

The Townhomes at the Oceans Homeowners Association, Inc.

**Declaration of Covenants, Conditions, and
Restrictions**

Articles of Incorporation

By-Laws

Daytona Beach Shores, FL 32118

**DECLARATION OF
CONVENANTS, CONDITIONS,
AND RESTRICTIONS**

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BOOK PAGE
VOLUSIA COUNTY
FLORIDA

DECLARATION OF COVENANTS AND RESTRICTIONS

The Townhomes At The Oceans,
A Subdivision located in
Volusia County, Florida
and

NOTICE OF PROVISIONS OF
THE TOWNHOMES AT THE OCEANS HOMEOWNER'S ASSOCIATION, INC.

THIS DECLARATION is made this 15th day of July, 1987,
by BELLEMEAD DEVELOPMENT CORPORATION, a Delaware corporation authorized to
transact business in the State of Florida (hereinafter referred to as the
"Declarant").

WITNESSETH:

WHEREAS, the Declarant is the record owner in fee simple absolute of
certain real property located in Volusia County, Florida, more particularly
described in Exhibit "A-1", being: All of The Townhomes at the Oceans (a
Subdivision, as shown on plat recorded in Map Book 41, Pages 163 and 164,
of the Public Records of Volusia County, Florida, a copy of which is attached
hereto as Exhibit "B"; and

WHEREAS, Declarant intends to develop said property as a planned
residential community of single family attached housing consisting of multiple
townhouse buildings and with each dwelling unit being situated on an
individual platted residential lot; and

WHEREAS, Declarant desires to minimize deterioration in the appearance of
the residences and of the development as a whole, and to minimize
deterioration in the stability and other physical conditions of the multiple
townhouse building residences in particular; and

WHEREAS, there is a need to specify and impose covenants, and to grant
necessary easements for the proper use of the overall development, and to
provide for the effective administration of the common property in the overall
development; and

WHEREAS, the Declarant has caused to be incorporated in Florida a
non-profit corporation under the name The Townhomes at the Oceans Homeowner's
Association, Inc., which has been formed to manage the common property,
collect assessments, and generally provide for the orderly enjoyment of The
Townhomes at the Oceans; and

WHEREAS, Declarant is the record owner in fee simple absolute of certain
other real property located in Volusia County, Florida, more particularly
described in Exhibit "A-2" attached hereto and made a part hereof (Additional
Property) and if conditions permit intends to develop it as an additional part
of The Townhomes at the Oceans; and

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BOOK PAGE

VOLUSIA COUNTY

WHEREAS, Declarant desires to provide a method whereby portions of the Additional Property may become committed to the provisions of this Declaration (such portions of the Additional Property together with the property described in Exhibit "A-1" to be described as the "Committed Property").

NOW THEREFORE, this Declaration is made, filed and recorded by the Declarant so that from the effective date hereof, the real property described hereinabove is and shall be held, transferred, sold, conveyed, given, donated, leased, occupied, used, mortgaged or otherwise encumbered subject to the covenants, restrictions, conditions, easements, assessments, affirmative obligations, and liens (all hereinafter sometimes referred to as the "Covenants") hereinafter set forth. This Declaration shall become effective on the date it is recorded in the Public Records of Volusia County, Florida.

These Covenants and Restrictions are set forth in the following Articles:

	<u>Page</u>
ARTICLE I - Definitions	3
ARTICLE II - Restrictive Covenants	4
ARTICLE III - Use of Common Areas	10
ARTICLE IV - Homeowner's Association - General Provisions	11
ARTICLE V - Homeowner's Association - Maintenance Assessment	18
ARTICLE VI - Amendment and Termination	23
ARTICLE VII - Covenants Against Partition and Separate Transfer of Membership Rights	23
ARTICLE VIII - Covenants for Benefit of Mortgagees	24
ARTICLE IX - Covenants to Run With Land	25
ARTICLE X - Miscellaneous Provisions	25
ARTICLE XI - Additional Property	26

3 0 0 9 1 0 8 6

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

ARTICLE I

DEFINITIONS

The following words and terms when used in this Declaration and any supplemental Declaration shall have the following meanings, unless the context shall clearly indicate otherwise:

(a) "Architectural Review Committee" shall mean a committee appointed by the Declarant in accordance with Section 2.2.

(b) "Association" shall mean The Townhomes at the Oceans Homeowner's Association, Inc., a Florida corporation not for profit, and its successors and assigns.

(c) "Board" shall mean the Board of Directors of the Association.

(d) "Building" shall mean any structure having a roof supported by columns or walls for the housing or enclosure of persons or chattels, and shall include any contiguous group of dwelling units connected by party walls.

(e) "City" shall mean the City of Daytona Beach Shores, Florida.

(f) "Common Property" shall mean any and all real and personal property and easements and other interest therein, together with the facilities located thereon, now or hereafter owned by the Association for the common use and enjoyment of the owners. Common Property does not include those portions of air conditioning systems serving only a single unit which are located on Common Property.

(g) "Committed Property" means those portions of the real estate described in Exhibits "A-1" and "A-2" which become committed to the land use provisions and other benefits, burdens, restrictions, covenants and provisions contained in this Declaration.

(h) "Declarant" shall mean Bellemead Development Corporation, its successors and assigns.

(i) "Driveway/Garage Entrance Areas" shall mean real property designated on the plats as Driveway/Garage Entrance, owned by a unit owner.

(j) "Dwelling unit" or "Unit" shall mean an improved parcel of ground designated for use as a single family residence.

(k) "Family" shall mean one or more persons related by blood, adoption or marriage living and cooking together as a single housekeeping unit, exclusive of household servants. Two (2) persons living and cooking together as a single housekeeping unit, though not related by blood, adoption or marriage, shall be deemed to constitute a family for purposes of this Declaration.

30091087

BOOK PAGE

(l) "Lot" or "Lots" shall mean and refer to any plot or parcel of land shown upon any recorded plat for the entire property or portion thereof, intended for use as a site for a single family residential dwelling unit, along with any improvement constructed thereon.

(m) "Member" shall mean a member of the Association and shall include any owner of a unit. Membership in the Association and attendant voting rights shall automatically vest upon acquiring ownership of a unit and shall terminate upon transfer of said ownership.

(n) "Occupant" shall mean any occupant of a dwelling unit, who shall be either the owner or any onewho, to the exclusion of and with the permission of the owner, holds possession of a dwelling unit.

(o) "Owner" shall mean and refer to the record title holder, whether one or more persons, to any "Lot" or "Dwelling Unit" which is a part of the property. Every "Owner" shall automatically be a member of the Association.

(p) "Party Wall" shall mean the entire wall, all or any portion of which is used for support or as fire wall protection, situated on the boundary line of adjoining lots or dwelling units.

(q) "Subdivision" shall mean The Townhomes at the Oceans and any additions, as recorded in the Public Records of Volusia County, Florida.

(r) "Book of Resolutions" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors of the Association, as the same may be amended from time to time.

ARTICLE II

RESTRICTIVE COVENANTS

Section 2.1. General. The Board of Directors may, from time to time, without consent of the members, promulgate, modify, or delete use restrictions and rules and regulations applicable to the units and the common property. This authority shall include, but shall not be limited to, the right to limit the type and size and to set the maximum and minimum speeds of vehicles within the community. The Association shall also have the authority to impose all other necessary traffic and parking regulations and to restrict the maximum noise levels of vehicles in the community. Such regulations and use restrictions shall be binding upon all owners and occupants until and unless overruled, cancelled, or modified in a regular or special meeting by the vote of Class "A" members holding a majority of the total votes in the Association and by the vote of the Class "B" member, so long as such membership shall exist.

Section 2.2. No unit constructed in the subdivision shall be used for any purpose except for a single family residential dwelling. The term "residential" is intended to prohibit any commercial use, including

professional office use, of any dwelling. No building or structure shall be erected, altered, placed or permitted to remain on any lot except those approved by the Architectural Review Committee as hereinafter provided.

Section 2.3. The Architectural Review Committee shall be composed of not less than three (3) nor more than five (5) persons. The members of the original committee shall be appointed by the Declarant. In the event of death, resignation, inability to serve, or other vacancy in office of any member of the original Architectural Review Committee, the Declarant shall promptly appoint a successor. The membership, rules of procedure and duties of the original committee shall be prescribed by and may from time to time, be changed or modified by the Declarant. When the Declarant deems the circumstances appropriate, but not later than the date upon which Class B membership shall cease as provided in Section 4.7 of this Declaration, it shall cause control of the Architectural Review Committee to be turned over to the Board. The Board shall then appoint the membership of the permanent Architectural Review Committee which shall assume the duties and perform the functions as set forth in this Declaration. After turnover of control is completed, any and all appeals from actions of the Architectural Review Committee shall be heard and decided by the Board. The Board has the option at any time to disband the Architectural Review Committee and to assume its duties and responsibilities.

Section 2.4. No building or structure shall be erected, placed, altered, or permitted to remain on any lot unless and until the builder or owner files with the Architectural Review Committee a request for an approval to build accompanied by the floor plan, elevation and abbreviated specifications (including exterior material and colors) for the construction of such building or structure and such plans and other material have been reviewed and approved by the Architectural Review Committee, and an Approval to Build is issued as the proposed building or structure (including plans and specifications for same) as to the quality of workmanship and materials, the harmony of the external design, color and appearance, the location of the building or structure with existing buildings or structures, the location of the building or structure with respect to topography, vegetation and the finished grade or elevation of the lot, and any other relevant considerations which are based on acceptable standards of planning, zoning, and construction, including considerations based exclusively on aesthetic factors. Declarant need not obtain such approval for any lots owned by it.

No trees over three inches in diameter measured three feet above the grounds shall be killed, cut down or removed without the written approval of the Architectural Review Committee.

Section 2.5. The Architectural Review Committee shall indicate its approval or disapproval of matters required to be acted upon by a written instrument filed with the Declarant, or the Board following turnover of control by Declarant, and served personally or by certified mail upon the owner and on all interested parties, identifying the proposed building or

structure and, if the same is disapproved, the reasons for such disapproval. Approval by the Architectural Review Committee does not warrant the design of the structure approved. The decision of the Architectural Review Committee may be appealed in writing within ten (10) days after the receipt of the decision by the owner. The appeal shall be to the Declarant, or the Board following turnover. A decision on such appeal, either approval or disapproval of the decision of the Architectural Review Committee, shall be rendered by the Declarant or the Board within two weeks after filing of the appeal. The action of the Declarant or the Board shall be final. If the Architectural Review Committee fails or refuses to approve or disapprove a request for an Approval to Build within thirty (30) days after the application or request, complete with floor plan, elevation and abbreviated specifications (including exterior material and colors), has been received by the committee, then it shall be conclusively presumed, as to all owners and interested persons, that the plans and other material have been approved as submitted.

Section 2.6. The Architectural Review Committee shall, upon the conveyance by Declarant of the first lot to an owner or builder, or as soon thereafter as is feasible, adopt general rules of procedure, forms to be used, and guidelines for interpreting the covenants contained in this Declaration, including but not limited to, rules to regulate animals, signs, storage and use of machinery, garbage containers, trash containers, and planting, maintenance and removal of vegetation on the property.

Section 2.7. The areas included within the lot line of each individual lot, but not included within the dwelling unit constructed on such lot (such areas being hereafter referred to as "Grounds"), shall be used only for normal and customary lawn and/or patio and/or driveway purposes. Any portions of the grounds which are not included within the area originally covered by the original construction driveway/garage entrance, any original construction enclosed concrete front entryway inside security gate, and any original construction concrete rear patio or porch (which shall be similar to the illustration shown on the recorded plat of the Subdivision and shall be shown on any plat of survey delivered to the Purchaser at the time of original conveyance by Declarant), shall be treated by the owner and the Association as if they are a part of adjacent or proximate common property owned by the Association. The Association shall have the exclusive right to regulate the use of such portion or portions of the grounds, so long as such regulation is consistent with the restrictions placed upon adjacent or proximate common property. In order to effectuate this use restriction and power of regulation the portions of the grounds which are not included within the area originally covered by the original construction driveway/garage entrance, any original construction concrete front entryway inside security gate, and any original construction concrete rear patio or porch are hereby subjected to a blanket easement of access and use in favor of the Association.

No structure, including an addition to a dwelling unit, shall be constructed or placed on the grounds without the written approval of the Architectural Review Committee as described in Section 2.2 above, except; that the Declarant need not obtain such approval for any lots owned by it. The

term "structure" as used herein shall include, but is not limited to fences, barbecue grills, patios, recreation facilities such as basketball courts or goals, shuffleboard courts, other type courts, and lawn decorative objects such as statues, bird baths, etc.

Section 2.8. No structure of a temporary nature or character, including, but not limited to, a trailer, house trailer, mobile home, camper, tent, shack, shed, barn, or other similar structure or vehicle, shall be used or permitted to remain on any lot as a storage facility or residence, or other living quarters whether temporary or permanent, except those used as temporary construction and sales offices during construction by Declarant or by a contractor or builder so authorized.

Section 2.9. No trucks or commercial vehicles (except during any period of approved construction), campers, mobile homes, motor homes, boats, house trailers, boat trailers, or trailers of every other description shall be permitted to be parked or to be stored at any place on the lots or common property, except in approved areas designated by the Association. This prohibition against parking shall not apply to temporary parking of trucks or commercial vehicles for repair services, pick-up, delivery and other commercial services, and shall not apply to business or commercial automobiles or to panel or pick-up trucks with not over 3/4 ton capacity when such vehicles are used as personal transportation by the owner or occupant of a dwelling.

Section 2.10. No livestock, poultry or fowl, or other type of animal shall be raised, bred or kept on any lot, except that dogs, cats and other usual household pets may be kept provided they are not kept or bred for commercial purposes. The keeping of dogs, cats and other household pets will be subject to rules adopted by the Association. No lot owner shall engage in any activity which is or may become a nuisance or an annoyance to the neighborhood.

