000.00	1,000.00	0.00	0.00	0.00
6800	INTEREST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6800	OPERATING INTREST	0.00	4.42	0.00	4.42	4.42	0.00	0.00	0.00
6950	PRIOR YEAR SURPLUS	0.00	0.00	0.00	0.00	0.00	896.00	224.00	1.37
TOTAL REVENUE		110,080.00	65,488.06	45,866.67	111,354.73		116,096.25	29,024.06	451.37
EXPENSES									
7310	STATE FILING FEES	61.25	61.25	0.00	61.25	0.00	61.25	15.31	0.24
7050	LEGAL EXPENSE	400.00	0.00	166.67	166.67	233.33	400.00	100.00	1.56
7200	MANAGEMENT FEES	6,600.00	3,850.00	2,750.00	6,600.00	0.00	6,600.00	1,650.00	25.78
7250	OFFICE EXPENSE	800.00	647.06	333.33	980.39	180.39	1,540.00	385.00	6.02
7390	TAXES	275.00	275.00	0.00	275.00	0.00	275.00	68.75	1.07
7450	CONTINGENCY (Wall)	343.75	1,235.00	143.23	1,378.23	1,034.48	500.00	125.00	1.95
7470	FOUNTAIN LAKES MASTER FEE	89,600.00	52,266.00	37,333.33	89,599.33	0.67	94,720.00	23,680.00	370.00
7500	PROPERTY/LIABILITY & CRIME & DO	12,000.00	6,640.62	5,000.00	11,640.62	359.38	12,000.00	3,000.00	46.88
TOTAL EXPENSES		110,080.00	64,974.93	45,726.56	110,701.49		116,096.25	29,024.06	453.50
PER UNIT PER QTR		\$ 430.00					\$ 450.00		
PER UNIT PER YEAR		\$ 1,720.00					\$ 1,800.00		

Forest Ridge Shores HOA
Frequently Asked Questions and Answers
Effective January 1, 2026

Q: What are my voting rights in the association?

A: Each unit has one (1) vote which may be cast in all matters that require a vote of the owners. Voting rights and procedures are described in the Bylaws of the Association.

Q: What restrictions exist on my right to use my unit in the Documents?

A: Each unit is restricted to residential single-family use.

Q: What restrictions on the leasing of my unit exist in the documents?

A: Leasing is limited to no more than 2 leases per year each with a minimum term of six (6) months. Each owner shall be responsible for the acts and omissions, whether negligent or willful, of any person residing in his unit.

Q: How much are my assessments to the association for my unit type and when are they due?

A: For 2026, the assessments are \$450.00 per unit per quarter and are due on the first of January, April, July and October.

Q: Are there other fees associated with the purchase?

A: Yes. Each owner shall, upon acquisition of purchase, contribute to the Association an amount equal to \$2500.00. This is a one-time Capital Contribution fee.

Q: Do I have to be a member in any other association? If so, what is the name of the association and what are my voting rights in this association? Also, how much are my assessments?

A: The unit owner is automatically a member of the master association, The Fountain Lakes Community Association. Voting rights are one (1) vote per unit and may be cast in all matters that require a vote of the owners. The master association fees are currently included in your Forest Ridge Shores Assessment.

Q: Am I required to pay rent or land use fees for recreational or other commonly used facilities? If so, how much am I obligated to pay annually?

A: No

Q: Is the association or other mandatory membership association involved in any court cases in which it may face liability in excess of \$100,000? If so, identify each such case.

A: No.

NOTE: THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. IT IS THE RESPONSIBILITY OF EVERY UNIT OWNER TO READ AND UNDERSTAND THE DOCUMENTS GOVERNING THE OPERATION OF THE ASSOCIATION.

**BLANK ASSOCIATION
EMAIL CONSENT FORM**

(Please print in ink.)

ADDRESS _____

NAME (S) _____

HOME PHONE _____

CELL PHONE _____ CELL PHONE _____

If more than one number is listed, please write initial of first name after each cell phone number to indicate ownership.

E-MAIL ADDRESS #1 _____

E-MAIL ADDRESS #2 _____

To which e-mail address(es) do you want e-mails sent? #1 _____ #2 _____ (Check one or both.)

NORTHERN/ALTERNATE ADDRESS

NORTHERN/ALTERNATE HOME PHONE _____

CHOOSE ONE:

YES YES NO I hereby agree and consent to be duly notified via e-mail of association meetings and other notices as permitted by law and I consent to an online voting system, if/when applicable in accordance with Florida Statutes.

SIGNATURE _____ DATE _____

PLEASE RETURN THIS FORM AS SOON AS POSSIBLE TO:

**Pegasus Property Management
8840 Terrene Court, Suite 102
Bonita Springs, FL 34135
Fax: (239) 454-5191
Email: reception@pegasuscam.com**

ELECTRONIC PAYMENT AUTHORIZATION FORM

AUTHORIZATION AGREEMENT

I hereby authorize Pegasus Property Management Inc. to initiate electronic debits to my account at the financial Institution named below. I also authorize Pegasus Property Management Inc. to credit my account in the event that a debit entry is made in error.

Further, I agree not to hold Pegasus Property Management Inc. responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution.

This agreement will remain in effect until Pegasus Property Management Inc. receives a written notice of cancellation from me or my financial institution, or until I submit a new Electronic Payment Authorization form to Pegasus Property Management Inc.

Day of the month your account will be charged: 5TH

ACCOUNT INFORMATION

Name of Financial Institution _____

Routing Number _____

Account Number _____

ASSOCIATION INFORMATION

Association Name: _____

Address: _____

OWNER INFORMATION

Customer Name: _____

Customer Signature: _____ Date: _____

PLEASE CONFIRM THE INFORMATION FROM A CHECK. Pegasus will not be responsible for incorrect information provided. If you would like to send a voided check along with this application please send it to reception@pegasuscam.com or mail to:

Address: **Pegasus Property Management**
8840 Terrene Ct #102
Bonita Springs, FL 34135

The image shows a sample check with the following details:

- Payee: Paul Maple, Olivia Maple, 1234 Windy Oaks Drive, Anytown OR 00000
- Bank: ANYTOWN BANK, Anytown OR 90000
- Amount: \$1234 (written as 1234 and 15-0000/000)
- Routing number: 250250025 (circled and labeled "Routing number")
- Account number: 202020861234 (circled and labeled "Account number")
- Check number: 1234 (circled and labeled "Do not include the check number")
- Watermark: "SAMPLE" diagonally across the center.
- Bottom line: | : 250250025 | : 202020861234

PREPARED BY:
CHRISTOPHER I. MILLER, ESQ.
GOEDE, DEBOEST & CROSS, PLLC
2030 McGREGOR BLVD.
FORT MYERS, FL 33901
Tel: (239) 333-2992

Deputy Clerk NFERGUSON
#1

CERTIFICATE OF RECORDATION OF THE AMENDED AND RESTATED DECLARATION OF COVENANTS, RESTRICTION & RESERVATIONS FOR THE FOUNTAIN LAKES FOREST RIDGE SHORES SECTION, THE ARTICLES OF INCORPORATION OF FOREST RIDGE SHORES AT FOUNTAIN LAKES NEIGHBORHOOD ASSOCIATION, INC., AND BYLAWS OF FOREST RIDGE SHORES AT FOUNTAIN LAKES NEIGHBORHOOD ASSOCIATION, INC.

THE UNDERSIGNED being the President and Secretary of FOREST RIDGE SHORES AT FOUNTAIN LAKES NEIGHBORHOOD ASSOCIATION, INC., a Florida non-profit corporation, do hereby certify that the attached Amended and Restated Declaration of Covenants, Restrictions & Reservations for the Fountain Lakes Forest Ridge Shores Section, the Amended and Restated Articles of Incorporation of Forest Ridge Shores at Fountain Lakes Neighborhood Association, Inc., and the Amended and Restated Bylaws of Forest Ridge Shores at Fountain Lakes Neighborhood Association, Inc., originally recorded in Official Record Book 3153, Page 712, *et seq.*, of the Public Records of Lee County, Florida, were duly approved, adopted and enacted by the affirmative vote of the required percentage of unit owners at a meeting called for that purpose at which a quorum was present held on the 21st day of June, 2021. **It is the intent of this Certificate of Recordation to also serve as a preservation of the covenants, conditions and restrictions, as amended and/or supplemented from time to time, pursuant to Section 712.05(2)(b), Florida Statutes.**

Dated this 26 day of October, 2021.

WITNESSES:

(Sign) Sherrri Kurtas-Schalk

(Print) Sherrri Kurtas-Schalk

(Sign) Karen Oliveira

(Print) Karen Oliveira

FOREST RIDGE SHORES AT FOUNTAIN LAKES NEIGHBORHOOD ASSOCIATION, INC.

BY: Janet Hildebrand
President of the Association Janet Hildebrand

**STATE OF FLORIDA
COUNTY OF LEE**

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this 26 day of October 2021 by Janet Hildebrand who is personally known to me or produced _____ as identification and did/did not take an oath.



ASHLEY STEVENSON
Commission # GG 283255
Expires December 11, 2022
Bonded Thru Budget Notary Services

NOTARY PUBLIC:

Ashley Stevenson
STATE OF FLORIDA (SEAL)
My Commission Expires:

WITNESSES:

(Sign) Sherrn Kurlas-Schalk

(Print) Sherrn Kurlas-Schalk

(Sign) Karen Oliveira

(Print) K. Oliveira

FOREST RIDGE SHORES AT FOUNTAIN LAKES NEIGHBORHOOD ASSOCIATION, INC.

BY: [Signature]
Secretary of the Association Joyce Siska

**STATE OF FLORIDA
COUNTY OF LEE**

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization this 26 day of October 2021 by Joyce Siska who is personally known to me or produced _____ as identification and did/did not take an oath.

