

ARTICLES OF INCORPORATION

OF

BAY OAKS HOA, INC.
(A Corporation Not For Profit)

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SECRET
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OFFICIAL RECORDS
BOOK 2634
PAGE 2767

In order to form a corporation under and in accordance with the provisions of the laws of the State of Florida for the formation of Corporations Not for Profit, we, the undersigned, do hereby associate ourselves together into a corporation for the purposes and with the powers hereinafter set forth, and to accomplish that end we do hereby adopt and set forth these Articles of Incorporation, viz:

ARTICLE I

NAME OF CORPORATION

The name of this corporation shall be: BAY OAKS HOA, INC. hereinafter in these Articles referred to as the "Association."

ARTICLE II

PURPOSES

The general nature, objects and purposes of the Association are:

A. To promote the health, safety and social welfare of the owners of all lots located within "Bay Oaks Estates, Unit 1" that are, or hereafter may be, subject to the terms of the "Declaration of Restrictions for Bay Oaks Estates, Unit 1" to be recorded in the Public Records of Sarasota County, Florida.

B. To maintain all neighborhood common areas for which the obligation to maintain and repair has been delegated to the Association.

C. To furnish or otherwise provide for private security, fire protection, street lighting, and such other services as may be deemed necessary or desirable by the Board of Directors of the Association and to acquire such capital improvements and equipment as may be related thereto.

D. To provide, purchase, acquire, replace, improve, maintain and repair such improvements to the neighborhood common areas, including, without limitation, buildings, structures, streets, sidewalks, street lights, landscaping, equipment, furniture and furnishings, both real and personal, as the Board of Directors of the Association, in its discretion, determines to be necessary or desirable for the promotion of the health, safety, and social welfare of the members of the Association.

E. To carry out all of the duties and obligations assigned to it as a neighborhood property owners association under the terms of the Declaration of Restrictions for Lots in Bay Oaks Estates, Unit 1.

F. To operate without profit and for the sole and exclusive benefit of its members.

ARTICLE III

GENERAL POWERS

The general powers that the Association shall have are as follows:

EXHIBIT "A"

to, and to hold, mortgage, rent, sell or otherwise dispose of, any and all real or personal property related to the purposes or activities of the Association; to make, enter into, perform, and carry out contracts of every kind and nature with any person, firm, corporation, or association; and to do any and all other acts necessary or expedient for carrying on any and all of the activities of the Association and pursuing any and all of the objects and purposes set forth in these Articles of Incorporation and not forbidden by the laws of the State of Florida.

B. To operate and maintain all property of the Association, including all Common Areas of any subdivision made subject to this Declaration of Restrictions, and specifically the surface water management system.

C. To establish a budget and to fix assessments to be levied against all lots which are subject to assessment pursuant to the aforesaid Declaration of Restrictions for the purpose of defraying the expenses and costs of effectuating the objects and purposes of the Association and to create reasonable reserves for such expenditures, including a reasonable contingency fund for the ensuing year and a reasonable annual reserve for anticipated major capital repairs, maintenance, improvements, and replacements.

D. To place liens against any lot subject to assessment for delinquent and unpaid assessments or charges and to bring suit for the foreclosure of such liens or to otherwise enforce the collection of such assessments and charges for the purpose of obtaining revenue in order to carry out the purposes and objectives of the Association.

E. To hold funds solely and exclusively for the benefit of the members of the Association for the purposes set forth in these Articles of Incorporation.

F. To adopt, promulgate, and enforce rules, regulations, bylaws, covenants, restrictions, and agreements in order to effectuate the purposes for which the Association is organized.

G. To delegate such of the powers of the Association as may be deemed to be in the Association's best interest by the Board of Directors.

H. To charge recipients of services rendered by the Association and users of property of the Association where such is deemed appropriate by the Board of Directors.

I. To pay all taxes and other charges or assessments, if any, levied against property owned, leased, or used by the Association.

J. To enforce by any and all lawful means the provisions of these Articles of Incorporation, the Bylaws of the Association which may be hereafter adopted, and the terms and provisions of the aforesaid Declaration of Restrictions.

