

Prepared By and Return To:

Troy Finnegan, Esq.  
Broad and Cassel  
390 North Orange Avenue  
Suite 1400  
Orlando, Florida 32801

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
SOUTHWINDS COVE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SOUTHWINDS COVE (this "Declaration"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2009, by SOUTHWINDS PARTNERS, L.L.L.P., a Florida limited liability limited partnership ("Phase I Owner"), and SOUTHWINDS COVE III, L.L.L.P., a Florida limited liability limited partnership ("Phase II Owner") (Phase I Owner and Phase II Owner are each individually referred to as a "Declarant" and are collectively referred to as the "Declarants").

WITNESSETH:

WHEREAS, Phase I Owner is the owner of real property located in Lake County, Florida, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference, which Phase I Owner intends to develop as a development consisting of one hundred twelve (112) single family attached (townhouse) units ("Phase I"); and

WHEREAS, Phase II Owner is the owner of real property located in Lake County, Florida, which is more particularly described on Exhibit "B" attached hereto and incorporated herein by this reference, which Phase II Owner intends to develop as a development consisting of thirty seven (37) single family attached (townhouse) units ("Phase II") (Phase I and Phase II are collectively referred to as the "Property"); and

WHEREAS, Phase I Owner and Phase II Owner have platted the Property by that certain Plat of Southwinds Cove, recorded \_\_\_\_\_, 2009 in Plat Book \_\_\_\_\_, Page \_\_\_\_\_, Public Records of Lake County, Florida (the "Plat"); and

WHEREAS, Phase I and Phase II share an internal private roadway system shown on the Plat as Tract B (Private Right of Way) ("Tract B"); and

WHEREAS, Phase I and Phase II are jointly permitted under St. Johns River Water Management District Permit Number 40-069-112787-2 (the "SJRWMD Permit") and share a common Surface Water or Stormwater Management System (as defined herein), and

WHEREAS, Tract C (Open Space/ Detention) as shown on the Plat ("Tract C") and Tract H (Open Space/ Detention) as shown on the Plat ("Tract H") are part of the Surface Water or Stormwater Management System; and

WHEREAS, Phase I Owner and Phase II Owner and desire to comply with the applicable governmental code to provide for maintenance of the improvements constructed on Tract B, Tract C, Tract H (collectively, the "Common Area"), including, but not limited to the private roadway system and the Surface Water or Stormwater Management System constructed thereon, as well as levying of assessments and enforcement of maintenance responsibilities, and to this end desires to subject the Property to the covenants, restrictions, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said Property and each owner thereof; and

WHEREAS, Declarants have deemed it desirable for the efficient preservation of the values and amenities in said development to create an entity to which could be delegated and assigned the powers of maintaining and administering and enforcing this Declaration, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarants have caused to be incorporated the SOUTHWINDS COVE HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (the "Association"), for the purpose of exercising the functions aforesaid. A copy of the Articles of Incorporation and Bylaws of the Association are attached hereto as Composite Exhibit "C".

NOW, THEREFORE, Declarants hereby declare that all of the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which shall run with the said Property and be binding on all parties having any right, title or interest in the described Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

## ARTICLE I

### DEFINITIONS

Section 1. Definitions. In addition to the words defined when used throughout this Declaration, the following words shall when used in this Declaration shall have the following meanings:

A. "Declarant" shall mean and refer to each of, and "Declarants" shall mean and collectively refer to, Phase I Owner and Phase II Owner, and their respective successors and assigns, if such successors or assigns should acquire Tract A or more than one Lot from a Declarant for the purpose of development. A Declarant may assign its rights and obligations

herein to the Association or any person or entity which acquires Tract A or more than one Lot from a Declarant for development, while at the same time reserving its status as a Declarant for other Lots owned by such Declarant.

B. "Lot" shall mean and refer to (i) any numbered plot of land shown on the Plat, and (ii) any numbered plot on land shown on a replat of Tract A; specifically excluding, however, (w) the Common Area, (x) the Phase I Common Area, (y) Tract A, and (z) the Phase II Common Area.

C. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to Tract A or any Lot, but excluding those having such interest merely as security for the performance of an obligation. For all purposes hereunder, Tract A or any Lot shall have a single Owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety.

D. "Phase I Common Area" shall collectively mean and refer to Tract E (Clubhouse, Common Area & Open Space), Tract F (Open Space), and Tract G (Open Space) as shown on the Plat.

E. "Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

F. "Tract A" shall mean and refer to Tract A (Future Development) as shown on the Plat until such time as Tract A is replatted, whereupon (i) each numbered plot of land shown on the replat of Tract A shall be a Lot, (ii) any private roadways shown on the replat of Tract A shall become part of the Common Area, and (iii) any remaining open space shown on the replat of Tract A shall be known as the "Phase II Common Area", all without any further action on the part of the Declarants, the Association, or the Owners.

## ARTICLE II

### PROPERTY RIGHTS

Section 1. Owners' Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to Tract A and every Lot subject to the right of the Association to, as allowed by law, suspend the voting rights and right to use of the Common Area by an Owner for any period during which any assessment against Tract A or such Owner's Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

Section 2. Maintenance. The Association shall be responsible for the maintenance, operation and repair of the Common Area, as may exist from time to time. Specifically, and not

by way of limitation, the Association shall be responsible for the maintenance, operation and repair of the Surface Water or Stormwater Management System. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted or, if modified, as approved in writing by the St. Johns River Water Management District.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. The Owner of Tract A and the Owner of each Lot shall be a member (a "Member") of the Association. Membership shall be appurtenant to and may not be separated from ownership of Tract A or any Lot.

Section 2. Membership. The Association shall have one (1) class of voting membership. The Owner of each Lot shall be entitled to one (1) vote for each Lot owned; provided, however, the Owner of Tract A shall be entitled to thirty seven (37) votes until such time as Tract A is replatted into individually numbered plots of land. When more than one person holds an interest in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot. When more than one person holds an interest in Tract A, all such persons shall be Members and the thirty seven (37) votes for Tract A shall be exercised as they determine, but in no event shall more than thirty seven (37) votes be cast with respect to Tract A.

### ARTICLE IV

#### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Phase I Owner, as the Owner of Phase I, and Phase II Owner, as the Owner of Phase II, the collective owners of the Property, hereby covenant, and all future Owners by acceptance of a deed for Tract A or a Lot, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorneys' fees (including those for appeals), shall be a charge on the land and shall be a continuing lien upon Tract A or the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person or entity who was the Owner of such Lot at the time when the assessment fell due. Assessments shall also be used for the maintenance and repair of the Surface Water or Stormwater Management Systems, including, but not limited to, work within retention areas, drainage structures and drainage easements.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to adequately fund the continuing yearly maintenance of the Common Area and to enforce these restrictions.

Section 3. Collection of Assessments. Collection monthly, quarterly or annually is at the discretion of the Board of Directors. Unless otherwise directed by the Board, the assessment shall be collected quarterly.

Section 4. Rate of Assessment. All regular and special assessments shall be fixed at a uniform rate for each Lot; provided, however, regular and special assessments for Tract A shall be equal to thirty seven (37) times the regular or special assessment of a single Lot until such time as Tract A is replatted into individual Lots.

Section 5. Date of Commencement of Assessments, Due Date. The assessments provided for herein shall commence upon the recordation of this Declaration. The due date of any assessment shall be fixed in the resolution authorizing such assessment. The Board of Directors shall fix the amount of annual assessment against each Lot and Tract A at least thirty (30) days before each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. Upon demand, the Association shall for a reasonable charge furnish a certificate signed by an Officer of the Association stating whether the assessments against a Lot or Tract A have been paid.