NOTARY PUBLIC:

[Signature]

STATE OF FLORIDA (SEAL)

My Commission Expires:



ASHLEY STEVENSON
Commission # GG 283255
Expires December 11, 2022
Bonded Thru Budget Notary Services

NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE DECLARATION.
FOR PRESENT TEXT SEE EXISTING DECLARATION.

**AMENDED AND RESTATED
DECLARATION
OF COVENANTS, RESTRICTIONS & RESERVATIONS
FOR
THE FOUNTAIN LAKES FOREST RIDGE SHORES SECTION**

KNOW ALL PERSONS BY THESE PRESENTS that the original Declaration of Covenants, Restrictions and Reservations for The Fountain Lakes Forest Ridge Shores Section was recorded in Official Record Book 3153, at Page 712 et seq., of the Public Records of Lee County, Florida as Exhibit "B" to Supplement #5 to the Declaration of Protective Covenants and Restriction for Fountain Lakes. That original Declaration, as it has previously been amended, is hereby further amended and is restated in its entirety.

The land subject to this Declaration (hereinafter the "Property") is described in Exhibit "A" to the to the original Declaration. That legal description is incorporated herein by reference and attached hereto as Exhibit "A".

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 "Assessments" means a share of the funds required for the payment of Common Expenses and individual expenses which from time to time are assessed by the Association against an Owner as Regular, Special and Individual Assessments.

1.2 "Articles" and "Bylaws" as used herein, means the Articles of Incorporation and the Bylaws of Forest Ridge Shores at Fountain Lakes Neighborhood Association, Inc., as amended from time to time. A copy of the Amended and Restated Articles of Incorporation and Bylaws are attached hereto as Exhibit "C" and "D" respectively.

1.3 "Association" means Forest Ridge Shores at Fountain Lakes Neighborhood Association, Inc., a Florida not for profit corporation, which is responsible for the maintenance and operation of the Common Areas and amenities.

1.4 "Board" means the Board of Directors responsible for the administration of the Association.

1.5 "Common Areas" means all real property including any improvements and fixtures thereon, owned, leased or the use of which has been granted or dedicated to the Association for the common use and

enjoyment of its members. The Common Areas of the Association include all land described in Exhibit "A" and subject to this Declaration save and except for the individual Lots. The Common Areas include but are not limited to the storm water management and drainage features and all other areas shown on the on the plat.

1.6 "Common Expenses" means the expenses incurred by the Association in the course of performing its duties under the Governing Documents and the law. Common Expenses of the Association include the costs of operating the Association, the costs of administration, maintenance, operation, repair and replacement of the Common Areas, other expenses declared by the Governing Documents to be Common Expenses, and any other valid expenses or debts of the Property as a whole of the Association which are assessed against the Lot Owners including the operation, maintenance and replacement of the Water Management System.

1.7 "Common Surplus" means the excess of all receipts of the Association, including but not limited to Assessments, rents, profits and revenues over the Common Expenses.

1.8 "Declaration" means this Declaration as amended from time to time.

1.9" "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 and economic unit.

1.10 "Governing Documents" means and includes this Declaration, the Articles, the Bylaws, the Rules and Regulations and all recorded exhibits thereto, as amended from time to time.

1.11 "Guest" means any person who is not the Owner or a lessee of a Lot or a member of the Owner's or lessee's family, who is physically present in, or occupies a Home on a temporary basis at the invitation of the Owner or other legally permitted occupant, without the payment of consideration. "Temporary" as used herein means no more than thirty (30) consecutive or cumulative days in any calendar year.

1.12 "Home" means a residential dwelling unit intended for residential use which is constructed on a Lot.

1.13 "Lease" means the grant by an Owner of a temporary right of use of the Owner's Home with or without valuable consideration. The term Lease and all its derivations as used herein applies to any type of occupancy for which the occupant has paid or will pay consideration to the Owner including but not limited to occupancy pursuant to a license or transient rental agreement.

1.14 "Lot" means the Lots of land located within the real property according to the Plat. All of said land has been subdivided for residential use with fee simple title to each Lot having been conveyed to an Owner for use as a residential homesite. No Lot shall include the Common Areas. No Lot may be subdivided or joined together without the consent of the Association. The Lots may be depicted and numbered on sketches or surveys as recorded in the Public Records of Lee County, Florida.

1.15 "Maintenance", "Repair" and "Replacement." Maintenance means the upkeep or preservation of the condition of the Property. Repair means to mend, remedy, or restore to a sound or good state after decay, injury, dilapidation or partial destruction. Replace means to place again; restore to a former condition after destruction.

1.16 "Master Association" and "Master Declaration" mean the Fountain Lakes Community Association, Inc., and the Declaration of Protective Covenants and Restrictions for Fountain Lakes, as amended, originally recorded in O.R. Book 1938, Page 4601 Public Records of Lee County Florida. All Lot Owners are members of the Master Association and subject to the Master Declaration.

1.17 "Members" means and refers to those persons who are entitled to membership in the Association as provided in its Articles of Incorporation and Bylaws.

1.18 "Occupy" when used in connection with a Home, means the act of staying overnight in a home. "Occupant" is a person who occupies a Home.

1.19 "Owner" or "Lot Owner" means the record Owner of legal title to a Lot.

1.20 "Plat" means the plat of Forest Ridge Shores Section of Fountain Lakes recorded in Plat Book 64 at Page 83 of the Public Records of Lee County, Florida attached hereto as Exhibit "B" and shall include any amendment or replat of all or any portion thereof.

1.21 "Primary Occupant" means the natural person approved for occupancy of a Home when title to the Lot is held in the name of two or more persons who are not husband and wife, or by a trustee or a corporation or other entity which is not a natural person. When used in reference to a home owned in one of the forms listed above, the term "primary occupant" shall be synonymous with the term "Owner".

1.22 "Property" or "Community" means all the real property which is subject to this Declaration.

1.23 "Structure" means that which is built or constructed, or any piece of work artificially built up or composed of parts joined together in some definite manner, the use of which requires a more or less permanent location on the ground. The term shall be construed as if followed by the words "or part thereof". The term includes, without limitation swimming pools, fences, flagpoles, antennas, playground equipment, patios, decks and storage sheds.

1.24 "Voting Interests" means the voting rights distributed to the Association members pursuant to the Bylaws.

2. ASSOCIATION.

2.1 Membership. Every Owner of a Lot shall be a member of the Association, and by acceptance of a deed or other instrument evidencing his or her Ownership interest, each Owner accepts his or her membership in the Association, acknowledges the authority of the Association as herein stated, and agrees to abide by and be bound by the provisions of the Governing Documents, as amended from time to time.

2.2 Voting Rights. Voting rights are set forth in the Bylaws of the Association.

2.3 Articles of Incorporation. A copy of the Amended and Restated Articles of Incorporation of the Association is attached to this Declaration as Exhibit "B".

2.4 Bylaws. A copy of the Amended and Restated Bylaws of the Association is attached to this Declaration as Exhibit "C".

2.5 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.

2.6 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 Owners. The officers and Directors of the Association have a fiduciary relationship to the Owners. An Owner does not have the authority to act for or bind the Association by reason of being an Owner.

2.7 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 as amended from time to time hereafter. 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.

2.8 Official Records. The Association shall maintain its official records as required by law. The records shall be open to inspection by members or their authorized representatives at all reasonable times. The right to inspect the records includes a right to make or obtain photocopies at the reasonable expense of the member seeking copies.

2.9 Purchase of Lots. The Association has the power to purchase Lots in the community 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 Owners.

2.10 Interests in Real Property. The Association has the power to acquire property, both real and personal. The power to acquire personal property shall be exercised by the Board of Directors. Except as otherwise provided in Section 2.9 above and 4.6 below, the power to acquire, encumber or convey ownership interests in real property, including recreational facilities, whether or not contiguous with the property, shall be exercised by the Board of Directors only after approval by at least a majority of the voting interests of the Association.

2.11 Disposition of Personal Property. Any personal property owned by the Association, may be mortgaged, sold, or otherwise encumbered or disposed of by the affirmative vote of a majority of the entire Board of Directors, without need for authorization by the Lot Owners.

2.12 Roster. The Association shall maintain a current roster of names and mailing addresses of Owners, based upon information supplied by the Owners. 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.

2.13 Alterations, Improvements, Additions. The Association has the power to make material alterations, improvements and additions to the Common Areas, including but not limited to, installation of speed bumps and other traffic controls, as well any other alterations or additions and the power shall be exercised by the Board of Directors.

3. ASSESSMENTS. The provision of this section shall govern assessments payable by all Owners of Lots, for the common expenses of the Association not directly attributable to one of the Lots.

3.1 Covenant to Pay Assessments. Each Owner of a Lot by the act of becoming an Owner covenants and agrees, and each subsequent Owner of any Lot (including any purchaser at a judicial sale), by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association:

(A) The Lot Owner's share of annual assessments based on the annual budget adopted by the Board of Directors of the Association;

(B) The Lot Owner's pro rata share of special assessments for capital improvements or other Association expenditures not provided for by annual assessments;

(C) Any charges properly levied against individual Lot Owner(s) ("Individual Assessments") without participation from all other Owners.

Assessments and charges shall be established and collected as provided herein and elsewhere in the governing documents. The Owner of each Lot, regardless of how title was acquired, is liable for all assessments or installments thereon coming due while he or she is the Owner. Multiple Owners are jointly and severally liable. Except as provided in Section 3.10 below, whenever title to a Lot is transferred for any reason, the transferee is jointly and severally liable with the transferor for all unpaid assessments and charges against the transferor, regardless of when incurred, without prejudice to any right the transferee may have to recover from the transferor any amounts paid by the transferee. No Owner may waive or otherwise escape liability for the assessments and charges provided for herein by waiver or non-use of the Common Areas, by abandonment, or otherwise. Except as provided elsewhere in the governing documents as to Institutional Mortgagees, no Owner may be excused from the payment of assessments unless all Owners are similarly excused. Assessments and other funds collected by or on behalf of the Association become the property of the Association. No Lot Owner has the right to claim, assign or transfer any interest therein except as an appurtenance to his or her Lot. No Owner can withdraw or receive distribution of his or her prior payments to the common surplus or Association reserves, except as otherwise provided herein or by law.