K. In general, to have all powers which may be conferred upon a corporation not for profit by the laws of the State of Florida, except as prohibited herein.

ARTICLE IV

MEMBERS

The members of this Association shall consist of all owners of lots that are made subject to the provisions of said Declaration of Restrictions. Owners of such lots shall automatically become members upon acquisition of the fee simple title to their respective lots.

The membership of any member in the Association shall automatically terminate upon conveyance or other divestment of title to such member's lot, except that nothing herein contained shall be construed as terminating the membership of any member who may own two or more lots so long as such member owns at least one lot.

The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the lot which is the basis of his membership in the Association.

The Secretary of the Association shall maintain a list of the members of the Association. Whenever any person or entity becomes entitled to membership in the Association, it shall become such party's duty and obligation to so inform the Secretary in writing, giving his name, address and lot number; provided, however, that any notice given to or vote accepted from the prior owner of such lot before receipt of written notification of change of ownership shall be deemed to be properly given or received. The Secretary may, but shall not be required to, search the Public Records of Sarasota County or make other inquiry to determine the status and correctness of the list of members of the Association maintained by him and shall be entitled to rely upon the Association's records until notified in writing of any change in ownership.

ARTICLE V

VOTING

Subject to the restrictions and limitations hereinafter set forth, each member shall be entitled to one vote for each lot in which he holds a fee simple ownership. When more than one person holds such interest in any one lot, all such persons shall be members and the vote attributable to such lot may be cast by any of such joint owners. In the event more than one of the joint owners attempts to cast the vote to which their lot is entitled, said vote shall be apportioned equally among such of the joint owners as cast the vote. Except where otherwise required by law or by the provisions of said Declaration of Restrictions, or these Articles, the affirmative vote of a majority of members represented at any meeting of the members duly called and at which a quorum is present shall be binding upon the members.

ARTICLE VI

BOARD OF DIRECTORS

A. The affairs of the Association shall be managed by a Board of Directors consisting initially of three (3) Directors. The number of Directors comprising succeeding Boards of Directors shall be as provided from time to time in the Bylaws of the Association, but in no event shall there be less than three (3) or more than nine (9) Directors. The Directors may, but need not be, members of the Association and need not be residents of the State of Florida.

B. All Directors shall be appointed by and shall serve at the pleasure of Kemmons Wilson, Inc., a Tennessee corporation (hereinafter referred to as "Developer"), its successors or assigns, until the annual meeting of members in the year 1996. Commencing with said annual meeting and continuing thereafter until the "turnover" annual meeting of members, Developer shall have the right to appoint a majority of the Board of Directors. Commencing with the "turnover" annual meeting, all Directors shall be elected by the members. As used herein, the "turnover" annual meeting shall mean the first annual meeting of members following the year in which members other than Developer for the first time own at least seventy-five percent (75%) of the lots that will ultimately be subject to said Declaration of Restrictions.

C. All Directors who are not subject to appointment by Developer shall be elected by the members. Elections shall be by plurality vote.

D. All Directors, whether appointed or elected, shall serve for terms in accordance with the provisions of the Bylaws. Any elected Director may be removed from office with or without cause by majority vote of the members, but not otherwise. Any appointed Director may be removed and replaced with or without cause by Developer, in Developer's sole discretion.

E. The names and addresses of the persons constituting the first Board of Directors who shall hold office until the first annual meeting of members to be held in the year 1995 and until their successors are elected or appointed and have qualified, are as follows:

Billy B. Springer, 2147-G Porter Lake Drive, Sarasota, FL 34240

Cynthia Newcomb, 2147-G Porter Lake Drive, Sarasota, FL 34240

D. James Eslinger, 8818 Wild Dunes Drive, Sarasota, FL 34241

ARTICLE VII

OFFICERS

A. The officers of the Association, to be elected by the Board of Directors, shall be a President, a Vice-President, a Secretary, an Assistant Secretary, and a Treasurer, and such other officers as the Board shall deem appropriate from time to time. The President shall be elected from among the membership of the Board of Directors, but no other officer need be a Director. The same person may hold two or more offices, provided, however, that the office of President and Secretary (or Assistant Secretary) shall not be held by the same person. The affairs of the Association shall be administered by such officers under the direction of the Board of Directors. Officers shall be elected for a term of one (1) year in accordance with the procedure set forth in the Bylaws.