Section 6. Effect of Non-Payment of Assessment - Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by Florida law. The Association may bring an action at law against the Owner personally obliged to pay the same, or foreclose the lien against the Lot or Tract A. The prevailing party in any litigation to enforce or interpret this Declaration shall be entitled to attorney's fees and costs, including all attorney's fees and costs on appeal or in bankruptcy. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot or Tract A.

Section 7. Concessions. The Association is authorized to enter into agreements with or to grant concessions to any Owner or group of Owners, whereby said Owners may perform as to the Common Area (or, after Phase I Turnover, the Phase I Common Area, and after Phase II Turnover, the Phase II Common Area) as to any one or more of the functions, duties or prerogatives of the Association and to receive in exchange therefor a reduction of or moratorium on any assessments or any other obligations to the Association which otherwise would be payable by said Owners and same shall not be considered as discrimination among the Owners. Such reduction of or moratorium on any assessments or other obligations to the Association as set forth in this Section shall be in an amount equal to the amount which would be paid to a third party in an arms-length transaction pursuant to a contract for the provision of such functions, duties or prerogatives.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessment provided for herein shall be subordinate to (i) the lien of any first mortgage, and (ii) any

mortgage granted by a Declarant. Sale or transfer of any Lot or Tract A shall not affect the assessment lien. However, the sale or transfer of any Lot or Tract A pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot or Tract A from liability for any assessments thereafter becoming due or form the lien thereof.

## ARTICLE V

### EASEMENTS AND MAINTENANCE

Section 1. General Easements. Easements are hereby reserved by the Declarants for roadways (private rights-of-way), utilities, landscaping, drainage, and buffer purposes as depicted on the Plat. The Declarants reserve the right to assign any and all easements shown on the Plat, or which are hereinafter created for installation of utilities, landscaping, or other uses deemed by Declarants to be necessary or appropriate for the provision of utility services or ingress and egress to and from the Property. Phase I Owner hereby reserves and grants for each successor Declarant of any portion of Phase I, its successors and assigns, easements, and the right to grant and create easements, through and across Phase I for purposes of ingress and egress and to provide installation, maintenance, repair and replacement of water, sewer and other utility service and storm water drainage for the Property. Phase II Owner hereby reserves and grants for each successor Declarant of any portion of Phase II, its successors and assigns, easements, and the right to grant and create easements, through and across Phase II for purposes of ingress and egress and to provide installation, maintenance, repair and replacement of water, sewer and other utility service and storm water drainage for the Property.

Section 2. Easement for Access and Drainage. The Association shall have a perpetual non-exclusive easement over all areas of the Surface Water or Stormwater Management System for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any Lot or Tract A which is a part of the Surface Water or Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Surface Water or Stormwater Management System as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Surface Water or Stormwater Management System. No person shall alter the drainage flow of the Surface Water or Stormwater Management System, including any buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

Section 3. Ownership and Easements over Common Areas.

A. Common Area on Phase I. At such time that all one hundred twelve (112) Lots shown on the Plat are not owned by a single Owner, the owner(s) of fee simple title to Tract B, Tract C, and Tract H shall immediately convey, or cause to be conveyed, fee simple title to Tract B, Tract C and Tract H to the Association, free and clear of all mortgages, liens, or monetary encumbrances whatsoever ("Phase I Turnover"); provided, however, for so long as

Phase I Owner owns any Lot, Phase I Owner retains an easement for itself, its assigns, agents, invitees and licensees to the extent necessary to complete construction of the improvements on any portion of Phase I, or any portion thereof, to show and sell Lots on Phase I, including the unrestricted right to erect signs, to use the Lots as models and sales offices, and to use the Common Area for ingress and egress and for marketing and sales activities.

B. Common Area on Phase II. After Tract A is replatted into numbered plots of land, at such time that all numbered plots of land shown on the replat are not owned by a single Owner, the owner(s) of fee simple title to any private roadways shown on the replat of Tract A shall convey fee simple title to any private roadways shown on the replat of Tract A to the Association, free and clear of all mortgages, liens, or monetary encumbrances whatsoever ("Phase II Turnover"); provided, however, for so long as Phase II Owner owns any Lot, Phase II Owner retains an easement for itself, its assigns, agents, invitees and licensees to the extent necessary to complete construction of the improvements on any portion of Phase II, or any portion thereof, to show and sell Lots on Phase II, including the unrestricted right to erect signs, to use the Lots as models and sales offices, and to use the Common Area for ingress and egress and for marketing and sales activities.

Section 4. Sidewalk Easement. A non-exclusive easement is hereby granted for ingress and egress for pedestrian and vehicular traffic over, through and across the sidewalks and pathways constructed on the Property, as well as all walks, parking areas, other rights-of-way, and such other portions of the Common Area as may from time to time be intended and designated for such uses and purposes, for the use and benefit of all Owners and the fee simple owner(s) of the Phase I Common Area and the Phase II Common Area, their family members, guests, employees, agents, lessees, licensees and invitees, for the purpose of obtaining reasonable access to and from the Lots, Tract A, the Phase I Common Area, and the Phase II Common Area, as applicable, to and from the nearest public right-of-way way.

Section 5. Easement for Utility Services. The water, sewer, electrical, cable, and telephone facilities, including various utility meters (collectively, the "Utility Facilities"), for the individual townhome unit on each Lot have been designed to be located at and to enter, as applicable, each townhome building at single "grouped" locations on each townhome building. The Association and every Owner shall have a right and easement to access, install, maintain, repair, replace, operate, and improve the Utility Facilities serving such Owner's Lot at the applicable "grouped" locations on the townhome building and throughout the structure of the townhome building, as necessary, to receive utilities and to exercise such Owner's rights hereunder. Notwithstanding the foregoing, neither the Association nor any Owner shall disconnect or tamper with any of the Utility Facilities so as to interfere with the delivery Utility Services to an individual townhome unit; provided, however, the Association and each Owner shall have the right to disconnect cable and telephone services to an individual townhome unit to the extent permitted under separate agreement with the provider thereof.

Section 6. Easement for Roof System. An easement for encroachments is hereby granted to each Owner in the event that the roof system that is part of a townhome unit as

constructed by a Declarant encroaches upon another Lot or upon the Common Area. The encroaching portion of the roof system shall remain undisturbed. This easement for the encroachment of the roofing system shall also include an easement for the repair, maintenance, and use of the encroaching portion of the roof system.

Section 7. Easement for Encroachments. An easement for encroachments is hereby granted to each Owner in the event that a townhome unit or any part of a townhome unit or any other improvement now or hereafter constructed by a Declarant encroaches upon another Lot or upon the Common Area due to minor inaccuracies in survey, construction, reconstruction, or due to settlement or movement. The encroaching improvement shall remain undisturbed for so long as the encroachment exists. This easement for encroachments shall also include an easement for the repair, maintenance and use of the encroaching improvements.

Section 8. Fire Riser and Sprinkler System. The fire riser and sprinkler system (collectively, the "Fire Suppression System"), for the individual townhome units has been designed as a single system serving all townhome units in the townhome building. The Association and every Owner shall have a right and easement to access, install, maintain, repair, and operate the Fire Suppression System, throughout the townhome building, as necessary, to ensure the continued operation of the Fire Suppression System. After Phase I Turnover, the Association shall be responsible for the maintenance and repair of the Fire Suppression System in the townhome buildings on Phase I. After Phase II Turnover, the Association shall be responsible for the maintenance and repair of the Fire Suppression System in the townhome buildings on Phase II.

