

→ Prepared by and Return after Recording to:
James R. Fisher
P.O. Box 290006
Port Orange, Florida 32129

**SUPPLEMENTARY DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TUSCANY RESERVE NEIGHBORHOOD ASSOCIATION, INC.
(A Corporation Not-For-Profit)
at
VENETIAN BAY SUBDIVISION
LOTS 138 THROUGH 189, INCLUSIVE**

THIS DECLARATION is made this 14th day of APRIL, 2004, by VENETIAN BAY OF NEW SMYRNA BEACH, LLC, a Florida limited liability company and its successors and assigns (hereinafter collectively referred to as "Declarant"), and THE JOHNSON GROUP, Inc. a Florida corporation (hereinafter sometimes referred to as "Successor Declarant").

WITNESSETH:

WHEREAS, Declarant is the record owner of certain real property located in Volusia County, Florida, more particularly described on the attached Exhibit "A" (the "Property"); and

WHEREAS, Declarant desires to subject all of the Property to the terms and conditions of this Declaration and the Venetian Bay Declaration.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the Venetian Bay Declaration and the following restrictions, covenants and conditions, which are created and established for the purpose of protecting the value and desirability of the Property, and enhancing and preserving the welfare of the residents and owners thereof. The restrictions, covenants and conditions contained herein shall run with the land and be binding upon all parties having any right, title or interest in the Property or any part thereof, and their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to Venetian Bay Homeowner's Association, Inc., a Florida not-for-profit corporation. All owners of property within the Venetia Bay Planned Unit Development are members of the Association; and the directors of the Association are elected by the membership at large. Every owner of a Lot in the Property upon acquiring such Lot becomes a member of the Association.

Section 2. "Design Review Committee" or "DRC" shall mean and refer to the committee created and established by the Association for the prior review and approval of all contemplated improvement of any Lot.

Section 3. "Common Area" shall mean the tracts designated by letter (including the improvements thereon, if any) dedicated to the Association for the common use, benefit and/or enjoyment of the Owners and other members of the Association.

Section 4. "Declarant" shall mean and refer to VENETIAN BAY OF NEW SMYRNA BEACH, LLC, a Florida limited liability company and its authorized successors and assigns.

Section 5. "Declaration" shall mean and refer to this Declaration of Covenants and Restrictions, and any amendments or modifications made in accordance with the provisions hereof. A copy of the Articles of Incorporation and the By-laws of the Neighborhood Association are attached as Exhibit "B" and "C" respectively.

Section 6. "Venetian Bay Declaration" shall mean the Declaration of Covenants and Restrictions for Venetia Bay Subdivision, Unit One-A as recorded in Official Records Book _____, Page _____, Public Records of Volusia County, Florida, and the Supplemental Declarations and Amendments thereto.

Section 7. "Lot" shall mean and refer to any separate numbered plot of land numerically described as 138 through 189, respectively, as shown upon the recorded subdivision plat of the Property, excluding the Common Area.

Section 8. "Owner" shall mean and refer to the record title owner of fee simple title to any Lot (whether one or more persons or entities) including contract purchasers, but excluding parties holding such interest merely as security for the performance of an obligation.

Section 9. "Plat" shall mean the plat of Venetian Bay Subdivision, Unit 1-A, to be recorded in the Public Records of Volusia County, Florida, concurrently with the recording of this Declaration in such Public Records.

Section 10. "Property" shall mean and refer to Lots 138 through 189, inclusive, and the Common Area when the Plat of that Parcel is recorded in the Public Records of Volusia County, Florida, as may hereafter be brought within the jurisdiction of the Association.

Section 11. "Structure" shall mean any improvement upon the Property, including but not limited to, paving and parking lots, signs, residences, garages, storage buildings and play structures but not including improvements providing electric, telephone, television, water, sewer or other utilities services.