Section 2.11. No outdoor clothes drying activity shall be conducted on any of the lots.

Section 2.12. No sign of any kind shall be erected, permitted to remain on or displayed to public view on or from any lot, except a sign which has been approved by the Board. The Board may approve a sign giving the name of the occupant of the residence located on a lot or may approve a sign advertising the premises for sale or rent.

Section 2.13. No obnoxious or offensive activity shall be conducted or permitted to exist upon any lot, nor shall anything be done or permitted to exist on any lot that may be or may become an annoyance or a private or public nuisance.

Section 2.14. No lot shall be used or maintained for dumping or for the discharge of rubbish, trash, garbage, or other solid waste material. All lots shall be kept free of an accumulation of rubbish, trash, garbage, or other

30091091
BOOK PAGE
INDEX VOL 1091

solid waste materials, and free of unsightly weeds and underbrush. No incinerator or other fixed equipment shall be used for the collection, storage or disposal of waste material.

Section 2.15. All garbage containers and trash containers shall be kept in the garage or other unit interior areas except on the day of collection. On garbage and trash collection days, the garbage and trash in appropriate containers shall be moved to the edge of the access driveway adjacent to the unit driveway.

Section 2.16. Easements for the installation and maintenance of utilities and stormwater retention and drainage facilities are created as shown and described on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain that may damage or interfere with the installation and maintenance of utilities, change the direction of flow of drainage in the easements or obstruct or retard the flow of water drainage in the easement unless authorized in writing by the proper authorities, such as a city, county or state agency. The easement area of each lot and all improvements in it shall be maintained continuously by the association, except where a public authority, governmental agency, or utility company is responsible for such maintenance.

Section 2.17. A franchise cable television system is authorized to operate and to make a reasonable charge to each unit for the service. Service shall be by underground cable and an easement shall exist in order to allow the installation and service of such antenna system to each unit. Outdoor antennas for individual dwelling units for television or radio are not permitted.

Section 2.18. No wall or fence other than those included in the original construction shall be erected, placed, altered, maintained, enlarged, or permitted to remain on any lot unless and until the height, type of construction and materials to be used and the location thereof have been approved by the Architectural Review Committee in accordance with the procedure set forth in Section 2.3 hereof.

Section 2.19. No septic tank, drainfield, mobile home storage tank, or other similar container shall be permitted to exist on any lot.

Section 2.20. No parking area or driveway shall be constructed, maintained, altered, or permitted to exist on any lot except in the areas specified for such use on the recorded subdivision plat. All parking areas must be constructed and maintained in accordance with the directives issued by the Architectural Review Committee.

Section 2.21. The owner or owners of each lot or dwelling unit agrees to maintain in full force and effect a policy of insurance against loss by fire, with extended coverage, including vandalism, malicious mischief and fire liability coverage on the improvements on said lot, or on said dwelling unit, with full replacement cost coverage. All proceeds thereof shall be used to

Insurance

3 0 0 9 1 0 9 2

BOOK PAGE
VOLUSIA COUNTY

promptly repair or replace any damage to or destruction of improvements to their original condition. In the event of damage to a dwelling unit, if there is no insurance on the dwelling or the insurance on the dwelling is not sufficient to repair or replace the roof, party walls, exterior walls, windows and doors, including trim, to their original condition, then it shall be the duty of the Association to fully repair or replace the exterior of the building and to provide the additional funds necessary to fully repair or replace the roof, party walls, exterior walls, windows and doors, including trim, to their original condition and shall assess the cost thereof against the unit or lot and its owner which shall be a lien on the lot, as provided in this Declaration, and the Association shall collect the same as in the case of other assessments. Each such policy shall name the holder of any mortgage on the unit covered by the policy as a loss payee as the interest of such mortgagee may appear. Unless prohibited by law, the Association shall be named as an additional insured in each policy as its interest may appear. Each policy shall provide for at least ten (10) days advance notice to the mortgagee, if any, and to the Association of the lapse or termination of such insurance. The Association shall maintain a policy of public liability insurance covering the access driveways and all property owned by the Association with such limits as may be determined by the Board of Directors.

Section 2.22. There is hereby created and established a blanket easement upon, across, over, through, and under the above described real property for ingress, egress, installation, replacement, building maintenance and repair, lawn maintenance, grass cutting, shrubbery, trimming, tree trimming, sprinkling, fertilizing, spraying, and maintenance of utility and service lines and systems including but not limited to, drainage, water, sewer, gas, telephone, electricity, television cable or communication lines and systems. This easement shall in no way affect any other recorded easements on said premises. The Association through its Board of Directors is hereby vested with the authority to grant permits, licenses, and easements over the common property for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the development.

Section 2.23. For a period of three (3) years after the date of conveyance of the first lot, the Declarant reserves a blanket easement and right on, over and under the ground within the subdivision to make corrective changes in order to maintain drainage for the property and to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut trees, bushes or shrubbery, grade the soil, or to take any other similar corrective action reasonably necessary to accomplish such purpose. Following such work, the Declarant shall restore the affected property to its original condition as nearly as practicable. The Declarant shall give reasonable notice of its intent to take such corrective action to all affected owners, unless in the opinion of the Declarant an emergency exists in which case such notice is excused.

30091093

BOOK PAGE

VOLUSA COUNTY

Section 2.24. Each unit will be provided with a uniform mail box by the Declarant for the receipt of mail addressed to the unit. All mailboxes will be located on common property. Maintenance and replacement of the mail box shall be the responsibility of the Association.

Section 2.25. Easement for Encroachment and Overhang: If any portion of any structure erected by the Declarant, or by Declarant's successor developer, including a building foundation, a boundary line wall, a party wall, or any portion of an air conditioning system serving a single dwelling unit is located, protrudes, or extends across the boundary of a lot upon which the structure is erected and over or on an adjoining lot or common property, the building foundation, structure, boundary line wall, party wall or air conditioning equipment, shall not be deemed a prohibited encroachment upon the adjoining lands. If there is a protrusion, the landowner of the property over which the protrusion extends shall be deemed to have granted a perpetual easement, appurtenant to the lot from which the protrusion extends, to the owner of the protruding structure for the continuing use and maintenance of the building foundation, structure, party wall, boundary line wall or air conditioning equipment, including the replacement thereof.

ARTICLE III

USE OF COMMON AREAS

Section 3.1. The common property, as hereinabove specifically described, shown on the plat of The Townhomes at the Oceans, shall be, and the same is hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the owners or occupants of lots and dwelling units lying within The Townhomes at the Oceans as hereinabove described, for the use of such owners or occupants and the use of their immediate families, guests, lessees, invitees, and other similarly situated, for all proper and normal residential purposes, for the furnishing of services and facilities for which the same are reasonably intended, and for the quiet enjoyment of said owners. The common property may not be sold by the Association and has no value except for use to the lot owners. The use value of the common property is part of the value of each unit.

Section 3.2. By accepting any instrument of conveyance or by taking possession or occupancy of any dwelling unit or lot, each such person does agree to abide by and comply with the Declaration and its exhibits and all rules and regulations promulgated by the Association, the Board or its committees now in effect or which may hereinafter be adopted, it being understood that such compliance is necessary for the orderly enjoyment of all common property and facilities now existing or which may hereafter be established.

Section 3.3. The common property and any other property of the Association shall be transferred to the Association at or prior to the time the majority of the Board of Directors of the Association are elected by the unit owners other than the Declarant.

ARTICLE IV

HOMEOWNER'S ASSOCIATION - GENERAL PROVISIONS

Section 4.1. To effectively provide for the administration of the common property by the owners of lots or dwelling units in The Townhomes at the Oceans, a non-profit corporation, The Townhomes at the Oceans Homeowner's Association, Inc., a non-profit Florida corporation; has been created. A copy of the Articles of Incorporation of The Townhomes at the Oceans Homeowner's Association, Inc., is attached hereto as Exhibit C. The Association shall own, operate, manage and maintain the common areas, enforce the restrictions and covenants contained herein, the By-Laws of the Association and the Rules and Regulations adopted by the Association, and shall perform all acts necessary and incident to such duties, all in accordance with the provisions of this Declaration and the Articles of Incorporation and By-Laws of said Association. A copy of the By-Laws of The Townhomes at the Oceans Homeowner's Association, Inc., is attached hereto as Exhibit D.

Section 4.2. The Association shall maintain and keep in good repair the common property. This maintenance shall include, without limitation, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and improvements including mailboxes situated on the common property. The Association is not responsible for maintenance of any portion of an air conditioning system serving a single dwelling unit which may be located on common property. The Association shall maintain and keep in good repair all landscaping grounds areas within the boundaries of units, except for landscaping, if any contained within patio areas. The Association shall maintain and keep in good repair all paved or concrete walkways, driveways, parking areas and patios, even though located partially or wholly within the boundaries of a unit. The Association shall maintain and keep in good repair all water and sewer pipes or facilities which serve more than one (1) unit, whether located within or without a unit's boundaries.

The Association shall provide exterior maintenance upon unit improvements as follows: paint, stain, repair, replace, and care for roof surfaces and roof systems, gutters, downspouts, chimneys, garage doors and, with the exception of entry doors, glass and their appurtenant hardware, all exterior building surfaces.

The Association shall have the right, but not the obligation, to maintain property not owned by the Association where the Board has determined that such maintenance would benefit all owners.

~~The Association shall maintain and keep the street lights in operation and shall pay for the electric power required to operate them. Said items of maintenance are declared to be operating expenses and the Association is obligated to make and collect assessments sufficient to pay for said items of maintenance as part of the annual regular assessment.~~

Section 4.3. The owner or owners of each lot or dwelling unit shall be responsible for the maintenance and repair of the windows and doors excluding garage doors. The roof of each building is a common roof shared by all of the units in each building. The exterior of the building is designed to appear as one building, and is painted as one building. In order to preserve the aesthetic value and to provide maintenance and protection for each unit owner in each building, the following covenants are provided:

4.3.a. Party Wall Covenants. Each owner of a unit agrees with the owner of each adjoining unit or units with respect to the party wall between such adjoining units as follows:

- A. The party wall between their units shall be kept in a good state of maintenance and repair and the cost of maintenance of said wall over and above the total proceeds of all insurance coverage attributable thereto shall be borne equally by the owners of the adjoining units served by the wall upon which maintenance or repair is required.
- B. No change or alterations shall be made in said wall that shall weaken it in any way or interfere with the respective parties use thereof as a party wall. No alterations, etc., shall be made in any party wall without the written consent of the adjoining owner and of any person, firm or corporation holding any lien, mortgage, or other encumbrance upon any lot upon which any portion of the party wall to be altered is located.
- C. In the event that it shall be necessary at any time to repair or rebuild said wall or any portion thereof as constructed, the cost of such repairing and/or rebuilding and thereafter maintaining such wall over and above the total proceeds of all insurance coverages attributable thereto shall be borne equally by the owners of the adjoining units served by the wall upon which maintenance or repair is required.
- D. This agreement shall be perpetual or for so long as the building now constructed shall stand and shall be a covenant running with the land, provided, however, that nothing herein shall be construed as a conveyance by the respective parties in fee of the land upon which said party wall is located.
- E. Notwithstanding any other provisions of this Section, an owner who by his negligence or willful act causes the party wall to be damaged or exposed to the elements shall bear the whole cost of repairing same and furnishing protection against such elements.

30091095

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

30091096

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

4.3.b. Roof Covenants. Each owner of a unit agrees that the roof of each building is a common roof shared by all the units in the building and each owner of a unit agrees with the owners of each other unit in the same building as follows:

- A. The roof of the building shall be kept in a state of maintenance and repair and the cost of the maintenance of the roof over and above the total proceeds of all insurance coverages attributable thereto shall be borne by the Association.
- B. In the event it shall be necessary at any time to repair, rebuild or replace the roof or any portion thereof, the cost of such repairing, rebuilding or replacement over and above the total proceeds of all insurance coverages attributable thereto shall be borne by the Association.
- C. This agreement shall be perpetual or for so long as the building now constructed shall stand and shall be a covenant running with the land.
- D. Notwithstanding any other provisions of this Section, an owner who by his negligent or willful act causes the roof to be damaged or any of the units in the building to be exposed to the elements through the roof, that owner shall bear the whole cost of repair and of furnishing protection against such elements.

Section 4.3.c. Building Exterior Maintenance and Painting Covenants. The exterior of each building is to be painted and maintained as one building, including window casings and framing, but not window glass, doors, trim, and exterior wall and foundation surfaces, and each owner of a unit agrees with the owners of each other unit in the same building as follows:

- A. The cost of painting and maintaining the exterior of the building over and above the total proceeds of all insurance coverages attributable thereto shall be borne by the Association.
- B. The exterior of each building shall be painted at least every four (4) years or more frequently, if in the opinion of the Board the condition of the exterior is in a deteriorating condition or its appearance detracts from the neighborhood.
- C. The exterior of each unit in the same building shall be painted the exact same basic color and the trim on each unit in the same building shall be in a consistent trim color and trim pattern. The paint on each unit in the same building shall be of the same texture and finish.

30091097

PAGE 4
VIRGINIA COUNTY
RECORDER

D. The color or finish of the exterior or trim of any building may be changed only with the consent of the Board. A majority of the unit owners in a building may petition the Board for permission to change the color submitting therewith samples of the color and finish proposed. The Board shall act on such petition within forty-five (45) days of its receipt.

Section 4.3.d. Provisions Cumulative. The provisions of Sections a., b., and c. do not supersede the provisions of Section 2.21 of this Declaration but are a supplement thereto.

