

358.50

This Instrument Prepared by and return to:
Jeffrey P. Brock, Esq.
P.O. Box 15200
Daytona Beach, FL 32115

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
PORTOFINO ESTATES
AT
VENETIAN BAY
(Phase 2 Unit 1 - Lots 1 through 78)**

THIS DECLARATION is made this 15th of July, 2008, by Venetian Bay of New Smyrna Beach, LLC, a Florida limited liability company (hereinafter the "Declarant").

WITNESSETH

WHEREAS, the Declarant is the owner of certain real property located in Volusia County, Florida, more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, the Declarant has caused to be incorporated a Florida not-for-profit corporation known as Portofino Neighborhood Association at Venetian Bay, Inc. (hereinafter the "Association") which has been formed to manage, maintain and administer the Common Areas, private streets, islands and other areas and to enforce this Declaration and to collect assessments and generally provide for the orderly enjoyment of the Property;

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

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. The following words and terms when used in this Declaration and any supplemental declaration, unless the context clearly indicates otherwise, shall have the following meanings:

- a. "Association" shall mean and refer to the Portofino Neighborhood Association at Venetian Bay, Inc., the members of which shall consist of Owners of Lots in Portofino Estates at Venetian Bay. A copy of the Articles of Incorporation and the By-Laws of the Association are attached hereto as Exhibits "B" and "C" respectively.

b. “Common Area” shall mean those areas designated by letter (including any improvements thereon) on the Plat dedicated to the Association for the common use, benefit and enjoyment of the Owners and other Members of the Association and subjected to this Declaration.

c. “Conversion Date” or “Turnover” shall have the meaning ascribed to it in Section 9.1 of Article IX of the this Declaration.

d. “Declarant” shall mean and refer to Venetian Bay of New Smyrna Beach, LLC, a Florida limited liability company, its successors and assigns.

e. “Declaration” shall mean and refer to this document as such shall be amended from time to time.

f. “Design Review Committee” or “DRC” shall mean the Design Review Committee created and established by the Venetian Bay Declaration for the prior review and approval of all contemplated improvement of any Lot.

g. “Drainage Area” shall mean any Drainage Area or Drainage Easement shown indicated on the Plat and subjected to the Venetian Bay Declaration.

h. “Dwelling Unit” shall mean a portion of the Property, whether developed or undeveloped, intended for development of a detached house, for single family use and occupancy on separately platted lots, as well as vacant land intended for development as such, all of which may be developed, used and defined as herein provided. The term shall include all portions of the lot owned as well as any structure thereon.

i. “Lot” shall mean any parcel of land located within the Property according to the recorded plat, identified by a number and intended for use as a site for a Dwelling Unit.

j. “Owner” shall mean and refer to the fee simple record title owner of any Lot which is part of the Property, but excludes any person or entity holding an interest merely as security for the performance of any obligation and any governmental authority which holds title as a result of a dedication by Declarant.

k. “Plat” shall mean the plat of Venetian Bay Subdivision, Phase 2, Unit 1, as recorded in Map Book 53, Pages 139 through 175, inclusive, Public Records of Volusia County, Florida.

l. “Property” or “Portofino Community” shall mean and refer to certain real property described in Exhibit “A” attached hereto and incorporated herein, and shall further refer to Lots 1 through 78, inclusive, and the Common Areas as shown on the Plat, all of which are within the jurisdiction of the Association.

m. "Structure" shall mean any improvements upon the Property, including, but not limited to, dwelling units, driveways, garages, storage buildings, play structures, swimming pools, fences, walls, signs and barbecue pits; but shall not include any improvements providing electric, telephone, television, radio, water, sewer or other utilities equipment.

n. "Surface Water or Stormwater Management System" shall mean 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, over drainage, environmental degradation and water pollution or otherwise affect the quantity and quality of discharges from the system.

o. "Venetian Bay Association" shall mean and refer to the Venetian Bay Homeowners' Association, Inc., a Florida not-for-profit corporation. Every Owner of a Lot in the Portofino Community upon acquiring such Lot becomes a member of the Venetian Bay Association.

p. "Venetian Bay Association Fees" shall mean and refer to an Owner's share of the funds which are required for the payment of all expenses and maintenance fees properly incurred by the Venetian Bay Association. Such Venetian Bay Association Fees are billed directly to Owners and are payable as required by the Venetian Bay Association.

q. "Venetian Bay Declaration" shall mean the Declaration of Covenants and Restrictions for Venetian Bay Subdivision, New Smyrna Beach, Volusia County, Florida and Notice of Provisions for Venetian Bay Homeowners' Association, Inc., recorded in Official Record Book 5327, Pages 3951, et seq., of the Public Records of Volusia County, Florida, as amended from time to time.

Section 1.2. Property Subject to Covenants and Restrictions. The Property subject to this Declaration of Covenants and Restrictions is that Property, and any plats or replats thereof, described in the Legal Description which is attached hereto as Exhibit A.

ARTICLE II RESTRICTIVE COVENANTS

Section 2.1. Lot Usage. No Lot shall be used for any purpose other than a single-family dwelling, garage and grounds. Each Dwelling shall contain a minimum of 2,500 sq. ft. of living area. The areas included within the lot line of each individual Lot, but not included within the Dwelling Unit constructed on each Lot, are hereinafter referred to as grounds, and shall be used for normal and customary yard purposes. Except, however, those portions of Lots shown on the plats as Conservation Easement Areas shall not be disturbed except as specifically allowed by order or permit issued by appropriate local government body or regulatory agencies.

Section 2.2. Design Review Committee Approvals. Except for Declarant, no person or entity (including the Association) may erect on, place on, alter, or permit any structure or

addition to remain within the Portofino Community unless and until the site plan, floor, plan, elevation, landscaping plan, abbreviated specifications, etc., are reviewed and approved by the Design Review Committee (hereinafter the "DRC"). The DRC is a committee of the Venetian Bay Association (with or without express approval of the Association) for the purposes of enforcing the decisions of said DRC, including but not limited to injunctive relief. In order to preserve the character of the Portofino Community, the Declarant hereby reserves for itself and its successors the right to appoint the members of the DRC. All property owned or controlled by the Association is subject to the DRC's published guidelines and standards. The DRC shall review proposed buildings or structures (including plans and specifications for same or alterations of prior approved buildings or structures) as to the harmony of the external design and location of the building or structure with respect to existing buildings and structures, with respect to topography, vegetation, drainage and the finished grade of elevation of the Lot, and with respect to any other relevant considerations the DRC deems appropriate which are based upon acceptable standards of planning, zoning and construction, including considerations which are exclusively based on aesthetic factors. Owners will remain responsible for securing City building permits as necessary after securing approvals from the DRC.

Section 2.3. Non-Permitted Structures and Vehicles. No vehicles and no structure of a temporary nature or character, including, but not limited to, boats, trailers, house trailers, mobile homes, campers, recreational vehicles, tents, shacks, sheds, barns or similar structures or vehicles shall be used or permitted to remain on any Lot. No automobile, truck, or other commercial vehicle, which contains lettering, shall be parked (for any period of time in excess of ten consecutive hours) or stored or otherwise permitted to remain on any Lot except in a garage attached to the residence.

Section 2.4. Parking. No automobile, truck, motorcycle, boat and trailer, trailer, house trailer, mobile home, camper, or other similar vehicle shall be parked on any street (including the right-of-way) overnight or for a continuous period of time in excess of ten consecutive hours, except in designated off-street parking areas. No more than two (2) vehicles for each garage space shall be permitted on any lot.

Section 2.5. RV and Boat Storage and Parking. No recreational vehicle, boat, boat and trailer, or trailer alone shall be parked for any period of time in excess of ten consecutive hours, or stored or otherwise permitted to remain on any Lot except in a garage attached to the residence or in an approved detached garage.

Section 2.6. Remodeling or Changes. In order to preserve the character of the Portofino Community, no exterior walls or roofs of any structure (including materials and colors of said walls and roofs) shall be changed or modified without specific prior written approval of the DRC. No garage shall be converted to uses other than storage of vehicles or other personal property unless the DRC has approved another garage to be constructed as a replacement.

Section 2.7. Owner Maintenance. All owners shall keep landscaped portions of their grounds well maintained, free of disease, bugs and in a presentable condition, and shall not

permit thereon any unsightly growth, weeds, or underbrush. If any owner shall fail to maintain the landscaped portion of his Lot as herein required, the Association shall have the power to correct such omission and assess the cost thereof to such owner and place a lien for such cost against owner's Lot and improvements thereon. Owners, subject to approval of the Design Review Committee, may leave designated portions of their Lot, and if undeveloped, the entire Lot, in a natural state as long as it is not unsightly and does not constitute a nuisance. Any Conservation Easement located on a Lot must be left in a natural condition and undisturbed as required by any plats or Development Orders. The Association shall have the right to adopt additional rules and regulations to enforce this subsection.