Section 12. "Surface Water or Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, or 40C-42, F.A.C. (See Article III below)

ARTICLE II **PROPERTY RIGHTS**

Section 1. Owner's Easement of Enjoyment. Every Owner shall have a right and easement to the benefit and enjoyment of all of the Common Areas for their respective intended purposes, which right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The Association may charge reasonable fees for the use of any recreational Common Area or facility which may be located within or upon the Common Area(s) dedicated to The Tuscan Reserve Homeowners Association, Inc;

(b) The Association may suspend an Owner's right to use the Common Area for any period during which any assessment against such Owner's Lot remains unpaid; or, for a period not to exceed sixty (60) days for each infraction of the Association's rules and regulations concerning the Common Area;

(c) The Association may dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument consenting to such transfer and signed by two-thirds (2/3) of the members, has been recorded.

ARTICLE III **COVENANT FOR MAINTENANCE OF SURFACE WATER FACILITIES**

Section 1. Surface Water or Stormwater Management System. The Venetian Bay Homeowners Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system.

Any amendment to the Covenants and Restrictions 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 and the County of Volusia.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation for Assessments. Declarant or Successor Declarant, on behalf of each Owner, hereby covenants 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 on the land and shall be a continuing lien upon the Lot against which such assessment is made, and also the personal obligation of the Owner of such Lot (jointly and severally if more than one party), as more fully provided in the Venetian Bay Declaration.

Section 2. Purpose of Assessments. The assessments levied by the Association and shall be used for such purposes as may be determined by such entities and each of them, including promotion of the recreation, health, safety and welfare of the owners and for the improvement and maintenance of the Entry Signs, Landscaping, Irrigation, Fountains, Lighting, Security Gates, Private Roads and other Common Area(s) dedicated or deeded to them, respectively, throughout the Tuscany Reserve at Venetian Bay PUD.

Section 3. Association Assessments. Annual assessments are levied annually by the Board of Directors of the Association and are payable in advance. It has been determined by the Board of Directors that the initial assessment for Tuscany Reserve Neighborhood Association shall be Four Hundred Dollars (\$400.00) per year and is due and payable at closing and subsequently on January 1st of each year.

Section 4. Liability for Payment of Assessments. Except as otherwise expressly provided for herein, liability for payment of all assessments provided for herein shall commence immediately upon platting of the Lot in the Public Records of Volusia County, Florida. Upon the purchase of a Lot from Declarant or Successor Declarant, the Owner shall, at the closing of such purchase, pay to Declarant or Successor Declarant the annual assessment for such Lot, prorated if such closing takes place during an assessment year.

Section 5. Private Roads Reserve Fund. Each year ten percent (10%) of the annual assessments shall be deposited in a separate account known as the "Tuscany Reserve Private Roads Reserve Fund". This fund can only be used to repair, replace, resurface the private roads within Tuscany Reserve.

ARTICLE V
DESIGN REVIEW COMMITTEE ("DRC")

Section 1. The Venetian Bay Property Owners Association DRC. The Design Review Committee for the Property shall be the Venetian Bay Property Owners Association DRC.

Section 2. Review of Proposed Construction Plans by DRC. No Structure shall be erected, placed upon, altered, or permitted to remain on any Lot unless and until the Owner of such Lot has submitted an application (hereinafter referred to as "Application") for approval therefor to the DRC, together with three (3) sets of construction plans, site plan, drainage, and landscaping plan, and such other information and documentation as the DRC may require, and such Application has been approved by the DRC. For purposes hereof, no Application shall be deemed submitted to the DRC unless a written receipt therefor, prepared by the Applicant and acceptable to the DRC, has been signed by an authorized representative of the DRC. The DRC shall review the Application and other materials submitted with respect to (i) the harmony of the external design and location of the proposed Structure with respect to existing structures within the Property, and (ii) any other relevant considerations, including aesthetic factors.