Section 9. Townhome Units and Townhome Party Walls. No modifications to the exterior of a townhome unit or the interior structural walls of a townhome unit as constructed by a Declarant shall be made by an Owner without the prior written consent of the Association; it being the intention of the Declarants that the appearance of the townhome development be uniform and conform to the original design. The Owner of each townhome unit shall be responsible for the maintenance and repair of all interior areas of such townhome unit. After Phase I Turnover, the Association shall be responsible for all maintenance and repair of the exterior portions of the townhome units on Phase I. After Phase II Turnover, the Association shall be responsible for all maintenance and repair of the exterior portions of the townhome units on Phase II. In the event a townhome unit or building is damaged or destroyed to the extent that complete reconstruction is less costly than repair in the commercially reasonable discretion of the Association, the Owner of such townhome unit shall be responsible for reconstruction at such Owner's sole cost and expense. In the event a townhome unit or building is damaged or destroyed to the extent that complete reconstruction is less costly than repair, the design of such replacement unit or building shall be subject to the commercially reasonable discretion of the Association, it being the intent of the Declarants that such unit or building shall be restored to its original design for so long as any part of the Property is used as a townhome development. After Phase I Turnover, no change to the quality or color of any exterior portion of a townhome unit on Phase I may be made by the Owner without the prior written consent of the Association. After Phase II Turnover, no change to the quality or color of any exterior portion of a townhome unit

on Phase II may be made by the Owner without the prior written consent of the Association. Each wall built as a part of the original construction of the townhome units within the Property and placed on the dividing line between the Lots shall constitute a party wall and, to the extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion to such use as determined by the Association. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration in proportion to use. This right of contribution shall be without prejudice to any right to call for a larger contribution or indemnification under any rule of law regarding liability for negligent or willful acts or omissions.

Section 10. Phase Common Areas.

A. Phase I Common Areas. Until Phase I Turnover, the Phase I Common Area shall not be owned or maintained by the Association. The Phase I Common Area shall be maintained by the owner of fee simple title to the Phase I Common Area. Upon Phase I Turnover, the owner(s) of fee simple title to the Phase I Common Area shall immediately convey fee simple title to the Phase I Common Area to (i) the Association, or (ii) a not-for-profit corporation formed for the purpose of owning and maintaining the Phase I Common Area, free and clear of all mortgages, liens, or monetary encumbrances whatsoever, for the benefit of the Owners of Lots shown on the Plat; provided, however, for so long as Phase I Owner owns any Lot, Phase I Owner retains an easement for itself, its assigns, agents, invitees and licensees to use the Phase I Common Area for ingress and egress and for marketing and sales activities. From and after the Phase I Turnover, the maintenance cost of the Phase I Common Area shall be assessed to and against the Owners of Lots shown on the Plat.

B. Phase II Common Areas. Until Phase II Turnover, the Phase II Common Area shall not be owned or maintained by the Association. The Phase II Common Area shall be maintained by the owner of fee simple title to the Phase II Common Area. Upon Phase II Turnover, the owner(s) of fee simple title to the Phase II Common Area shall immediately convey fee simple title to the Phase II Common Area to (i) the Association, or (ii) a not-for-profit corporation formed for the purpose of owning and maintaining the Phase II Common Area, free and clear of all mortgages, liens, or monetary encumbrances whatsoever for the benefit of the Owners of numbered plots of land on the replat of Tract A; provided, however, for so long as Phase II Owner owns any Lot, Phase II Owner retains an easement for itself, its assigns, agents, invitees and licensees to use the Phase II Common Area for ingress and egress and for marketing and sales activities. From and after the Phase II Turnover, the maintenance cost of the Phase II Common Area shall be assessed to and against the Owners of numbered plots of land on the replat of Tract A.

## ARTICLE VI

### AMENDMENT

Section 1. Amendment. Subject to applicable law, this Declaration may be amended unilaterally at any time and from time to time by the Declarants (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans on Tract A or the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to Tract A or any Lot unless the affected Owner shall consent thereto in writing. Any amendment to this Declaration which alters any provision relating to the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Area, must have the prior written approval of the St. Johns River Water Management District. Any amendment to this Declaration which alters any provision relating to the maintenance responsibilities of the Common Area, Phase I Common Area, Phase II Common Area, or exterior portions of a townhome unit on Phase I or Phase II must have the prior written approval of the City of Leesburg, Florida. Amendments to this Declaration shall become effective upon recordation in the Public Records of Lake County, Florida, unless a later effective date is specified therein. Neither the Articles of Incorporation of the Association nor the Bylaws of the Association shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail.

## ARTICLE VII

### ENFORCEMENT

Section 1. Enforcement by SJRWMD. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

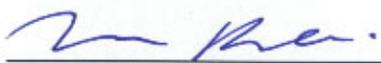
Section 2. Enforcement by City of Leesburg. The City of Leesburg, Florida, shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Common Area, the Phase I Common Area, the Phase II Common Area, and the exterior portions of a townhome unit on Phase I or Phase II.

[SIGNATURES WILL FOLLOW]

IN WITNESS WHEREOF, the undersigned, being the Declarants named herein, have caused this document to be executed by their duly authorized officers the day and year first above written.

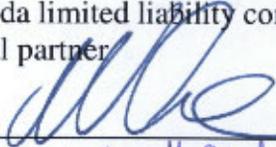
Signed, sealed and delivered  
in the presence of:

  
Print Name: TINA SMITH

  
Print Name: Marcie Rorittelli

SOUTHWINDS PARTNERS, L.L.L.P.,  
a Florida limited liability limited partnership

By: Southwinds Cove Managers, L.L.C.,  
a Florida limited liability company, its  
general partner

By:   
Name: W. Scott Culp  
Title: Manager

Address:  
329 North Park Avenue, Suite 300  
Winter Park, Florida 32789

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 2 day of March,  
2009, by W. Scott Culp, as Manager of Southwinds Cove Managers, L.L.C., a  
Florida limited liability company, as general partner of SOUTHWINDS PARTNERS, L.L.L.P., a  
Florida limited liability limited partnership, on behalf of the company and partnership. He/she is  
personally known to me or has produced \_\_\_\_\_  
as identification.

  
Notary Public, State of Florida  
Print Name: \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



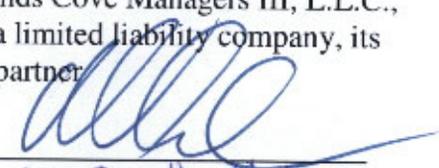
Signed, sealed and delivered  
in the presence of:

  
Print Name: TINA SMITH

  
Print Name: Marcie Ranitelli

SOUTHWINDS COVE III, L.L.P.,  
a Florida limited liability limited partnership

By: Southwinds Cove Managers III, L.L.C.,  
a Florida limited liability company, its  
general partner

By:   
Name: W. Scott Culp  
Title: Manager

Address:  
329 North Park Avenue, Suite 300  
Winter Park, Florida 32789

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 2 day of March,  
2009, by W. Scott Culp, as Manager of Southwinds Cove Managers III, L.L.C., a  
Florida limited liability company, as general partner of SOUTHWINDS COVE III, L.L.P., a  
Florida limited liability limited partnership, on behalf of the company and partnership. He/she is  
personally known to me or has produced \_\_\_\_\_  
as identification.