Section 4.3.e. Enforcement of the Party Wall, Roof and Exterior Maintenance and Painting Covenants. The Board shall investigate any cases brought to its attention in which a party wall or roof is in need of maintenance, repair or rebuilding or a building is in need of exterior painting, maintenance or repair or in which there is a violation of the provisions of this Section. In the event the Board finds that a party wall or roof is in need of maintenance, repair or a building is in need of maintenance, repair, or is otherwise not in compliance with this Section, the Board shall send all of the unit owners in the building and also the occupants if occupied by other than the unit owner, a Notice of Non-Compliance or Violation specifically describing the non-compliance or violation and giving not less than ten (10) days nor more than forty-five (45) days within which the non-compliance or violation shall be corrected. The Board, for good cause shown, may extend the forty-five (45) days. In the event thereof, the Board shall notify the unit owners, and, if appropriate, the occupants, that the Board will hold a hearing on the non-compliance or violation stating the date, place and time of the hearing. At the hearing all interested parties may be heard. A record will be made of the proceedings and ruling of the Board. In the event the Board shall determine that there is no violation or non-compliance, the matter shall be dismissed; however, if the Board shall determine that there is a violation or non-compliance then the Board may:

- A. Issue an order that the violation or non-compliance be corrected within a reasonable time certain (not less than ten (10) days), and if not corrected within the time set then may impose a fine assessed against the units in the building involved in an amount not to exceed \$150.00, and each day the violation continues after the day set for action may be considered to be a separate violation and the fine reimposed each day until the matter is corrected;
- B. Issue an order that corrective action be taken and specifying a reasonable time certain within which corrective action shall be taken and if not taken within the time set, direct that the Association shall, through its agents and employees, enter upon the lot and unit as necessary and to accomplish the maintenance, repair or other corrective action as ordered and the cost thereof

30091098

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

plus a ten (10%) percent service charge shall be added to and become part of the assessment to which the unit is subject.

- C. Issue an order that a structure or a portion of a structure which constitutes the violation or non-compliance be removed within a reasonable time certain and in the event that the same is not removed within the time set, direct that the Association remove the structure at the expense of the Association and impose an assessment against the unit involved in the amount of the cost of the removal plus a ten (10%) percent service charge; or
- D. The Board may take such other action as it deems appropriate.

Section 4.3.f. Emergency Action By Board. Notwithstanding any other provision of this Section, the Board may in the event of an emergency in which a unit or units are being damaged or in imminent peril of being damaged by the elements, electrical wiring or plumbing failure, fire, hurricane, falling trees or limbs or other casualty, the Board may take immediate action and through its agents and employees enter upon the lots and units as necessary and to take such action as it deems appropriate to preserve the units and the property of the unit owners.

Section 4.4. ~~The owner or owners of each lot or dwelling unit in The Townhomes at the Oceans shall automatically become members of the Association upon his, her or their acquisition of an ownership interest in the title to any lot or dwelling unit. The membership of each owner shall terminate automatically at the time that such owner is divested of such ownership interest or title to such lot or dwelling unit, regardless of the means by which such ownership may have been divested.~~ No person, corporation, or other business entity holding any lien, mortgage or other encumbrance upon any lot or dwelling unit shall be entitled, by virtue of such lien, mortgage, or other encumbrance, to membership in the Association or to any of the rights and privileges, or be charged with any of the duties of such membership; provided, however, that nothing contained herein shall be construed as prohibiting membership in the Association of a person, corporation, or other business entity which acquires title to a lot or dwelling unit either by foreclosure or by voluntary conveyance from a mortgagor, his successor or assign.

Section 4.5. In the administration, operation and management of the Association, the common property and the enforcement of these covenants and restrictions, the Board of Directors of the Association shall have and is hereby granted the full power and authority to adopt reasonable rules and regulations pertaining to the use of the common elements, common property and recreation facilities and the conduct of unit owners and their guests to maintain peace and harmony within the Subdivision, and shall have the full power and authority to enforce all the provisions of this Declaration, the By-Laws and Rules and Regulations adopted pursuant to these documents, to levy

and collect assessments in accordance with, and to adopt, promulgate, and enforce such rules and regulations governing the use and enjoyment of the common property and the Administration of the aforesaid covenants and restrictions as the Board may from time to time deem appropriate and in the best interests of the Association. The Board of Directors of the Association is hereby granted the authority to appoint committees of unit owners for the purpose of regulating the Association, which committees shall include Architectural Review as provided in Section 2.2, traffic control, budget, elections and a review committee for the purpose of enforcing the terms of these documents, the Rules and Regulations of the Association, and the Rules and Regulations of the committees, all in accordance with the procedure contained in the By-Laws. The authority hereby granted includes the power for the review committee to punish for violations including the authority to issue reprimands, recommend to the Board of Directors fines which may be imposed by the Board of Directors of the Association in such reasonable sum as it may deem appropriate but not to exceed any limitation on the amount of such fine set by the statutes of the State of Florida, and may be assessed only after written notice to the unit owner and other parties and an opportunity for them to appear and be heard before the of Directors, which fines when imposed by the Board are an assessment against the lot involved and its owners and shall be enforced as other assessments, and to take other lawful and appropriate action.

Section 4.6. As long as the Declaration has rights and obligations under this Declaration, the Association shall not use its resources in opposition to the Declarant's Plan of Development.

Section 4.7. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a lot which is subject to assessment.

The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned. When more than one person owns an interest in a lot, all such persons shall be members. The vote for such lot shall be exercised by one owner designated in writing by all owners, but in no event shall more than one vote be cast for any lot. The voting right of a Class A member is automatically suspended if any assessment against the lot owned shall be delinquent and unpaid.

Class B. The Class B Member(s) shall be the Declarant and it shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership based on a maximum of 81 memberships;

30091100

BOOK PAGE
VOL 10 USIA COUNTY
FLORIDA

(b) Three years following the date of conveyance of the first lot or dwelling unit by Declarant.

(c) In the event Declarant shall sign and record a "Statement" as provided in Article XI of this Declaration, declaring that the property described therein is no longer uncommitted property, then the maximum number of memberships shall be the total number of lots or dwelling units in the committed property.

Section 4.8. It shall be the responsibility of the Association to see that liability and hazard insurance on all common property owned or maintained by the Association, directors and officers liability insurance and fidelity bonding of those officers and directors handling funds of the Association is obtained in effect at all times. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and shall provide that all proceeds covering property losses shall be paid to the Association. Such insurance policies shall contain a provision that the proceeds covering property losses shall be paid over to the Association only after the Association has provided proof that the fidelity bonding of the officers and directors of the Association has been increased by the amount of such proceeds as provided in Section 5.7 of this Declaration. The duty of the Association shall be to receive and hold the insurance proceeds and other funds that are paid to it in trust for the purposes elsewhere stated in this instrument and for the benefit of the unit owners. In the event of any casualty or loss to any of the common property, the association shall receive all insurance proceeds therefrom for the benefit of itself and the lot owners, which proceeds shall be used to the extent needed solely to reconstruct, replace or repair promptly the facilities so damaged. Any excess insurance proceeds not required for the aforesaid reconstruction, replacement or repairs shall be transferred to the general funds of the Association.

Section 4.9. In the administration, operation and management of the common property and the enforcement of these Covenants and Restrictions, the Association shall have and is hereby granted full power and authority to enforce all the provisions of this Declaration to levy and collect assessments in accordance herewith, and to adopt, promulgate, and enforce such rules and regulations governing the use and enjoyment of the common property and the administration of the aforesaid Covenants and Restrictions as the Board may from time to time deem appropriate and in the best interests of the Association.

Section 4.10. Owners are required to provide the Association with information regarding the name and address of all mortgagees and the Association shall maintain a Registry of Owners and Mortgagees. Owners shall report any changes in this information to the Association. A first mortgagee, upon request, is entitled to written notification from the Association of any default in the performance by the individual owner of any obligation under this Declaration which is not cured within sixty (60) days.

3 0 0 9 1 1 0 1

BOOK PAGE

Section 4.11. Any agreement ^{VOLUME 11, PAGE 111} for professional management of the common property or recreational areas or any other contract providing for services of the Declarant, sponsor or builder, may not exceed three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee by written notice delivered no less than ninety (90) days prior to the termination date.

Section 4.12. The Association may dedicate or transfer all or any part of the common property 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 or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members agreeing to such dedication, sale or transfer. ??

The Association may also acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association.

Section 4.13. A quorum for any duly constituted meeting of the members of the Homeowner's Association shall be a majority of all the lots represented in person or by proxy. If a quorum is not present at any meeting when first called, the Board may call a second meeting at which the quorum of the first meeting shall be reduced by fifty percent (50%). The notice for the first called meeting may include the calling of and date for the second called meeting.

ARTICLE V

HOMESOWNER'S ASSOCIATION - MAINTENANCE ASSESSMENT

Section 5.1. The owner of each and every lot and dwelling unit shall by acceptance of a deed or other instrument of conveyance therefor, whether or not it shall be so expressed in any such deed or instrument, be deemed to covenant and agree to all the terms, covenants, conditions, restrictions, and other provisions of this Declaration and to promptly pay to the Association to the Association or its successors or assigns the following:

- (a) All annual assessments or charges, and
- (b) All special assessments or charges for the purposes set forth herein.

All assessments or charges shall be fixed, established and levied by the Board of Directors, and collected from time to time as hereinafter provided. Assessments against the owners shall be made for the calendar year annually in advance on or before December 1st preceding the year for which the assessment is made and shall be payable in twelve (12) equal monthly installments on the 1st day of each month commencing January 1 of the year for which the assessment is made commencing January 1988. If an annual assessment is not

30091102

BOOK PAGE

made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly installment on such assessments shall be due upon each installment payment date until changed by an amended assessment. The annual and special assessments (together with such interest thereon and the cost of collection including reasonable attorneys' fees as hereinafter provided) shall be a charge and continuing lien on the real property and improvements thereon against which such assessment is made. Each assessment (together with interest thereon and the cost of collection including reasonable attorneys' fees) shall be the personal obligation of the person who was the "owner" of such real property at the time when the assessment first became due and payable. Such personal obligation shall not pass to successors in title unless assumed by them. In the case of joint ownership of a residential lot or dwelling unit, each owner shall be individually, jointly and severally liable for the entire amount of the assessment and the aforesaid interest, collection costs, and attorneys' fees.

Section 5.2. The assessments levied by the Association shall be used exclusively for the improvement, maintenance, enhancement, and operation of the common areas and properties and to provide services which the Association is authorized to provide including, but not limited to, the payment of taxes, governmental assessments and insurance thereon, construction of improvements, repairs, replacements, payment of the cost of labor, services equipment, materials, management, and other supervision necessary to carry out the authorized functions of the Association, and for the payment of principal, interest and other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized functions. A deferred maintenance reserve account shall be established out of the regular assessments for common expenses for the purpose of resurfacing the access driveways and designated driveway areas in the Subdivision and for the replacement, maintenance and repair of the building roofs, and other exterior surfaces as well as any other improvements to the common property. The amount of the deferred maintenance reserve shall be fixed, levied and collected based upon the estimated life and estimated replacement cost calculated on accepted engineering principles for resurfacing the access driveways, and designated driveway areas and roofs and any other improvements. No initiation fee may be changed to members as a pre-condition to use of the common facilities. The Association shall not be bound in setting assessments in subsequent years by the amount of the assessments set in earlier years. Notwithstanding any of the provisions of this Article, in no event shall the assessments and other revenues collected by the Association exceed its expenses and reasonable reserves to an extent which would violate the Association's non-profit status.

Each unit purchaser shall at the time of closing pay to the Association the sum of \$100.00 as a contribution to working capital in order to establish a working capital fund. Said payment is not to be considered as an advance payment of regular assessments. The Developer shall have the responsibility to see that said working capital fund is maintained for the use and benefit of the Association and is turned over to the Association at the time control thereof passes to the unit owners other than Developer.

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BOOK PAGE

Section 5.3. The maximum assessment to be paid monthly to the Association shall not exceed \$50.00 per dwelling unit per month during the period ending January 1, 1990, unless the unit owners other than the Declarant shall have elected a majority of the Board of Directors of the Association prior to the adoption of the budget for such earlier period. Developer agrees to pay any amount of common expenses incurred during that period and not produced by the assessments at the guaranteed level receivable from other unit owners. Thereafter the Board, without concurrence of the members, may increase the maximum annual assessment above that of the previous year by ten (10%) percent, or by the percentage by which the Index of Consumer Prices as published monthly by the Federal Reserve System, increased during the preceding assessment year, whichever percentage is greater.

If an increase in the maximum annual assessment greater than that specified in the preceding paragraph is required, such an increase shall be approved by at least two-thirds (2/3) of the voting members in attendance in person or by proxy at a duly constituted meeting called for that purpose.

The assessments provided for herein shall not be levied or enforced against the Declarant or any lot owned by Declarant during the period of time Declarant shall fund any deficiency between assessments collected and actual expenses of the Association. After the end of the annual budget year during which the Class B membership is converted to Class A membership, the assessments provided for herein shall be levied and enforced against the Declarant or any lot owned by Declarant. The obligation of the Declarant set forth above shall be secured by a lien upon all property owned by Declarant in The Townhomes at the Oceans. Said lien shall be of the same nature, force and effect as the lien set forth in Section 5.9 below. ??

A written notice of the proposed annual assessment shall be sent to every record owner each year at least thirty (30) days in advance of the annual assessment period.

In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common property, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a duly constituted meeting called for this purpose. The annual assessment and special assessments described in this paragraph shall be assessed equally against each lot.

Special assessments may be made against individual units. In the event of unit owner shall fail to perform any repairs, maintenance or upkeep which are the responsibility of the unit owners as provided in this Declaration, the By-Laws or the Rules and Regulations of the Association, the Association may give the unit owner ten (10) days written notice to perform the repair, maintenance or upkeep so required and in the event the unit owner shall fail

30091104

BOOK PAGE

VOLUNTA COUNTY

to do so, the Association may, at its expense cause such repair, maintenance or upkeep to be performed and shall levy an assessment against the unit for the cost thereof plus a ten (10%) percent service charge.