Section 2.8. Association Maintenance Rights. Without limiting the above, the Association shall have the right to maintain, require and enforce maintenance of that portion of Common Areas, street rights of way or Lots lying between fence line and the abutting Lot line or lying between the curb of a street within the Property and the Lot line. The Association shall have the right to adopt rules and regulations to enforce this provision.

Section 2.9. Maintenance Easements. For the purpose of providing access to each owner of a boundary line wall or structure, to permit painting, maintenance, repairs or reconstruction of such wall or structure that abuts such owner's boundary lines, the adjoining owner or owners of each Lot which abuts such boundary line wall or structure hereby give and grant a perpetual easement to the owner or owners of such wall or structure to enter upon the property of such adjoining owner or owners for the specific purpose of painting, maintaining, repairing or reconstructing such wall or structure. Such entry will be made in a reasonable manner and only at reasonable times, and any damage caused by such entry shall be repaired as soon as practicable and at the expense of the owner of the wall or structure who causes such entry to be made. In the event of controversy, the decision of the Board of Directors of the Association shall control.

Section 2.10. Special Maintenance Easements. In the event any portion of any structure originally constructed by the Declarant or a designated successor Declarant, including boundary line wall, shall protrude over an adjoining Lot or Common Area, such structure or boundary line wall shall not be deemed to be an encroachment upon the adjoining Lot or Common Area. In the event there is such a protrusion, the owner or owners of the Lot or Common Area on which such protrusion extends shall be deemed to have granted a perpetual easement to the adjoining owner or owners for continuing maintenance and use of such projection or boundary wall, including any replacement thereof.

Section 2.11. Domesticated Animal Control. In order to maintain and preserve the peace and tranquility of the Portofino Community, the Association shall have the right to adopt reasonable rules and regulations regarding the keeping of dogs, cats and other domesticated household pets, including prohibiting the keeping and breeding of such animals for commercial purposes, and specifically shall have the right (i) to require such animals to be leashed; (ii) to prohibit such animals from roaming at large beyond the confines of their owner's grounds; (iii) to require that owners keep their pets from making noises likely to disturb others; (iv) limit the

number of such animals; (v) require owners to dispose of animal waste in a sanitary manner and to control the odors therefrom and (vi) to adopt such other rules and regulations as may seem necessary or required to carry out the purposes of this restriction.

Section 2.12. Livestock Prohibition. Except as provided otherwise in Section 2.11 above, no livestock, swine, poultry or animals of any kind other than those described in the preceding section shall be raised, bred or kept within the Portofino Community.

Section 2.13. Sign Control. No sign of any kind shall be erected, permitted to remain on or displayed to public view on or from any Lot, except an approved sign giving the name of the occupant of the residence located on said Lot or an approved sign advertising the premises for sale or rent. All signs must be approved by the DRC as a condition to their being erected or being allowed to remain. Political signs shall be erected and removed in accordance with applicable City ordinances. The Declarant reserves the right to erect signs, flags, or the like upon common areas or Lots owned by the Declarant for the purpose of advertising or marketing Declarant's Lots or the Portofino Community in general to the public.

Section 2.14. Offensive Activities. No noxious or offensive activity which may be or may become an annoyance or a private or public nuisance shall be carried on or suffered to exist on any Lot.

Section 2.15. Garbage Control. No Lot, Common Area, Drainage Area or Conservation Easement Area shall be used for dumping, discharge or storage of rubbish, trash, garbage, or other solid waste material. All Lots shall be kept free of the accumulations of rubbish, trash, garbage, and other waste materials. All incinerators or other equipment used for the collection, storage or disposal of solid waste materials shall be kept in a clean and sanitary condition. The use of any incinerators or similar equipment or facilities shall be in accordance with applicable state, county and city environmental laws and ordinances.

Section 2.16. Fences and Shrubs. Fence or wall placement and hedge or shrub planting near streets shall be subject to DRC approval and in compliance with the applicable provisions of the Ordinances of the City of New Smyrna Beach.

Section 2.17. Tree Removal. Removal of trees from any Lot within the Subdivision shall be in accordance with applicable provisions of the DRC and Ordinances of the City of New Smyrna Beach.

Section 2.18. Driveways. Each Lot owner is granted an exclusive easement for ingress and egress purposes over those parts of the Common Areas upon which a driveway to said owner's garage is built, said easement running with the land. It shall be the owner's duty and obligation to maintain and repair said driveway in good condition. The driveway to a garage is to be for the exclusive use of the garage owner. No driveway shall be constructed, maintained, altered or permitted to exist on any Common Area or Lot if the driveway obstructs or would obstruct or significantly impede the flow of surface drainage in the area adjacent to the Lot or in

the street right-of-way or swale area, adjoining or abutting the Lot. No driveway shall be constructed of a material such as mulch that is subject to displacement by stormwater.

Section 2.19. Common Area Management and Ownership. Except where operation, maintenance and management is more appropriately vested in the Venetian Bay Association, the Association shall operate, maintain and manage all Common Areas, all islands located in the streets, all private roads, the gates and guardhouses, and all road rights-of-way which are not maintained by the City of New Smyrna Beach, whether or not such Common Areas, islands or road rights-of-way are shown on a plat. It is intended that the Association shall maintain all rights-of-way and all islands, as well as all Common Areas, not specifically and more appropriately under the Venetian Bay Association ownership and maintenance. The Association must accept any deed to the above-described areas from the Declarant when tendered by the Declarant. The Declarant is authorized to record such deeds prior to delivering same to the Association. The Association shall enforce the restrictions and covenants contained herein, and shall undertake and perform all acts and duties necessary and incident to such duties, all in accordance with the provisions of this Declaration, the Articles of Incorporation and By-Laws of said Association.

Section 2.20. Maintenance of Stormwater System and Discharge Facilities; Management and Ownership of Drainage Areas and Conservation Easement Areas; Easement for Access and Drainage. The Venetian Bay Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system, and shall also manage and maintain all discharge facilities and preserve the natural assets and materials located within the Drainage Areas and Conservation Easement Areas. Any amendment to the Declaration which alters the surface water or stormwater management system beyond maintenance in its original condition, including the water management portions of the Common Areas, must have the prior approval of the St. Johns River Water Management District, the County of Volusia and the City of New Smyrna Beach.

Section 2.21 Insurance. Each Lot owner shall, at all times after construction of a Dwelling Unit on the Lot, and each owner of a Dwelling Unit shall maintain fire and extended coverage casualty insurance on the improvements on such Lot and on the Dwelling Unit, and shall use the proceeds thereof to repair or replace any damage to or destruction of such improvements or the Dwelling Unit within a reasonable time after such casualty. Similarly, the owner of any boat, recreational vehicle or other vehicle stored in a designated storage area, if any, must carry casualty Insurance.

Section 2.22. Changes in Covenants. No change in the Covenants which would materially alter the character of the Portofino Community or the permitted use of the lands and structures within the Portofino Community shall be made without the prior approval of the City Commission of the City of New Smyrna Beach. Any amendment to the Covenants which alter 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 areas, must have the prior written approval of the St. Johns River Water Management District.

Section 2.23. Amendments to Subdivision Plats. The Declarant or its successors, subject to approval of the St. Johns River Water Management District and the City of New Smyrna Beach regarding amendments to Conservation Easement Areas, shall solely retain the right to amend or replat the plats of the present and any future phases and units of the Subdivision, without requiring concurrence by the Association, Lot Owners or Dwelling unit owners, provided amendments are consistent with Article VIII of this Declaration.

Section 2.24 Drainage Swales. The Declarant has constructed drainage swales upon each Lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot from time to time. Each Lot owner, including builders, shall be responsible for the maintenance, operation and repair of the swales on the Lot. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance and other stormwater management capabilities as permitted by the St. Johns River Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the drainage swales shall be authorized and any damage to any drainage swale, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale returned to its former condition as soon as possible by the Owners of the Lots upon which the drainage swale is located.

Section 2.25 Property Rental. Short term rental of Dwelling Units is prohibited. Rental of Dwelling Units must be for six (6) months or longer. Maintenance and payment of dues and fees are the responsibility of the Lot Owner.

ARTICLE III ASSOCIATION

Section 3.1. Membership. The owner of each Lot and the owner of each Dwelling Unit shall automatically and mandatorily become a member of the Association and the Venetian Bay Association upon his or her acquisition of any ownership interest in the title to any Lot or Dwelling Unit. The membership of such owners shall terminate automatically at the time that such person divests himself or is divested of such ownership interest or title, regardless of the means by which such ownership may have been divested.

Section 3.2. Membership Limits. No person or 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 Associations, 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 Associations 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 mortgage or the mortgage's successors or assigns.

Section 3.3. Adoption of Rules and Regulations. The Association may adopt and enforce reasonable rules and regulations regarding security that may be provided within the Subdivision. The Association shall enforce the restrictions and covenants contained herein, as well as any rules and regulations promulgated hereunder and shall undertake and perform all acts and duties necessary and incident to enforcing such restrictions, covenants, rules and regulations, all in accordance with the provisions of this Declaration, the Articles of Incorporation and By-Law.