3.2 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; 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) for emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss.

3.3 Share of Assessments, Regular, Special and Individual. The Owners of each Lot shall be liable for a 64/100th share of the regular annual and special assessments levied by the Association for common expenses of the Association. 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 as provided by law against such Owner's Lot which may be foreclosed or otherwise collected as provided herein.

3.4 Lien. The Association has a lien on each Lot for unpaid past due Association assessments, and charges, together with interest, late payment penalties, costs and reasonable attorney fees incurred by the Association in enforcing this lien. The lien is perfected by recording a Claim of Lien in the public records of the county, which 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, fines and charges, interests, late fees, 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.

3.5 Foreclosure of Lien. The Association may bring an action in its name to foreclose its lien for unpaid assessments or charges by the procedures and in the manner as is provided in Section 720.3085 of the Florida Statutes, as amended from time to time hereafter. All unpaid assessments and charges 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 charges 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.

3.6 Priority of Liens. The Association's lien for unpaid charges, assessments and all other amounts shall be subordinate and inferior to any recorded institutional first mortgage, unless the Association's Claim of Lien was recorded before the mortgage but shall relate back to the date the original Declaration was recorded in the Public Record and be superior to, and take priority over, any other 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.

3.7 Application of Payments; Failure to Pay; Interest. Assessments, charges and installments thereon paid on or before ten (10) days after the date due shall not bear interest, but all sums not so paid shall bear interest at the highest rate allowed by law, calculated from the date due until paid. In addition to interest the Association may also charge an administrative late payment fee in an amount not to exceed the maximum amount allowed by law. Assessments, charges and installments thereon shall become due, and the Lot Owner shall become liable for said assessments or installments, on the date established in the Bylaws or otherwise set by the Board of Directors for payment. 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 (including but not limited to collection charges imposed by the management company, attorney and court) then to attorney fees, then to fines (if allowed by law), then to other charges, and then to the oldest outstanding unpaid regular, special or individual assessments. No payment by check is deemed received until the check has cleared. 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 in Section 10.10 below

3.8 Acceleration. If any special assessment or installment of a regular assessment as to a Lot becomes more than thirty (30) days past due, and a Claim of Lien is recorded, the Association shall have the right to accelerate the due date of the entire unpaid balance of the Lot's assessments for that fiscal year. The due date for all accelerated amounts shall be the date the Claim of Lien was recorded in the public records. The Association's Claim of Lien shall secure payment of the entire accelerated obligation, together with interest on the entire balance, attorney fees and costs as provided by law; and said Claim of Lien shall not be satisfied or released until all sums secured by it have been paid. The right to accelerate shall be exercised by sending to the delinquent Owner a notice of the exercise, which notice shall be sent by certified or registered mail to the Owner's last known address and shall be deemed given upon mailing of the notice, postpaid.

3.9 Removal of Property. After the Association successfully performs a foreclosure on the property, if the Owner does not remove personal property from the foreclosed premise, such property will be deemed forfeited to the Association and the Association may authorize removal and may sell such forfeited property after ten (10) days written notice by certified mail addressed to the Owner at the last known address or at such address on record as provided to the Association by the Owner. Such remedy shall be in addition to all other remedies available to the Association under applicable laws, rules and regulations including the right to compel removal of the property and right to impose any and all fines.

3.10 Certificate as to Assessment, Mortgagee Questionnaires. Within ten (10) working days after request by a Lot Owner or mortgagee, the Association shall provide a certificate (sometimes referred to as an "estoppel letter" stating whether all assessments and other monies owed to the Association by the Lot Owner with respect to the Lot have been paid. Any person other than the Lot Owner who relies upon such certificate shall be protected thereby. The Association may charge up to the maximum amount allowed by law to issue an estoppel certificate. The Association may but is not obligated to respond to mortgagee questionnaires. If the Association chooses to respond to a mortgagee questionnaire the Association may charge up to \$150.00 (in addition to any charge for an estoppel letter) plus attorney's fees for doing so.

3.11 Mortgage Foreclosure. Unless otherwise provided by law, if the mortgagee of a first mortgage of an institutional mortgage of record acquires 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 or title shall be liable for the share of common expenses or assessments attributable to the Lot, or to the former Owner of the Lot, which came due prior to the mortgagee's acquisition of title as required by Section 720.3085, Florida Statutes. Any unpaid share of common expenses for which such acquirer is exempt from liability becomes a common expense collectible from all Owners, including such acquirer and his or her 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 assessments due and owing at the time of sale regardless of whether or not the Association has file a lien. 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 assessments coming due during the period of his or her Ownership.

4. EASEMENTS.

4.1 Appurtenant Easements. Subject to the restrictions found elsewhere in this Section 4, the Owner of each Lot, their guests, lessees and invitees, shall have as an appurtenance to their Lot a perpetual nonexclusive easement for ingress and egress over, across and through the Common Areas, for the use and enjoyment of all recreational facilities, such use and enjoyment to be shared in common with the other Owners of Lots, their guests, lessees and invitees, subject to the provisions of this Declaration.

4.2 Utility Easements. A perpetual easement shall exist upon, over, under and across the Property for the purpose of maintaining, installing, repairing, altering and operating sewer lines, water lines, waterworks,

sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal systems, pipes, valves, gates, pipelines, cable television and all machinery and apparatus appurtenant thereto as may be necessary for the installation and maintenance of utilities servicing all Owners of Lots and servicing the Common Areas, all such easements to be of a size, width and location so as to minimize and not unreasonably interfere with the use of any improvements which are now, or will be, located upon said property. The Association, through its Board of Directors, has the authority to grant additional such easements, and to modify, move or vacate such existing easements as may be necessary to efficiently and effectively provide utility and other services to the Lots common elements and Common Areas.

4.3 Fence Easement. A fence exists on Lots 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 pursuant to the terms and conditions of the Agreement for Non-Exclusive Easement for Installation and Maintenance of Fence recorded in O.R. Book 3218 Page 3352 and the Supplement to Easement Agreement recorded in O.R. Book 3885 Page 236, all of the Public Record of Lee County, Florida. The fence shall be maintained, repaired and replaced by the Association and the cost is a Common Expense.

4.4 Subordination. Notwithstanding any of the foregoing to the contrary, it is understood that these covenants and restrictions are subordinate and will be subordinate without the necessity of any other instrument, to any existing easement or easements to any public or quasi-public utility for the installation and maintenance of service lines in the Common Areas.

4.5 Extent of Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(A) the right of the Association, in accordance with its Bylaws, to borrow money for the purpose of improving and/or maintaining the Common Areas and providing the services herein, and, to aid thereof, to mortgage said properties;

(B) the right of the Association to impose rules and regulations governing the use of the Common Areas and Association property as further provided in the Bylaws; and

(C) the right of the Association to a non-exclusive easement over, across and through each Lot as necessary to meet the Association's maintenance or enforcement responsibilities.

4.6 Notwithstanding anything to the contrary contained herein, the Association has the power, without the joinder of any Owner, to grant, modify or relocate easements in any portion of the Common Area or Association property, as the Board shall deem necessary or desirable for the Association. Such easements, or the relocation of existing easements, may not prevent or unreasonably interfere with the use of the Lots.

5. MAINTENANCE.

5.1 Association Maintenance. The Association shall, in addition to other maintenance obligations contained elsewhere herein, have the maintenance, repair and replacement responsibility for all Common Area property located within the Property including the landscaping, and electrical fixtures serving the Common Areas.

(A) The foregoing notwithstanding, the Association is not responsible for the maintenance, repair and replacement of all potable and non-potable water lines up to and including the shut off valves to individual Lots as this is the responsibility of Bonita Springs Utilities, Inc., and its successors or assigns.

(B) The foregoing notwithstanding, the Association shall maintain, repair and replace the fence on Lots 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 and the cost is a Common Expense.

5.2 Lot Owner Maintenance. The individual Lot Owners shall, in addition to other obligations contained elsewhere herein, have the maintenance, repair and replacement responsibility of the following:

(A) The home structure and all structural components, including courtyard walks, entry doors, garage doors, and roof components, windows, sliding glass doors, screens, screen doors and their hardware, frameworks, and locks serving the home. The roofs and exterior of the structure shall be cleaned on a regular basis to remove and discourage mold growth.

(B) The complete interior of the home including all interior walls, floors, ceilings, partitions, cabinets, plumbing and all other interior components.

(C) Interior and exterior electrical lines and hookups, all air conditioning components, appliances, TV cables and connections, telephone and other similar lines and connections and sewer pipes and septic systems serving the individual Lot.

(D) All grounds, green areas, storm drains, drain courses, sprinkler systems and other portions of same located on the individual Lots including but not limited to all potable and non-potable water lines from the shut-off valve and serving the individual Lot except for the back flow preventer valves which are the responsibility of Bonita Springs Utilities, Inc., and its successors and assigns. However, the Association may contract for the mowing of the Lots on a bulk service basis and charge the cost of same as an individual assessment to only those Lot Owners that choose to utilize the service.

(E) Any modifications, alteration, installation or addition to the Lot or Common Areas made by the Lot Owner or his or her predecessors in title with Board approval including but not limited to, any decks or concrete pads. The Lot Owner shall be responsible for insurance, maintenance, repair and replacement of such modifications, installations or additions and the cost of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace or protect other parts of the properties for which the Association is responsible.