B. The names of the officers who are to manage the affairs of the Association until the first annual meeting of the Board of Directors to be held in the year 1995 and until their successors are duly elected and qualified, are as follows:

- President - Billy B. Springer
- Vice-President - D. James Eslinger
- Secretary - Cynthia Newcomb
- Treasurer - Cynthia Newcomb

ARTICLE VIII

CORPORATE EXISTENCE

The Association shall have perpetual existence.

ARTICLE IX

BYLAWS

The first Board of Directors of the Association shall adopt Bylaws consistent with these Articles. Thereafter, the Bylaws may be altered, amended or rescinded by a majority vote of the Directors in the manner provided by such Bylaws.

ARTICLE X
AMENDMENTS TO ARTICLES OF INCORPORATION

These Articles may be altered, amended or repealed by resolution of the Board of Directors. No amendment affecting the rights of Developer shall be effective without the prior written consent of Developer.

ARTICLE XI
PRINCIPAL OFFICE, MAILING ADDRESS,
REGISTERED OFFICE AND REGISTERED AGENT

The principal office, mailing address, and registered office of the corporation shall be at 2147-G Porter Lake Drive, Sarasota, Florida, 34240, and the registered agent at such address shall be Billy B. Springer. The corporation may, however, maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.

ARTICLE XII

BUDGET AND EXPENDITURES

The Association shall obtain funds with which to operate by annual assessment of its members in accordance with the provisions of said Declaration of Restrictions, as the same may be supplemented by the provisions of the Association's Articles and Bylaws. Accordingly, the Board of Directors shall annually adopt a budget for the operation of the Association for the ensuing year and for the purpose of levying assessments against all lots subject to assessment, which budget shall be conclusive and binding upon all persons; provided, however, that the Board of Directors may thereafter at any time approve or ratify variations from such budget.

ARTICLE XIII

SUBSCRIBERS

The name and street address of the subscriber of these Articles is as follows:

Kemmons Wilson, Inc., a Tennessee corporation
2147-G Porter Lake Drive, Sarasota, FL 34240

ARTICLE XIV

INDEMNIFICATION OF OFFICERS AND DIRECTORS

All officers and Directors shall be indemnified by the Association for and against all expenses and liabilities, including counsel fees, reasonably incurred in connection with any proceeding (including appellate proceedings) or settlement thereof in which they may become involved by reason of holding such office. In no event, however, shall any officer or Director be indemnified for his own willful misconduct or, with respect to any criminal proceeding, his own knowing violation of provisions of law. The Association may purchase and maintain insurance on behalf of all officers and Directors for any liability asserted against them or incurred by them in their capacity as officers and Directors or arising out of their status as such.

ARTICLE XV

DISSOLUTION OF THE ASSOCIATION

A. Upon expiration of the term of the aforementioned Declaration of Restrictions, the Association may be dissolved upon resolution to that effect being approved by two-thirds (2/3) of the

members of the Board of Directors, and, if a judicial decree is necessary at the time of dissolution, then after receipt of an appropriate decree as provided for in Section 617.05, Florida Statutes (1985), or any statute of similar import then in effect.

B. Upon dissolution of the Association, all of its assets remaining after provision for payment of creditors and all costs and expenses of such dissolution shall be distributed in the following manner:

(1) The surface water management system shall be conveyed or dedicated to Sarasota County, Southwest Florida Water Management District or some other appropriate governmental body, but if they will not accept same, then to a non profit organization similar to this Corporation.

(2) Any other property determined by the Board of Directors of the Association to be appropriate for dedication to any applicable municipal or other governmental authority may be dedicated to such authority provided the authority is willing to accept the dedication.

(3) All remaining assets, or the proceeds from the sale of such assets, shall be apportioned among the lots subject to assessment in equal shares, and the share of each shall be distributed to the then owners thereof.