Section 3.4. Management and Enforcement Authority. In the administration, operation and management as herein designated to the Association and in the enforcement of the applicable Covenants and Restrictions, the Association, in addition to any authority granted elsewhere herein, shall have and is hereby granted full power and authority: (a) to enforce all applicable provisions of this Declaration; (b) to levy and collect assessments in accordance herewith; (c) to suspend a member's use of common areas and levy and collect fines in accordance with Section 720.305(2), Florida Statutes; and (d) in order to carry out the purposes of the Association, to adopt, promulgate, and enforce reasonable rules and regulations governing the use and enjoyment of the Property within the Association's ownership or control.

Section 3.5. Liability Insurance. The Association shall maintain in force public liability insurance with respect to all vehicle storage areas, Common Areas, Drainage Areas, Conservation Easement Areas and all traffic islands located within any public or private road right-of-way located within the Portofino Community. In the event the Association secures coverage under a policy benefiting Venetian Bay Association, then the Association, along with the Venetian Bay Association, shall be named insured with respect to the areas that it owns or controls. The City of New Smyrna Beach shall be named as an additional insured for those islands in public road rights-of-way, if any, which the Association maintains. Such coverage shall be as required by City Ordinances.

ARTICLE IV COVENANTS AND MAINTENANCE ASSESSMENTS

Section 4.1. Creations of Lien and Personal Obligation for Assessments. The Declarant hereby covenants and agrees to, and each Owner and each tenant of each Lot or Dwelling Unit shall, by acceptance of a deed or other instrument of conveyance or lease, whether or not it shall be so expressed in any such deed or instrument, be deemed to and agree to all terms, covenants, conditions, restrictions and other provisions of this Declaration, and agrees to pay to the Association all assessments and charges levied by the Association in accordance with and as permitted by this Declaration. The assessments, together with any interest due, any late penalty, and reasonable attorney fees shall be a charge and continuing lien upon the Lot against which such assessment is made, whether or not a claim of lien is filed. Each assessment (together with such interest thereon and the costs of collection including reasonable attorneys' fees) shall also be the personal obligation of the person who was the owner of such Lot or Dwelling Unit at the time when the assessment first become due and payable, and also the joint and several personal obligation of any subsequent grantees who take title to the Lot or Dwelling

Unit without first obtaining a letter from the Association as herein provided to the effect that there are no outstanding assessments against the Lot or Dwelling Unit being purchased. In the case of co-ownership or co-tenancy of a Lot or Dwelling Unit, each owner or tenant shall be jointly and severally liable for the entire amount of the assessments and the aforesaid interest, collection costs, and reasonable attorneys' fees. Prospective purchasers are hereby notified of the possible charge against the Lots and Dwelling units in the Portofino Community. An Owner's liability for payment of assessments shall commence at the closing of the purchase of Owner's Lot or Dwelling Unit.

Section 4.2. Purpose of Assessments. Assessments levied by the Association shall be exclusively: (a) to improve, maintain, enhance, enlarge, protect, monitor and operate the areas within the Association's ownership or control as specified in this Declaration; (b) to provide security services; (c) to cover operating and administrative expenses; (d) to fund services and benefits which the Association is authorized to provide, including, but not limited to insurance; construction; maintenance, repair and replacement of improvements; the escrowing of sufficient monies for specific purposes to satisfy the City of New Smyrna Beach; the acquisition of labor or services (including security services and professional services of attorneys, accountants, engineers, consultants, etc.); equipment, materials, management, and the supervision necessary to provide the authorized services or benefits; (e) 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; (f) to pay the costs of social functions open to the Members of the Association; and (g) to keep in force and pay for liability insurance on all areas of the Property within its ownership or control in amounts not less than required by this Declaration.

No initiation fee may be charged to Members of the Association as a pre-condition to use of such areas or facilities. User fees, however, may be charged. 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 assessments and other revenues collected by the Association exceed their expenses and reasonable reserves to an extent which would violate any Association's not-for-profit status.

Section 4.3. Assessment Amounts. The initial regular annual assessment is hereby set at the rate of \$2,400 per Lot or Dwelling Unit. Annual Assessments are levied annually by the Board of Directors of the Association and are payable quarterly in advance. Any Change in the annual assessment shall be determined at a meeting of the Board of Directors of the Association, provided, however, that the portion escrowed for private street improvement and repair shall be annually adjusted by the Board of Directors of the Association from the base monthly escrow amount in conformance with the procedure set forth in Section 720.303(6), Florida Statutes.

With respect to the non-escrow components of the Association annual assessment, the following two adjustment provisions shall apply. First, the assessment shall automatically adjust from one Association year to the next (subject to the approval of a majority of the Board of

Directors of the Association) up or down in an amount in accordance with the percentage increase or decrease in the Consumer Price Index during the last complete calendar year; provided, however, that the Directors shall have the authority in their approving resolution to round any such automatic adjustment upward or downward to a convenience amount. Second, the assessment may be increased beyond that set at the annual meeting upon approval of two-thirds (2/3) of the members in attendance at any regular or special meeting of the Association at which a quorum is present, but only after written notice of such meeting and such issue is given to all members of the Association at least fourteen (14) days prior to the date of said meeting. Nothing herein, however, shall be construed to preclude the Board of Directors of the Association from once annually fixing and levying an emergency assessment which may be levied without notice to the membership and without the holding of any special or regular meeting of said membership of the Association.

The Association, upon proper resolution adopted by the Board of Directors, may bill and collect assessments on a quarterly basis. Except as elsewhere provided herein to the contrary, each owner of a Lot or Dwelling Unit shall be obligated to pay assessments which accrued prior to his taking title and shall be obligated to pay the regular annual assessment continually from, at the latest, the date such Owner takes title to said Lot or Dwelling Unit.

In the event that, and at such time as two Lots under single ownership shall have one Dwelling Unit constructed upon them in such a way that no other Dwelling Unit can be constructed thereon, then at the time of issuance of a Certificate of Occupancy for that one Dwelling Unit, the owner shall become liable for one regular annual assessment and no longer for two such assessments as were owed prior to the completion of the Dwelling Unit.

The Declarant will guarantee that the amount of the annual assessments charged to each Owner for the period of time commencing with the recording of this Declaration and ending with the Turnover of control of the Association to the Owners (the "Guarantee Period") will not exceed \$2,400.00 per year for the first fiscal year of operation of the Association and will not exceed \$2,800.00 for the second and third fiscal years. Declarant shall not be obligated to pay any assessments on any vacant Lots or lands which it may own during the Guarantee Period, notwithstanding the fact such Lots may have been platted or such Lots may be on paved roads. However, in the event the Declarant constructs a Dwelling Unit on any Lot, it shall be liable for the annual and other assessments upon that Lot or Dwelling Unit which are charged, levied or assessed for the first time after the issuance of a Certificate of Occupancy for the Dwelling Unit, except Declarant shall have the right to construct "model homes" for which no assessment shall be due until said model home is sold to a third party for residential use.

Section 4.4. Late Charges. Assessments which are not paid on or before the date the same become due shall be delinquent, and each delinquent assessment shall bear simple interest at eighteen percent (18%) per annum until it is paid in full. In addition to the accrual of interest, when an assessment becomes delinquent in payment, the applicable Association has the right to accelerate assessment payments for the balance of the calendar year and, in such event, the Association's lien shall be for the full amount as accelerated. There shall be no exemption from

the payment of any assessment by waiver of the use of the Common Areas, Drainage Areas or other areas or by abandonment of the Lot or Dwelling Unit, or by extended absence from the Subdivision, or for any reason, except as provided for the Declarant in Paragraph 4.3.

Section 4.5. Statement for Assessments. The Association, upon written request of any Lot owner or Dwelling Unit owner, shall furnish to a prospective purchaser or prospective mortgagee or any other authorized person a statement of the current status of the Association's assessments on such Owner's Lot or Dwelling Unit. When executed by the Secretary/Treasurer of the Association, a mortgagee, potential purchaser or title examiner may rely upon such statement as an accurate statement of the status of the assessments by the Association upon the Lot or Dwelling Unit in question.

Section 4.6. Billing; Revenue Collected. Nothing herein shall prevent the Association from cooperating with the Venetian Bay Association in the billing of their assessments so as to save postage and administrative expenses. In such event, any revenue received by the Association for assessments of the Venetian Bay Association shall be segregated and promptly delivered to the Venetian Bay Association. Revenue received by the Association on its assessment on any Lot or Dwelling Unit may be co-mingled with revenues received by the Association on its assessments on other Lots or Dwelling Units, except to the extent segregation is required by the City of New Smyrna.

Section 4.7. Assessment of Membership. Although all funds and other assets of the Association, and any income derived therefrom, shall be held for the benefit of the members, no member of the Association shall have the right to assign, encumber, hypothecate, pledge, or in any manner transfer his, her or its 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 divestment of ownership of said Lot or Dwelling Unit, by whatever means that occurs, the Association shall no longer be required to account to said owner for any share of the funds or assets it holds.