5.3 Enforcement of Maintenance. If the Owner of a Lot fails to maintain his or her Lot as required above, the Association shall have the right to institute legal proceedings to enforce compliance, or may take any and all other steps necessary to remedy such violation, including but not limited to entering the Lot and remedying the violation, with or without consent of the Lot Owner but only after ten (10) days written notice of intent to do so. The Association may repair, replace or maintain any item which constitutes a hazard to other property or residents, prevents the Association from fulfilling its maintenance responsibilities, or which has a materially adverse effect on the appearance of the Properties. Any expenses so incurred by the Association shall be billed directly to the Owner of the Lot to which such services are provided and shall be an individual assessment charged against the Lot, secured by a lien against the Lot as provided in Section 3 above.

5.4 Negligence; Damage Caused by Condition in Lot. Each Lot Owner shall be liable for the expenses of any maintenance, repair or replacement of Common Areas, other Lots, or personal property made necessary by his or her act or negligence or by that of any member of his or her family or his or her guests, invitees, employees, agents, or lessees.

6. ARCHITECTURAL CONTROL TO PRESERVE THE BEAUTY, QUALITY AND VALUE OF

THE COMMUNITY.

6.1 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 Committee (hereinafter "ARC") of the Master Association as provided in the Master Association governing documents subject to the limitation in Section 6.2 below. All approved modifications or improvements shall be completed within one hundred eighty (180) days from the date of approval or less if required by the ARC. All changes, alterations or modifications to an approved plan must also be approved pursuant according to these same requirements.

6.2 The ARC. The architectural review and control functions of the Association shall be administered and performed by the Architectural Review Committee (the ARC) of the Master Association. Notwithstanding anything to the contrary contained herein or elsewhere all ARC decisions must also be approved by two (2) Directors from the Association.

7. INTENTIONALLY LEFT BLANK.

8. USE RESTRICTIONS. The following rules and standards apply to all persons and shall be enforced by the Association pursuant to Section 13 hereof.

8.1 Home. Each home shall be occupied by only one (1) family at any time. Each home shall be used as a home and for no other purpose. However, "no impact" or "low impact" home based businesses in and from a home are allowed. Such uses are expressly declared customarily incident to residential use. Examples of businesses which are prohibited and are considered "impact" businesses are businesses or commercial activity or ventures that create customer traffic to and from the home, create noise audible from outside the home, or generate fumes or odors noticeable outside the home, including but not limited to, a home day care, beauty salon/barber, and animal breeding. Signs and other advertising material visible from the street are prohibited.

8.2 Minors; Operation of Motor Vehicles on Common Area. All persons under eighteen (18) years of age shall be closely supervised at all times by an adult to insure that they do not become a source of unreasonable annoyance to other residents. Any person that does not have a valid, current driver's license is prohibited from operating any motor vehicle, including but not limited to golf carts, on the Common Area unless said person is under the direct supervision of another person that has a valid, current driver's license.

8.3 Animals. No more than three (3) animals of a normal domesticated household type (such as cats or dogs) are permitted to be kept on each Lot. Animals must be carried under the Owner's arm or leashed at all times when outside the Owner's property. The ability to keep animals is a privilege, not a right, and the Board of Directors is empowered to fine an Owner and/or order and enforce the removal of any animal that becomes a source of unreasonable annoyance or a danger to the health, safety and welfare to other residents. No aggressive animals, reptiles, monkeys, amphibians, poultry, swine (including pot belly pigs), rabbits, ferrets or livestock may be kept on the properties. No commercial breeding or boarding of animals of any type is allowed. An aggressive animal is any animal so determined in the sole and exclusive discretion of the Board.

8.4 Nuisances. No Owner shall use his or her home, or permit it to be used, in any manner which constitutes or causes an unreasonable amount of annoyance or nuisance to the occupant of another home, or which

would not be consistent with the maintenance of the highest standards for a first class residential community nor permit the premises to be used in a disorderly or unlawful way. The use of each home shall be consistent with existing laws and the governing documents, and occupants shall at all times conduct themselves in a peaceful and orderly manner. No solicitation will be allowed at any time within the community. The Board of Directors determination as to what constitutes a nuisance or annoyance shall be dispositive and shall control without regard to any legal definition of such terms.

8.5 Signs and Flags. The Master Association Rules and Regulations regarding signs and flags must be complied with and are incorporated herein by reference, as amended from time to time hereafter.

8.6 Garages. Each home shall have an attached garage capable of housing not less than two (2) nor more than four (4) standard sized automobiles. Carports are prohibited. No more than the total number of vehicles that can be housed in the garage and in the driveway shall allowed. No garage shall be enclosed or converted to other use than primarily for parking vehicles without the approval of the ARC.

8.7 Lot Structures. Other than one single family home, and related garage, no structure, trailer, house trailer, tent, shack, shed, barn or other outbuilding shall be used or placed on any Lot or the Common Areas at any time either temporarily or permanently without the approval of the ARC. Each home on a Lot shall have a minimum of 1300 square feet of air conditioned floor for a one-story home and 1450 square feet of air-conditioned floor area for a two-story home, exclusive of breezeways, porches, patios and garages; and each multi-story family home shall have a minimum of square feet of air conditioned floor area on the ground floor exclusive of breezeways, porches, patios and garages. All roofs shall be covered by architectural grade shingles or tiles. Any proposed roof replacement, in whole or in part, shall first be approved by the ARC.

8.8 Setback Lines. All building and structures erected or constructed shall conform to the Lee County setback limitations and the set back limitations in the Master Declaration. Any setback variance must be approved the Association and may be disapproved without regard to any approval obtained from Lee County or the Master Association.

8.9 Motor Vehicles and Boats. No maintenance or mechanical repairs of vehicles or boats is permitted on the properties outside of garages except in an emergency. No boats, ATV's, swamp buggies, dune buggies, go carts, golf carts, wave runners, jet skis, motorcycles, mopeds, trailers, motor homes, travel trailers, campers, recreational vehicles or commercial vehicles shall be parked anywhere on the properties outside of garages for more than forty-eight (48) hours unless the vehicle is on the premises to provide services to an Owner or the Association. As used herein the term "commercial vehicle" means trucks and other vehicles which are used for business purposes including but not limited to, any vehicle which displays a company name or logo on its exterior, is adorned with signs, flags, advertisements or any type of lettering or graphic of a commercial nature or any vehicle with racks, ladders, staging, or other equipment or attachments of a commercial nature, including supplies used for commercial purposes, on or visible in the vehicle. Additionally, and notwithstanding the foregoing, any vehicle, by whatever name designated, which is used for transporting goods, equipment or paying customers shall be considered a commercial vehicle regardless of any definition found elsewhere to the contrary. Further, any vehicle, whether commercial or non-commercial, with vehicle parts such as the hood, door, quarter panel, bumper or bed removed shall be placed in a garage so that it is not readily visible from any adjacent street or Lot. The Association is authorized to tow or place a disabling "boot" on any vehicle violating this Section, the rules or regulations, a law or any other restriction contained in the governing documents and the cost of towing and/or booting shall be the obligation of the Owner of the vehicle. No vehicles are permitted to be parked on the lawn or any area not intended for the parking of vehicles. No overnight parking on the street is permitted.

8.10 Landscaping. Except for areas maintained by the Association, all areas of Lots not covered by structures, walkways or paved parking facilities shall be maintained by their Owners as lawn or landscaped areas to the roadways edge of any abutting streets and to the waterline of any abutting lakes, rivers, canals or water management areas. Stone, gravel or paving may not be used as a substitute for grass in a lawn. All lawn and landscaping shall be completed at the time completion of the structure as evidenced by the issuance of a Certificate of Occupancy by the appropriate governmental agency and shall thereafter be kept in good condition by the Owner. The landscaping on Lots, including without limitation, the trees, shrubs, lawns, flowerbeds, walkways and ground elevations, shall be maintained by the Owner thereof in a well groomed manner. Such grooming shall include but not be limited to regularly cutting, trimming, watering and fertilizing. Mulched areas must be regularly mulched. All Lots shall install and regularly utilize a below ground irrigation system for watering their lawn and landscaping.

8.11 General.

(A) No towels, garments, rugs, etc., may be hung from windows or other parts of the homes. No clotheslines or drying yards shall be allowed.

(B) No weeds, underbrush (other than indigenous growth), or other unsightly growths shall be permitted to grow or remain upon any part of the premises and no refuse pile or unsightly objects shall be allowed to be placed or remain anywhere thereon. Vacant Lots shall be cleaned, seeded and then maintained in a well kept condition at all times.

(C) No obnoxious or offensive activity shall be carried on nor shall anything be done which may be or become a source of unreasonable nuisance or annoyance to the Community or its residents.

(D) Trash, garbage and other waste shall be kept only in sanitary containers which shall be kept in a clean and sanitary condition and, as required by the Master Association and ARC, screened from view from neighboring homes and the interior roadways except when out for pick-up. Recycle bins and trash shall not be put on the curb, for pick-up, prior to 6:00 p.m., the night before the scheduled pick-up and shall be removed from the curb no later than 6:00 p.m., the day of pick-up. All trash, garbage and other waste containers kept outside shall be equipped with a latch or other device to prevent animals from entering the container and Owners shall regularly use and employ the device.

(E) No antenna of any kind shall be placed or erected upon any Lot or affixed in any manner to the exterior of any building other than a satellite antenna less than one meter in diameter, an aerial designed to receive over-the-air television broadcast, or an antenna designed to receive multichannel, multi point distribution service which may be installed only at a location on a Lot approved by the ARB. In approving the installation and location of any antenna the ARB shall comply with all applicable laws, whether state or Federal. A structure designed to enclose and screen garbage cans is allowed with prior approval of the ARB.