Section 3. Response to Application. The DRC shall respond in writing to all Applications and shall serve a copy of such response upon the applicant, either approving the application or specifying the reasons for any disapproval. If the DRC fails or refuses to take action on an application within thirty (30) days after such Application is properly submitted (written acknowledgment of receipt is required), then such Application shall be deemed to have been approved by the DRC, and no further action of the DRC shall be required for the approval thereof. Decisions of the DRC may be appealed in writing to the Association within ten (10) days after delivery of the DRC's decision. If the applicant fails to file an appeal within said ten (10) day period, the decision of the DRC shall be final. In the event of an appeal, the Association shall take action on such appeal and either approve or disapprove in writing the decision of the DRC within thirty (30) days after receipt of the appeal. The Association shall deliver a copy of its decision to the applicant and the DRC. If the Association fails to take action on an appeal within thirty (30) days after such appeal is properly submitted, then the decision of the DRC shall stand. If the Association overturns the decision of the DRC, then the decision of the Association shall be final.

Section 4. Guidelines for DRC Review. Guidelines to be used by the DRC in reviewing Applications shall be as promulgated from time to time by the Venetian Bay DRC and shall include, but are not limited to, the requirements of Exhibit "B" to the Venetian Bay Master Development Agreement.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right, but not the responsibility, to enforce all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration by proceedings at law or in equity. The Association shall have the right to impose reasonable fines and collect costs incurred with the enforcement of such fines, established by the Board of Directors, on Owners who violate the provisions of this Declaration. Such fines shall become liens on the Owner's property if not paid by the Owner. Failure by the Association or an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Enforcement and Attorneys Fees. Enforcement shall be by action against any person or persons violating or attempting to violate any covenants, either to restrain violation or to recover damages. The party bringing the action shall be entitled to recover, in addition to costs and disbursements allowed by law, such sum as the court may adjudge to be reasonable for the services of his attorney, including attorney's fee for appeals from lower court judgments. The Association shall have the power to undertake such enforcement action, in addition to any Lot Owner.

Section 3. Severability. Invalidation of any one of these covenants and restrictions by judgment of court order shall in no way affect any other provisions of this Declaration, which provisions shall remain in full force and effect.

Section 4. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each, unless and until terminated by a written termination agreement signed by not less than seventy-five percent (75%) of then owners, and recorded in the Public Records of Volusia County, Florida.

Section 5. Amendment. Declarant or Successor Declarant hereby reserves the right, so long as it is the owner of a Lot, to amend, modify, waive or rescind whatever parts of this Declaration as it, in its sole discretion, may deem necessary or desirable, so long as such amendment or modification does not substantially change the character, nature or general scheme of development of the Property. Any amendment shall be submitted to the Association by personal delivery to an officer or the registered agent of the Association and unless disapproved in writing with a statement of the reasons for such disapproval within ten (10) business days, shall become effective upon recording. The Association shall not unreasonably refuse approval of any amendment proposed by Declarant or Successor Declarant. Any change or modification made by Declarant or Successor Declarant shall not in any way waive Declarant's or Successor Declarant's right to enforce this Declaration as written. After Declarant or Successor Declarant ceases to own a Lot within the Property, this Declaration may be amended by a written amendment signed by not less than two-thirds (67%) of the then Owners, and recorded against the Property in the public records of Volusia County, Florida.

Section 6. Survival of PUD Ordinance and Venetian Bay Declaration. Notwithstanding any

such termination or amendment under sections 4 or 5 above, each owner shall hereafter continue to be obligated to comply with each and every provision of the Venetian Bay Planned Unit Development Ordinance as enacted by the City of New Smyrna Beach and by the Venetian Bay Declaration and any and all amendments thereto.

Section 7. Notices. Any notice provided for in this Declaration shall be given in person or by U.S. Postal Service (mail) with postage prepaid, addressed appropriately to Declarant or Successor Declarant or an Owner at the address shown for such party on the rolls of the Association. Notices to the Association shall be delivered personally to an officer or the registered agent of the Association. Notices shall be deemed to have been given when delivered in the case of personal delivery and three (3) days after mailing when mailed in compliance with the requirements of this Section.