Section 5.4. Nothing herein shall prohibit the owner of a dwelling unit from leasing or renting such dwelling unit. In the event the dwelling unit is leased or rented, however, the owner retains the right to vote, and is prohibited from transferring the right to vote to the tenant. On the first day of each tenancy the owner of any dwelling unit which has been leased or rented shall certify in writing to the secretary of the Association the names of all tenants and persons authorized to reside in the dwelling unit as of that date and the length of the tenancy.

Change

Section 5.5. Assessments which are not paid on or before the date the same shall become due shall be delinquent, and such delinquent assessment shall bear interest at twelve (12%) percent per annum until it is paid in full. In addition to the accrual of interest, when an assessment becomes delinquent in payment, the Association may file a Claim of Lien against the lot and dwelling unit to perfect the lien for such assessment. There shall be no exemption from the payment of any assessment or installment thereof by waiver of the use of the common property by abandonment of the lot or dwelling unit, by extended absence from the Subdivision or by or for any other reason, except as provided in Section 5.3.

Section 5.6. Upon written request of an owner, or a mortgagee, the Association shall furnish to a mortgagee or to one designated in the request of the owner such as a prospective purchaser or prospective mortgagee or other authorized person, a statement of the current status of the assessments on such owner's lot or dwelling unit. When executed by the treasurer or other designated officer of the Association, the statement shall be binding on the Association, and any purchaser or mortgagee may rely upon such statement as an accurate statement of the status of assessments.

Section 5.7. All revenue collected by the Association shall be segregated, held and used as the property of the Association, and such revenue may be applied by the Association, at the discretion of the Board, towards the payment of any expenses of operation and maintenance of the common property. Revenue collected by the Association from an owner of a lot or dwelling unit may be commingled with monies collected from other owners. Fidelity bonding shall be obtained on all officers and directors of the Association who control or disburse funds of the Association in an amount to be determined by the Board of Directors and in the event insurance proceeds are payable to the Association as provided in Section 4.8 of this Declaration, then such fidelity bonding shall be increased by the amount of the insurance proceeds and maintained at such amount until such proceeds have been disbursed in the manner elsewhere stated in this instrument at which time the Board of Directors may again determine the amount of the fidelity.

Section 5.8. Although all funds and other assets of the Association, and any profits derived therefrom, shall be held for the benefit of the members of

30091105

BOOK PAGE

the Association, no Member of Volusia Association shall have the right to assign, encumber, hypothecate, pledge, or in any manner transfer his membership or interest in or to said funds and assets, except as an appurtenance to his lot or dwelling unit. When an owner of a lot or dwelling unit shall cease to be a Member of the Association by reason of the divestment of ownership of said lot or dwelling unit, by whatever means, the Association shall not be required to account to such owner for any share of the funds or assets of the Association.

Section 5.9. Recognizing that proper management and operation of the common property (including improvements thereto) and carrying out the duties of the Association as set forth in this Declaration, the By-Laws and Rules and Regulations of the Association result in benefit to all members of the Association, the Association is hereby granted a lien upon all real property within The Townhomes at the Oceans and the interests of each member of the Association in the common property and improvements thereto, to secure the prompt payment of each and every assessment made and levied in accordance with this Declaration and each owner shall be liable for, and the lien created herein shall secure, the full amount of said assessment, and the costs and expenses, including attorneys' fees, which may be incurred by the Association in enforcing this lien or the provisions of this Declaration. ??

Section 5.10. The lien herein established may be foreclosed in the same manner as real estate mortgages may be foreclosed in the State of Florida. The lien granted herein shall also secure the payment of or advances for taxes and payments on superior mortgages, liens, or encumbrances, insurance premiums, and other sums which may be required to be advanced by the Association in order to protect its lien, and the Association shall be entitled to interest computed on the basis of advances made from time to time at the highest legal rate of interest on all such advances.

Section 5.11. All persons, firms, corporations, and other business entities, which shall acquire, by whatever means, any interest in the ownership of a lot or dwelling unit, or who may be given or who may acquire a mortgage, lien or other encumbrance on a lot or dwelling unit are hereby placed on notice of the lien rights granted to the Association under this Declaration, and all such persons, firms, corporations, and other business entities shall acquire their rights, title and interest in and to said lot or dwelling unit expressly subject to the lien rights provided herein.

Section 5.12. The lien created pursuant to this Declaration shall be effective from and after the recording in the Public Records of Volusia County, Florida, of a "Claim of Lien" stating the description of the property encumbered by the lien, the name of the record owner of the property, the amounts due and the date when the same become due. The lien shall continue in effect until all sums secured by the lien have been fully paid. The Claim of Lien may include assessments which are due and payable when the claim is made and recorded, plus interest, collection costs, attorneys' fees and advances such as those to pay taxes and prior encumbrances and interest thereon, all as provided herein. The Claim of Lien shall be in the name of and under the seal of the Association and shall be signed and verified by the president or vice

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BOOK PAGE

president of the Association. When full payment of all sums secured by such lien is made, the Claim of Lien shall be satisfied of record by the Association. A Claim of lien filed by the Association shall be subordinate to the lien of any mortgage or any Claim of Lien if the said mortgage or Claim of Lien is recorded prior to the recording of the Association's Claim of Lien.

ARTICLE VI

AMENDMENT AND TERMINATION

The Board of Directors of The Townhomes at the Oceans Homeowner's Association, Inc., by a two-thirds (2/3) vote may, by special resolution, propose changes or amendments to these Covenants and Restrictions. In addition, the record owners of fifty-one (51%) percent of lots or dwelling units by written petition, may propose that changes be made to these Covenants and Restrictions. Such proposed amendment shall be presented at the next regular or at a special meeting of the members duly called. Approval requires the affirmative vote of at least seventy-five (75%) percent of the then record owners of lots or dwelling units. Until such time as the Class B membership is converted to Class A membership, Declarant reserves the right to amend, modify, alter or annual any of the provisions of this Declaration and its Exhibits without prior notice to the other owners. The right to amend shall include the right to remove part of the real property from the operation of the Covenants and Restrictions by amending the legal description of the property subject to the Declaration. No amendment to this Declaration shall be effective which shall impair or prejudice the rights of the Developer, the Association or of any institutional mortgagee under this Declaration or its exhibits. Immediately after approval by members or amendment by Declarant, a certificate executed in the name of the Association by its president and secretary containing the approved amendment shall be recorded in the Public Records of Volusia County, Florida.

Notwithstanding the foregoing paragraphs of this Article, no amendment which modifies or terminates the obligation of the Association to maintain the common property shall be effective without the approval of the city in which the Subdivision is located.

ARTICLE VII

COVENANTS AGAINST PARTITION
AND
SEPARATE TRANSFER OF MEMBERSHIP RIGHTS

Recognizing that the full use and enjoyment of any lot or dwelling unit within The Townhomes at the Oceans is dependent upon the use and enjoyment of the common property and the improvements made thereto, and that it is in the best interest of all of the owners that membership rights to use the common property be retained by the owners of lots and dwelling units, it is therefore declared that the membership rights of any owner to use the common property or areas shall remain undivided, and such owners shall have no right at law or

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BOOK PAGE

equity to seek partition or severance of such membership rights to use the common property. In addition, there shall exist no right to transfer the membership rights to use the common property in any other manner than as an appurtenance to and in the same transaction with, a transfer of title to or lease of the lot or dwelling unit provided, however, that nothing herein shall preclude a conveyance by the Declarant herein of any undivided interest in the common property to the owners of lots or dwelling units within the Subdivision for the purpose of effectuating the intent of this Declaration. Any conveyance or transfer of a lot or dwelling unit in The Townhomes at the Oceans shall include the membership rights and the use of the common property appurtenant to such unit whether or not such membership rights shall have been described or referred to in the deed by which said lot or unit is conveyed.

ARTICLE VIII

COVENANTS FOR BENEFIT OF MORTGAGEES

Section 8.1. Notice to Association. An owner who mortgages a unit shall notify the Association through its secretary of the name and address of the mortgagee; and the Association shall maintain such information in a book entitled "Mortgages of Units."

Section 8.2. Notice of Unpaid Assessments. The Association shall, upon the request of a mortgagee, report any unpaid assessment due from the owner of a unit upon which such mortgagee holds a mortgage.

Section 8.3. Availability of Information. The Association shall make available to unit owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration and all amendments, the Articles of Incorporation of the Association and its By-Laws with all amendments, all Rules and Regulations with amendments, and the books, records, accounts and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours at the Association office or under other reasonable circumstances.

Section 8.4. Financial Statements. Any holder, insurer or guarantor of an institutional mortgage or of a first mortgage is entitled, upon written request, to a copy of the financial statement of the Association for the immediately preceding fiscal year.

Section 8.5. Lender's Notices. Upon written request to the Association identifying the name and address of the holder, insurer or guarantor of a mortgage and identifying the unit covered by the mortgage, any mortgage holder, or the insurer or guarantor of a mortgage shall be entitled to timely written notice of:

- a. Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage.

30091108

BOOK PAGE

- b. Any delinquency of sixty (60) days in the payment of assessment or charges owed by the owner of any unit upon which it holds a mortgage.
- c. A lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.
- d. Any proposed action that requires the consent of a specified percentage of mortgage holders.

Section 8.6. Benefit of Mortgagees. All of the provisions of this Article VIII are for the benefit of mortgagees, may be enforced by a mortgagee and may be amended or repealed only with the written consent of all mortgagees; however, additional provisions for the benefit of mortgagees may be added without such consent.

ARTICLE IX

COVENANTS TO RUN WITH LAND

The restrictions and burdens imposed by the provisions and covenants of this Declaration shall constitute covenants running with the land, each shall constitute an equitable servitude upon the owner of each lot and dwelling unit and the appurtenant undivided interest in the common property and upon the heirs, personal representatives, successors, and assigns of each owner, and the same shall likewise be binding upon the Declarant and its successors and assigns. This Declaration shall be binding and in full force and effect for a period of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive ten-year periods, unless an instrument, signed by ninety (90%) percent of the then record owners of the lots or dwelling units in Oceans Townhomes Subdivision is recorded prior to the expiration of the original thirty (30) year period or any successive then (10) year period containing an agreement of the said owners which alters, changes, modifies, or repeals, in whole or in part, the provisions of this Declaration, then and in that event the alteration, change, modification or repeal shall take effect upon the expiration of the period and be effective for subsequent periods unless this Declaration is repealed completely.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.1. The Association, the Declarant, a builder, or any owner, shall have the right to enforce, by a proceeding at law or in equity, all covenants, restrictions, reservations, liens and charges now or hereafter imposed by these Covenants and Restrictions, and any amendments thereto.

The failure of the Association to enforce any rights, privileges, covenants or conditions granted to it by these Covenants and Restrictions, or any other mentioned document, shall not constitute a waiver of its right to enforce such of these Covenants and Restrictions in the future.

30091109

BOOK PAGE

Section 10.2. In the event that any part of these Covenants and Restrictions be adjudged, for any reason, by a court of competent jurisdiction to be null and void, such judgment shall not in any manner whatsoever affect, modify, change, abrogate, or nullify any of the Covenants and Restrictions not so expressly held to be void and these covenants shall continue unimpaired and in full force and effect.

Section 10.3. As long as the Declarant has rights and obligations under this Declaration, the Homeowner's Association may not use its resources to interfere with the Declarant's Plan of Development.

ARTICLE XI

ADDITIONAL PROPERTY

Section 11.1. Plan for development. Declarant intends to develop the Additional Property (Exhibit "A-2") as part of The Townhomes at the Oceans in accordance with applicable zoning and land use regulations. The actual boundaries for any portion of the Additional Property to become committed to the provisions of this Declaration, will be set forth and determined only by the recordation in the public records of Volusia County of a plat for the portion of the Additional Property shown thereon. The commitment to boundary determination and commitment to use shall occur only upon the same being specified in a plat or replat and in a supplement to or amendment of this Declaration, a Replat Declaration or an Amended Declaration. Developer reserves the right not to commit any Additional Property to the provisions of this Declaration and/or to make such use of all Additional Property as shall be permitted by applicable zoning and land use regulations. Hence, notwithstanding anything to the contrary herein contained or contained in any of The Townhomes at the Oceans documents, only Committed Property shall be subject to The Townhomes at the Oceans documents.

Section 11.2. Committing Additional Property. Declarant may from time to time determine to commit all or any part of the Additional Property to the land use provisions and other benefits, burdens, restrictions, covenants and provisions contained in this Declaration. This determination shall be made in the sole discretion of Declarant. Such and each commitment of a portion of Additional Property to this Declaration shall be made by filing a plat or replat of the property to be committed and by a recitation to that effect in a supplement or amendment to this Declaration, a Replat Declaration or an Amended Declaration, which shall include a legal description of the portion of Additional Property then becoming Committed Property. On the recording thereof, the portion of Additional Property in question shall thereupon be Committed Property as fully as though originally designated herein as Committed Property. Should Declarant determine at any time that all or any part of the Additional Property shall not become Committed Property, Declarant shall execute a statement ("Statement") to that effect containing a legal description of such property. Upon the recording of this Statement among the

30091110

BOOK PAGE

public records of Volusia County, the property described therein shall no longer be Additional Property and may be developed and/or used by Developer for any purposes consistent with applicable zoning and land use regulations.

IN WITNESS WHEREOF, the Declarant has hereunto set its hand and seal the day and year first above written.