(H) All recreational facilities or improvements constructed or placed on a Lot, including without limitation by specification, any play or recreation structures, such as swing sets, play houses, plastic play sets or any other kind of structures of a similar kind or nature (collectively referred to herein as "Recreation Facilities") must first be approved by the ARC, which said approval shall be conditioned upon the Recreational Facility being adequately landscaped so it is not visible from the street or the adjoining neighbor's yard. Swing sets will be no higher than 8 feet, no longer than 13 feet, and no wider than 9 feet. All swing sets shall be made out of preserved wood or metal. The Owner is responsible to keep all Recreation Facilities maintained in a good manner. If upon inspection, the Owner has not maintained the Recreational Facilities the Board may order them removed. If renters wish to erect a swing set or other

Recreational Facility they must have written permission signed by the actual Owner (not Owner's agent) of the house. The written permission slip must be given to the Board prior to installation and must indicate who is going to pay for the landscaping required to shield the Recreational Facility from view. The Board shall place the permission slip in the files of the Association. No basketball backboards shall be attached to a dwelling or any structure connected to the dwelling. Portable basketball backboards are allowed. If you desire to erect a tent, children's bubble house, stage or other type of rented structure or have a live animal for any purpose such as a wedding, birthday or graduation party you must first obtain permission from the Board. Permission should be sought at least two weeks prior to the event.

8.12 Driveways. All dwellings shall have a paved driveway of stable and permanent construction. All driveways shall be made of poured concrete or concrete pavers unless otherwise approved by the ARC in advance and in writing.

8.13 Air Conditioning Units. No window or wall air conditioning units shall be permitted on any Lot. Compressors and fans for central air conditioning or heat pump systems which are located outside the exterior of a building shall be adequately screened to prevent their being viewed from any street.

8.14 Mailboxes. All mailboxes must conform to the specifications and Rules and Regulations of the Master Association and the ARC.

8.15 Fences and Walls. No fences or walls are permitted on Lots except electronic underground animal control fences and fencing, screening or walls for trash receptacles approved by the ARC. The foregoing notwithstanding Lots 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 shall be allowed to maintain the fence thereon pursuant to the terms and conditions of the Agreement for Non-Exclusive Easement for Installation and Maintenance of Fence recorded in O.R. Book 3218 Page 3352 and the Supplement to Easement Agreement recorded in O.R. Book 3885 Page 236, all of the Public Record of Lee County, Florida.

9. **INSURANCE**. In order to adequately protect the Association and its members, insurance shall be carried and kept in force at all times in accordance with the following provisions provide adequate general liability insurance. The amounts of coverage shall be determined annually by the Board of Directors. The insurance carried by the Association shall afford at least the following provisions. (A) and (B) below shall only be required if the Association has Common Area for which it is responsible:

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

(B) Liability. Premises and operations liability for bodily injury and property damage in such limits of protection and with such coverage as are determined by the Board of Directors, with cross liability endorsement to cover liabilities of the Lot Owners as a group to a Lot Owner.

(C) Automobile. Automobile liability for bodily injury and property damage for all owned and non-owned motor vehicles when used for Association business, in such limits of protection and with such coverage as may be determined by the Board of Directors.

(D) Compensation. The Association shall maintain Workers' compensation insurance if required by law.

(E) Directors and Officers Liability Coverage.

9.2 Duty to Insure. Each Lot Owner is responsible for insuring the real and personal property within his or her own Lot and home. Each Owner must recognize that he or she bears financial responsibility for any damage to his or her property or liability to others that would otherwise be covered by such insurance liability including all risk, flood, liability, etc.

9.3 Duty to Reconstruct. If any home or other improvements located on any Lot and home are destroyed or damaged as a result of fire, windstorm, flood, tornado, hurricane or other casualty, the Owner of such improvements shall cause repair or replacement to be commenced within ninety (90) days from the date that such damage or destruction occurred, and to complete the repair or replacement within nine (9) months thereafter. All such repairs or replacements must restore the improvements to substantially their original character, design and condition, shall utilize and conform with the original foundation and appearance of the original improvements except as otherwise approved by the Board of Directors. The Board of Directors may based on its sole and exclusive discretion extend the time periods for reconstructions contained herein.

9.4 Failure to Reconstruct. If the Owner of any home fails to commence or complete construction to repair or replace any damaged or destroyed improvements within the time periods provided for in Section 9.3 above, the Association shall give written notice to the Owner of his or her default. If after thirty (30) days the Owner has not made satisfactory arrangements to meet his or her obligations, the Association shall be deemed to have been granted the right by the Owner, as such Owner's attorney-in-fact, to commence and/or complete the repairs sufficient to substantially restore improvements. If the Association exercises the rights afforded to it by this section, which shall be in the sole discretion of the Board of Directors, the Owner of the home shall be deemed to have assigned to the Association any right he or she may have to insurance proceeds that may be available because of the damage or destruction of the improvement. The Association shall have the right to recover from the Owner any costs not paid by insurance and shall have a lien on the Lot and home to secure payment.

9.5 Association Insurance; Duty and Authority to Obtain. The Board of Directors shall obtain and keep in force the insurance coverage which it is required to carry by law and under this Declaration, and may obtain and keep in force any or all additional insurance coverage as it deems necessary. The name of the insured shall be the Association and the Owners without naming them, and their mortgagees, as their interests shall appear. To the extent permitted by law, the Association may self-insure.

9.6 Optional Coverage. The Association may purchase and carry other such insurance coverage as the Board of Directors may determine to be in the best interest of the Association and Lot Owners.

9.7 Description of Coverage's. A detailed summary of the coverage included in the master policies, and copies of the master policies, shall be available for inspection by Lot Owners so their authorized representatives upon request.

9.8 Waiver of Subrogation. If available and where applicable, the Board of Directors shall endeavor to obtain insurance policies which provide the insurer waives its right to subrogation as to any claim against the Association Lot Owners, or their respective servants, agents or guests, except for any claim based upon gross negligence evidencing reckless, willful or wanton disregard for life or property.

9.9 Insurance Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, the Owners and their mortgagees as their interests may appear, and all proceeds shall be payable to the Association. The duty of the Association shall be to receive such proceeds as are paid, and to hold the same in trust, and disburse them for the purposes stated herein and for the benefit of the Owners and their respective mortgagees in the following share:

(A) Common Areas. Proceeds on account of damage to Common Areas if any shall be held in as many undivided shares as there are Lots, the shares of each Owner being the same as his or her share in the Common Areas.

(B) Mortgagee. If a mortgagee endorsement has been issued as to a home, the shares of the mortgagee and the Owner shall be as their interests appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages which it may hold against Lot or Lots, except to the extent that insurance proceeds exceed the actual cost of repair or restoration of the damaged building or buildings. Except as otherwise expressly provided, no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty.

9.10 Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed to or for the benefit of the Owners in the following manner: The proceeds shall be paid to defray the costs of reconstruction or repair by the Association. Any proceeds remaining after defraying cost shall be distributed to the beneficial Owners, remittances to Home Owners and their mortgagees being paid jointly to them.

9.11 Association as Agent. The Association is hereby irrevocably appointed as agent for each Lot Owner to adjust all claims arising under insurance policies purchased by the Association for damage or loss to the homes, Lots or Common Areas.

9.12 Damage to Common Areas If Any. Where loss or damage occurs to the Common Areas or Association property, it shall be mandatory for the Association to repair, restore and rebuild the damage caused by the loss, and the following procedures shall apply:

(A) The Board of Directors shall promptly obtain reliable and detailed estimates of the cost of repair and restoration, and shall negotiate and contract for repair and reconstruction.

(B) If the proceeds of insurance and available reserves are insufficient to pay for the cost of repair and reconstruction of the Common Areas, the Association shall promptly, upon determination of the deficiency, levy a special assessment against all Lot Owners for the deficiency. Such special assessments need not be approved by the Lot Owners. The special assessment shall be added to the funds available for repair and restoration of the property.

10. LEASING OF HOMES. The leasing restrictions herein apply to any type of occupancy for which consideration has been paid to the Owner including but not limited to a license. In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of homes by their Owners shall be restricted as provided in this section. All leases of homes must be in writing. An Owner may lease only his or her or her entire home, and then only in accordance with this Section and the Master Association governing documents, after receiving the approval of the Master Association if required. Where this Section is more restrictive than the Master Association this Section shall control. The lessee must be a natural person as opposed to an artificial entity such as a corporation, partnership, trust, etc. The following also applies to any new occupant that was not approved under the existing lease.

10.1 Procedures. All leases must be approved and may be denied if required by the Master Association in accordance with its governing documents, policies and procedures.

10.2 Term of Lease and Frequency of Leasing. No home may be leased more often than two (2) times in

any calendar year, with the minimum lease term being six (6) months. No new lease shall begin until the original full term of the last lease has expired. For purposes of this restriction, the first day of occupancy under the lease shall conclusively determine in which year the lease occurs. No lease may be for a period of more than one (1) year, and no option for the lessee to extend or renew the lease for any additional period shall be permitted. No subleasing or assignment of lease rights by the lessee is allowed. No home may be advertised or offered for lease for a lease term of less than six (6) months.

10.3 Exceptions. Upon written request of an Owner, the Board of Directors may approve one additional lease of the home within the same calendar year, but only under unusual circumstances to avoid undue hardship and inequity. In granting an exception the Board may imposed conditions and the exception does not create a precedent

10.4 Guest Occupancy During Lease Term. Guests may occupy leased homes when the lessee is also in residence. The total number of house guests in a leased home is limited to two (2) persons and their children if any. Such guests may stay for a period not to exceed ten (10) days, and the number of occasions for this type of guest occupancy shall be limited to once during the lease term.

10.5 Occupancy in Absence of Lessee. If a lessee absents himself from the home for any period of time during the lease term, his or her family authorized to occupy the home by Section 10.4 above who are already in residence may continue to occupy the home and may have house guests subject to all the restrictions in Sections 10.4 above. If the lessee and all of the family members mentioned in the foregoing sentence are absent, no other person may occupy the home.

10.6 Regulation by Association. All of the provisions of the governing documents and the rules and regulations of the Association shall be applicable and enforceable against any person occupying a home as a lessee or guest to the same extent as against the Owner. A covenant on the part of each occupant to abide by the rules and regulations of the Association and the provisions of the governing documents, designating the Association as the Owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in every lease agreement, whether oral or written, and whether specifically expressed in such agreement or not.