Section 4.8. Foreclosure. In the event that any institutional first mortgagee (defined as a chartered Bank, a chartered Savings and Loan Association, or the Declarant) shall acquire title to any Lot or Dwelling Unit by foreclosure, judicial sale, documents of transfer from a governmental entity or documents of transfer from the mortgagor or his receiver, trustee in bankruptcy, personal representative, successors or assigns, then such institutional first mortgagee shall take title subject to all liens of the Association. In the event that any institutional first mortgagee shall acquire title to any Lot or Dwelling Unit as described above in this Section 4.8, the mortgagee so acquiring title shall also be liable and obligated for such assessments as may accrue to said Lot subsequent to the date of acquisition of such title.

Section 4.9. Liens for Assessments. Recognizing that proper management and operation of all the areas of the Portofino Community benefits all owners of Lots or Dwelling Units, the Association is hereby granted a lien upon all the Lots and Dwelling Units within the Portofino Community and the present and future interests of each Lot and Dwelling Unit owner in the

Common Areas to secure the prompt payment of each and all assessments made and levied in accordance with this Declaration. Each Lot and Dwelling Unit owner shall be liable for, and this lien shall secure, the full amount of said assessment including reasonable attorney's fees, deposition costs (whether or not depositions are used at trial), reasonable expert witness fees and costs (whether or not the expert testifies at trial), postage, long distance telephone, travel, lodging and meal costs which are incurred (either prior to trial, at trial, on appeal or on retrial) by the Association with respect to enforcement or interpretation of the provisions of this Declaration, or the Articles of Incorporation or the By-Laws.

Section 4.10. Foreclosure of Lien. 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 such payment of or advances for taxes and payments on superior mortgages, liens or encumbrances which are advanced by the Association in order to protect its interests, 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 made by the Association.

Section 4.11. Ownership Subject to Existing Liens. All persons, firms, corporations, and other business entities, which shall acquire by whatever means, any interest in the ownership of any 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 of such persons, firms, corporations and other business entities shall acquire their right, title and interest in and to said Lot or Dwelling Unit expressly subject to the lien rights provided herein.

Section 4.12. Lien Preparation and Recording. The lien created pursuant to this Declaration exists as of the date the Association sets the amount of its annual assessments for that year. The lien shall continue in effect until all sums secured by the lien have been fully paid. Such lien shall be perfected for the purpose of determining priority among competing creditors by the recording in the public records of Volusia County a claim of lien stating the description of the Lot or Dwelling Unit encumbered by the lien, the name of the record owner of the Lot or Dwelling Unit, the amounts due at that time and the date when any part of the unpaid amount first became due. If the Association accelerated the assessment for the balance of the calendar year, the claim of lien shall perfect a lien for the total accelerated amount. The claim of lien shall perfect the lien not only for assessments which are due and payable when the claim of lien is recorded, but also for interest, collection costs, reasonable attorneys' fees, and advances to pay taxes and prior encumbrances and interest thereon, all as provided herein. The claim of lien shall be signed and verified by the President or Vice 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 President or Vice President of the Association.

Section 4.13. Enforcement. These Covenants and Restrictions may be enforced by an action at law for damages, or proceeding in equity for an injunction, or in a manner as provided for in Section XV of the By-Laws of the Association.

**ARTICLE V
CHANGES, AMENDMENT AND TERMINATION**

Section 5.1. Declarant Changes and Amendments. Subject to approval of the governmental agencies with jurisdiction over the subject area, the Declarant hereby reserves for itself, its successors and assigns the right to amend, modify or rescind such parts of this Declaration or any recorded plat as it, in its sole discretion, deems necessary or desirable so long as: (a) it is the sole owner of the property to which the plat or this Declaration (whichever is appropriate) applies; or (b) such amendment or modification does not substantially change the character, nature, or general scheme of development of the Subdivision. Neither the foregoing amendments nor Declarant's exercise of the foregoing rights require the concurrence of the Association or individual owners of Lots or Dwelling Units. Any amendment to the covenants and restrictions which alter 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 Areas, must have the prior written approval of the St. Johns River Water Management District.

Section 5.2. Owner's Right To Amend. In addition to the rights of the Declarant reserved in the preceding section, subject to the approval of the governmental agencies with jurisdiction over the subject area and upon affirmative vote by sixty-seven percent (67%) of all members of record in the Association, on a proper Resolution at a proper Association meeting, the members of the Association may amend or modify such provisions of this Declaration as they deem necessary or desirable, except that (a) provisions relating to the rights, powers and duties of the Association may not be amended until control of the Board of Directors of the Association has been turned over to the Members; and (b) the owners cannot amend the Declaration in a manner which conflicts with or is inconsistent with the Development Orders issued by the City of New Smyrna Beach or is inconsistent with the requirements of St. Johns River Water Management District contained in this Declaration.

**ARTICLE VI
USE OF COMMON PROPERTY**

Section 6.1. Lot Owners Common Area Usage. The Common Areas, as specifically described herein, or hereafter designated by Declarant (excluding areas within utility easements where above ground utilities structures are located) shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all owners of Lots developed within the Subdivision, for the use of such owners and their immediate families, guests, tenants, invitees, and others similarly situated, for all proper and normal residential purposes, for the furnishing of services and facilities for which the Common Area can be reasonably utilized and for the quiet enjoyment of said owners.

Section 6.2. Declarant's Common Area Usage. Until all areas subject to Development Orders issued by the City of New Smyrna Beach have been developed and transferred or

conveyed to third parties, Declarant shall have the right (at no charge or fee) to reasonably utilize Common Areas for promoting the Subdivision and marketing of Lots and Dwelling Units.

ARTICLE VII
ALLOWED USES AND USE RESTRICTIONS APPLICABLE
TO DRAINAGE AREAS AND CONSERVATION EASEMENT AREAS

Section 7.1. Areas Located on Plats. In order to maintain the values inherent in large areas of natural undisturbed and substantially undisturbed lands for the benefit of the residents of the Portofino Community, Declarant shall in the plat of the Portofino Community locate and identify Drainage Areas and Conservation Easement Areas which shall, as is more particularly described below, be preserved and protected in their current condition or will be subjected only to certain allowed improvements and activities.

Section 7.2. Drainage Areas. All parts of Drainage Areas constituting wetlands within the dredge and fill jurisdiction of the Florida Department of Environmental Protection will be preserved and protected in their natural state. Those parts of the Drainage Areas not falling within the dredge and fill jurisdiction of the Florida Department of Environmental Protection shall be improved and utilized as follows:

a. Drainage facilities, retention ponds, lakes and related improvements may be made by the Declarant as long as they are in compliance with all applicable Development Orders issued by the City of New Smyrna Beach.

b. Vegetation shall not be altered or removed except as permitted by applicable Development Orders. No motorized boats or personal water craft (e.g., jet skis) shall be allowed upon the lakes or retention ponds except for boats utilized in necessary maintenance of such lakes and ponds.

c. No water shall be removed or added to the lakes by any person or entity without the prior permission of the Venetian Bay Association.

d. No waste or foreign materials shall be dumped or scattered in the Drainage Areas, but this shall not prohibit the use of fertilizers or pesticides in the minimum amounts necessary to stabilize and maintain vegetation in the Drainage Areas in functionally and aesthetically pleasing conditions.

Section 7.3. Land Use Limitations Applicable to Conservation Easements. The below listed activities and uses are prohibited in or upon all Conservation Easement Areas, except to the extent such activities are specifically authorized by permits issued by the St. Johns River Water Management District or the City of New Smyrna Beach:

a. Construction or placing of buildings, road signs, billboards or other advertising, utilities, or other structures on or above the ground.

- b. Dumping or placing of soil or other substances or materials as landfill or dumping or placing of trash, waste, or unsightly or offensive materials.
- c. Removal or destruction of trees, shrubs, or other vegetation.
- d. Excavation, dredging, or removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to affect the surface.
- e. Surface use, except for purposes that permit the land or water area to remain predominantly in its natural condition.
- f. Activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation.
- g. Acts or uses detrimental to such retention of land or water areas.
- h. Acts or uses detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or cultural significance.

All construction, including dredging or filling, shall be prohibited waterward of the wetlands limit lines established jointly by the Declarant and the St. Johns River Water Management District and shall be prohibited within Conservation Easements designated on plats, even if such Conservation Easements overlap Lots or Common Areas; except, however, construction may occur in these areas to the extent specifically authorized by applicable permits issued by the St. Johns River Water Management District or the City of New Smyrna Beach. The St. Johns River Water Management District and the City of New Smyrna Beach may enforce the restrictions contained in this Section and this Section may not be amended without prior approval of the St. Johns River Water Management District and the City of New Smyrna Beach.

Section 7.4. Cross Easements. The Venetian Bay Association is hereby granted a perpetual easement upon all Common Areas and all Lots for the purpose of going upon said properties to fix, repair, alleviate or change any condition adversely affecting the stormwater management systems, discharge facilities, Drainage Areas, or Conservation Easement Areas. In exercising this right, the Venetian Bay Association shall act reasonably so as to cause the least inconvenience or difficulty to the owner or owners of said properties.