Witnesses:

BELLEMEAD DEVELOPMENT CORPORATION

Janella C. Huggins

By: [Signature]

[Signature]

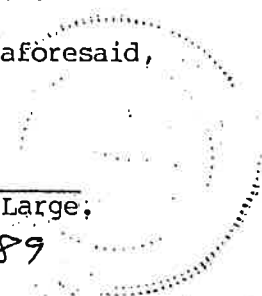


STATE OF FLORIDA
COUNTY OF VOLUSIA

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to administer oaths and to take acknowledgments, personally appeared John Collins, well known to me to be the senior vice president of Bellemead Development Corporation, the Declarant in the foregoing Declaration of Covenants and Restrictions, The Townhomes at The Oceans, Volusia County, Florida and Notice of Provisions of The Townhomes at The Oceans Homeowner's Association, Inc., and that he acknowledged executing the same as the act and deed of said corporation in the presence of two subscribing witnesses freely and voluntarily under authority duly vested in him by said corporation and that the seal affixed thereto is the true corporate seal of said corporation.

WITNESS my hand and official seal in the State and County last aforesaid, this 15th day of July, 19 87.

[Signature]
Notary Public, State of Florida at Large,
My commission expires: 4-26-89



GRP/BMD200
07/13/87-3

30091111

COMMITTED PROPERTY BOOK PAGE
VOLUSIA COUNTY
FLORIDA

A portion of Block E, McElroy's Belleview Subdivision, as recorded in Map Book 11, page 98, Public Records of Volusia County, Florida, and also being a portion of that property lying easterly and southerly of Oceans West Blvd., a 50 ft. street as shown on amended plat of Oceans West, a Planned Unit Development (P.U.D.), as recorded in Map Book 39, pages 6 to 11, inclusive, Public Records of Volusia County, Florida, subject property being more particularly described as follows:

From a point of reference, being the northwest corner of said Oceans West, a Planned Unit Development; thence along the northerly and easterly boundary thereof the following courses and distances; N 89° 33' 11" E a distance of 614.99 feet; S 27° 22' 00" E a distance of 177.58 feet, S 83° 47' 30" a distance of 60.01 feet; S 27° 22' 00" E a distance of 284.49 feet to a point of curvature on the easterly right-of-way line of said Oceans West Blvd. and the Point of Beginning of the land to be described; thence continue S 27° 22' 00" E along said easterly right-of-way line and easterly boundary of said oceans West P.U.D., a distance of 306.66 feet to a point of curvature of a curve concave northeasterly; thence southeasterly along said right-of-way and curve to the left, said curve having a central angle of 42° 04' 06", radius of 100.00 feet, an arc distance of 73.44 feet to the point of tangency thereof; thence S 69° 26' 46" E along said right-of-way line and easterly boundary line of said Oceans West P.U.D. a distance of 18.50 feet to a point of curvature concave southwesterly; thence southerly along said right-of-way and curve to the right, said curve having a central angle of 45° 00' 00", radius of 150.00 feet, an arc distance of 117.81 feet to the point of tangency thereof; thence S 24° 26' 46" E along said right-of-way and easterly boundary line a distance of 250.00 feet to a point thereon; thence N 65° 33' 14" E departing said right-of-way of Oceans West Blvd. and easterly boundary of said Oceans West P.U.D., a distance of 140.00 feet; thence N 24° 26' 46" W, parallel to said oceans West Blvd. and easterly boundary line a distance of 340.00 feet; thence N 49° 00' 00" W a distance of 219.85 feet; thence N 27° 00' 00" W, parallel to said Oceans West Blvd. and easterly boundary line, a distance of 259.57 feet to the southerly right-of-way of said Oceans West Blvd., thence S 89° 33' 11" E along said southerly right-of-way line a distance of 34.82 feet to a point of curvature of a curve concave southerly; thence westerly and southerly along said right-of-way and curve to the left, said curve having a central angle of 116° 55' 00", radius of 75.00 feet, an arc distance of 153.05 feet to the point of tangency thereof and the point of beginning, containing 2.76 acres, more or less.

Exhibit A-1
to

DECLARATION OF COVENANTS AND RESTRICTIONS
The Townhomes at the Oceans

ADDITIONAL PROPERTY

30091112

BOOK PAGE
VOLUSIA COUNTY

A portion of Blocks D and E McElroys Belleview Subdivision, as recorded in Map Book 11, page 98, Public Records of Volusia County, Florida, and also being a portion of that property lying easterly and southerly of Oceans West Boulevard, a 50 ft. street as shown on Plat of Oceans West, a Planned Unit Development (P.U.D.), as recorded in Map Book 39, Pages 6 to 11, inclusive, Public Records of Volusia County, Florida, subject property being more particularly described as follows:

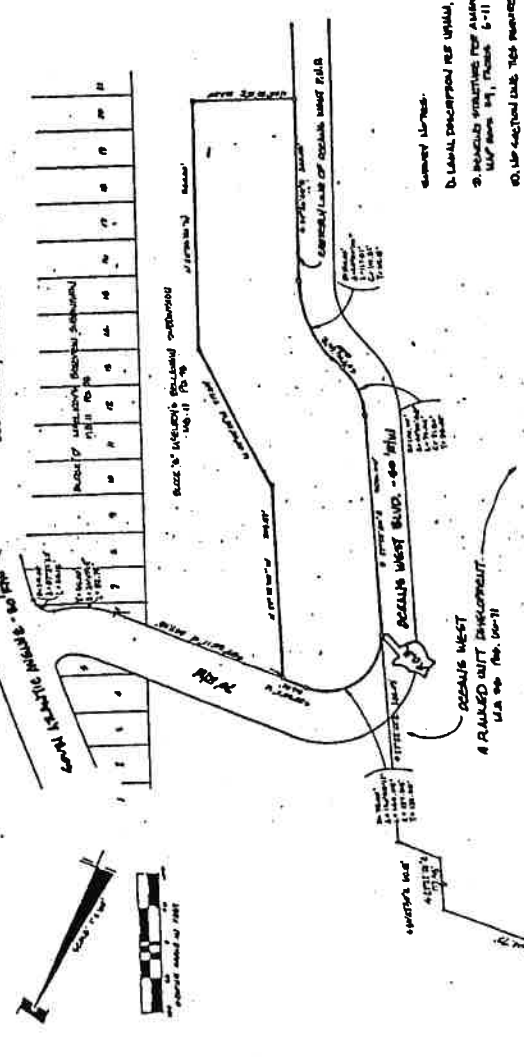
From a point of reference, being the northwest corner of said Oceans West, a Planned Unit Development; Thence along the northerly and easterly boundary thereof the following courses and distances; N 89° 33' 11" E a distance of 614.99 feet; S 27° 22' 00" E a distance of 177.58 feet; S 83° 47' 30" E a distance of 60.01 feet; S 27° 22' 00" E a distance of 284.49 feet to a point of curvature on the easterly right-of-way line of said Oceans West Blvd. said curve being concave Southerly; Thence northeasterly along said right-of-way and curve to the right, having a central angle of 116° 55' 11", a radius of 75.00 feet, an arc distance of 153.05 feet to the POINT OF TANGENCY thereof; thence N 89° 33' 11" E along the southerly right-of-way of said Oceans West Blvd. a distance of 34.82 feet to the POINT OF BEGINNING of the land to be described; thence continue N 89° 33' 11" E along said southerly right-of-way line a distance of 249.33 feet to a point of curvature of a curve concave northerly; thence easterly along said southerly right-of-way line and curve to the left, having a central angle of 35° 07' 14", a radius of 135.00 feet, an arc distance of 82.75 feet to a point of reverse curvature of a curve concave southerly; thence southeasterly along said southerly right-of-way line and curve to the right, having a central angle of 87° 22' 22", a radius of 25.00 feet, an arc distance of 38.12 feet to a point of compound curve on the westerly right-of-way of South Atlantic Avenue, an 80 ft. road right-of-way; thence southerly along said right-of-way of South Atlantic Ave. and curve to the right, having a central angle of 13° 46' 55", radius of 1287.71 feet, an arc distance of 309.74 feet to the point of tangency thereof; thence continue along said westerly right-of-way line S 24° 22' 46" W a distance of 496.49 feet to a point thereon; thence S 65° 33' 14" W, departing said right-of-way line, a distance of 269.56 feet; thence N 24° 26' 46" W a distance of 473.21 feet; thence N 49° 00' 00" W a distance of 219.85 feet; thence N 27° 22' 00" W a distance of 259.57 feet to the southerly right-of-way of said Oceans West Blvd. and the POINT OF BEGINNING.

THE TOWNHOMES AT THE OCEANS

A PORTION OF BLOCK 8, LOTS 1-12, BEING A PART OF SECTION 31, TOWNSHIP 18 SOUTH, RANGE 33 EAST, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA, LOCATED IN THE CITY OF DANLONIA BEACH SHORES.

A PORTION OF BLOCK 8, LOTS 1-12, BEING A PART OF SECTION 31, TOWNSHIP 18 SOUTH, RANGE 33 EAST, PUBLIC RECORDS OF VOLUSIA COUNTY, FLORIDA, LOCATED IN THE CITY OF DANLONIA BEACH SHORES.

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SITE INFORMATION

- 1. SECTION 31, TOWNSHIP 18 SOUTH, RANGE 33 EAST
- 2. SITE AREA: 2.70 ACRES
- 3. DENSITY: 20 UNITS / 2.70 ACRES = 7.4 UNITS PER ACRE
- 4. TOTAL BUILDING FOOTPRINT: 275,000 SQ. FT. (2.70 ACRES @ 101,850 SQ. FT. PER ACRE)
- 5. TOTAL GROUND AREA: 1,200,000 SQ. FT. (2.70 ACRES @ 444,444 SQ. FT. PER ACRE)
- 6. BUILDING HEIGHT: 3 STORIES
- 7. FINISHES REQUIRED: 30 UNITS

FINANCIAL INFORMATION

- 8. TOTAL DEVELOPMENT COST: \$4,500,000
- 9. TOTAL INVESTMENT: \$4,500,000
- 10. TOTAL REVENUE: \$12,000,000
- 11. NET PROFIT: \$7,500,000
- 12. IRR: 20.0%

ADDITIONAL INFORMATION

- 13. ZONING: R-10 (RESIDENTIAL SINGLE-FAMILY)
- 14. PERMITS: 10
- 15. UTILITIES: 10
- 16. INSURANCE: 10
- 17. LEGAL COUNSEL: 10
- 18. ARCHITECT: 10
- 19. ENGINEER: 10
- 20. LANDSCAPE ARCHITECT: 10

DECLARATION OF COVENANTS AND RESTRICTIONS
The Townhomes at the Oceans

DECLARATION OF COVENANTS AND RESTRICTIONS
The Townhomes at the Oceans

Exhibit B
to

DEDICATION

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.



WITNESSES my hand and the seal of my office this _____ day of _____, 19____.

CERTIFICATE OF APPROVAL BY THE CITY COUNCIL OF THE CITY OF DANLONIA BEACH SHORES, FLORIDA

This is to certify that on _____ 19____ the Board of the City of Danlonia Beach Shores, Florida, approved the _____ of _____.

CERTIFICATE OF APPROVAL BY THE PLANNING BOARD

This is to certify that on _____ 19____ the Planning Board of the City of Danlonia Beach Shores, Florida, approved the _____ of _____.

CERTIFICATE OF SURVEYOR

I, the undersigned, being a duly licensed and sworn Surveyor of the State of Florida, do hereby certify that the foregoing is a true and correct copy of the original as shown to me by _____, who claims to be the owner of the same.

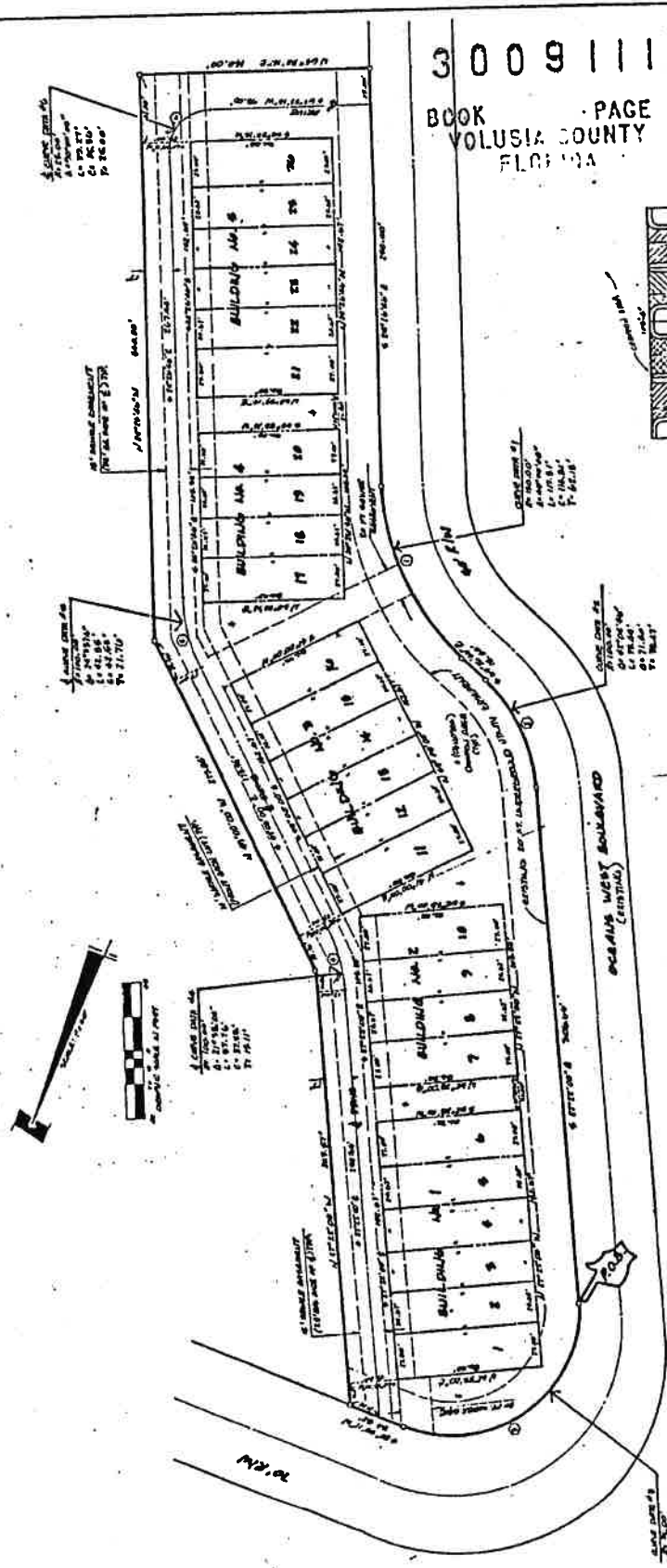
CERTIFICATE OF CLERK

I, the undersigned, being the duly appointed and sworn Clerk of the County of _____, Florida, do hereby certify that the foregoing is a true and correct copy of the original as shown to me by _____, who claims to be the owner of the same.