IN WITNESS WHEREOF, Declarant and Successor Declarant have hereunto set their hand and seal the day and year first above written.

WITNESSES:

VENETIAN BAY OF NEW SMYRNA BEACH, L.L.C. a Florida limited liability company

By: VENETIAN BAY DEVELOPMENT, Inc., a Florida corporation, as Managing Member

Tonya Gandy
Witness 1

Tonya Gandy
Print Name

Ninda Porter
Witness 2

NINDA PORTER
Print Name

By: [Signature]

Its: PRESIDENT

THE JOHNSON GROUP, INC.

By: [Signature]
Its President

[Signature]
Witness 1

Tanya Gandy
Print Name

[Signature]
Witness 2

ANTHONY GIANGRECO
Print Name

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 14th day of APRIL, 2004, by JERRY S. JOHNSON, as President of VENETIAN BAY DEVELOPMENT, INC., a Florida corporation, as Managing Member of Venetian Bay of New Smyrna Beach, L.L.C., a Florida limited liability company, on behalf of the company. He is personally known to me or has produced _____ as identification.

[Signature]

Notary Public, State of Florida
My Commission expires _____

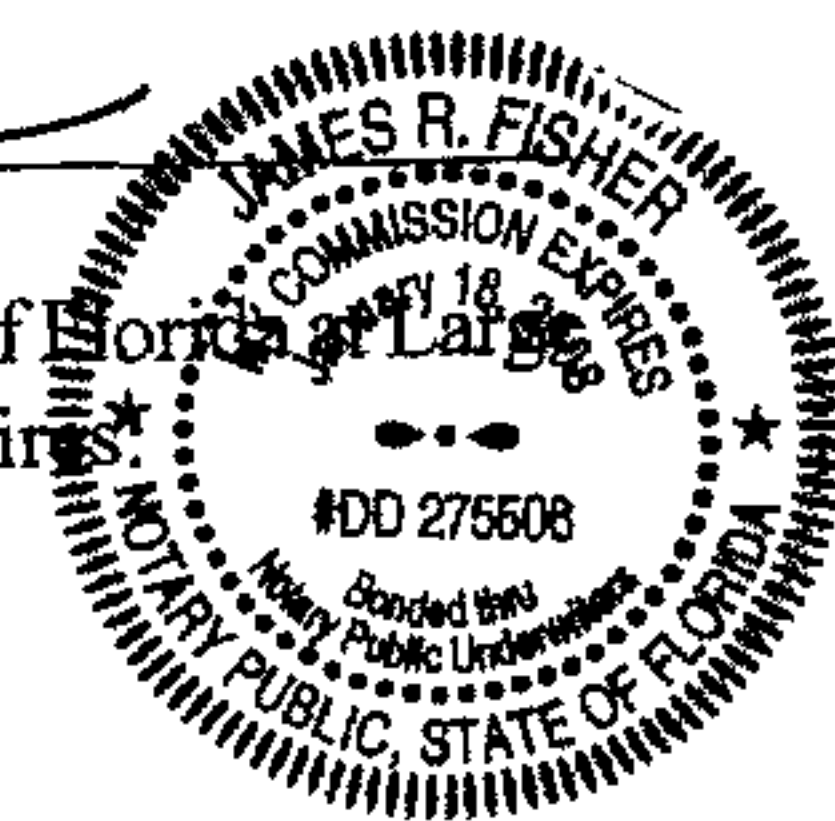


STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 14th day of APRIL, 2004, by Jerry S. Johnson, as President of THE JOHNSON GROUP, INC., a Florida corporation, on behalf of the corporation. He is personally known to me.

[Signature]

Notary Public, State of Florida
My Commission expires _____



JOINDER

Venetian Bay Homeowners Owners' 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, provided, however, that the rights and obligations shall inure to and be binding upon the Association only upon the recording in the Public Records of Volusia County, Florida, of this Supplemental Declaration and the plat showing the affected Lots and Common Areas.