10.7 No Discrimination. The Association is an equal opportunity provider of housing and shall not prohibit a lease for an illegal discriminatory reason.

11. TRANSFER OF OWNERSHIP OF LOTS. In order to maintain a community of congenial, financially responsible residents with the objectives of protecting the value of the units, inhibiting transiency, and facilitating the development of a stable, quiet community and peace of mind for all residents, the transfer of Ownership of a Lot shall be subject to the provisions contained herein. An Owner may sell, gift or devise his or her or her entire Lot, and then only in accordance with this Section and the Master Association governing documents, after receiving the approval of the Master Association if required. Where this Section is more restrictive that the Master Association this Section shall control. NOTE: Any person who was not approved as part of the conveyance to the present Owner must be approved in advance of taking occupancy as provided herein, and for good cause may be disapproved, regardless of whether or not said person shall be obtaining an Ownership interest in the property.

11.1 Procedures. All transfers must be approved and may be denied by the Master Association in accordance with its governing documents, policies and procedures.

11.2 Unapproved Transactions. Any transfer not approved pursuant to this Section 11 and the Master

Association shall be void and unenforceable unless subsequently approved by the Master Association.

11.3 No Discrimination. The Association is an equal opportunity provider of housing and shall not prohibit a transfer for an illegal discriminatory reason.

12. AMENDMENTS; TERMINATION.

12.1 Duration. The conditions of this Declaration shall run with the land and shall inure to the benefit of and be enforceable by the Association or the Owner of any real property subject to this Declaration, their respective legal representatives, heirs, successors and assigns until 2050. On January 1, 2050, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, and subject to existing laws and ordinances, that there shall be no renewal or extension of this Declaration if prior to one (1) year in advance of an effective date of a proposed termination, at least two-thirds (2/3rds) of all Owners of Lots and two-thirds (2/3rds) of all Institutional Mortgagees on Lots affirmatively vote, in person or by proxy, at a duly held meeting of members of the Association in favor of terminating this Declaration. It shall be required that written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, to be given at least ninety (90) days in advance of said meeting. If the Association votes to terminate this Declaration, the President and Secretary shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the number of votes necessary to adopt a resolution terminating this Declaration, and the total number of votes cast against such resolution. Said certificate shall be recorded in the Public Records of * County, Florida at least one (1) year prior to the effective date of termination, and may be relied upon for the correctness of the facts contained therein as they relate to termination of this Declaration.

12.2 Amendments by Members. Except as otherwise provided herein or by law, this Declaration may be amended at anytime by the affirmative vote of at least two thirds (2/3) of the voting interests who are present and voting in person or by proxy, at a duly called meeting of the members of the Association. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall identify the Book and Page of the Public Records where the Declaration is recorded and shall be executed by the President or Vice President of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Lee County, Florida.

13. ENFORCEMENT; GENERAL PROVISIONS.

13.1 Enforcement. Enforcement of these covenant, conditions and restrictions may be by a proceeding at law or in equity and may be instituted by the Association, its successors or assigns, or by any Owner, against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against any Lot to enforce any lien created by these covenants. Failure of the Association or any Owner to enforce any covenants, condition or restriction herein contained for any period of time shall not be deemed a waiver or estoppel of the right to enforce same thereafter.

13.2 Owner and Member Compliance. The protective covenants, conditions, restrictions and other provisions of the governing documents and the rules promulgated by the Association shall apply to members and all persons to whom a member has delegated his or her right of use in and to the Common Areas, as well as to any other person occupying any home under lease from the Owner or by permission or invitation of the Owner or his or her tenants (express or implied), and their licensees, invitees or guests. Failure of any Owner to notify any person of the existence of the rules, or the covenants, conditions, restrictions, and other provisions of the governing documents shall not in any way act to limit or divest the Association of the power to enforce these provisions. Each Lot Owner shall be responsible for any and all violations by his or her tenants, licensees, invitees or guests and by the guests, licensees and invitees of his or her tenants, at any time.

13.3 Litigation. Enforcement actions for damages, or for injunctive relief, or both, on account of any alleged violation of law, or of the governing documents or Association rules, may be brought by any Owner, or the Association against:

(A) the Association;

(B) the Lot Owner;

(C) anyone who occupies or is a tenant or guest of a Lot; or

(D) any officer or Director of the Association who willfully and knowingly fails to comply with these provisions.

13.4 Attorney Fees. In any legal proceeding arising out of an alleged failure of a guest, tenant, residential Lot Owner, officer, Director or the Association to comply with the requirements of the law, or the governing documents, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such attorney fees as may be awarded by the court.

13.5 No Election of Remedies. All rights, remedies and privileges granted to the Association or Owners under the law and the governing documents shall be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party from exercising any other rights, remedies, or privileges that may be available.

13.6 Notices. Any notice required to be sent to any member or Owner under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed to the last known address of the Owner appearing in the records of the Association, or to the address of the member's home. Notice to one of two or more co-Owners of a Lot shall constitute notice to all co-Owners. It shall be the obligation of every member to immediately notify the Secretary of the Association in writing of any change of address.

13.7 Severability. Should any covenant, condition or restriction herein contained, or any section, subsection, sentence, clause, phrase or term of this Declaration or its recorded exhibits be declared to be void, invalid, illegal, or unenforceable, for any reason, by any court having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect. Nothing contained in this Declaration is intended to affect vested rights. If any provision contained herein is deemed by a competent court of law to have such affect, then such provision will be deemed null and void but have no affect on the remaining provisions herein.

13.8 Interpretation; Disputes. The Board of Directors is responsible for interpreting the provisions of this Declaration, its exhibits and rules promulgated by the Board. Such interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by legal counsel retained by the Board that an interpretation adopted by the Board is not unreasonable shall conclusively establish the validity of such interpretation. In the event there is any dispute as to whether the use of the Property complies with the covenants and restrictions contained in this Declaration, its exhibits or the rules promulgated by the Board the matter shall be referred to the Board and the determination of the Board with respect to such dispute shall be dispositive on the issue and binding on all parties.

13.9 Non-Profit Status. Notwithstanding anything contained herein to the contrary, the Association will perform no act nor undertake any activity inconsistent with its non-profit status under applicable state or federal law.

13.10 Use of Singular and Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

13.11 Headings. The headings used in the governing documents are for reference purposes only, and do not constitute substantive matter to be considered in construing the terms and provisions of these documents.

14. DISCLAIMER OF LIABILITY OF ASSOCIATION. NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BYLAWS, OR ANY RULES AND REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING, BINDING ON OR ADMINISTERED BY THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTIES INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OR ANY SUCH PERSONS, WITHOUT LIMITING THE FOREGOING:

14.1 IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE PROPERTIES HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE PROPERTIES AND THE VALUE THEREOF;

14.2 THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF FLORIDA, LEE COUNTY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTUOUS ACTIVITIES.

14.3 ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO THE HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

14.4 EACH OWNER AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON ANY PORTION OF THE PROPERTIES SHALL BE BOUND BY THESE DISCLAIMERS AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECT WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED HEREIN.

14.5 AS USED HEREIN "ASSOCIATION" SHALL INCLUDE WITH ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE MEMBERS, EMPLOYEES, AND MANAGERS.

EXHIBITS

"A" The Land

"B" The Plat

"C" The Articles of Incorporation

"D" The Bylaws

NOTE: SUBSTANTIAL AMENDMENT OF ENTIRE ARTICLES OF INCORPORATION.
FOR PRESENT TEXT SEE EXISTING ARTICLES OF INCORPORATION.

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
FOREST RIDGE SHORES AT FOUNTAIN LAKES NEIGHBORHOOD ASSOCIATION, INC.**

Pursuant to Chapter 617, Florida Statutes, these Articles of Incorporation of Forest Ridge Shores at Fountain Lakes Neighborhood Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on, February 4, 1999 are hereby amended and restated in their entirety. All amendments included herein have been adopted pursuant to Chapter 617, Florida Statutes, and there is no discrepancy between the corporation's Articles of Incorporation as heretofore amended and the provisions of these Amended and Restated Articles other than the inclusion of amendments, adopted pursuant to Chapter 617, Florida Statutes, and the omission of matters of historical interest. The Amended and Restated Articles of Incorporation of Forest Ridge Shores at Fountain Lakes Neighborhood Association, Inc., shall henceforth be as follows:

ARTICLE I

NAME: The name of the corporation is Forest Ridge Shores at Fountain Lakes Neighborhood Association, Inc., sometimes hereinafter referred to as the "Association".

ARTICLE II

PRINCIPAL OFFICE: The principal office of the corporation shall be at 8840 Terrene Court, Unit 102, Bonita Springs, FL 34135 or as otherwise listed with the Florida Department of State Division of Corporations.

ARTICLE III

PURPOSE AND POWERS: This Association will not permit pecuniary gain or profit nor distribution of its income to its members, officers or Directors. It is a nonprofit corporation formed for the purpose of operating a corporate residential community homeowners' association which, subject to a Declaration of Covenants recorded in O.R. Book 3153, Page 712 et seq., public records of Lee County, Florida as amended from time to time. The Association shall have all of the common law and statutory powers of a Florida corporation not for profit consistent with these Articles, the Bylaws of the corporation, and with said Declaration and shall have all of the powers and authority reasonably necessary or appropriate for the operation and regulation of a residential community, subject to said recorded Declaration, as it may from time to time be amended, including but not limited to the power:

- (A) to fix, levy, collect and enforce payment by any lawful means all charges, assessments, or liens pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all license fees, taxes or governmental charges levied or imposed against the property or the corporation;
- (B) to make, amend and enforce reasonable rules and regulations governing the use of the Common Areas and the operation of the Association;
- (C) to sue and be sued, and to enforce the provisions of the Declaration, the Articles, the Bylaws and the reasonable rules of the Association;
- (D) to contract for the management and maintenance of the Common Areas and to delegate any powers and duties of the Association in connection therewith except such as are specifically required by the Declaration to be exercised by the Board of Directors or the membership of the Association;
- (E) to employ accountants, attorneys, architects, and other professional personnel to perform the services required for proper operation of the properties;
- (F) to dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication, sale or transfer shall be effective unless first approved by two-thirds (2/3rds) of the voting interests, present and voting, in person or by proxy at a duly called meeting of the membership.
- (G) to borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred if first approved by Board;
- (H) to maintain, repair, replace and provide insurance for the Common Areas;
- (I) to acquire, (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the corporation;
- (J) to grant, rescind, modify or move easements.
- (K) to exercise any and all powers, rights and privileges which a corporation organized under Chapters 617 and 720 of Florida Statutes may now or hereafter have or exercise; subject always to the Declaration as amended from time to time.