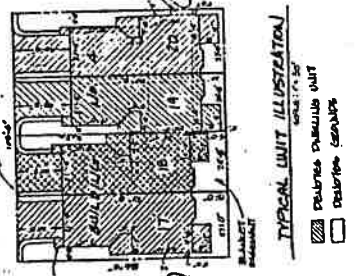
THE TOWNHOMES AT THE OCEANS

MAP BOOK PAGE

A PORTION OF BLOCK 8, HAZLETON ESTATES SUBDIVISION, AS SHOWN ON MAP NO. 2, VOLUSIA COUNTY, FLORIDA, AS SHOWN ON MAP NO. 2, VOLUSIA COUNTY, FLORIDA.



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 BOOK PAGE
 VOLUSIA COUNTY
 FLORIDA



NOTE: Section 17 of the Declaration of Condominium and Condominium Act, Chapter 718, Florida Statutes, provides that the declaration of condominium shall contain the following provisions:

SECTION 718.107. The declaration of condominium shall contain the following provisions:

(1) The declaration shall contain the following provisions:

(a) The name of the condominium project, the name of the developer, and the name of the person or persons who are authorized to execute the declaration of condominium on behalf of the developer.

(b) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(c) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(d) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(e) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(f) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(g) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(h) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(i) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(j) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(k) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(l) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(m) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(n) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(o) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(p) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(q) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(r) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(s) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(t) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(u) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(v) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(w) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(x) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(y) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

(z) The names of the persons who are authorized to execute the declaration of condominium on behalf of the developer.

ARTICLES OF INCORPORATION

30091115

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

ARTICLES OF INCORPORATION
OF
THE TOWNHOMES AT THE OCEANS HOMEOWNER'S ASSOCIATION, INC.

(A Florida Not For Profit Corporation)

ARTICLE I

NAME

The name of this corporation shall be The Townhomes at the Oceans Homeowner's Association, Inc.

ARTICLE II

PURPOSE

The purposes for which this corporation is organized are:

(a) To manage the Association of lot owners established by the Declaration of Covenants and Restrictions, The Townhomes at the Oceans.

(b) To enforce the Declaration of Covenants and Restrictions pertaining to The Townhomes at the Oceans.

(c) To carry out all duties placed upon it by the aforesaid Declaration, and in connection therewith, the corporation shall have all corporate powers permitted under said Declaration and under Florida law.

(d) The corporation shall have a lien on all lots in the subdivision to secure the payment of all charges and assessments and the performance of all covenants under the terms of the said Articles of Incorporation, the By-Laws and the Declaration of Covenants and Restrictions, The Townhomes at the Oceans.

ARTICLE III

MEMBERSHIP

Every entity, including Bellemead Development Corporation, the Developer of the subdivision, which is or becomes a record owner of any lot or dwelling unit included in committed property, as those terms are defined in the Declaration of Covenants and Restrictions (Declaration) to be executed by Bellemead Development Corporation, (Declarant) and recorded in the Public Records of Volusia County, Florida, shall automatically become a member of the Association. Membership is limited solely to those entities possessing a fee simple ownership interest and shall not be extended to any entities who hold an interest in real property merely as security for the performance of an obligation. All memberships in the Association shall be automatic and mandatory and shall terminate automatically when an entity no longer owns any fee simple ownership interest in property in real property in The Townhomes at

Exhibit C

to

DECLARATION OF COVENANTS AND RESTRICTIONS
The Townhomes at the Oceans

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the Oceans Homeowner's Association, Inc.

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

When a member is other than a natural person, the membership privilege shall be exercised by only one (1) individual being the one designated by the entity to cast its vote as hereinafter provided.

ARTICLE IV

VOTING RIGHTS

Initially there shall be twenty-seven (27) lots with membership rights in the Association. If additional property containing lots or dwelling units is committed to the Declaration, the number of memberships shall increase, as each additional property is committed, by the number of lots or dwelling units in the additional committed property.

The Association shall have two classes of membership:

Class A. Class A members shall be all owners, other than the Declarant (as defined in the Declaration), and shall be entitled to one vote for each lot owned. When more than one person holds an interest in a lot, all such persons shall be members, however only one shall be entitled to vote. All of the owners shall designate one of the owners to vote for the lot. Such designation shall be in writing and shall be filed with the Association. When a lot is owned by a corporation, partnership or any other entity, the entity shall designate one individual to vote for the lot. In the case of a corporation, the individual designated shall be an officer of the corporation, and in the case of a partnership, the individual designated shall be a general partner. Such designation shall be in writing and shall be filed with the Association. In no event shall more than one vote be cast for any lot.

Class B. The Class B members shall be the Declarant, and shall be entitled to three (3) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership upon the happening of any of the following events, whichever shall first occur.

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership based on a maximum of 81 memberships;

(b) Three years following the date of conveyance of the first lot or dwelling unit by Declarant; or

(c) In the event the Declarant shall sign and record a "Statement" as provided in Article XI of the Declaration, declaring that the property described therein is no longer uncommitted property, then the maximum number of memberships shall be the total number of lots or dwelling units in the committed property.

30091117

BOOK PAGE
VOLUSIA COUNTY

The name and residence address of each subscriber to these Articles of Incorporation are:

<u>Name</u>	<u>Address</u>
Edward R. Clark	4 Tenny Drive Daytona Beach, Florida 32018
R. Don Henderson	1532 North Beach Street Ormond Beach, Florida 32074
Gloria F. Murphy	619 Dixie Lane South Daytona, Florida 32019

ARTICLE VI

MANAGEMENT

The affairs and property of this corporation shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than five (5) persons.

The initial Board of Directors shall consist of three (3) persons, who need not be members entitled to vote in the Association and who shall be appointed by Declarant. The initial Board of Directors named in these Articles shall serve until Class B membership is converted to Class A membership or such earlier time as Declarant may determine, and their successors are duly elected as provided below. Until such conversion, any vacancies occurring in the initial Board of Directors appointed by Declarant may be filled by Declarant without notice to other owners. Following the first election of the Board of Directors by all of the lot owners, vacancies occurring between annual meetings of the membership shall be filled by the remaining Directors.

At such time as Class B membership is converted to Class A membership, as provided in Article IV above, or at such earlier time as Declarant may determine, the number of persons on the Board of Directors shall automatically be increased to five (5) persons. The entire Board of directors shall be elected by vote of the entire membership at a special meeting called for that purpose.

The Directors shall be elected by the voting membership at the annual meetings of the membership in the manner provided in the By-Laws. The Directors may be removed and vacancies in the Board filled in the manner provided in the By-Laws.

Directors shall be elected by the voting members in accordance with the By-Laws at the regular annual meeting of the membership of the corporation to

30091118

BOOK PAGE
VOLUSIA COUNTY

be held between December 1 and December 15 of each year as determined by the Board of Directors.

All officers shall be elected by the Board of Directors in accordance with the By-Laws at the annual meeting of the Board of Directors to be held immediately following the annual meeting of the membership. The Board of Directors shall elect or appoint at the times and in the manner set forth in the By-Laws a President, Vice President, Secretary, Treasurer, and such other officers as it may deem desirable.

ARTICLE VII

BOARD OF DIRECTORS

The number of persons constituting the first Board of Directors shall be three (3). The names and addresses of the persons who are to serve as Directors until their successors are chosen are:

<u>Name</u>	<u>Address</u>
Edward R. Clark	4 Tenny Drive Daytona Beach, Florida 32018
R. Don Henderson	1532 North Beach Street Ormond Beach, Florida 32074
Gloria F. Murphy	619 Dixie Lane South Daytona, Florida 32019

ARTICLE VIII

FIRST OFFICERS

The names of the officers who are to serve until the first election or appointment under these Articles of Incorporation are:

<u>Name</u>	<u>Office</u>	<u>Address</u>
Edward R. Clark	Vice President	4 Tenny Drive Daytona Beach, Florida 32018
R. Don Henderson	President	1532 North Beach Street Ormond Beach, Florida 32074
Gloria F. Murphy	Treasurer	619 Dixie Lane South Daytona, Florida 32019
Pamela C. Huggins	Secretary	980 Canal View Boulevard Unit E-4 Port Orange, Florida 32019

ARTICLE IX

BY-LAWS

The initial By-Laws of this corporation may be adopted by the subscribers hereto and may be altered, amended or revised by recording such modification in the Public Records of Volusia County, Florida, signed by all of the subscribers to these Articles of Incorporation who are the initial Board of Directors or their successors as provided herein. In the event said subscribers shall no longer be directors, then alteration, amendment or revision shall be by the vote of a majority of the unit owners at any annual meeting or at a special meeting called for that purpose and such alteration, amendment or revision shall be approved in writing by all owners and holders of all mortgages or liens on any units.

ARTICLE X

AMENDMENT OF ARTICLES OF INCORPORATION

All of the subscribers to these Articles of Incorporation or their successors, as all of the members of the corporation, may amend the Articles of Incorporation provided that at such time as said subscribers no longer are directors, then these Articles of Incorporation may be amended by the vote of a majority of the unit owners at any annual meeting or at a special meeting called for that purpose and provided such alteration, amendment or revision has been approved in writing by all owners and holders of all mortgages or liens on any units.

ARTICLE XI

DISSOLUTION

The Association may be dissolved only with the consent in writing by the owners and holders of all mortgages or liens on any lots and by two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XII

SEVERABILITY

Invalidation of any of these Articles or portions thereof by judgment, court order, or operation of law shall in no way affect other provisions, which shall remain in full force and effect.

30091120

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

ARTICLE XIII

INITIAL REGISTERED OFFICE AND AGENT

The street address of the initial registered office of this corporation is 150 South Palmetto Avenue, Daytona Beach, Florida, and the name of the initial registered agent of this corporation at that address is Glenn R. Padgett.

ARTICLE XIV

INDEMNIFICATION

The Association shall indemnify any officers, director or committee member or any former officer, director or committee member to the full extent permitted by law.

WE, THE UNDERSIGNED, being each and all of the original subscribers to these Articles of Incorporation, do hereby make, subscribe, acknowledge and file these Articles, and have hereunto set our hands and seals this 9th day of July, 1987.

Edward R. Clark (SEAL)
Edward R. Clark

R. Don Henderson (SEAL)
R. Don Henderson

Gloria F. Murphy (SEAL)
Gloria F. Murphy

STATE OF FLORIDA
COUNTY OF VOLUSIA


I HEREBY CERTIFY that before me this day, personally appeared EDWARD R. CLARK, R. DON HENDERSON and GLORIA F. MURPHY to me known and known to me to be

30091121

BOOK PAGE
VOLUSIA COUNTY

the individuals described in and who executed the foregoing Articles of Incorporation and acknowledged before me that they executed the same for the purposes therein expressed.

WITNESS my hand and official seal in the County and State named above this 9th day of July, 1987.



 Notary Public, State of Florida
 at Large PUBLIC
 My commission expires:
 EXP. APRIL 26, 1989

The undersigned, having been named to accept service of process for the above stated corporation, at the place designated in Article XIII of the Articles of Incorporation, hereby accepts to act in this capacity and agrees to comply with the provisions of Section 49.091, Florida Statutes, relative to keeping open said office.


 Glenn R. Padgett

GRP/BMD229-2
7/09/87

BY-LAWS

3 0 0 9 1 1 2 2

BY-LAWS
OF

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

THE TOWNHOMES AT THE OCEANS HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE TOWNHOMES AT THE OCEANS HOMEOWNER'S ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 2990 South Atlantic Avenue, Daytona Beach Shores, Florida. Meetings of members and directors may be held at such places as may be designated by the Board of Directors of the Association from time to time.

ARTICLE II

SEAL

The corporate seal of the Association shall be in circular form and shall bear the name of the Association and such other language as is required by laws of the State of Florida.

ARTICLE III

DEFINITIONS

All terms and provisions in these By-Laws shall have the same meaning as in the Declaration of Covenants and Restrictions, The Townhomes at the Oceans and its Exhibits ("Declaration") executed by Bellemead Development Corporation, recorded in the Public Records of Volusia County, Florida. Bellemead Development Corporation is hereinafter referred to as "Declarant".

ARTICLE IV

PURPOSES

This Association is not organized for pecuniary gain or profit to the members thereof. The specific purposes for which it is formed are to provide for management, maintenance, preservation and architectural control of the lots and common areas within that certain tract of real property known as The Townhomes at the Oceans, located in the City of Daytona Beach Shores, Volusia County, Florida, as further described in the Declaration, and to promote the health, safety and welfare of the owners and residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association and for this purpose to:

GRP/BMD22
07/09/87

Exhibit D
to

DECLARATION OF COVENANTS AND RESTRICTIONS
The Townhomes at the Oceans

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BOOK PAGE
VOLUSIA COUNTY
FLORIDA

BY-LAWS
OF

THE TOWNHOMES AT THE OCEANS HOMEOWNER'S ASSOCIATION, INC.