  
\_\_\_\_\_  
Notary Public, State of Florida  
Print Name: \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



## EXHIBIT "A"

### Phase I Legal Description

#### SOUTHWINDS COVE PHASE I

A portion of the Northwest 1/4 and a portion of the Southwest 1/4 of Section 28, Township 19 South, Range 24 East, Lake County, Florida, being more particularly described as follows:

COMMENCE at the Northwest corner of the Southwest 1/4 of the Northwest 1/4 of Section 28, Township 19 South, Range 24 East, Lake County, Florida; thence run North 89°59'58" East, along the North line of the said Southwest 1/4 of the Northwest 1/4 of Section 28, for a distance of 30.00 feet to a point on the Easterly Right-of-way line of Flatwoods Road; thence departing said North line run South 00°06'03" West, along said Easterly right of way line, for a distance of 695.76 feet; thence departing said Easterly right of way line, run South 89°58'09" East, for a distance of 793.08 feet to the POINT OF BEGINNING; thence continue South 89°58'09" East, for a distance of 424.05 feet to a point on the Westerly right of way line of County Road 468, also known as South Street; thence run South 00°02'44" East, along said Westerly right of way line, for a distance of 39.37 feet; thence run North 89°57'16" East, along said Westerly right of way line, for a distance of 20.00 feet; thence run South 00°02'44" East, along said Westerly right of way line, for a distance of 649.51 feet; thence departing said Westerly right of way line, run South 89°58'46" West, for a distance of 1238.93 feet to a point on the aforesaid Easterly right of way line of Flatwoods Road; thence run North 00°08'31" East, for a distance of 54.17 feet; thence run North 00°06'03" East, along said Easterly right of way line, for a distance of 249.24 feet; thence departing said Easterly right of way line, run North 89°58'23" East, for a distance of 309.41 feet; thence run North 00°01'14" West, for a distance of 69.31 feet; thence run North 89°58'46" East, for a distance of 103.00 feet; thence run North 00°01'14" West, for a distance of 31.25 feet to the point of curvature of a curve, concave Southwesterly, having a radius of 75.00 feet, a chord bearing of North 30°35'18" West, and a chord distance of 76.28 feet; thence run Northwesterly along the arc of said curve through a central angle of 61°08'09" for an arc distance of 80.03 feet; thence departing said curve, run North 28°50'37" East, for a distance of 50.00 feet to a point on a curve, concave Northerly, having a radius of 20.00 feet, a chord bearing of North 82°53'01" East, and a chord distance of 23.49 feet; thence run Easterly along the arc of said curve through a central angle of 71°55'12" for an arc distance of 25.10 feet to the point of tangency; thence run North 46°55'25" East, for a distance of 13.13 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 125.00 feet, a chord bearing of North 68°27'06" East, and a chord distance of 91.74 feet; thence run Northeasterly along the arc of said curve through a central angle of 43°03'21" for an arc distance of 93.93 feet to the point of tangency; thence run North 89°58'46" East, for a distance of 272.14 feet to the point of curvature of a curve, concave Northerly, having a radius of 20.00 feet, a chord bearing of North 81°35'22" East, and a chord distance of 5.84 feet; thence run Easterly along the arc of said curve through a central angle of 16°46'48" for an arc distance of 5.86 feet; thence departing said curve, run North 00°01'14" West, for a distance of 129.40 feet to the POINT OF BEGINNING.

## EXHIBIT "B"

### Phase II Legal Description

#### SOUTHWINDS COVE PHASE II

A portion of the Northwest 1/4 of Section 28, Township 19 South, Range 24 East, Lake County, Florida, being more particularly described as follows:

COMMENCE at the Northwest corner of the Southwest 1/4 of the Northwest 1/4 of Section 28, Township 19 South, Range 24 East, Lake County, Florida; thence run North 89°59'58" East, along the North line of the said Southwest 1/4 of the Northwest 1/4 of Section 28, for a distance of 30.00 feet to a point on the Easterly Right-of-way line of Flatwoods Road; thence departing said North line run South 00°06'03" West, along said Easterly right of way line, for a distance of 695.76 feet to a POINT OF BEGINNING; thence departing said Easterly right of way line, run South 89°58'09" East, for a distance of 876.75 feet to a point of cusp with a curve concave southeasterly, having a radius of 138.00 feet, a chord bearing of South 31°55'51" West and a chord distance of 131.30 feet; thence run southwesterly along the arc of said curve through a central angle of 56°48'48" for an arc distance of 136.84 feet to a point of reverse curvature of a curve concave northerly, having a radius of 20.00 feet, a chord bearing of South 46°45'07" West, and a chord distance of 27.40 feet; thence run Westerly along the arc of said curve through a central angle of 86°27'19" for an arc distance of 30.18 feet to the point of tangency; thence run South 89°58'46" West, for a distance of 272.14 feet to the point of curvature of a curve, concave Southeasterly, having a radius of 125.00 feet, a chord bearing of South 68°27'06" West, and a chord distance of 91.74 feet; thence run Southwesterly along the arc of said curve through a central angle of 43°03'21" for an arc distance of 93.93 feet to the point of tangency; thence run South 46°55'25" West, for a distance of 13.13 feet to the point of curvature of a curve, concave Northerly, having a radius of 20.00 feet, a chord bearing of South 82°53'01" West, and a chord distance of 23.49 feet; thence run Westerly along the arc of said curve through a central angle of 71°55'12" for an arc distance 25.10 feet; thence departing said curve, run South 28°50'37" West, for a distance of 50.00 feet to a point on a curve, concave Southwesterly, having a radius of 75.00 feet, a chord bearing of South 30°35'18" East, and a chord distance of 76.28 feet; thence run Southeasterly along the arc of said curve through a central angle of 61°08'09" for an arc distance of 80.03 feet to the point of tangency; thence run South 00°01'14" East, for a distance of 31.25 feet; thence run South 89°58'46" West, for a distance of 103.00 feet; thence run South 00°01'14" East, for a distance of 69.31 feet; thence run South 89°58'23" West, for a distance of 309.41 feet to a point on the aforesaid Easterly right of way line of Flatwoods Road; thence run North 00°06'03" East, along said Easterly right of way line, for a distance of 386.56 feet to the POINT OF BEGINNING.

COMPOSITE EXHIBIT "C"

Articles of Incorporation and Bylaws

**ARTICLES OF INCORPORATION  
OF  
SOUTHWINDS COVE HOMEOWNERS ASSOCIATION, INC.,  
a Florida corporation not-for-profit**

By these Articles of Incorporation, the undersigned Subscriber forms a corporation not for profit in accordance with Chapter 617, Florida Statutes, and pursuant to the following provisions (these "Articles"):

**ARTICLE I - NAME OF CORPORATION**

The name of the corporation is SOUTHWINDS COVE HOMEOWNERS ASSOCIATION, INC., a corporation not for profit under the provisions of Chapter 617 of the Florida Statutes (hereinafter referred to as the "Association").

**ARTICLE II - PRINCIPAL OFFICE OF THE ASSOCIATION**

The principal office of the Association is located at 329 North Park Avenue, Suite 300, Winter Park, Florida 32789.

**ARTICLE III - REGISTERED AGENT AND REGISTERED OFFICE**

B&C Corporate Services of Central Florida, Inc., a Florida corporation, with an office at 390 North Orange Avenue, Suite 1400, Orlando, Florida 32801, is hereby appointed the initial Registered Agent of this Association.