All funds and the title to all property acquired by the Association shall be held for the benefit of the members in accordance with the provisions of the Declaration, these Articles of Incorporation and the

Bylaws.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS: Membership and Voting Rights shall be as set forth in the Bylaws of the Association.

ARTICLE V

TERM; DISSOLUTION: The term of the Association shall be perpetual. The Association may be dissolved with the consent given in writing and signed by not less than two-thirds (2/3rds) of total voting interests of the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, its assets, both real and personal, shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was formed. In the event there is a refusal to accept such dedication, then such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization which is devoted to purposes similar to those of this Association.

ARTICLE VI

BYLAWS: The Bylaws of the Association may be altered, amended or rescinded in the manner provided therein.

ARTICLE VII

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

- (A) Proposal. Amendments to these Articles may be proposed by a majority of the Board of Directors or upon a petition of twenty-five percent (25%) of the voting interests at any regular or specially called meeting of the Members and shall be submitted to a vote of the members not later than the next annual meeting.
- (B) Vote Required: Except as otherwise required by Florida law or as provided elsewhere in these Articles, these Articles of Incorporation may be amended if the proposed amendment is approved by the affirmative vote of at least a majority of the total voting interests in the Association.
- (C) Effective Date: An amendment shall become effective upon filing with the Secretary of State and recording a certified copy in the Public Records Lee County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

ARTICLE VIII

DIRECTORS AND OFFICERS:

- (A) The affairs of the Association will be administered by a Board of Directors consisting of the number of Directors determined by the Bylaws, but not less than three (3) Directors, and in the absence of such determination shall consist of three (3) Directors. Directors are required to be members of the Association.
- (B) Directors of the Association shall be elected by the members in the manner determined by the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.
- (C) The business of the Association shall be conducted by the officers designated in the Bylaws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association and shall serve at the pleasure of the Board.

ARTICLE IX

INDEMNIFICATION:

- (A) Indemnity. The Association shall indemnify any officer, Director, or committee member who was or is a party or is threatened to be made a party to any threatened, pending, or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a Director, officer, or committee member of the Association, against expenses (including attorney's fees and appellate attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding, unless (i) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (ii) such court also determines specifically that indemnification should be denied. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. It is the intent of the membership of the Association, by the adoption of this provision, to provide the most comprehensive indemnification possible to their officers, Directors, and committee members as permitted by Florida law.

(B) Defense. To the extent that a Director, officer, or committee member of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section (A) above, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees and appellate attorney's fees) actually and reasonably incurred by him in connection therewith.

(C) Advances. Expenses incurred in defending a civil or criminal action, suit, or proceeding shall be paid by the Association in advance of the final disposition of such action, suit, or proceeding on behalf of the affected Director, officer, or committee member. The Director, officer or committee member shall repay such amount if it shall ultimately be determined that said Director, officer or committee member is not entitled to be indemnified by the Association as authorized by this Article VIII.

(D) Miscellaneous. The indemnification provided by this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of members, or otherwise, and shall continue as to a person who has ceased to be a Director, officer, or committee member and shall inure to the benefit of the heirs and personal representatives of such person.

(E) Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, committee member, employee, or agent of the Association, or a Director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

(F) Amendment. Anything to the contrary herein notwithstanding, the provisions of this Article IX may not be amended without the approval in writing of all persons whose interest would be adversely affected by such amendment.

NOTE: SUBSTANTIAL AMENDMENTS OF ENTIRE BYLAWS.
FOR ORIGINAL TEXT SEE ORIGINAL BYLAWS.

**AMENDED AND RESTATED BYLAWS
OF
FOREST RIDGE SHORES AT FOUNTAIN LAKES NEIGHBORHOOD ASSOCIATION,
INC.**

1. **GENERAL.** These are Bylaws of Forest Ridge Shores at Fountain Lakes Neighborhood Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on February 4, 1999, hereinafter the "Association." The corporation is organized under the laws of Florida as a community association for the purpose of operating a residential community. All prior Bylaws, if any, are hereby revoked and superseded in their entirety.

1.1 **Principal Office.** The principal office of the Association shall be at as listed with the Florida Department of State Division of Corporations, unless otherwise changed by the Board of Directors.

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

2. **MEMBERS.** The members of the Association are the record owners of legal title to the Lots. In the case of a residential Lot subject to an agreement for deed, the purchaser in possession shall be deemed the owner of the residential Lot solely for purposes of determining use rights.

2.1 **Change of Membership.** A change of membership shall become effective after all the following events have occurred.

(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 title.

(C) Designation, in writing, of a primary occupant, which is required when title to a Lot is held in the name of two (2) or more persons who are not husband and wife, or by a trustee or a corporation or other entity which is not a natural person.

2.2 **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 which is sixty-four (64). The vote of a residential Lot is not divisible. The right to vote may be suspended for non-payment of any

monetary amounts that are delinquent in excess of 90 days. 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 an officer, director, trustee, managing member or partner of the ownership entity. All votes must be cast by an Owner or a person designated in the Voting Certificated signed by the Owner which person may be the Owner's spouse or such other person so designated.

2.3 Approval or Disapproval of Matters. Whenever the decision or approval of a residential Lot owner is required upon any matter, whether or not the subject of an Association meeting, the decision or other response may be expressed by any person authorized to cast the vote of the residential Lot at an Association meeting, as stated in Section 2.2 above, unless the joinder of all record owners is specifically required.

2.4 Change of Membership. A change of membership in the Association shall be established by the new member's membership becoming effective as provided for in Section 2.1 above. At that time the membership of the prior owner shall be terminated automatically.

2.5 Termination of Membership. The termination of membership in the Association does not relieve or release any former member from liability or obligation incurred under or in any way connected with the Association during the period of his 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.

3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the members held in the first quarter of each calendar year. The annual meeting shall be held in Lee County, Florida, at a 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.

3.2 Special Members' Meetings. Special members' meetings must be held whenever called by the President, or in his absence, the Vice-President, or by a majority of the Directors, and may also be called by members having at least twenty-five percent (25%) of the voting interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice 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. The notice 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. The notice must be mailed, electronically transmitted or hand 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.

3.4 Quorum. A quorum at members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least thirty percent (30%) of the votes of the total voting interests.

3.5 Vote Required. The acts approved by a majority of the votes physically 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.

3.6 Proxy Voting. 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 or a copy 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 do not have to be Members.

3.7 Participation at Meeting By Remote Communication. Unless prohibited by the Chapter 720, F.S., if authorized by the Board of Directors as provided in Section 617.0721 F.S., and subject to such guidelines and procedures as the Board of Directors may adopt, members and proxy holders who are not physically present at a meeting may, by means of remote communication:

(A) Participate in the meeting.

(B) Be deemed to be present in person and vote at the meeting if:

1. The corporation implements reasonable means to verify that each person deemed present and authorized to vote by means of remote communication is a member or proxy holder; and
2. The corporation implements reasonable measures to provide such members or proxy holders with a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to communicate and to read or hear the proceedings of the meeting substantially concurrent with the proceedings.

3.8 Adjourned Meetings. Any duly called meeting of the members may be adjourned to be

reconvened at a later time by vote of the majority of the voting interests present, regardless of whether a quorum has been attained. When a meeting is so adjourned it shall not be necessary to give further notice of the time and place of its continuance if such are announced at the meeting being adjourned. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted when the meeting is reconvened, but only if a quorum is present.

3.9 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

3.10 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.

3.11 Parliamentary Rules. Roberts' Rules of Order (latest edition) shall guide the conduct of the Association meetings when not in conflict with the law, with the Declaration, or with the Articles or Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles and Bylaws, shall be exercised by the Board, subject to approval or consent of the residential owners only when such is specifically required.

4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board of Directors shall be no less than three (3) nor more than five (5) as determined by the Board from time to time. The system of staggered terms previously established shall be maintained. All Directors shall be elected for a term of two (2) years each. A Director's term will end at the annual election at which his successor is to be duly elected, unless he or she sooner

resigns or is recalled as provided for in Section 4.5 below. Directors shall be elected by the members as described in Section 4.3 below, or in the case of a vacancy, as provided for in Section 4.4 below.

4.2 Qualifications. Each Director must be a residential Lot owner or primary occupant or the spouse of a residential Lot owner or primary occupant. In the case of a Lot owned by a corporation, any officer is eligible for election to the Board of Directors. If a Lot is owned by a partnership, any partner is eligible to be a Director. If a Lot is held in trust, the trustee, grantor or settlor of the trust, or any one of the beneficial owners residing in the Lot is eligible to be elected to the Board of Directors.