DATED: APRIL 14, 2004.

VENETIAN BAY HOMEOWNERS OWNERS
ASSOCIATION, INC.

By: _____

Print Name: JERRY S. JOHNSON

EXHIBIT "A"

Legal Description

Lots 138 through 189, inclusive, Venetian Bay Subdivision, Unit Phase 1-A, per Map or Plat thereof recorded in Map Book 51, Pages 1 and 15, Public Records of Volusia County, Florida.

Book: 5327
Page: 4014

RECORDED
01 MAR -9 PM 6:54
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

EXHIBIT B

**ARTICLES OF INCORPORATION
OF
TUSCANY RESERVE NEIGHBORHOOD ASSOCIATION, INC.
(A Florida Corporation Not for Profit)**

ARTICLE I. NAMES

The name of this Corporation is Tuscan Reserve Neighborhood Association, 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 Plats of the Venetian Bay Subdivision, the Declaration, these Articles or the By-Laws.
- B. To Manage the Association of owners established by the Declaration of Covenants and Restrictions for Tuscan Reserve Neighborhood Association, Inc. at Venetian Bay Subdivision (the "Declaration"). The Declaration was executed by Venetian Bay of New Smyrna Beach, L.L.C, a Florida limited liability company, (the "Declarant") developer of the subdivision.
- 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 for the costs of maintenance and operation of the surface water and storm water management system and Conservation Easement Areas. Such assessments shall be used for maintenance, and repair of the surface water and storm water management systems and Conservation structures and drainage easements.

ARTICLE IV. DUTIES

The Association shall have the following duties:

- A. The Association shall have all common law and statutory duties of a corporation not for profit.
- B. In Addition the Association shall have all responsibilities and duties delegated to it pursuant to the provisions of these Articles, the By-Laws and the Declaration, including but not limited to operating, maintaining and managing the surface water and storm water management system and Conservation Easement Areas in a manner consistent with the St. Johns River Water Management District Permit requirements and applicable District Rules and City of New Smyrna Beach requirements and applicable City rules, regulations and ordinances; and further shall assist in the enforcement of the restrictions and covenants contains in the Declaration relating to said system.

ARTICLE V. 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 then 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.

ARTICLES VI. MANAGEMENT

- A. 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 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 Corporation 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 VII. 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.	1221 Dunlawton Ave., Suite 200 Port Orange, FL 32127

Dipak Jobalia

846 Riverside Drive
Ormond Beach, FL 32176

Arthur Campbell

1221 Dunlawton Ave., Suite 200
Port Orange, FL 32127

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 IX. PRINCIPAL OFFICE

The initial principal office of the Association is 1221 Dunlawton Ave., Suite 200, Port Orange, FL 32127

ARTICLE X. INCORPORATORS

The Incorporator is Venetian Bay of New Smyrna Beach, LLC, a Florida limited liability company. The rights and interests of the Incorporator shall automatically terminate when these Articles are filed with the Florida Secretary of State.

ARTICLE XI. 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 XII. EXISTENCE AND DURATION

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

ARTICLE XIII. 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 non-profit corporation, association, trust or other organization to be devoted to such similar purposes. In the event of termination, dissolution or liquidation of the Association, the responsibility for the operation and maintenance of the surface water and storm water management system must be transferred to and accepted by an entity which complies with Section 40C-42.027, F.A.C., and be approved by the St. Johns River Water Management District prior to such termination, dissolution or liquidation.

ARTICLE XIV. 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 XV. REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 444 Seabreeze Blvd., Suite 900, Daytona Beach, FL 32118 and the initial Registered Agent of the Association at that address shall be Jeffrey P. Brock.