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(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Articles of Incorporation, the Declaration, and all supplementary declarations thereto, applicable to the property and recorded in the Public Records of Volusia County, Florida and as the same may be amended from time to time.

(b) fix, levy, collect, and enforce payment by any lawful means, of all charges or assessments 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 Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real property in connection with the affairs of the Association.

(d) pledge, sell, lease, operate, maintain, transfer or otherwise dispose of any or all of its personal property.

(e) mortgage any or all of the real property and improvements thereon owned by it, subject to the approval of two-thirds (2/3) of each class of members.

(f) dedicate, sell or transfer all or any part of the real property and improvements thereon owned by it subject to the approval of two-thirds (2/3) of each class of members, except as otherwise provided in the Declaration.

(g) participate in any mergers and/or consolidations with other corporations authorized by the laws of the State of Florida.

(h) have all powers authorized by law and to have and exercise all powers necessary or convenient to effect any or all purposes for which the corporation is organized.

ARTICLE V

MEMBERSHIP AND VOTING

Section 1. Membership in the Association and voting rights of members shall be as set forth in the Articles of Incorporation of The Townhomes at the Oceans Homeowner's Association, Inc., and the Declaration of Covenants and Restrictions of The Townshomes at the Oceans. The owner of each lot shall be liable for all assessments against said lot as provided in the Declaration.

Section 2. Declarant shall be a member of the Association so long as it holds title to any lots in The Townhomes at the Oceans.

30091125

BOOK PAGE
VOL. 1181 COUNTY

Section 3. Each member authorized or designated to vote may in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease, according to its terms, after one (1) year or upon the member's disqualification to vote, whichever occurs sooner.

ARTICLE VI

MEETING OF MEMBERS

Section 1. The Association shall have an annual meeting of its members. The first annual meeting of the members shall be held in the year in which the Class B membership is converted to Class A membership. The annual meeting shall be held between December 1 and December 15 on the day and at the time determined by the Board of Directors of the Association.

Section 2. Special meetings of the members may be called at any time by the President or by a majority of the Board of Directors, or upon the written request of one-fourth (1/4) of the members of the Association who are entitled to vote.

Section 3. Except as otherwise provided in these By-Laws, the presence at a meeting of members and proxies entitled to cast a majority of the votes of each class of members shall constitute a quorum. If, however, such quorum shall not be present or represented at a duly called meeting, the Board may call a second meeting at which the quorum required for the first meeting shall be reduced by fifty percent (50%). The notice for the first meeting may include notice for the second meeting with the time and date for the second called meeting.

Section 4. Any notice required by the Declaration, supplementary declarations thereto Articles of Incorporation of the Association, or by these By-Laws shall be provided in writing by personal delivery or by mailing a copy of such notice, first class postage prepaid, to the member at the address last appearing on the books of the Association or supplied by such member for the purpose of notice.

Notice of meetings for a referendum, where action by vote of the members for or against a matter is required, shall be provided to members at least thirty (30) days and no more than sixty (60) days prior to such meeting. The notice shall include the specific matter or matters to be voted upon. Notice of all other meetings of members shall be provided to members at least fifteen (15) days before such meeting.

Notice of meetings shall specify the place, day and hour. In the case of a special meeting, the notice shall state the purpose or purposes for which the meeting is called.

ARTICLE VII

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. The affairs of this Association shall be managed by a Board of Directors of three (3) persons initially, however, at such time as the Class B membership is converted to Class A membership, the Board of Directors shall be increased to five (5) persons.

Section 2. The Board of Directors shall have the powers necessary for the proper administration of the affairs of the Association and it may do all acts and things which are not specifically reserved to be exercised and done by the members in the Declaration, Articles of Incorporation or these By-Laws.

Section 3. In addition to the duties imposed by these By-Laws, the Declaration or by resolution of the Association, the Board of Directors shall be responsible for the following:

(a) to call special meetings of the members whenever it deems necessary; and it shall call a meeting at any time upon written request of twenty-five percent (25%) of the voting membership.

(b) to appoint and remove at its 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 By-Laws shall be construed to prohibit the employment of any member, officer or director of the Association in any capacity.

(c) to establish, levy, assess, and collect the assessments or charges created or authorized by the Declaration and/or supplementary declarations.

(d) to adopt and then distribute to the unit owners the rules and regulations governing the use of the property as needed to protect the health, comfort, safety and welfare of the members.

(e) to exercise for the Association, all powers, duties and authority vested in or delegated to this Association, except those reserved to the members.

(f) to make and collect assessments authorized by the Declaration and to lease, maintain, repair and replace the common elements.

(g) to grant or contract for easements, licenses, and other privileges and duties on behalf of the members.

(h) to cause to be kept a complete record of all its acts and corporate affairs and to present a summary thereof to the members at the annual meeting of the members or at any special meeting when such is requested in writing by twenty-five percent (25%) of the voting members.

30091127

BOOK PAGE

(i) to maintain a Book of Resolutions containing all resolutions of the Board of Directors for all rules and regulations adopted by the Board of Directors from time to time.

(j) to maintain accounting records according to accepted accounting practices, which shall be available and open to inspection by members or their mortgagees during normal business hours.

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

(l) to issue, upon the request of a member, a certificate stating whether or not the assessments against his unit have been paid, for which a reasonable charge may be made.

(m) to designate depositories for Association funds, designate those officers, agents and/or employees who have authority to withdraw funds from such accounts on behalf of the Association, and cause such persons to be bonded, as it may deem appropriate.

(n) to hold a general meeting for members for discussion of its proposed annual budget. Adoption of the annual budget shall be by an affirmative vote of a majority of directors.

(o) by an affirmative vote of a majority of the directors, to set an annual assessment at an amount sufficient to pay the expenses of the Association and to meet the obligations imposed by the Declaration and any supplementary declarations.

(p) to send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of the due date of the annual assessment or first installment thereof. Monthly notice will not be sent. Monthly installments are due on the first day of each month in the amount specified in the one notice.

(q) to accelerate the payment of any assessment for the balance of the Association's fiscal year and declare the entire balance immediately due and payable in full if any installment remains unpaid thirty (30) days after the installment due date.

(r) to take action it deems appropriate for the best interests of the Association with regard to assessments, which may include the filing of a lien against the property, the bringing of an action at law or equity against the owner personally obligated to pay the same or to perfect, record and foreclosure a lien against the property.

(s) to procure and maintain adequate insurance policies to protect the Association, its employees and its personal properties.

30091128

BOOK PAGE
MORTGAGE COUNTY

(t) to enter into ~~mortgage~~ agreements and obtain capital debt financing subject to the provisions of the Declaration and Articles of Incorporation.

(u) to appoint such committees as prescribed herein or as it otherwise deems appropriate.

(v) to exercise their powers and duties in good faith with a view to advancing the interest of the Association, and to this end, adopt appropriate guidelines for action on matters where a potential problem may exist.

Section 4. Declarant shall be vested with the power to appoint the initial Board of Directors, who need not be members of the Association. The initial Board shall serve until the Class B membership is converted to Class A membership. Vacancies in the original Board of Directors may be filled by Declarant. Subsequent to the first election of directors by the lot owners, vacancies in the Board of Directors occurring between annual meetings of the membership shall be filled by the remaining members of the Board.

At such time as the Class B membership is converted to Class A membership, or at such earlier time as Declarant may determine, the lot owners shall be entitled to elect a new Board of Directors consisting of five (5) members, and the Board of Directors shall call a special meeting of the members for that purpose. At such meeting after the election of the Board of Directors, Declarant shall deliver to the Association contributions to working capital required in the Purchase Agreement, less pre-paid items which shall be pro-rated.

Section 5. Candidates for election to the Board of Directors of the Association shall file a petition of candidacy with an Elections Committee to be appointed by the Board at least three (3) weeks before the annual meeting. The Elections Committee shall provide all members with a ballot containing the names of all qualified candidates not less than ten (10) days before the annual meeting.

Section 6.

(a) Election of directors shall be held at the annual meeting of the Association. Balloting shall be by secret written ballot placed in the ballot box at the meeting or delivered to the Chairman or Secretary of the Elections Committee not more than 48 hours prior to the start of the meeting.

(b) Each member entitled or designated to vote shall receive as many ballots as he has votes. Notwithstanding that a member may be entitled to several votes, he shall exercise only one (1) vote for each lot for each vacancy shown on the ballot.

(c) If a lot is owned by one (1) person, the right of the owner to vote may be established by filing with the Secretary of the Association a copy of the deed to the lot or signing and filing with the Secretary a certificate

designating the owner as the one entitled to cast the vote. If a lot is owned by more than one person, the owner entitled to cast the vote for the lot shall be designated by a certificate signed by all of the record owners of the lot and filed with the Secretary of the Association. If a lot is owned by a partnership, the person entitled to cast the vote for the lot shall be designated by a certificate signed by all of the partners, or if a limited partnership, by the general partner, and filed with the Secretary of the Association. If a lot is owned by a corporation, the person entitled to cast the vote for the lot shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote of a unit owned by more than one person may be revoked by any owner thereof.

Section 7. The first meeting of the first Board of Directors shall be held at such place and at such time as determined by Declarant, and no notice shall be necessary in order to legally constitute such meeting and any action taken at such meeting.

Section 8. Regular meetings of the Board of Directors shall be held at least four times a year, once each quarter, and may be held without notice, at such place and hour as may be fixed from time to time by the Board.

Section 9. Special meetings of the Board of Directors shall be held when called by an officer of the Association or by any two (2) directors after not less than three (3) days notice to each director. Notice of special meetings may be waived provided it is waived in writing by all directors.

ARTICLE VIII

OFFICERS

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

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

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, or until his successor is duly elected and qualified, unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office

30091130

BOOK PAGE
for such period, have such authority and perform such duties as the Board may, from time to time determine. FLORIDA

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

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and if so directed by the Board of Directors shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The Secretary shall record the votes and shall keep the minutes of all meetings and proceedings of the Board and of the members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the members; shall keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Declaration, these By-Laws and by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in the Association bank accounts all funds of the Association and shall disburse such funds as

BOOK PAGE
 directed by the Board of Directors shall sign all checks and promissory notes of the Association; shall keep proper books of account; shall cooperate with the Budget Committee in its semiannual review of the financial condition of the Association; shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall work with the Budget Committee in the preparation of an annual budget and estimated statement of income and expenditures to be presented to the membership at its regular annual meeting. A copy of the proposed budget and estimated statement of income and expenses shall be delivered to each member prior to the annual meeting.

ARTICLE IX

OBLIGATIONS OF OWNERS

Section 1. All members are obligated to pay the periodic assessments imposed by the Board of Directors to meet the expenses of the Association.

Section 2. Except as otherwise provided in the Declaration of Covenants and Restrictions, every member must perform all maintenance, upkeep and repair work within his own dwelling unit, being expressly responsible for the damages and liabilities that his failure to do so may engender.

A member shall reimburse the Association for any expenditure incurred in repairing or replacing any part of the communal facilities damaged through the fault of any agent, guest or lessee of such member, including damage to the driveway area.

Section 3. Usage of all property shall be limited to usage as described by duly adopted ordinances that are now in effect or may become in effect, in the City of Daytona Beach Shores, Volusia County, Florida and further limited by the Declaration and these By-Laws.

Section 4. Conduct of members shall be governed by rules and regulations, which from time to time may be approved by the Board of Directors.

ARTICLE X

COMMITTEES

Section 1. The Board shall appoint the committees hereinafter named and such other committees as it deems appropriate to carry out its purposes. Committees shall serve at the pleasure of the Board unless otherwise specified in the Declaration or these By-Laws.

(a) Architectural Review Committee. The duties of this committee shall be as defined in the Declaration and in these By-Laws.

Declarant, as long as it owns any lots described in the Declaration, and the Board of Directors thereafter, shall appoint not less than three (3) nor

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BOOK PAGE

more than five (5) persons to serve on the Architectural Review Committee of the Association. Persons appointed to the Architectural Review Committee by Declarant need not be members of the Association; however, when the directors are elected by the lot owners, members of the committee shall be lot owners.

Subsequent to the election of the directors by the lot owners, the Architectural Control Committee shall be appointed from the lot owners and shall be composed of a Chairman, who need not be a director, and a minimum of two (2) and not more than four (4) other members. A quorum for action shall be a majority of the members of the committee.

It shall be the duty of the Architectural Control Committee to regulate the external design, appearance, location and maintenance of the property and of the improvements thereon and to regulate such uses of property as permitted in the Declaration and any supplementary declaration.

In order to implement these By-Laws, the Architectural Control Committee shall formulate guidelines and procedures and submit them to the Board of Directors for approval and adoption. Such guidelines and procedures shall be considered adopted within thirty (30) days of the date submitted. The adopted guidelines and procedures shall be incorporated in the Book of Resolutions and the Architectural Control Committee shall act in accordance with such guidelines and procedures.

(b) Budget Committee. The duties of this committee shall be for the purpose of reviewing the financial condition of the Association at least semi-annually and reporting the same to the Board and recommending to the Board an annual budget.

(c) Traffic Control. The duties of this committee shall include the duty to develop and recommend to the Board for adoption rules and regulations covering the use of the streets and driveway areas and the parking of vehicles within the subdivision designed for the safety of the residents and for the preservation of the beauty and orderly appearance of the development.

(d) Elections Committee. The duties of this committee shall include designing and duplicating ballots for each election, designating and duplicating a form of proxy for members who wish to vote by proxy, receiving and verifying the authenticity of and recording proxies, controlling the distribution of ballots, verifying, counting and tabulating all ballots and certifying the results to the meeting. The chairman may receive ballots starting 48 hours prior to elections.