**ARTICLE IV - PURPOSE AND POWERS OF THE ASSOCIATION**

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of the Lots, Common Area, Phase I Common Area, Tract A, and Phase II Common Area within that Property described as:

SOUTHWINDS COVE, according to the plat thereof, as recorded in Plat  
Book \_\_\_\_, Page \_\_\_\_, Public Records of Lake County, Florida,

, and to promote the health, safety and welfare of the residents within the above described property for this purpose to:

A. exercise of all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions for Southwinds Cove, hereinafter called the "Declaration", applicable to the Property, to be recorded in the Public Records of Lake County, Florida, as the same may be amended from time

to time as therein provided, said Declaration being incorporated herein as if set forth at length (all capitalized terms, unless otherwise provided herein, shall have the same meaning as defined in the Declaration) and pursuant to Chapter 720, Florida Statutes;

B. fix, levy, collect, and enforce payment by any lawful means, 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 or personal property in connection with the affairs of the Association;

D. borrow money, and with the assent of two-thirds (2/3) of the Owners, mortgage or pledge, any or all of its real or personal property as security for money borrowed or debts incurred;

E. dedicate, sell or transfer all or any part of the Common Area owned in fee simple by the Association, if any, 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 the Owners, agreeing to such dedication, sale or transfer;

F. participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation, or annexation shall comply with the requirements of the Declaration;

G. have and to exercise any and all powers, rights and privileges which a corporation organized under Florida Not For Profit Corporation Act by law may now or hereafter have or exercise;

H. operate, maintain and manage the Surface Water or Stormwater Management System in a manner consistent with the St. Johns River Water Management District Permit No. 40-069-112787-2 requirements and applicable District rules, and shall assist in the enforcement of the Declaration which relate to the Surface Water or Stormwater Management System. The Association shall levy and collect adequate assessments against Members of the Association for the maintenance, operation and repair of the Surface Water or Stormwater Management System; and

I. operate, maintain and manage the Common Area. The Association shall levy and collect adequate assessments against Owners of the Association for the maintenance of the Common Area.

## ARTICLE V - MEMBERSHIP

The Owner of Tract A and the Owner of each Lot shall be a member (a "Member") of the Association. Membership shall be appurtenant to and may not be separated from ownership of Tract A or any Lot.

## ARTICLE VI - VOTING RIGHTS

The Association shall have one (1) class of voting membership. The Owner of each Lot shall be entitled to one (1) vote for each Lot owned; provided, however, the Owner of Tract A shall be entitled to thirty seven (37) votes until such time as Tract A is replatted into individually numbered plots of land. When more than one person holds an interest in any Lot, all such persons shall be Members and the vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot. When more than one person holds an interest in Tract A, all such persons shall be Members and the thirty seven (37) votes for Tract A shall be exercised as they determine, but in no event shall more than thirty seven (37) votes be cast with respect to Tract A.

## ARTICLE VII - BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of not more than seven (7) directors, who need not be Members of the Association. The initial number of Directors shall be three (3) and may be changed by amendment of the By-Laws of the Association, provided that the Association must never have fewer than three (3) Directors. The names and address of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Paul M. Missigman	329 North Park Ave., Suite 300 Winter Park, Florida 32789
Jay P. Brock	329 North Park Ave., Suite 300 Winter Park, Florida 32789
Tricia Doody	329 North Park Ave., Suite 300 Winter Park, Florida 32789

At the first annual meeting, the Members shall elect one (1) Director for a term of one (1) year, one Director for a term of two (2) years and one (1) Director for a term of three (3) years; and at each annual meeting thereafter the Members shall elect one (1) Director for a term of three (3) years. In the event the number of Directors is more than three (3), additional Directors shall be elected for a term of three (3) years.

Each Declarant is entitled to elect or appoint at least one (1) Director as long as such Declarant either (i) owns in fee simple at least five percent (5%) of the Lots, or (ii) owns in fee simple Tract A.

### ARTICLE VIII - INCORPORATOR

The name and address of the incorporator of these Articles of Incorporation is as follows:

<u>NAME</u>	<u>ADDRESS</u>
Southwinds Partners, L.L.L.P.	329 North Park Ave., Suite 300 Winter Park, Florida 32789

### ARTICLE IX - OFFICERS

The affairs of the Association shall be administered by the Officers designated in the By-Laws of the Association as shall be elected by the Board of Directors at its first meeting following the first annual meeting of the general membership and they shall serve at the pleasure of the Board of Directors. Pending the election of the permanent Officers of this Association by the Board of Directors, the following named persons shall be the temporary Officers of the Association until their successors have been duly elected:

<u>TITLE</u>	<u>NAME</u>
President	Paul M. Missigman
Vice President	Jay P. Brock
Secretary/Treasurer	Tricia Doody

### ARTICLE X - BY-LAWS

By-Laws of the Association will be hereinafter adopted at the first meeting of the Board of Directors. Such By-Laws may be amended or repealed, in whole or in part, 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.

### ARTICLE XI - DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the Owners. 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 nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water or Stormwater Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation. Notwithstanding the foregoing, in the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Common Area, Phase I Common Area, Phase II Common Area, and exterior of the townhome units constructed on the Lots must be transferred to and accepted by an entity approved by the City of Leesburg, Florida, prior to such termination, dissolution or liquidation. The dissolution procedures described in this Article XI are also subject to court approval pursuant to the provisions of The Florida Not For Profit Corporation Act.

#### **ARTICLE XII - DURATION**

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity.

#### **ARTICLE XIII - AMENDMENTS**

Amendment of these Articles of Incorporation shall require the approval of at least two-thirds (2/3) vote of the Owners.

#### **ARTICLE XIV - CONFLICT**

In the event that any provision of these Articles of Incorporation conflicts with any provision of Declaration, the provision of Declaration in conflict therewith shall control. If any provision of these Articles of Incorporation conflicts with any provision of the Bylaws, the provisions of these Articles of Incorporation shall control.

#### **ARTICLE XV - INDEMNIFICATION**

The Directors and Officers of the Association shall be indemnified by the Association to the fullest extent now or hereafter permitted by law and shall not be personally liable for any act, debt, liability or other obligation of the Association. A Member may become liable to the Association for assessments, fees, etc. as provided in the Declaration or as otherwise provided by law.

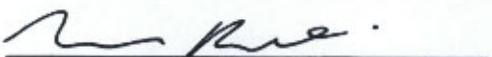
#### **[SIGNATURES WILL FOLLOW]**

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned Subscriber has executed these Articles of Incorporation, this \_\_\_\_ day of \_\_\_\_\_, 2009.

Signed, sealed and delivered  
in the presence of:



Print Name: TINA SMITH

  
Print Name: Marcie Romitelli

SOUTHWINDS PARTNERS, L.L.P.,  
a Florida limited liability limited partnership

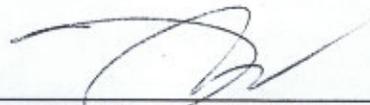
By: Southwinds Cove Managers, L.L.C.,  
a Florida limited liability company, its  
general partner

  
By: \_\_\_\_\_  
Name: Paul M. Missigmen  
Title: Manager

Address:  
329 North Park Avenue, Suite 300  
Winter Park, Florida 32789

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 2 day of March,  
2009, by Paul M. Missigmen, as Manager of Southwinds Cove Managers, L.L.C., a Florida  
limited liability company, as general partner of SOUTHWINDS PARTNERS, L.L.P., a Florida  
limited liability limited partnership, on behalf of the company and partnership. He/she is personally  
known to me or has produced \_\_\_\_\_ as  
identification.



Notary Public, State of Florida  
Print Name: \_\_\_\_\_  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



**CERTIFICATE DESIGNATING PLACE OF  
BUSINESS OR DOMICILE FOR THE SERVICE OF PROCESS  
WITHIN THIS STATE NAMING AGENT UPON WHOM  
PROCESS MAY BE SERVED**

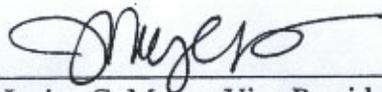
In pursuance of Sections 48.091 and 617.0501, Florida Statutes, the following is submitted, in compliance with said act.