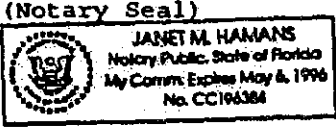
IN WITNESS WHEREOF, the aforesaid subscriber has hereunto set its hand and seal on May 9, 1994.

KEMMONS WILSON, INC., a Tennessee Corporation

By: [Signature]
Billy B. Springer, its Vice President

STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this 9th day of May, 1994 by BILLY B. SPRINGER, as Vice President of KEMMONS WILSON, INC., a Tennessee corporation on behalf of the corporation. The above-named person is personally known to me or has produced _____ as identification. If no type of identification is indicated, the above-named person is personally known to me.



[Signature]
Signature of Notary Public
Janet M. Hamans
Print Name of Notary Public
I am a Notary Public of the State of Florida, and my commission expires on _____.

ACCEPTANCE BY REGISTERED AGENT

The undersigned hereby accepts the designation as registered agent of the foregoing corporation.

[Signature]
Billy B. Springer

BYLAWS

OF

BAY OAKS HOA, INC.

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Bay Oaks HOA, Inc. , a corporation not for profit under the laws of the State of Florida, hereinafter referred to as the "Association," does hereby adopt the following as its Bylaws:

ARTICLE I

IDENTITY AND DEFINITIONS

The Association has been organized for the purpose of promoting the health, safety and welfare of the owners of all lots located within "Bay Oaks Estates," that are, or hereafter may be, subject to the terms of the Declaration of Restrictions for Bay Oaks Estates, Unit I.

ARTICLE II

LOCATION OF PRINCIPAL OFFICE

The principal office of the Association shall be located at 2147-G Porter Lake Drive, Sarasota, Florida 34240, or at such other place as may be established by resolution of the Board of Directors of the Association.

ARTICLE III

MEMBERSHIP, VOTING, QUORUM AND PROXIES

1. The qualification of members, the manner of their admission to membership and termination of such membership, and voting by the members, shall be as set forth in Article IV and Article V of the Association's Articles of Incorporation.

2. A quorum at any meeting of the Association's members shall consist of persons entitled to cast votes representing at least one-fifth (1/5) of the total votes of the Association as determined in the manner set forth in Article V of the Association's Articles of Incorporation.

3. Votes may be cast either in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary at or before the designated time of the meeting.

4. The number of votes to which any member is entitled at any meeting of members shall be determined as of the date fixed by the Board of Directors as the record date for such meeting, provided that such record date shall not be more than sixty (60) days or less than thirty (30) days prior to the date of such meeting. In the event the Board of Directors does not set a record date for any meeting of members, the record date for such meeting shall be the date which is forty-five (45) days prior to the date of such meeting. The determination of the number of votes to which any member is entitled as of the record date shall be final, and no conveyance or acquisition of any lot arising after such record date shall be taken into consideration in determining the number of votes to which such member is entitled at such meeting.

5. Except where otherwise required by the provisions of the Articles of Incorporation, these Bylaws, or the aforesaid Declaration of Restrictions, or where the same may otherwise be required by law, the affirmative vote of the holders of more than one-half of the total votes of the Association represented at any duly called members' meeting at which a quorum is present shall be necessary for approval of any matter and shall be binding upon all members.

EXHIBIT "B"

6. The Association shall be entitled to give all notices required to be given to the members of the Association by these Bylaws, the Articles of Incorporation, said covenants to the person or entity shown by the Association's records to be entitled to receive such notices at the last known address shown by the records of the Association, until the Association is notified in writing that such notices are to be given to another person or entity or at a different address.

ARTICLE IV

ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

1. An annual meeting of the membership of the Association shall be held each year during February or such other month as the Board of Directors may determine. The date, time, and place of the annual meeting shall be designated by the Board of Directors. The annual meeting shall be held for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

2. Special meetings of the members of the Association shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors. Such meeting must be called by such officers upon receipt of a written request from members of the Association whose votes represent more than one-half of the total votes of the Association.