**ARTICLE VIII
COVENANTS AGAINST PARTITION
AND SEPARATE TRANSFER OF COMMON AREAS**

It is recognized that the full use and enjoyment of any Lot or Dwelling Unit within the Portofino Community is dependant upon the use, enjoyment, maintenance, protection and

preservation of certain Common Areas, Drainage Areas, Conservation Easement Areas and the improvements made thereto, and that it is in the interests of all Lot and Dwelling Unit Owners that the ownership of the Common Areas, Drainage Areas and Conservation Easements Areas be retained by either the Association or the Venetian Bay Association as provided in this Declaration. Accordingly, no Lot or Dwelling Unit owner shall have the right to transfer the Lot or Dwelling Unit owner's interest in the Association other than as an appurtenance to and in the same transaction with a transfer of title to the Lot or Dwelling Unit, and the Association shall have no right to transfer title to any part of the Common Areas, Drainage Areas or Conservation Easement Areas without Declarant's prior written consent. Nothing in this Article VIII, however, shall: (a) preclude a conveyance by the Declarant, its successors or assigns of any undivided interest in the Common Areas, Drainage Areas or Conservation Easement Areas to the Association for the purpose of effectuating the purposes of this Declaration; or (b) preclude a conveyance by the Declarant, its successors or assigns of any utility easements across, under, above or upon the Common Areas, Drainage Areas or Conservation Easement Areas.

ARTICLE IX CONTROL AND TURNOVER OF ASSOCIATION

Section 9.1. Appointment of Directors by Declarant. The Declarant shall have the right to at any time appoint members to the Board of Directors of the Association to assure that Declarant's appointed Directors constitute up to seventy-five percent (75%) of the Association's Directors until the earlier of the following events occurs: (i) three months after 90 percent of the Lots in the Portofino Community that will ultimately be operated by the Association have been conveyed to Members; or (ii) such other date as the Declarant may designate.

Section 9.2. Veto by Declarant. Until the Declarant turns over control of the Association to the Members, the Declarant shall have the right to veto any action taken by the Board of Directors of the Association at a time when more than twenty-five percent (25%) of the Directors of the Association were not appointed by the Declarant. Control of the Association and its records shall be turned over to the Members at such time as the Declarant has turned the Association over to the Members.

ARTICLE X COVENANTS TO RUN WITH LAND

The restrictions and burdens imposed by the provisions and covenants of this Declaration shall constitute covenants running with the Property, and each provision and covenant shall constitute an equitable servitude upon the heirs, personal representatives, successors and assigns of each Owner of a Lot or Dwelling Unit, 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 first recorded in the Public Records of Volusia County, Florida, after which time this Declaration shall be automatically extended for successive ten (10) year periods, unless (a) an instrument, signed by seventy-five percent (75%) of the then owners of record of Lots and Dwelling Units in the Subdivision, is

recorded in the Public Records of Volusia County, Florida, pursuant to which the said owners repeal the provisions of this Declaration; and (b) proper governmental authority for repeal of this Declaration is obtained.

IN WITNESS WHEREOF, the Declarant, Venetian Bay of New Smyrna Beach, LLC, has set its hand and seal on the date first above written.

VENETIAN BAY OF NEW SMYRNA BEACH, LLC, a Florida limited liability company
By Venetian Bay Development, Inc., a Florida corporation, its Manager

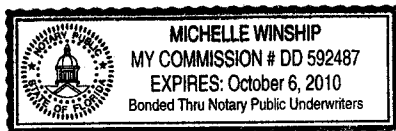
By _____
Jerry S. Johnson, Sr., President


Print Name: DEDEK WAINCOTT


Print Name: Michelle Winship

**STATE OF FLORIDA
COUNTY OF VOLUSIA**

The foregoing instrument was acknowledged before me this 15 day of July, 2008, by Jerry S. Johnson, Sr., as President and on behalf of Venetian Bay Development, Inc., a Florida corporation, the Manager of Venetian Bay of New Smyrna Beach, LLC, a Florida limited liability company. He is personally known to me.




Notary Public, State of Florida at Large
My Commission Expires:

JOINDER AND CONSENT

Venetian Bay Homeowners' Association, Inc., hereby consents to the foregoing Declaration and accepts the rights conferred upon it, including, specifically, the right to assess and lien, and the responsibilities imposed upon it, including the obligation for the maintenance, repair and replacement of the common property dedicated to it on the plat of Venetian Bay Phase 2 Unit 1, provided, however, that the rights and obligations shall inure to and be binding upon the Venetian Bay Homeowners' Association only upon the recording of this Declaration in the Public Records of Volusia County, Florida.

Dated: July 15th, 2008.

VENETIAN BAY HOMEOWNERS'
ASSOCIATION, INC.

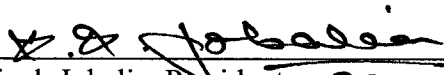
By 
Dipak Jobalia, President

EXHIBIT "A"

Lots 1 through 78, inclusive, Venetian Bay Phase 2, Unit 1, according to the map recorded in Map Book 53, Pages 139 through 175, inclusive, Public Records of Volusia County, Florida.

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
PORTOFINO NEIGHBORHOOD ASSOCIATION AT VENETIAN BAY, INC.
(A Florida Corporation Not for Profit)**

The undersigned, for the purpose of forming a corporation not for profit under Chapter 617 of the Florida Statutes, hereby files these amended and restated articles of incorporation. These amended and restated articles completely replace those certain articles previously filed with the Florida Department of State on August 14, 2006.

ARTICLE I. NAME

The name of this Corporation is Portofino Neighborhood Association at Venetian Bay, Inc. For convenience, the Corporation shall be referred to in this instrument as the "Association", these Articles of Incorporation as the "Articles" and the By-Laws of the Association as the "By-Laws".

ARTICLE II. PURPOSES

The purposes for which the Association is organized are as follows:

A. To take title, operate, administer, manage, lease and maintain the assets and property of the Association as such are dedicated to or made the responsibility of the Association by the recorded Plat of Venetian Bay Phase 2 Unit 1, the Declaration, these Articles or the By-Laws.

B. To Manage the Association of owners established by the Declaration of Covenants and Restrictions for Portofino Estates at Venetian Bay (the "Declaration"). The Declaration was executed by Venetian Bay of New Smyrna Beach, LLC, a Florida limited liability company, developer of the subdivision (the "Declarant").

C. To enforce the Declaration and perform all duties and responsibilities imposed upon the Association by the Declaration.

D. To carry out all duties placed upon it by these Articles, the By-Laws, the Declaration and the Florida law.

ARTICLE III. POWERS

The Association shall have the following powers:

A. The Association shall have all common law and statutory powers of a corporation

not for profit, not in conflict with the terms of these Articles, the By-Laws and the Declaration.

B. The Association shall have the power to administer and to enforce the provisions of these Articles, the By-Laws and the Declaration and all powers reasonably necessary to carry out the responsibilities and duties conferred upon it by these Articles, the By-Laws and the Declaration, as amended and supplemented from time to time, including but not limited to, the power to levy and collect adequate assessments against members of the Association.

ARTICLE IV. MEMBERSHIP

Every person or entity who is or becomes a record owner of any "Lot or Dwelling Unit" in the "Property" or is otherwise considered an "Owner", as those terms are defined in the Declaration, shall be a "Member" of the Association. Declarant shall also be a Member of the Association as long as it owns a Lot or Dwelling Unit in the Property. Membership is solely for those having a fee simple ownership interest and is not intended to and shall not include any persons or 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 a Member becomes divested of a fee simple ownership in a Lot or Dwelling Unit in the Property.

When a corporation or partnership is the owner of a Lot or Dwelling Unit, 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. When more than one person holds an interest in a Lot or Dwelling Unit, each person shall be a Member, even though each person does not acquire a separate right to vote.

The qualifications of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

A. The membership of the Association shall consist of two classes of members. Class "A" members shall include, with the exception of the Class "B" members, every person who is a record owner of a fee simple estate, a life estate, an estate pur autre vie, or a fee upon condition, in any Lot, as such term is defined in the Declaration, which is subject, by the Declaration, or by any supplementary Declaration, to assessment by the Association. Class "B" membership shall consist of the Declarant, and/or any successor in title who is designated as a Class B member in accordance with the Declaration and the By-Laws of the Association.

B. Change of membership in the Association shall be established by recording in the Public Records of Volusia County, Florida, a deed or other instrument establishing a record title to a lot subject to assessment by the Association and the delivery to the Association of a certified copy of such instrument. The owner or owners designated by such instrument thus becomes a member of the Association, and the membership of the prior owner is terminated.

C. On all matters on which the membership shall be entitled to vote, said voting shall be in accordance with the voting rights as established in the By-laws.

D. The Class "B" membership shall terminate as set forth in the By-Laws which provisions are incorporated herein by reference.

ARTICLES V. MANAGEMENT

A. The affairs and property of the Association shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than nine (9) persons. The Board members shall be elected by the voting membership at the times and in the manner provided in the By-Laws. The Board members may be removed and vacancies in the Board filled in the manner provided in the By-Laws.