SOUTHWINDS COVE HOMEOWNERS ASSOCIATION, INC., desiring to organize under the laws of the State of Florida with its principal office, as indicated in the Articles of Incorporation, at 329 North Park Avenue, Suite 300, Winter Park, Florida 32789 has named B&C Corporate Services of Central Florida, Inc., a Florida corporation, with an office at 390 North Orange Avenue, Suite 1400, Orlando, Florida 32801 as its agent to accept service of process within this state.

Having been named to accept service of process for the above-stated corporation, at place designated in this Certificate, the undersigned hereby acknowledges that they are familiar with the obligations of the position and accepts the designation and agrees to act in this capacity, and agrees to comply with the provision of said Act relative to keeping open said office.

Dated: \_\_\_\_\_, 2009.

B&C Corporate Services of Central Florida,  
Inc., a Florida corporation

By:   
Janice C. Myers, Vice President

**BY-LAWS  
OF  
SOUTHWINDS COVE HOMEOWNERS ASSOCIATION, INC.**

1. Identification of Association.

These are the By-Laws of SOUTHWINDS COVE HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association"), as duly adopted by its Board of Directors. The Association is a corporation not-for-profit, organized pursuant to and under Chapter 617, Florida Statutes. The Association has been incorporated in connection with the creation of that certain Development (the "Development") known as Southwinds Cove, as evidenced by that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") to be recorded in the Public Records of Lake County, Florida. All terms and definitions as set forth in Article I of the Declaration are incorporated herein and made a part hereof.

1.1 The office of the Association shall be for the present at 329 North Park Avenue, Suite 300, Winter Park, Florida 32789 and thereafter may be located at any place designated by the Board of Directors of the Association.

1.2 The fiscal year of the Association shall be the calendar year, unless a different fiscal year is adopted by the Board.

1.3 The seal of the Association shall bear the name of the Association, the word "Florida," and the words "Corporation Not-For-Profit."

2. Membership in the Association, Members Meetings, Voting and Proxies.

2.1 The qualifications of Members, the manner of their admission to membership in the Association, and the manner of the termination of such membership shall be as set forth in Article V of the Articles of Incorporation of the Association.

2.2 The Members shall meet annually at the office of the Association or such other place in Florida, as determined by the Board and as designated in the Notice of such meetings, at the time determined by the Board, within ninety (90) days before each year-end (calendar or fiscal year-end as determined by the Board) commencing with the year 2009. Such meetings shall be known as the "Annual Members Meeting." The purpose of the Annual Members Meeting shall be to elect directors, to hear reports of the officers, and to transact any other business authorized to be transacted by the Members.

2.3 Special meetings of the Members shall be held at any place within Lake County, Florida, or Orange County, Florida, whenever called by the President, Vice President, or a majority of the Board. A special meeting must be called by the President or Vice President upon receipt of a written request from one-fourth (1/4) of the Members.

2.4 A written notice of the meeting (whether the Annual Members Meeting or a special meeting of the Members) shall be mailed to each Member entitled to vote at his last known address as it appears on the books of the Association. Such written notice of an Annual Members Meeting shall be mailed to each Member not less than fourteen (14) days nor more than forty (40) days prior to the date of the Annual Members Meeting. Written notice of a special meeting of the Members shall be mailed not less than ten (10) days nor more than forty (40) days prior to the date of a special meeting. The notice shall state the time and place of such meeting and the object for which the meeting is called and shall be signed by an officer of the Association. If a meeting of the Members, either a special meeting or an Annual Members Meeting, is one for which, by express provision of the Articles or these By-Laws, there is permitted or required a greater or lesser amount of time for the mailing or posting of notice than is required or permitted by the provisions of this Section 2.4, then the aforesaid express provision shall govern. Any provision herein to the contrary notwithstanding, notice of any meeting may be waived by any Member before, during, or after a meeting, which waiver shall be in writing and shall set forth a waiver of written notice of such meeting. The aforementioned procedure shall not apply in the event of an emergency.

2.5 The Members, at the discretion of the Board, may act by written agreement in lieu of a meeting, provided written notice of the matter or matters to be agreed upon is given to the Members, at the addresses and within the time periods set forth in Section 2.4 herein, or duly waived in accordance with such Section. The decision of the majority vote of the Members as to the matter or matters to be agreed upon (as evidenced by written response to be solicited in the notice) shall be binding on the Members, provided a quorum of the Members submits a response. The notice shall set forth a time period during which time a response must be made by a Member.

2.6 A quorum of the Members shall consist of persons entitled to cast ten percent (10%) of the votes of the Members. A Member may join in the action of a meeting by signing and concurring in the minutes thereof and such a signing shall constitute the presence of such parties for the purpose of determining a quorum. When a quorum is present at any meeting and a question which raises the jurisdiction of such meeting is presented, the holders of a majority of the voting rights present in person or represented by written "proxy" (as hereinafter defined) shall be required to decide the question. However, if the question is one upon which, by express provisions of the Declaration, the Articles, or these By-Laws requires a vote of other than the majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

2.7 If any meeting of the Members cannot be organized because a quorum is not in attendance, the Members who are present, either in person or by proxy, may adjourn the meeting to a date certain or otherwise from time to time until a quorum is present. In the case of a meeting being postponed, the notice provisions for the adjournment shall be as determined by the Board. In any such subsequent meetings, a quorum shall consist of one-fifth (1/5) of the votes of the Members.

2.8 Minutes of all meetings shall be kept in a businesslike manner and be available for inspection by the Members and the Directors at all reasonable times and places and shall be produced within ten (10) business days after receipt of a written request for access.

2.9 Voting rights of Members shall be as stated in Section 2.10 below. Such votes may be cast in person or by proxy. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a Member to vote for him and in his place and stead. Proxies shall be in writing and shall be valid only for the particular meeting designated therein, and any adjournments of that meeting. A proxy must be filed with the Secretary of the Association before the appointed time of the meeting in order to be effective. Any proxy may be revoked prior to the time a vote is cast according to such proxy.

2.10 The following provisions shall govern the right of each Member to vote and the manner of exercising such right:

(a) Each Owner or the collective Owners of a Lot of record shall be entitled to one (1) vote in the Association with respect to matters on which a vote by the Owners is required or permitted to be taken under the Declaration, the Articles or these By-Laws.

(b) The vote of the Owners of a Lot owned by more than one natural person, or by a corporation or other legal entity, shall be cast by the person named in a certificate executed by all of the Owners of the Lot, or if appropriate, by properly designated officers, partners, or principals of the legal entity, and filed with the Secretary of the Association. If such a certificate is not on file with the Secretary of the Association, the vote of such Lot shall not be considered for a quorum or for any other purpose.

(c) Notwithstanding the provisions of paragraph (b) of this Section 2.10, whenever any Lot is owned by a husband and wife, they may, but shall not be required to, designate a voting Member. In the event a certificate designating a voting Member is not filed by a husband and wife, the following provisions shall govern their right to vote:

(1) Where both are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Lot owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at the meeting.

(2) Where only one (1) spouse is present at a meeting, the person present may cast the vote for the Lot without establishing the concurrence of the other spouse, absent any prior written notice to the contrary by the other spouse. In the event of prior notice to the contrary to the Association or the designation of a different proxy by the other spouse, the vote of said Lot shall not be considered.

(d) In the event that any Owner shall fail to pay Assessments within ten (10) days after he has been notified in writing by the Association that such Assessments are due, the vote of the Lot owned by such Owner shall be terminated until such Assessment plus interest thereon and costs of collection thereof are paid to the Association.