3. Notice of all members' meetings, annual or special, shall be given by the President, Vice President or Secretary or by such other officer of the Association as may be designated by the Board of Directors. Such notice shall be written or printed and shall state the time and place of the meeting and the purpose for which the meeting is called, and shall be given not less than twenty (20) days nor more than thirty (30) days prior to the date set for such meeting. If presented personally, a receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails, postage prepaid, addressed to the member at his post office address as the same appears on the records of the Association. Proof of such mailing shall be given by the affidavit of the person giving the notice and filed in the Association's minute book. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association (whether executed, and filed before or after the meeting), shall be deemed equivalent to the giving of such notice to such member.

4. If any members' meeting cannot be organized because a quorum has not attended or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws, or said Declaration of Restrictions, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

5. At meetings of the membership, the President or, in his absence, the Vice President, shall preside, or in the absence of both, the Board of Directors shall select a chairman.

ARTICLE V

BOARD OF DIRECTORS

1. The affairs of the Association shall be managed by a Board of Directors consisting of three Directors until such time as the members other than the Developer shall elect a majority of the Board of Directors, at which time there shall be nine (9)

Directors. A majority of the Board of Directors shall constitute a quorum to transact business at any meeting of the Board, and the action of a majority present at a meeting at which a quorum is present shall constitute the action of the Board of Directors.

2. Any vacancy occurring on the Board of Directors because of death, resignation, removal or other termination of services of any Director shall be filled by the Board of Directors, except that Kemmons Wilson, Inc., a Tennessee corporation, its successors or assigns, (herein referred to as "Developer") to the exclusion of other members and the Board itself, shall fill any vacancy created by the death, resignation, removal or other termination of services of any Director appointed by Developer. A Director appointed to fill a vacancy, whether by the Board or Developer, shall be appointed for the unexpired term of his predecessor in office and shall continue to serve until his successor shall have been elected or appointed and qualified.

3. Except as herein provided, the term of each director shall expire upon the election of his successor at the next succeeding annual meeting of members. Commencing with the first annual meeting of members at which members other than the Developer elect a majority of the Board of Directors, the three Directors receiving the highest number of votes shall serve three year terms, the three Directors receiving the next highest number of votes shall serve two year terms, and the remaining three Directors shall serve one year terms. At each annual meeting of members thereafter, Directors shall be elected for three year terms to fill the vacancies of those Directors whose terms are then expiring. All Directors shall serve until their respective successors shall have been duly elected and qualified, or until their earlier resignation or removal.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. The Board of Directors shall have power:

(a) To call meetings of the members.

(b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any member, officer, or Director of the Association in any capacity whatsoever.

(c) To establish, levy and assess, and collect the assessments necessary to operate the Association and carry on its activities, and to create such reserves for extraordinary expenditures as may be deemed appropriate by the Board of Directors.

(d) To adopt and publish rules and regulations governing the use of any limited private roads and any neighborhood common areas, or any portion thereof, which the Association is obligated to maintain and, also, governing the personal conduct of the members and their guests thereon, including reasonable admission charges if deemed appropriate.

(e) To authorize and cause the Association to enter into contracts for the day-to-day operation of the Association and the discharge of its responsibilities and obligations.

(f) To appoint such committees as the Board of Directors may desire and to grant to such committees such duties and responsibilities as the Board of Directors may deem advisable.

(g) To exercise for the Association all powers, duties, and authority vested in or delegated to the Association, except

those reserved to the members in said Declaration of Restrictions or in the Articles of Incorporation of the Association.

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2. It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all its acts and corporate affairs.

(b) To supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed.

(c) With reference to assessments of the Association:

(1) To fix the amount of the assessment against each lot for each fiscal year in accordance with the provisions of said Declaration of Restrictions, the Articles of Incorporation, and these Bylaws; and

(2) To prepare a roster of the members and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member; and,

(3) To send written notice of each assessment to every member subject thereto.

(d) To issue or to cause an appropriate officer to issue, upon demand by any authorized person, a certificate in recordable form setting forth whether any assessment has been paid; and, if not, the amount then due and owing. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

(e) To make payment of all ad valorem taxes assessed against Association property, real or personal.