B. The initial Board 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 named in these Articles shall serve until the Owners, other than Declarant, are entitled to elect the Board members in the manner set forth in the By-Laws. Vacancies in the initial Board appointed by Declarant may be filled by Declarant. After the election of the Board by the Owners other than the Declarant, vacancies occurring between annual meetings of the membership shall be filled in the manner provided in the By-laws.

C. The number of members on the Board shall be increased to (9) persons at the time and in the manner provided in the By-Laws.

D. Board members shall be elected by the membership in accordance with the By-Laws at the regular annual meeting of the membership of the Association to be held on the first Monday of June of each year or on such other date as may be set by the vote of a majority of the membership.

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

ARTICLE VI. BOARD OF DIRECTORS

The number of persons constituting the first Board of Directors shall be three (3). The

names and street addresses of the persons who are to serve as the first Board are as follows:

<u>Name</u>	<u>Address</u>
Jerry Johnson, Sr.	424 Luna Bella Lane, Suite #133 New Smyrna Beach, FL 32168
Dipak Jobalia	846 Riverside Drive Ormond Beach, FL 32176
Arthur Campbell	424 Luna Bella Lane, Suite #133 New Smyrna Beach, FL 32168

The number of Board members may be increased or diminished from time to time as provided by the By-Laws, but shall never be less than three (3). All Board members shall be natural persons.

ARTICLE VII. OFFICERS

The names of the officers who are to serve until the first election of officers by the Board are as follows:

President	-	Dipak Jobalia
Vice President & Treasurer	-	Jerry Johnson, Sr.
Secretary	-	Arthur Campbell

ARTICLE VIII. PRINCIPAL OFFICE

The principal office and mailing address of the Association is 424 Luna Bella Lane, Suite #133, New Smyrna Beach, FL 32168.

ARTICLE IX. BY-LAWS

By-Laws of the Association shall be adopted by the first Board and thereafter may be altered, amended or rescinded in the manner provided in the By-Laws. In the event of a conflict

between the provisions of these Articles and the provisions of the By-Laws, the provisions of these Articles shall control.

ARTICLE X. EXISTENCE AND DURATION

Existence of the Association commenced with the filing of the Articles of Incorporation with the Florida Secretary of State. The Association shall exist in perpetuity, unless dissolved pursuant to the provisions of Article XI below.

ARTICLE XI. DISSOLUTION AND SUCCESSOR ENTITIES

The Association may be dissolved only with the consent in writing by the Owners and holders of all mortgages and liens on any lots, by the City Commission of the City of New Smyrna Beach, and by two-thirds (2/3) of the voting Members. In the event of the dissolution of the Association, or any successor entity thereto, other than incident to a merger or consolidation, any property dedicated or conveyed to the Association shall be transferred to either a successor entity or an appropriate governmental agency or public body 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 a 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.

ARTICLE XIII. REGISTERED OFFICE AND REGISTERED AGENT

The street address of the registered office of the Association is 424 Luna Bella Lane, Suite #133, New Smyrna Beach, FL 32168, and the Registered Agent of the Association at that address shall be Jerry Johnson, Sr.

ARTICLE XIV. INDEMNIFICATION

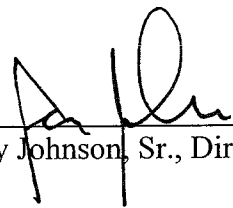
The Association shall indemnify any officer, Board member or committee member or any former officer, Board member or committee member to the full extent permitted by law.

Adoption of Amended and Restated Articles

There are no members or members entitled to vote on these amended and restated articles of incorporation. The amendment was adopted by the board of directors.

These amended and restated articles completely replace those certain articles previously filed with the Florida Department of State on August 14, 2006.

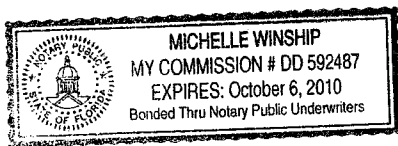
Dated this 15TH day of ~~June~~^{July}, 2008.

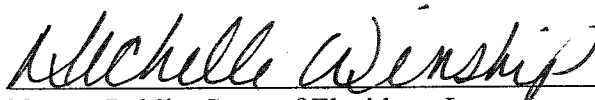


Jerry Johnson, Sr., Director

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 15TH day of ~~June~~^{July}, 2008, by Jerry Johnson, Sr., Director of Portofino Neighborhood Association at Venetian Bay, Inc. He is personally known to me.

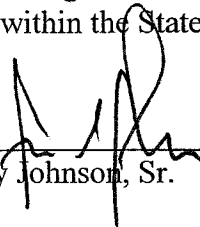




Notary Public, State of Florida at Large

ACCEPTANCE BY REGISTERED AGENT

I hereby accept the designation as registered agent of Portofino Neighborhood Association at Venetian Bay, Inc., for service of process within the State of Florida.



Jerry Johnson, Sr.

**BY-LAWS
OF
PORTOFINO NEIGHBORHOOD ASSOCIATION AT VENETIAN BAY, INC.**
(A Florida Corporation Not For Profit)

ARTICLE I

NAME AND LOCATION

1.01 The name of this corporation is Portofino Neighborhood Association at Venetian Bay, Inc., hereinafter referred to as the Association.

1.02 The initial principal office of the corporation shall be located at 424 Luna Bella Lane, Suite 133, New Smyrna Beach, FL 32168, which may be changed from time to time by resolution of the Board of Directors.

ARTICLE II

DEFINITIONS

2.01 All terms and provisions in these By-Laws shall have the same meaning as in the Declaration of Covenants and Restrictions for Portofino Estates at Venetian Bay ("Declaration") executed by Venetian Bay of New Smyrna Beach, LLC, a Florida limited liability company (referred to herein as "Declarant") and recorded in the Public Records of Volusia County, Florida.

ARTICLE III

PURPOSE

3.01 The specific purposes for which this Association is formed are to provide for management, maintenance and preservation of the lots and common areas within the Portofino Community, as defined in the Declaration, and to promote the health, safety and welfare of the owners and residents within the Portofino Community, and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and to:

(a) 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.

(b) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Amended and Restated Articles of Incorporation (the "Articles"), Declaration, and all supplementary or amended declarations, 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.

- (c) Fix, levy, collect, and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration.
- (d) Pay all expenses incident to the conduct of the business of the Association.
- (e) Pledge, sell, lease, operate, maintain, transfer or otherwise dispose of any or all of its personal property.
- (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 the Members, except as otherwise provided in the Declaration.
- (g) Mortgage any or all of the real property and improvements thereon owned by it, subject to the approval of two-thirds (2/3) of the Members.
- (h) Participate in any merges or consolidations with other corporations authorized by the laws of the State of Florida.
- (i) 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.

3.02 This Association is not organized for pecuniary gain or profit to the members thereof.

ARTICLE IV

CORPORATE SEAL

4.01 The corporate seal of the Association shall bear the name of the Association, the name Florida, the words "Corporation Not For Profit" and the year of incorporation.

ARTICLE V

MEMBERSHIP

5.01 The qualification of Members of the Association, the manner of their admission into membership and their termination from such membership shall be as set forth in Article IV of the Articles.

5.02 Declarant shall be a Member of the Association so long as it holds title to any Lot or Dwelling Unit in the Property.

ARTICLE VI

MEETINGS OF MEMBERS

6.01 The Association shall have an annual meeting of its Members. The annual meeting shall be held on the First Monday in June and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at a place in Volusia County designated by the Directors, at a time to be determined by the Directors. The date of the annual meeting of the Members may be changed by the vote of a majority of the Voting Members at any annual or special meeting of the Members.

6.02 Special meeting of the Members shall be held at any place within Volusia County, Florida, whenever called by the President or a majority of the Board of Directors. A special meeting must be called by the President upon receipt of a written request from twenty-five percent (25%) of the Members.

6.03 Meetings of the Members shall be open to all Members. Members have the right to speak for 3 minutes at any meeting with reference to all items opened for discussion or included on the agenda, provided that the member submits a written request to speak prior to the meeting. If a Member conducts himself in a manner detrimental to the carrying out of such meeting, then the Member may be expelled from the meeting by any reasonable means which may be necessary to accomplish such expulsion. Any person who is not able to provide sufficient proof that he is a Member may be excluded from the meeting unless said person was specifically invited to attend such meeting. The Association may adopt written reasonable rules governing the frequency, duration and other manner of member statements, which rules must be consistent with Section 720.306(6), Florida Statutes.

6.04 A written notice of the meeting (whether the annual meeting or a special meeting of the Members) shall be mailed to each Member at his last known address as it appears on the books of the Association. Such written notice of an annual 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 meeting. Written notice of a special meeting of the Members shall be mailed not less than fourteen (14) days nor more than forty (40) days prior to the date of a special meeting. The written notice of a special meeting shall state the specific matter or matters to be voted on, and every written notice of a meeting, whether an annual meeting or special meeting, shall state the time and place of such meeting and shall be signed by an officer of the Association. Should a matter or matters to be voted on at a Members meeting require consideration by a Committee prior to said Members meeting, then the timing requirements for the written notice of the meeting shall be adjusted accordingly. 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.