(e) The The Townhomes at the Oceans Review Committee. The duties of this committee are set forth in Article XI of these By-Laws.

3 0 0 9 1 1 3 3

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

ARTICLE XI

ENFORCEMENT

Section 1. Review Committee. For the purposes of enforcing the terms and provisions of the Declaration of Covenants and Restrictions, the Articles of Incorporation of The Townhomes at the Oceans Homeowner's Association, Inc., these By-Laws and the Rules and Regulations adopted by the Board of Directors, the The Townhomes at the Oceans Review Committee is hereby created and established.

a. Composition. The The Townhomes at the Oceans Review Committee shall consist of five (5) members, all of whom shall be lot owners and at least one (1) of whom shall be a member of the Board of Directors of the Association. (The members of the committee shall be appointed by the Board of Directors) and shall serve for a term of one (1) year and thereafter until their successor is appointed. The committee shall elect from its members its own Chairman who shall preside over its meetings and its own Secretary who shall keep minutes of all proceedings of the committee.

b. Duty to Investigate. It shall be the duty of the committee to investigate any alleged violation of the terms and provisions of the Declaration of Covenants and Restrictions, the Articles of Incorporation of The Townhomes at the Oceans Homeowner's Association, Inc., these By-Laws and the Rules and Regulations adopted by the Board of Directors of the Association. Alleged violations may be brought to the committee by a complaint in writing signed by a lot owner and referred to the committee by the Board of Directors, or the committee may act upon its own motion.

c. Written Complaint. An action under this Section may be initiated by filing with the Board of Directors a written complaint signed by any member of the Association or by any officer or member of the Board of Directors. The complaint shall identify the lot and identify the respondents as lot owner or owners and/or tenants, and shall be signed by the members of the Association making the charge or be signed by an officer of the Association or Board member in his or her official capacity if he or she is so acting. The complaint shall contain a written statement of charges set forth in ordinary and concise language describing the acts or omissions with which the respondent is charged, to the end that the respondent will be able to prepare his defense. The complaint shall identify the specific provisions of the Declaration of Covenants and Restrictions, Articles of Incorporation, By-Laws or Rules and Regulations which the respondent is alleged to have violated, but shall not consist merely of charges phrased in the language of such provisions without supporting facts.

d. Service of Complaint. Upon the filing of the complaint, the Board shall serve a copy thereof on the respondent by any of the following means:

- (1) personal delivery or (2) by registered or certified mail, return receipt

requested, and addressed to respondent, at the address appearing on the books of the Association. Service by mailing shall be deemed delivered and effective two (2) days after such mailing in a regular depository of the United States mail. The complaint shall be accompanied by two (2) copies of a form entitled "Notice of Defense" which, when completed as hereinafter provided and the original signed by the respondent, or on behalf of the respondent and returned to the Board of Directors by personal delivery or by registered or certified mail, return receipt requested, within ten (10) days of the date the complaint was served on respondent shall constitute notice to the Board of Directors that the respondent will defend the complaint, does admit the allegations of the complaint, all or part of them, or will take other appropriate action provided for in these By-Laws. If the Notice of Defense is not received by the Board of Directors within the time provided above, the Board of Directors shall proceed as if the respondent has admitted all of the allegations of the complaint. No order adversely affecting the rights of the respondent shall be made in any case, unless the respondent shall have been served as provided herein. The matter shall then be referred to the Review Committee for hearing.

e. Notice of Hearing. Along with service of complaint, the committee shall serve a Notice of Hearing, as provided herein, on all parties at least fifteen (15) days prior to the hearing. The notice to the respondent shall be substantially in the following form but may include other information.

"You are hereby notified that a hearing will be held before The The Townhomes at the Oceans Review Committee at _____, on the _____ day of _____, 19____, at the hour of _____ upon the charges made in the complaint served upon you. You may be present at the hearing, may but need not be represented by counsel, may have a court reporter present at the hearing, may present any relevant evidence and you will be given full opportunity to cross-examine all witnesses _____ testifying against you. You are entitled to compel the attendance of witnesses and the production of books, documents or other items by applying to the Board of Directors of the Association."

If any of the parties can, within forty-eight (48) hours after receipt of notice, show good cause why they cannot attend the hearing on the date set and indicated reasonable times and dates on which they would be available, the committee may reset the time and date of hearing and promptly deliver notice of the new hearing date.

f. Notice of Defense. Service of complaint and Notice of Hearing shall be accompanied by a Notice of Defense.

The "Notice of Defense" form shall contain substantially the following information in substantially the following form:

30091135

BOOK PAGE
VOLUSIA COUNTY

"TO: Board of Directors
The Townhomes at the Oceans Homeowner's Association,
Inc.

The undersigned owner(s)/occupant(s) of Lot _____, The
Townhomes at the Oceans acknowledge the receipt of
complaint served on the undersigned the _____ day
of _____, 19____, and receipt of Notice of
Hearing on said complaint setting a hearing thereon
for _____ o'clock _____M. on the _____ day of
, 19____, at _____, Daytona Beach Shores, Florida.

1. The Respondent does hereby object to the complaint
because: (fill in items relied upon)

a. the complaint fails to allege facts or describe acts or
omissions upon which the committee can act for the
following reasons: (Explain)

b. The complaint is so indefinite or uncertain that the
Respondent cannot prepare a defense for the following
reasons: (Explain)

c. and/or the following reasons: (Explain any other
reasons)

2. The Respondent does hereby admit all of the allegations
of the complaint but states by way of defense or
explanation the following: () Admits Allegations; ()
Denies Allegations, check one. (Explanation):

3. The Respondent does hereby admit only the following
part of the allegations: (Quote portion admitted)

30091136

BOOK PAGE
COUNTY
SITING

and states by way of defense or explanation the following:
(Explanation):

DATED this _____ day of _____, 19____.

Respondents mailing address:

Respondent

Respondent

NOTE:

Respondent must complete this form or respond in similar fashion within 10 days of receipt of the complaint. This form or other response must be served upon the Board by personal delivery or by registered or certified mail return receipt requested to the President, Vice President or Secretary of the Association.

In the event all of the allegations of the complaint are admitted the committee shall determine the appropriate action or penalty. Objections to the form or substance of the complaint shall be considered by the committee within ten (10) days of their receipt. The committee shall make its determination and notify all parties within said ten (10) day period. If the complaint is insufficient, the complaining party shall have seven (7) days within which to file an amended complaint. The same procedures as set forth above shall be followed with respect to an amended or supplemental complaint. If it is determined by the committee that the complaint is still insufficient, then the matter shall be dismissed by the committee.

g. Cease and Desist Orders. The Board may, in its own discretion, issue a cease and desist order, and serve the order on the respondent with the complaint and Notice of Defense, such cease and desist order shall be substantially in the following form:

"The Board of Directors of The Townhomes at the Oceans Homeowner's Association has received the attached complaint.

The Board hereby requests that you CEASE AND DESIST Commission of the acts or actions described in the complaint until such time as a ruling of this Board or a court of law permits.

3 0 0 9 1 1 3 7

BOOK PAGE

Failure to comply with ~~other~~ request may result in the imposition of a penalty greater than that which would be imposed for a single violation."

h. Amended or Supplemental Complaints. At any time prior to the hearing date, the committee may file or permit the filing of an amended or supplemental complaint. All parties shall be provided copies thereof in the manner herein provided. If the amended or supplemental complaint presents new charges, the committee shall afford the respondent a reasonable opportunity to prepare and serve his defense thereto.

i. Discovery. Upon written request to the other party, made prior to the hearing and within fifteen (15) days after service of the complaint by the committee or within ten (10) days after service of any amended or supplemental complaint, either party is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, and (2) inspect and make a copy of any statements, writings or investigative reports relevant to the subject matter of the hearing. Nothing in this Section, however, shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product. Any party claiming his request for discovery has not been complied with shall submit a petition to compel discovery to the committee. The committee shall make a determination and issue a written order setting forth the matters or parts thereof which the petitioner is entitled to discover.

j. Notarized Statements. At any time ten (10) or more days prior to a hearing or a continued hearing, a party shall mail or deliver to the opposing party a copy of any sworn statement which that party proposes to introduce in evidence, together with a cover letter identifying the one making the sworn statement and identifying the proceeding in which the sworn statement will be offered. Unless the opposing party, within seven (7) days after such mailing or delivery, mails or delivers to the proponent a request to cross-examine the statements' author, his right to cross-examine such author is waived and the statement may be introduced in evidence, and shall be given only the same effect as hearsay evidence.

k. Constraints on the Committee. It shall be incumbent upon each member of the committee to make a determination as to whether he is able to function in a disinterested and objective manner in consideration of the case before it. Any member incapable of such objective consideration of the case shall disclose such to the committee and remove himself from the proceedings and have it so recorded in the minutes.

In any event, the respondent may challenge any member of the committee for cause, where a fair and impartial hearing cannot be afforded, at any time prior to the taking of evidence and testimony at the hearing. In the event of such a challenge, the committee shall meet to determine the sufficiency of the challenge. If a majority of the committee sustains the challenge, the President shall appoint a member to replace the challenged member of the committee.

1. Hearing.

(1) Whenever the committee has commenced to hear the matter and a member of the committee is forced to withdraw prior to a final determination, the remaining members shall continue to hear the case and the President shall replace the withdrawing member. Oral evidence shall be taken only on oath or affirmation administered by an officer of the Association.

(2) Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses; and to rebut the evidence against him. Even if the respondent does not testify on his own behalf, he may still be called and examined as if under cross-examination.

(3) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Generally, any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but shall not be sufficient in itself to support a finding.

(4) The Chairman of the committee shall serve as hearing officer and preside over the hearing. At the beginning of the hearing, the hearing officer shall explain the rules and procedures by which the hearing is to be conducted. Generally, each principal is entitled to make an opening statement, starting with the complainant. Then each party is entitled to produce evidence, witnesses and testimony and to cross-examine the witnesses and opposing party. Then each party is entitled to make a closing statement. Any party may waive the rights to exercise any part of this process, and the committee is entitled to exercise its discretion as to the specific manner in which the hearing will be conducted, so long as the above rights are protected.

m. Authorized Action. At the conclusion of testimony, the committee shall deliberate the evidence. By a vote of its members the committee shall determine whether the allegations as presented constitute a violation. If the committee concludes that a violation has taken place, it may take the following action.

(1) Reprimand.

(2) Recommend to the Board of Directors the levying of a fine in such amount as may be reasonable under the circumstances but not exceed \$150.00, or such lesser maximum amount as may be set by the statutes of the State of Florida, for a single violation of the Declaration, Articles of Incorporation of the Association, these By-laws and the Rules and Regulations adopted by the Board. Each day a violation continues shall be a separate violation.

(3) Recommend to the Board of Directors the initiation of appropriate legal action.

n. Fines as Assessments. Fines recommended by the committee shall be automatically referred to the Board for review. The Board of Directors shall give written notice to the unit owner and other parties involved at least five (5) days prior to the meeting of the Board of Directors at which the matter will be heard, and shall give the unit owner and other parties involved an opportunity to appear and be heard by the Board of Directors. After allowing the respondent an opportunity to be heard the Board may dismiss the matter, and approve the fine recommended by the committee or may levy a fine in an amount which it deems reasonable under the circumstances but not to exceed the sum of \$150.00, or such lesser maximum amount as may be set by the statutes of the State of Florida for a single violation. The amount of the fine shall be an assessment against the member, levied against the lot owned by the member involved in the violation, and shall be collected in the same manner as other assessments of the Association.

o. Appeals. In the event either party is aggrieved by the decision or actions of the committee, procedural or final, the aggrieved party may appeal the decision or action within ten (10) days of the action to the Board of Directors who shall review the matter on the record and render a decision within thirty (30) days from the receipt of the record of the hearing. This appeal provision shall not apply to fines levied and assessed by the Board of Directors.

ARTICLE XII

AMENDMENTS

Section 1. These By-Laws may be amended, with the consent of the record owners of all mortgages, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. Until such time as the unit owners are entitled to elect the Board of Directors, Bellemead Development Corporation reserves the right, with the consent of the record owners of all mortgages, to amend, modify, alter or annul any of the provisions of these By-Laws without notice.

Section 3. In no event shall an amendment which modifies or terminates the obligation of the Association to maintain common areas be effective without the express written approval of the City of Daytona Beach Shores.

Section 4. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration applicable to the Property and these By-Laws, the Declaration shall control.

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BOOK PAGE
VOLUSIA COUNTY
FLORIDA

ARTICLE XIII

INDEMNIFICATION

Each officer, director and committee member of the Association in consideration of his services as such, shall be indemnified by the Association to the full extent permitted by law against expenses and liabilities reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, to which he may be a party by reason of being or having been a director, officer or committee member of the Association. The foregoing right of indemnification shall not be exclusive of any other rights to which the director, officer, committee member or person may be entitled by law, or agreement, or vote of the members, or otherwise.

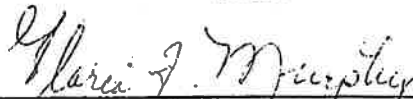
IN WITNESS WHEREOF, we being all of the directors of The Townhomes at the Oceans Homeowner's Association, Inc., have hereunto set our hands this 15th day of July, 1987.



Edward R. Clark



R. Don Henderson



Gloria F. Murphy

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BOOK PAGE
VOLUSIA COUNTY
FLORIDA

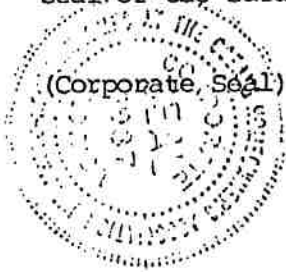
CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of The Townhomes at the Oceans Homeowner's Association, Inc., a Florida corporation; and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 15th day of July, 1987.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Association this 15th day of July, 1987.



Pamela C. Huggins
Pamela C. Huggins