(f) To pay all expenses incurred by the Association for repairs, maintenance, services, insurance, and other operating expenses.

(g) To enforce by appropriate legal means the provisions of said Declaration of Restrictions,, the Articles of Incorporation, and these Bylaws.

ARTICLE VII

MEETINGS OF DIRECTORS

1. An annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members.

2. Regular meetings of the Board of Directors shall be held at such time and place as is provided by appropriate resolution of the Board of Directors.

3. Special meetings of the Board of Directors shall be held when called by an officer of the Association or by any two Directors.

4. Notice of regular or special meetings of the Board shall be given to each Director, personally or by mail, telephone, or telegram, at least three (3) days prior to the day named for such meeting, which notice shall state the time and place of the meeting and, as to special meetings, the purpose of the meeting, unless such notice is waived.

5. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, and any Board action taken in lieu of a meeting, shall be as valid

as though made at a meeting duly held after regular call and notice, provided that, either before or after the meeting or the effective date of the action taken, each of the Directors not present signs a written waiver of notice and consent to the holding of such meeting, or an approval of the minutes thereof, or a consent to the action taken in lieu of a meeting. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

ARTICLE VIII

OFFICERS

1. The officers of the Association shall be a President, a Vice President, a Secretary, an Assistant Secretary, and a Treasurer, and such other officers as may be elected in accordance with the Articles of Incorporation. The President shall be a member of the Board of Directors.

2. All of the officers of the Association shall be elected by the Board of Directors at the annual meeting of the Board of Directors. If the election of such officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and qualified, or until his earlier death, resignation, or removal.

3. A vacancy in any office because of death, resignation, or other termination of service may be filled by the Board of Directors for the unexpired portion of the term.

4. All officers shall hold office at the pleasure of the Board of Directors; except that if an officer is removed by the Board, such removal shall be in accordance with the contract rights, if any, of the officer so removed.

5. The President shall preside at all meetings of the Board of Directors,, shall see that orders and resolutions of the Board of Directors are carried out, and shall sign all notes, leases, mortgages, deeds, and all other written instruments.

6. The Vice President, or the Vice President so designated by the Board of Directors if there is more than one Vice President, shall perform all the duties of the President in his absence. The Vice President(s) shall perform such other acts and duties as may be assigned by the Board of Directors.

7. The Secretary shall be ex officio the Secretary of the Board of Directors and shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all of the members of the Association together with their addresses as registered by such members.

8. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as may be directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board. The Treasurer, or his appointed agent, shall keep proper books of account and shall prepare an annual budget, a statement of receipts and disbursements, and a balance sheet, and the same shall be available for inspection upon reasonable request of a member.

9. The salaries, if any, of the officers of the Association shall be set by the Board of Directors.

FISCAL MANAGEMENT

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The provisions for fiscal management of the Association, as set forth in said Declaration of Restrictions and Articles of Incorporation, shall be supplemented by the following provisions:

1. The fiscal year of the Association shall be the calendar year.

2. The Board of Directors shall adopt a budget for each fiscal year, which shall contain estimates of the cost of performing the functions of the Association, and shall levy an annual assessment based thereon against each lot subject to assessment. The adoption of a budget shall not, however, be construed as restricting the right of the Board of Directors, at any time in their sole discretion, to levy any additional or special assessment in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation, maintenance, and management; in the event of emergencies; or in the event the Association's reserves are insufficient to cover expenditures for capital improvements or replacements.

3. Notices of the annual assessment applicable to each individual lot subject thereto, together with a copy of the budget as adopted by the Board of Directors, shall be transmitted to each member on or before December 1 of the year prior to the fiscal year for which the budget is made, and such assessment shall be due and payable on or before January 1 of such fiscal year and shall become delinquent after such date.

4. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. The Board may authorize the pledge and assignment of any regular or special assessment and the lien rights of the Association as security for the repayment of such loans.

5. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

6. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such savings and loan associations, banks, trust companies, or other depositories as the Board of Directors may select.

7. Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for Association funds. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association and shall be a common expense of the Association.