6.05 The percentage of voting interests required to constitute a quorum at any annual

or special meeting of the Members shall be thirty (30%) percent of the total voting interests. Decisions that require a vote of the Members shall be made by the concurrence of at least a majority of the voting interests present, in person or by proxy, at a meeting in which a quorum has been attained, unless a higher voting requirement is specified in the Articles, Declaration or otherwise provided in these By-Laws.

6.06 At the Annual Members Meeting; and as far as applicable and practical at other members meetings, the order of business shall be as follows:

- (a) Calling of the roll and certifying proxies
- (b) Proof of notice of the meeting
- (c) Reading and approval of minutes
- (d) Reports of officers and committees
- (e) Election of inspectors of election
- (f) Election by members or appointment by Declarant of Directors, where applicable
- (g) Unfinished business
- (h) New business

6.07 Minutes of all meetings of the Members shall be kept and made available for inspection by the Members, Voting Members, Directors and Institutional Mortgagees at reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes reflect. The Association may adopt reasonable written rules governing the frequency, time, location, notice, and manner of inspections, and may impose fees to cover the costs of providing copies of the official records, except a copy of the budget shall be provided to Members free of charge.

ARTICLE VII

VOTING BY MEMBERS

7.01 Initially there shall be 78 Dwelling Units in the Association. Additional Dwelling Units may be added if additional parcels of the Property are platted; and the number of votes in the Association will increase correspondingly.

7.02 The Association shall have two classes of voting membership:

Class A: The Class A Members shall be all Owners with the exception of the Class B Members, if any. Class A Members shall be entitled to one (1) vote for each Dwelling Unit Owned.

When a Member is entitled personally to exercise the vote for his Dwelling Unit, and more than one (1) person or entity is the Owner of the Dwelling Unit, the vote for such Dwelling Unit shall be exercised by that party designated on the records of the Secretary of the Association. In the absence of such designation, the Dwelling Unit's vote shall be suspended if

more than one (1) person or entity seeks to exercise it.

Class B: The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Dwelling Unit owned, and shall be entitled to appoint a majority of the members of the Board of Directors during the Class B Control Period, as provided in the By-Laws.

The Class B membership shall terminate and become converted to Class A membership upon the earlier of:

- (i) three months after ninety (90%) percent of the parcels that will ultimately be operated by the Association have been conveyed to Members other than the Declarant. For purposes of this section the term Members other than the Declarant shall not include builders, contractors or others who purchase a Lot for the purpose of constructing improvements thereon for resale; or
- (ii) when, in its discretion, the Declarant so determines.

7.03 Association voting shall be conducted as follows:

(a) The presence at a meeting of Members and Voting Members entitled to cast thirty percent (30%) shall constitute a quorum, except as otherwise provided in the Articles, Declaration or these By-Laws. 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 to twenty percent (20%). The notice for the first meeting may include notice for the second meeting with the time and date for the second called meeting and shall be sufficient for any adjournment thereof.

(b) Voting Members shall be entitled to cast the votes attributable to their Lot or Dwelling Unit on all matters requiring action by the Members of the Association.

(c) At meetings of the membership, votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the secretary before the appointed time of the meeting. A member may withdraw his proxy at any time before it is voted. The proxy must be dated, must state the date, time and place of the meeting for which it was given, and must be signed by the authorized person designated as the Voting Member in the records of the Association. If the proxy form expressly so provides, any proxy holder may appoint, in writing, a substitute to act in his or her place. Any proxy shall automatically expire 90 days after the date of the meeting for which it was originally given.

ARTICLE VIII

BOARD OF DIRECTORS ELECTIONS AND MEETINGS

8.01. The affairs and property of the Corporation shall be managed and governed by a Board of Directors composed of not less than three (3) nor more than (9) persons.

8.02 The initial Board of Directors shall consist of three (3) persons, who need not be Members who are entitled to vote in the Association, and who shall be appointed by Declarant. The initial Board of Directors named in the Articles shall serve until the termination of the Class B Control Period and the Owners, other than Declarant, are entitled to elect the Directors in the manner set forth herein. Vacancies in the initial Board of Directors appointed by Declarant may be filled by Declarant.

8.03 On the termination of the Class B Control Period, as provided herein, the number of persons on the Board of Directors shall automatically be increased to five (5) persons, and the Owners, other than the Declarant, shall be entitled to elect a majority of the Board of Directors at a special meeting called for that purpose. At such meeting after the election of the Board of Directors, Declarant shall deliver to the Association the contributions to working capital as required in the Declaration, less pre-paid items which shall be pro-rated. After the election of a majority of the Board by the Owners, other than the Declarant, vacancies occurring between annual meetings of the membership shall be filled by the remaining Board members.

8.04 Nothing in the Declaration shall be amended, interpreted or transferred, to prevent Declarant or its contractors or subcontractors from doing or performing in all or any part of the Property actually owned or controlled by Declarant, its transferees, or its or their contractors or subcontractors as the case may be, whatever they determine to be reasonably necessary or advisable in connection with the completion of the development of the Property, including, without limitation.

(a) Erecting, constructing, and maintaining thereon such structures and vehicles as may be reasonably necessary for the conduct of Declarant's business of completing and establishing the Property as a residential community and disposing of the same in parcels by sale, lease, or otherwise; or

(b) Maintaining such sign or signs thereon as may be reasonably necessary in connection with the sale, lease or other transfer of the Property in parcels;

(c) Provided, however, that operations being conducted under subparagraphs (a) and (b) immediately above shall be permitted upon only those parts of the Property owned or controlled by the party causing or conducting said operations. As used in this section, the terms "its transferees" specifically does not include purchasers of lots improved as completed residences, or purchasers of unimproved lots who are not contractors or builders.

8.05 A Director designated by Declarant, as provided in the Articles, may be removed only by Declarant in its sole and absolute discretion and without any need for a meeting or vote. Declarant shall have the unqualified right to name a successor for any Director designated and thereafter removed by it or for any vacancy on the Board of Directors as to a Director designated by it and Declarant shall notify the Board of Directors of the name of the respective successor Director and the commencement date for the term of such successor Director. No Director or Officer designated or appointed by Declarant shall be required to be a Member of the Association.

8.06 The first meeting of a newly elected Board of Directors shall be held at such time and place as the Directors shall determine at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary.

8.07 Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of Directors.

8.08 Notice of the time and place of regular and special meetings of the Board of Directors, 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.

8.09 A quorum of the Board of Directors shall consist of the Directors entitled to cast a majority of the votes of the entire Board of Directors. 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 of Directors, except as otherwise provided in the Declaration, Articles or elsewhere herein. If at any meeting of the Board of Directors 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 a meeting, notice to the Directors of such adjournment shall, subject to the Declaration, be as determined by the Board of Directors.

8.10 The presiding officer at Board of Directors meetings shall be the President.

8.11 Minutes of all meetings of the Board of Directors shall be kept and made available for inspection by Members, Voting Members, Directors and Institutional Mortgagees at reasonable times. The minutes shall be retained by the Association for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

8.12 Meetings of the Board of Directors shall be open to all Members, except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by attorney-client privilege. Notices

of all board meetings shall be posted in a conspicuous place on the Property at least 48 hours in advance of a meeting, except in an emergency. Unless a Member serves as a Director or unless he has been specifically invited by the Directors to participate in a meeting of the Board of Directors, such Member shall not participate in the meeting, but shall only be entitled to act as an observer. However, on any matter placed on the agenda by petition of the voting interests, Members do have the right to speak for 3 minutes. If a member, not otherwise having the right to speak incident to a matter placed on the agenda by petition of the voting interests, 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 expulsion. Any Director shall have the right to exclude from any meeting of the Board of Directors 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 attend such meeting. The Association may adopt written reasonable rules expanding the right of members to speak and governing the frequency, duration and other manner of member statements, which rules must be consistent with Section 720.303(2)(b), and may include a sign-up sheet for members wishing to speak.

8.13 An Assessment may not be levied at a meeting of the Board of Directors unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Written notice of the meeting at which special assessments will be considered, or at which amendments to rules regarding parcel use will be considered, or at which the agenda contains one or more items petitioned by twenty (20%) percent of the Members, must be sent to all Members not less than fourteen (14) days before the meeting.

ARTICLE IX

BOARD OF DIRECTORS POWERS AND DUTIES

9.01 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

9.02 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) Upon receipt of the written request of twenty percent (20%) of the Members to address an item of business, the Board shall at its next regular board meeting or at a special meeting of the Board, but not later than 60 days after receipt of the petition, take the petitioned item up on an agenda; and to see that minutes of the meeting are kept.

(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 declaration.

(d) To adopt and then distribute to the lot owners the Rules and Regulations governing the use of the property and the conduct of the Members, their families, guests and tenants 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.

(i) To maintain a Book of Rules and Regulations containing all Rules and Regulations adopted by the Board of Directors and committees of the Association from time to time.