(e) The foregoing provisions shall not apply to the Declarants named in the Declaration and the Declarants' successors and assigns.

2.11 At any time prior to a vote upon any matter at a meeting of the Members, any Member may demand the use of a secret written ballot for voting on such matter. The Chairman of the meeting shall call for nominations for inspectors of election to collect and tally written ballots upon the completion of balloting upon the subject matter.

3. Board of Directors; Director's Meetings.

3.1 The form of administration of the Association shall be by a Board of not less than three (3) Directors nor more than seven (7) Directors, the exact amount to be determined from time to time by the Members in accordance with the Declaration, or the Articles. The Board shall initially consist of three (3) members, who need not be Members of the Association.

3.2 The provisions of the Articles setting forth the selection, election, designation and removal of Directors by the Declarants are hereby incorporated herein by reference.

3.3 Subject to Section 3.5 below and to the Declarants' rights as set forth in the Articles and as set forth in Section 3.5(c) below, vacancies in the Board shall be filled by persons elected by the remaining Directors. Any such person shall be a Director as if, and have all of the rights, privileges, duties and obligations as a Director, elected at an Annual Members Meeting, and shall serve for the term prescribed in Section 3.4 of these By-Laws.

3.4 The term of each Director's services shall extend until the next Annual Members Meeting and until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided herein.

3.5 (a) A Director elected by the Members, as provided in the Articles, may be removed from office upon the affirmative vote or the agreement in writing of a majority vote of the Members at a special meeting of the Members for any reason deemed by the Members to be in the best interests of the Association. A meeting of Members to so remove a Director elected by them shall be held, subject to the notice provisions of Section 2.4 hereof, upon written request of ten percent (10%) of the Members. However, before any Director is removed from office, he shall be notified in writing that a motion to remove him will be made prior to the meeting at which said motion is to be made, and such Director shall be given an opportunity to be heard at such meeting should he be present prior to the vote on his removal.

In the event the members hold a special meeting to remove a director or directors, the Board shall hold a Board meeting within five (5) full business days after the adjournment of the Member meeting to remove one or more directors. At the meeting, the Board shall certify the removal, in which case such member or members shall be removed effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession.

(b) A Director elected by the Members, as provided in the Articles, may also be removed from office by an agreement in writing or by written ballot without a membership meeting. The agreement in writing or the written ballots, or a copy thereof, shall be served on the Association

by certified mail or by personal service in the manner authorized by Florida Statutes Chapter 48 and the Florida Rules of Civil Procedure.

(c) If the Board determines it will not to certify the written agreement or written ballots to remove a director or directors of the Board or does not certify the removal by a vote at a meeting, the Board shall, within five (5) full business days after the meeting, file with the Florida Department of Business and Professional Regulation a petition for binding arbitration pursuant to the applicable procedures contained in Florida Statutes Sections 718.112(2)(j) and 718.1255 in the rules adopted there under. If the arbitrator certifies the removal as to any director or directors of the Board, the removal will be effective upon mailing of the final order of arbitration to the Association. The director or directors so removed shall deliver to the Board any and all records of the Association in their possession within five (5) full business days after the effective date of the removal.

(d) If the Board fails to duly notice and hold a board meeting within five (5) full business days after the service of an agreement in writing or within five full business days after the adjournment of the member removal meeting, the removal shall be deemed effective and the director so removed shall immediately turn over to the Board all records and property of the Association.

(e) Minutes of all meetings of the Board related to removal of a director or directors shall be kept in a business like manner and be available for inspection by the Members and Directors at all reasonable times and places and produced within ten (10) business days after receipt of a written request for access.

(f) In the event a Director is removed from office without a membership meeting the board shall hold a meeting, subject to the notice provisions contained in Section 2.4 herein above. Said meeting shall be held within five (5) days after the Members deliver the agreement in writing or the written ballots to the Association. At the meeting the Board shall either certify the written ballots or written agreement to remove a director or directors of the Board, in which case such director or directors shall be removed effective immediately and shall turn over to the board within five (5) full business days any and all records and property of the Association in their possession.

(g) Members shall elect, at a special meeting or at the Annual Members Meeting, persons to fill vacancies to the Board caused by the removal of a Director elected by Members in accordance with Sections 3.5(a) and (b) above.

(h) Directors designated by Declarants, as provided in the Articles, may be removed only by the appointing Declarant in its sole and absolute discretion and without any need for a meeting or vote. Such Declarant shall have the unqualified right to name a successor for any Director designated and thereafter removed by it, and such Declarant shall notify the Board of the name of the successor Director and the commencement date for the term of such successor Director.

(i) In the event a Director not designated by a Declarant shall fail to pay Assessments within ten (10) days after he has been notified in writing by the Association that such Assessments are due, his Board membership shall automatically be terminated and if such Board

member is an officer of the Board he shall automatically be discharged from his office. The provisions hereof shall not act to deprive a Declarant of its right to designate officers or Directors.

3.6 The organizational meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary.

3.7 Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. Special Meetings of the Board may be called at the discretion of the President or the Vice President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors.

3.8 Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone, or telegraph at least three (3) days prior to the day named for such meeting. Any Director may waive notice of a meeting before, during, or after a meeting, and such waiver shall be deemed equivalent to the receipt of notice by such Director. Notices of all board meetings shall be given to the Members of the Association, as provided by law.

3.9 A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically otherwise provided in the Declaration, Articles, or elsewhere herein. If at any meeting of the Board, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting being held because of such an adjournment, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, notice to the Directors of such adjournment shall be as determined by the Board.

3.10 The presiding officer at Board meetings shall be the President.

3.11 Director's fees, if any, shall be determined by a majority vote of the Members.

3.12 Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times and places produced within ten business days after receipt of a written request for access.

3.13 The Board shall have the power to appoint various executive committees of the Board. Each committee shall act as a liaison to the Board and provide the Board with such information and reports as the Board may request. Executive committees shall consist of no more than three (3) persons. Executive committees shall have and exercise such powers as the Board may delegate to such executive committee. In addition to such executive committees of the Board, the Board may organize owners' committees in the Development consisting of no more than three (3) owners. Such committee shall be designated as a "non-official committee," and the Owners shall have no authority to act on behalf of the Board. However, the purpose of such Owners shall be to act

as a liaison and to provide the Board with such information as the Board may deem appropriate and necessary to exercise its power.

3.14 Meetings of the Board shall be open to all Members. Unless a Member serves as a Director or unless he has been specifically invited by the Directors to participate in a meeting, Members shall not be entitled to participate in any meeting of the Board, but shall only be entitled to act as an observer. In the event that a Member not serving as a Director or not otherwise invited by the Directors to participate in a meeting attempts to become more than a mere observer at such meeting, or conducts himself in a manner detrimental to the carrying on of such meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish such an expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he is a Member, unless said person was specifically invited by the Directors to participate in such meeting. Board members may attend a meeting via telephone conference call if a speaker phone is available so that all those present at the meeting can communicate.

3.15 The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

#### 4. Powers and Duties of the Board of Directors.

All of the powers and duties of the Association including those existing under the Declaration, the Articles, and these By-Laws shall be exercised by the Board, unless otherwise specifically delegated therein to the Members. Such powers and duties of the Board shall be exercised in accordance with the provisions of the Declaration and these By-Laws, and shall specifically include all powers designated in the Declaration, the Articles, and these By-Laws, including, without limitation, the following:

4.1 Making and collecting Special Assessments and Annual Assessments against Members (collectively "Assessments") in accordance with the Declaration. These Assessments shall be collected by the Association through payments made directly to it by the Members.