ARTICLE X

OFFICIAL SEAL

The Association shall have an official seal, which shall be in circular form bearing the name of the Association, the word "Florida," the words "Corporation Not For Profit," and the year of incorporation.

An impression of such official seal is set forth to the right hereof:

ARTICLE XI

BOOKS AND RECORDS

The books, records,, and other papers of the Association shall be available at the Association's office and subject to the inspection of any of the Association members during regular business hours.

ARTICLE XII

AMENDMENTS

These Bylaws may be altered, amended, or repealed by a majority vote of the Directors present at a duly constituted meeting of the Board of Directors provided that the proposed alteration, amendment, or repeal is contained in the notice of such meeting. No amendment affecting Developer shall be effective without the written consent of Developer.

The foregoing were adopted as the Bylaws of Bay Oaks HOA, Inc., a Corporation Not For Profit under the laws of the State of Florida, on July 11, 1994.

The undersigned owners and holders of mortgages on the property described in the foregoing Declaration of Restrictions for Bay Oaks Estates, Unit I, does hereby join in and consent to the foregoing.

IN WITNESS WHEREOF, Mortgagee has caused this consent to be executed on May 26, 1994.

Jack Lavender
Jack Lavender

Virginia P. Lavender
Virginia P. Lavender

BARNETT BANK OF SOUTHWEST FLORIDA

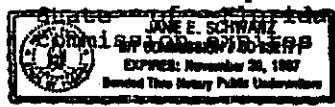
By: David W. Pearson
As its Senior Vice President

STATE OF FLORIDA
COUNTY OF Sarasota

The foregoing instrument was acknowledged before me this 26 day of May 1994 by David W. Pearson as Senior Vice President of BARNETT BANK OF SOUTHWEST FLORIDA, who is personally known to me or who has produced _____ as identification. If no type of identification is indicated, the above-named person is personally known to me.

(Notary Seal)

Jane E. Schwanz
Signature of Notary Public
Jane E. Schwanz
Print Name of Notary Public

I am a Notary Public of the State of Florida and my commission expires on _____


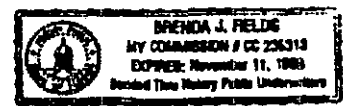
STATE OF FLORIDA
COUNTY OF Dade

The foregoing instrument was acknowledged before me this 17th day of May 1994 by Jack Lavender and Virginia P. Lavender, Husband and wife, who are personally known to me or who have produced _____ as identification. If no type of identification is indicated, the above-named persons are personally known to me.

(Notary Seal)

Brenda J. Fields
Signature of Notary Public
Brenda J. Fields
Print Name of Notary Public

I am a Notary Public of the State of Florida, and my commission expires on _____.



JLR: jh-40912
04/12/94

HAY OAKS ESTATES, UNIT I

MASTER SIDEWALK PLANS

OFFICIAL RECORDS
PAGE 2780

PURSUANT TO THE REQUIREMENTS OF PARAGRAPH 23, ARTICLE IV OF THE DECLARATION OF RESTRICTIONS TO WHICH THIS EXHIBIT "C" IS ATTACHED, THE FOLLOWING LOTS WILL REQUIRE SIDEWALK INSTALLATION:

2129	2163	2191
2130	2164	2192
2131	2165	2193
2132	2166	2194
2133	2167	2195
2134	2168	2196
2135	2169	2197
2136	2170	2198
2137	2171	2199
2138	2172	2200
2139	2173	2201
2140	2174	2202
2141	2175	2203
2142	2176	2204
2149	2177	2205
2150	2178	2206
2151	2179	2207
2152	2180	2208
2153	2181	2209
2154	2182	2210
2155	2183	2235
2156	2184	2236
2157	2185	2237
2158	2186	2238
2159	2187	2239
2160	2188	2240
2161	2189	2241
2162	2190	2242
		2243

RECORDED IN OFFICIAL
RECORDS
RECORD VERIFIED
94 JUL 27 PM 4:20
KAREN E. HESSLING
CLERK OF CIRCUIT COURT
SARASOTA COUNTY, FL