(j) To maintain accounting records according to generally accepted accounting practices, which shall be available and open to inspection by Members or their mortgagees at reasonable hours or pursuant to reasonable rules promulgated by the Board of Directors regulating the frequency, time, location, notice and manner of inspections.

(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 the Member's Dwelling 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 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. Annual assessments may be due in quarterly installments at the discretion of the Board of Directors.

(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. Quarterly notices will not be sent. Quarterly installments are due on the first day of January, April, July and October 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 interest 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 foreclose a lien against the property.

(s) To produce and maintain adequate insurance policies to protect the improvements to the common areas and personal property of the Association and its Directors, officers and committee members and employees and to protect its liability exposure.

(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 in the declaration or 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.

(w) To enforce the governing documents of the Association as provided in Section 720.305 Florida Statutes (2007) as amended from time to time.

ARTICLE X

OFFICERS

10.01 The officers of this Association shall be 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.

10.02 The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

10.03 The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, or until their successors are duly elected and qualified, unless the officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

10.04 The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

10.05 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.

10.06 A vacancy in any office may be filled by appointment by the Board. The officers appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

10.07 Any person may hold two or more of the same offices except that the President shall not also be the Secretary or Treasurer.

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

10.09 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 of Directors.

10.10 The Secretary shall cause to be kept the minutes of all meetings of the Board of Directors and the Members; 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 of Directors to do so; shall keep the records of the Association, except those of the Treasurer; and shall perform all duties incident to the office of the Secretary of the Association as may be required by the Board of Directors or the President.

10.11 The Treasurer shall have custody of all the property of the Association, including funds, securities and evidences of indebtedness; shall keep the assessment rolls and accounts of the Members; shall keep the books of the Association in accordance with good accounting practices; and shall perform all of the duties incident to the office of a Treasurer.

ARTICLE XI

ACCOUNTING RECORDS AND FISCAL MANAGEMENT

11.01 The Board of Directors shall appoint a Budget Committee to be responsible for establishing and maintaining the accounting policies and procedures of the Association.

ARTICLE XII

OBLIGATIONS OF OWNERS

12.01 All Owners are obligated to pay the periodic assessments imposed by the Association.

12.02 Every Owner and occupant of any Lot or Dwelling Unit, their family members, guests, or invitees shall comply with all lawful provisions of this Declaration, the Articles, the By-Laws, and the rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Lot or Dwelling Unit Owner or Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration or the By-Laws. The Owner shall be liable to the Association for all violations of the governing documents due to the acts or omissions of Owner, Owner's family members, guests or invitees.

12.03 Conduct of Members, their family members, guests, or invitees shall be governed by rules and regulations, which from time to time may be adopted by the Board and adopted by committees appointed by the Board.

ARTICLE XIII

RULES AND REGULATIONS

13.01 The Board of directors may adopt Rules and Regulations for the operation and use of the Portofino Community at any meeting of the Board of Directors. Copies of any Rules and Regulations promulgated, amended or rescinded shall be mailed to all Owners at their last known address as shown on the books and records of the Association and shall not take effect until forty-eight (48) hours after such mailing.

ARTICLE XIV

COMMITTEES

14.01 The Board shall appoint the committees hereinafter named and such other committees as it deems appropriate to carry out its purposes. Committees shall consist of not less than three (3), nor more than nine (9) members and shall serve at the pleasure of the Board unless otherwise specified in the Declaration or these By-Laws.

14.02 Budget Committee

The duties of this committee shall be as defined in these By-Laws and include establishing and maintaining the accounting policies and procedures of the Association, reviewing the financial condition of the Association at least semi-annually, reporting the financial condition to the Board, and recommending the annual budget to the Board.

14.03 Traffic Control Committee

The duties of this committee shall include developing and recommending to the Board for adoption of rules and regulations covering the use of the streets and driveway areas and 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.

14.04 Elections Committee

The duties of this committee shall include designing and duplicating ballots for each election, 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 election.

14.05 Enforcement Committee

The duties of this committee are set forth in Article XV of these By-Laws.

ARTICLE XV

ENFORCEMENT PROCEDURE

15.01 Pursuant to Section 3.4 of the Declaration, the Association shall have the right to levy fines against an Owner or its guests, relatives, or lessees, in the manner provided herein, and such fines shall be collectible as provided under Chapter 720.305 Florida Statutes.

15.02 Each Board of Directors (the "Appointing Board") shall have the power to create an Enforcement Committee to be comprised of three (3) members who are not officers, directors, or employees of the Association or the spouse, parent, child, brother, or sister of an officer, director, or employee of the Association. The Enforcement Committee shall serve a term consistent with the term of its Appointing Board. Members of the Enforcement Committee may be replaced with or without cause by majority vote of the Appointing Board.

15.03 A fine or suspension may not be imposed without providing notice of at least 14 days to the Member or other person sought to be fined or suspended, giving them an opportunity to rectify the alleged non-complying condition. Alleged non-complying Members shall be notified by certified mail, return receipt requested or by hand delivery, of the alleged non-complying condition.

15.04 Conduct of Enforcement Hearing:

(a) Alleged Non-complying Members shall be notified by certified mail, return receipt requested, or by hand delivery, of a hearing at least fourteen (14) days in advance of said hearing. No alleged Non-complying Member shall be given notice of hearing before the Enforcement Committee unless said Alleged Non-Complying Member has first been given reasonable opportunity to rectify the alleged Non-complying condition.

(b) The Chairperson of the Enforcement Committee may call hearings of the Enforcement Committee; hearings may also be called by written notice signed by any member of the Enforcement Committee.

(c) The Chairperson shall present each case before the entire Enforcement Committee, and the Alleged Non-complying Member shall be given reasonable opportunity to be heard after the Chairperson's presentation. Formal rules of evidence shall not apply, but fundamental due process shall be observed and shall govern said proceedings.

(d) At the conclusion of the hearing, the Enforcement Committee shall issue an order affording the proper relief, if any, consistent with the powers granted herein. The orders shall be by motion approved by at least two (2) members of the Enforcement Committee in order for the action to be official.

15.05 The Enforcement Committee shall have the power to:

- (a) Adopt rules for the conduct of its hearings;
- (b) Effectuate the provisions set forth in this provision;
- (c) Issue orders consistent with this provision; and

(d) Order Non-complying Members, adjudged so pursuant to the provisions of this paragraph, to pay a fine not to exceed One Hundred Dollars (\$100.00) for each day the violation continues past the date set by the Enforcement Committee for compliance, and not to exceed One Thousand Dollars (\$1,000.00) in the aggregate.

ARTICLE XVI

PARLIAMENTARY RULES

16.01 The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of this Association; provided, however, if such Rules of Order are in conflict with the Articles, these By-Laws or the Declaration, then the Articles, By-Laws or Declaration, as the case may be, shall govern.

ARTICLE XVII

AMENDMENT OF THE BY-LAWS

17.01 Until such time as Owners, other than the Declarant, are entitled to elect the Board of Directors, Declarant reserves the right to amend, modify or alter any of the provisions of these By-Laws.

17.02 At such time as Owners, other than Declarant, are entitled to elect the Board of Directors, these By-Laws may be amended by the affirmative vote of Voting Members representing not less than seventy-five (75%) percent of the votes presented at an Annual Meeting or a special meeting of the Members and the affirmative approval of a majority of the Board of Directors at a regular or special meeting of the Board of Directors. A copy of the proposed amendment shall be sent to each Member along with the notice of the special meeting of the Members or the Annual Meeting. An amendment may be approved at the same meeting of the Board of Directors and/or Members at which such amendment is proposed.

17.03 An amendment may be proposed by either the Board of Directors 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.

17.04 Amendments to these By-laws shall be made in accordance with the requirements

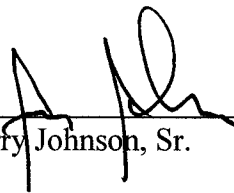
of the law and amendments thereto in effect at the time of amendment.

17.05 No modification or amendment to these By-Laws shall be effective which would affect or impair the priority or validity of a mortgage held by any Institutional Mortgagee or Declarant, without the Institutional Mortgagee's or Declarant's prior written consent.

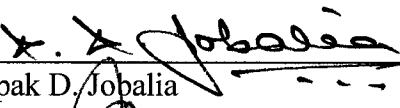
ARTICLE XVIII

18.01 In the event of any conflict between the provisions of the Declaration, the Articles and the provisions of these By-Laws, the provisions of the Declaration and/or Articles shall prevail.

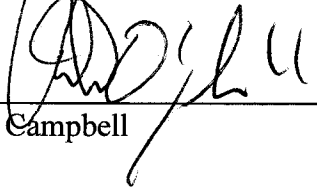
The foregoing By-Laws of Portofino Neighborhood Association at Venetian Bay, Inc. are hereby adopted by the Directors of the Portofino Neighborhood Association at Venetian Bay, Inc., this 15th day of July, 2008.



Jerry Johnson, Sr.



Dipak D. Jobalia



Arthur Campbell