4.3 Nominations and Elections. A first notice of the annual meeting and election shall be sent at least sixty (60) days before the date of the meeting to all Members. Nominations for election to the Board of Directors must be made in writing and submitted and physically received by the Association at least forty (40) days in advance of the day of the annual meeting and election. A candidate may submit an information sheet on an 8.5"x11" piece of paper (one side only) which shall be included with the second notice. The candidate information sheet must be physically received by the Association within thirty-five (35) days of the day of the annual meeting and election. A second notice of the annual meeting and election, proxy, candidate information sheets and ballots shall be mailed to all Members at least fourteen (14) days before the date of the annual meeting and election. Election to the Board Directors shall be by secret ballot. At such election the members 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 and proxy voting in elections is not permitted. No floor nominations are allowed.

4.4 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor shall be appointed by the Board at a special meeting of the Board of Directors of the Association. The successor so appointed shall fill the term of the Director being replaced. If for any reason there shall arise circumstances in which no Directors are serving and the entire Board is vacant, the members shall elect successors at a special meeting.

4.5 Removal of Directors. Any Director may be removed, with or without cause, by a majority vote of the total voting interests, either by a written agreement or at a meeting called for that purpose. An Officer may also be removed at anytime by a majority vote of the Board of Directors. 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 by written agreement, the vacancy or vacancies shall be filled as provided by law. If removal is 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.

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

4.7 Other Meetings. Meetings of the Board may be held at such time and place as shall be determined from time to time by the President, or in his or her absence, a Vice-President, or by a majority of the Directors at any time. It shall be the duty of the Directors, the President, or a Vice-President, to call such a meeting whenever so requested by the Association Members constituting at least twenty percent (20%) or more of the total voting interests. Notice of meetings shall be given to each Director by the Secretary at least two (2) days prior to the time fixed for the meeting.

4.8 Notice to Owners. Meetings of the Board of Directors shall be open to members except for meetings in regards to personnel discussions and 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, and 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 Lot or Special Assessments or the Annual Budget are to be adopted shall specifically contain a statement that rules or Special Assessments or Annual Budget will be adopted and the nature of the rule or Special Assessments or copy of the proposed Annual Budget and shall be mailed, delivered or electronically transmitted and posted at least fourteen (14) days in advance.

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

4.10 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.

4.11 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 deemed to have voted in favor of every action taken, unless he voted against such action or 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.

4.12 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.

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

4.14 Directors' Fees and Reimbursement of Expenses. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees, including a search committee, as the Board may deem necessary and convenient for the efficient and effective operation of the Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Only committees assigned with the power to make final decisions regarding the expenditure of Association funds or committees vested with the power to approve or disapprove architectural decisions with respect to specific parcel of residential property owned by a member of the community are required to hold meetings that are open to members and notice and hold their meetings with the same formalities as required for Board meetings. Committees vested with the power to approve or disapprove architectural decisions with respect to a specified parcel of residential property owned by a member of the community may not vote by proxy or secret ballot.

4.16 Emergency Powers. The Board of Directors may exercise the emergency powers authorized by Sections 617.0207, 617.0303, and 720.316 Florida Statutes, as amended from time to time hereafter.

4.17 Fiduciary Duty. Each member of the Board of Directors and each officer of the Association have a fiduciary relationship with the members of the Association. This fiduciary relationship imposes obligations of trust and confidence in favor of the Association and its members. It requires each member of the Board to act in good faith and in a manner he or she believes to be in the best interests of the members of the Association. It means the Board members must exercise the care and diligence of an ordinarily prudent person when acting for the community, and it requires each of them to act within the scope of their authority.

Directors and officers of the Association must devote enough time and effort to the performance of their duties to ensure that they are reasonably and faithfully carried out on behalf of the Association. The fact that the Association is a corporation not for profit, or that the members of the Board are volunteers and unpaid, does not relieve them from the standards of trust and responsibility that the fiduciary relationship requires. When confronted with an issue involving

special expertise such as a question of law, building or construction matters, insurance or accounting questions, or other similar issues, the law also contemplates that the Board of Directors or an officer will seek the appropriate advice of a professional considered competent in the field and rely upon that advice provided.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority vote of the Board of Directors. Any officer may be removed with or without cause at any meeting by vote of a majority of the Directors. Any officer so removed shall return all books, records and property of the Association to the Association within seventy-two (72) hours of their removal. Any person except the President may hold two (2) or more offices. The board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one (1) Vice-President, assistant secretaries or assistant treasurers and such other Officers and agents as may be deemed necessary.

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

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

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

5.5 Treasurer. The Treasurer shall have the custody of Association funds and securities, and be responsible for the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association. The Treasurer is responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as are selected by the Board of Directors. The Treasurer shall oversee the disbursement of

Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Association. The Treasurer shall prepare an annual budget of estimated revenues and expenses to present to the Board of Directors for approval. Any of the foregoing duties may be performed by an Assistant Treasurer, if one is elected.

5.6 Compensation of Officers. No compensation shall be paid to any officer for services as an officer of the Association. This provision does not preclude the Board of Directors from employing officers as employees of the Association but only in compliance with all conflict of interest laws.

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

6.1 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 as are authorized by the Board. The foregoing notwithstanding, the Board may invest Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities and other similar investment vehicles.

6.2 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 unit. Such accounts shall designate the name and mailing address of each residential unit, the amount and due date of each assessment or charge against the residential unit, amounts paid, date of payment and the balance due.

6.3 Budget. The Treasurer shall prepare and the Board of Directors shall adopt a budget of Association estimated revenues and expenses for each coming fiscal year. The budget shall be adopted by the Board at a special Board meeting with 14 days mailed and posted notice to all Owners. The notice shall include a copy of the proposed budget.

Once adopted, the Association shall provide to each member a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member at least forty-five days prior to the beginning of each fiscal year. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and revenue and expense classifications. The estimated surplus or deficit as of the end of the current year shall be shown and all fees or charges for recreational amenities shall be set out separately. If the Board adopts in any fiscal year an annual budget which requires assessments against Owners to exceed fifteen percent (15%) of the assessment amount for the preceding fiscal year, the Board shall conduct a special meeting of the Owners to consider a substitute budget if the Board receives, within twenty-one (21) days after adoption of the annual budget, a written request for a special meeting from at least ten percent (10%) of all voting interests. The special meeting shall be conducted within sixty (60) days after adoption of the annual budget. Owners may consider and adopt a substitute budget at the special meeting. A substitute budget shall be adopted if approved by fifty-one percent (51%) of all voting interests. If a quorum is not present at the special meeting or

a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled. Any determination of whether assessments exceed 15 percent of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the common area and Association property, anticipated expenses of the Association which the Board does not expect to be incurred on a regular or annual basis, or assessments for betterments to the Common Area or Association property.

6.4 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. 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.

6.5 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 shall accrue interest from the due date at the highest rate allowed by law and shall incur a late fee in the highest amount allowed by law.

6.6 Special Assessments. Special Assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted or non-recurring expenses, or for such 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 Section 4.8 above; and the notice to the owners that the Assessment has been levied must contain a statement of the purpose(s) of the Assessment.

6.7 Fidelity Bonds. The President, Treasurer, and all other persons who are authorized to sign checks, shall be bonded in such amounts as may be acquired by law or otherwise determined by the Board of Directors. The premiums on such bonds are a Common Expense.

6.8 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 in 720.303, 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.

6.9 Audits. A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all members.

6.10 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.

6.11 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.

7. **RULES AND REGULATIONS; USE RESTRICTIONS**. The Board of Directors may, from time to time, adopt and amend administrative Rules and Regulations governing the use, maintenance, management and control of the Common Areas, the Lots and the operation of the Association. Copies of such Rules and Regulations shall be furnished to each residential Lot Owner.

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

8.1 Fines; Suspensions. The Board of Directors may levy fines and/or suspensions against members, or members' tenants or guests, or both, who commit violations of Chapters 617 or 720, Florida Statutes, the provisions of the governing documents, or the rules and regulations, or who condone such violations by their family members, guests or lessees. Fines shall be in amounts deemed necessary by the Board to deter future violations, but in no event shall any single fine exceed the maximum amount allowed by law. The maximum fine for a continuing violation shall be \$2,000.00. As allowed by law fines shall be secured by a lien on the Owner's Lot. Suspensions of the use of Common Areas, facilities and common non-essential services (e.g. bulk cable tv and/or internet) may be imposed for a reasonable period of time to deter future violations. The procedure for imposing fines or suspending use rights shall be as follows:

(A) 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 short and plain statement of the specific facts giving rise to the alleged violation(s); and

(3) the possible amounts of any proposed fine and/or possible use rights of Common Areas or facilities to be suspended.

(B) Hearing. At the hearing 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, and respond to any evidence or testimony presented by the Association. The hearing shall be conducted before a panel of three (3) residential 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. If the committee, 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.

8.2 Suspensions and Fines without Hearing. The foregoing notwithstanding, as provided in 720.305(2)(b), Florida Statutes, no prior notice or opportunity for a hearing is required for the imposition of a fine or suspension upon any member because of the failure of the member to pay Assessments or other charges when due.

8.3 Correction of Health and Safety Hazards. Any violations of the Association rules which creates conditions of the property which are deemed by the Board of Directors to be a hazard to the public health or safety may be dealt with immediately as an emergency matter by the Association, and the cost thereof shall be charged to the Lot Owner.

9. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner.

9.1 Proposal. Amendments to these Bylaws shall be proposed by a majority of the Board of Directors or upon petition of twenty-five percent (25%) of the voting interests, and shall be submitted to a vote of the members not later than the next annual meeting.

9.2 Vote Required: Except as otherwise required by Florida law or as provided elsewhere in these Bylaws, these Bylaws may be amended if the proposed amendment is approved by the affirmative vote of at least two-thirds (2/3rds) of the voting interests present and voting, in person or by proxy, at a duly called meeting of the members of the Association.

9.3 Effective Date: An amendment shall become effective upon the recording of a copy in the Public Records of Lee County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

10. MISCELLANEOUS.

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

10.2 Severability. If any portion of these Bylaws is void or become unenforceable, the remaining provisions shall remain in full force and effect.

10.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Covenants, Conditions, Restrictions and

Easements, or the Association's Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.