4.2 Using the proceeds of Assessment in the exercise of the powers and duties of the Association and the Board.

4.3 Maintaining, repairing and operating the Development.

4.4 Reconstructing improvements after casualties and losses, and making further authorized improvements of the Development.

4.5 Making and amending Rules and Regulations with respect to the use of the Development.

4.6 Enforcing by legal means the provisions of the Declaration, the Articles, these By-Laws, and applicable provisions of law.

4.7 Contracting for the management and maintenance of the Development, and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules, and maintenance of the Common Area.

4.8 Paying taxes and assessments which are or may become liens against the Common Area, if any, and assessing the same against the Members.

4.9 Purchasing and carrying insurance for the protection of the Owners, the Board, and the Association against casualty and liability.

4.10 Paying costs of all power, water, sewer, and other utility services rendered to the Development, and not billed to the Owners.

4.11 Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration of the purposes of this Association, including the hiring of a resident manager and paying all salaries therefor.

5. Officers of the Association.

5.1 The officers of the Association shall be a President, who shall be a Director, one (1) or more Vice Presidents, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed with or without cause from office by a vote of the Directors at any meeting of the Board. Any officer may resign at any time by giving written notice to the Board; such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The Board shall, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of an owner's association, including, but not limited to, the power to appoint such committees at such times from among the Members as he may, in his discretion, determine appropriate to assist in conducting the affairs of the Association. The President shall preside at all meetings of the Board.

5.3 In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one (1) Vice President elected by the Board, then they shall be designated "First," "Second," etc., and shall exercise the powers and perform the duties of the President, in order.

5.4 The Secretary shall cause to be kept the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and shall be available for inspection

by Members and Directors at all reasonable times and places and produced within ten (10) business days after receipt of a written request for access. He shall have custody of the seal of the Association and shall affix the same to instruments requiring such seal when duly authorized and directed by the Board to do so. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent, and shall assist the Secretary.

5.5 The Treasurer shall have custody of all of the property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members, keep the books of the Association in accordance with generally accepted accounting practices, and shall perform all of the duties incident to the office of a Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer whenever the Treasurer is absent, and shall assist the Treasurer.

5.6 The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association or preclude the contracting with a Director for the management of the Development.

5.7 The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices.

5.8 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 office he replaces.

6. Accounting Records; Fiscal Management.

6.1 The Association shall maintain accounting records in accordance with generally accepted accounting practices which shall be open to inspection by the Members or their authorized representatives at reasonable times and places within ten (10) days after receipt of a written request for access. Such authorization as a representative of a Member must be in writing and signed by the Member giving such authorization and dated within sixty (60) days of the date of any such inspection.

6.2 (a) The Board shall adopt a budget for estimated revenues and expenses for each forthcoming fiscal year and the estimated surplus or deficit as of the end of the current year, the date of the Budget Meeting to adopt the budget to be determined by the Board. Prior to the Budget Meeting, a proposed Budget shall be prepared by or on behalf of the Board for the Development, which shall include, but not necessarily be limited to, the following items of expense:

- (1) Services
- (2) Utilities
- (3) Administration
- (4) Supplies and Materials
- (5) Insurance
- (6) Repairs, Replacement and Maintenance
- (7) Professional Fees
- (8) Reserve Funds
- (9) Operating Capital
- (10) Other Expenses

In addition to the foregoing items of expense, the Budget(s) may include taxes, if the Board so determines.

Copies of the proposed Budget and notice of the exact time and place of the Budget Meeting shall be mailed to each Member at the Member's last known address, as reflected on the books and records of the Association, not less than thirty (30) days prior to said Budget Meeting. The Budget Meeting shall be open to the Members. The meeting may be held anywhere in Lake County, Florida, or Orange County, Florida, as determined by the Board.

(b) The Board may also include in such proposed Budgets, either annually, or from time to time as the Board shall determine to be necessary, a sum of money as an Assessment for the making of betterment to the Development and for anticipated expenses of the Association which are not anticipated to be incurred on a regular or annual basis. This sum of money so fixed may then be levied upon the Members by the Board as Special Assessment. In addition, the Board shall, subject to the Declaration, include on an annual basis the establishment of reserve accounts for capital expenditures and deferred maintenance of the Development.

(c) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year, unless a different fiscal year is adopted by the Board; (ii) any income received by the Association in any calendar year may be used by the Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for Common Expenses which cover more than such calendar year; (iv) Assessments shall be made annually in amounts no less than are required to provide funds in advance for payment of all of the anticipated current expenses, for all unpaid expenses previously incurred, and for the annual contribution to the reserve account(s) for any future expenditures and expenses which have been budgeted; and (v) Common Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such Common Expenses is received. Notwithstanding the foregoing, Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses and anticipated cash needs in any calendar year.

(d) The depository of funds of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

(e) A review of the accounts of the Association shall be made annually by an auditor, accountant, or Certified Public Accountant designated by the Board, and a copy of a report of such audit shall be furnished to each Director no later than the first day of April of the year following the year for which the report is made. The report shall be deemed to be furnished to the Director upon its delivery or mailing to the Director at his last known address as shown on the books and records of the Association.

(f) No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Common Expenses not included in the Budget or which shall exceed budgeted items, and no Board shall be required to engage in deficit spending. Should there exist any deficiency which results from there being greater Common Expenses than income from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a Special Assessment to be levied by the Board as otherwise provided in the Declaration.

(g) The Association shall prepare an annual report within sixty (60) days after the close of the fiscal year. The Association shall, within ten (10) days after receipt of a written request for access, provide each Member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the Member. The financial report must consist of either (i) financial statements presented in conformity with general accepted accounting principals; or (ii) a financial report of actual receipts and expenditures, cash basis, which must show: the amount of receipts and expenditures by classification, and the beginning and ending cash balances of the Association.

6.3 The Association shall collect Annual Assessments and Special Assessments from the Owners in the manner set forth in the Declaration, the Articles, and these By-Laws.

6.4 As more fully described in the Declaration, each Member is obligated to pay to the Association Annual and Special Assessments which are secured by a continuing lien upon the property against which the assessment is made, and which are the personal obligation of the Member.

6.5 The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

## 7. Rules and Regulations.

The Board may adopt Rules and Regulations, or amend or rescind existing Rules and Regulations, for the operation and the use of the Development at any meeting of the Board; provided,

however, that such Rules and Regulations are not inconsistent with the Declaration, the Articles, or these By-Laws.

8. Amendment of the By-Laws.

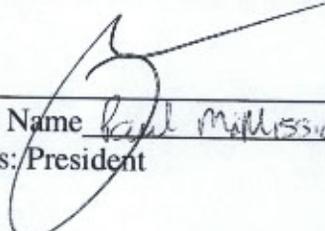
8.1 These By-Laws may be amended by a majority vote of the Members present at an Annual Members Meeting or a special meeting of the Members and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. A copy of the proposed amendment shall be sent to each Member along with the notice of the special meeting of the Members or Annual Members Meeting. An amendment may be approved at the same meeting of the Board and/or the Members at which such amendment is proposed.

8.2 An amendment may be proposed by either the Board or by the Members, and after being proposed and approved by one of such bodies, it must be approved by the other as above set forth in order to become enacted as an amendment.

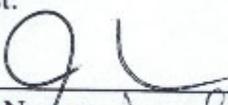
8.3 No modification or amendment to these By-Laws shall be adopted which would affect or impair the rights of the Declarants.

9. Corporate Seal.

The Association may have a seal in a circular form having within its circumference the words: SOUTHWINDS COVE HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit.

By:   
Print Name Paul M. Sigmund  
As its: President

Attest:

By:   
Print Name: Jay P. Brock  
As its: Secretary