ARTICLE XVI. INDEMNIFICATION

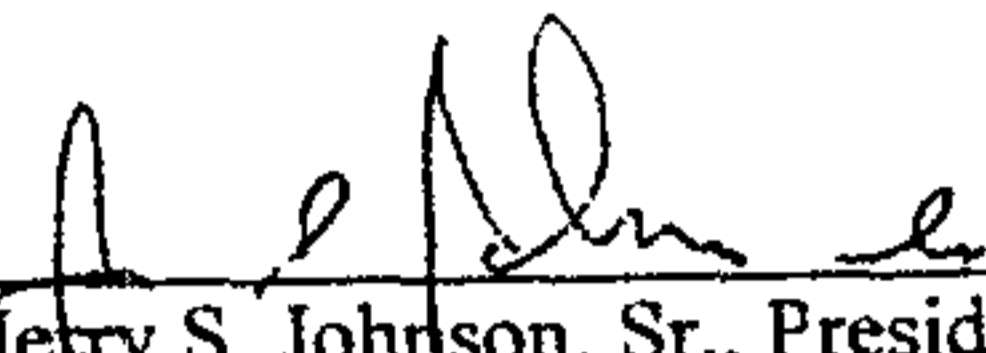
The Association shall indemnify any officer, Board member or committee member or any former officer, Board member or committee member to the full extent permitted by law.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Incorporator of the Tuscany Reserve Neighborhood Association, Inc. have hereunto affixed my signature this 6th day of MARCH 2004.

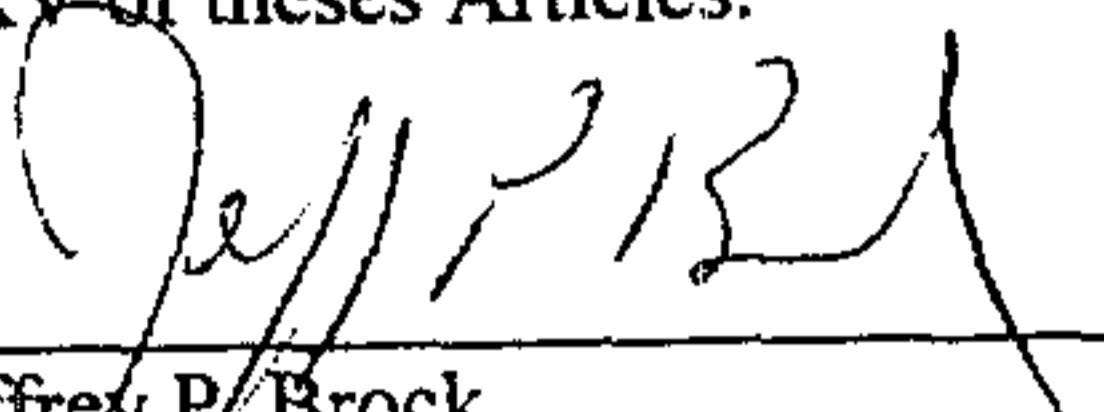
**Venetian Bay of New Smyrna Beach,
L.L.C., a Florida limited partnership**

**By: Venetian Bay Development, Inc., a
Florida corporation, as Managing
Member**



Jerry S. Johnson, Sr., President


The undersigned hereby accepts the designation of Registered Agent of Tuscany Reserve Neighborhood Association, Inc. as set forth in Article XV of these Articles.



Jeffrey P. Brock

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 6th day of March, 2004, by Jerry S. Johnson, Sr., as President of Venetian Bay Development, Inc., a Florida corporation, which is the Managing Member of Venetian Bay of New Smyrna Beach, L.L.C., a Florida limited liability company. Jerry S. Johnson, Sr. is personally known to me or has produced as identification and who did not take an oath.



Type, Print or Stamp Name
My commission expires:



TALLAHASSEE, FLORIDA
SECRETARY OF STATE
04 MAR -9 PM 6:55

EXHIBIT C

BY-LAWS OF TUSCANY RESERVE NEIGHBORHOOD ASSOCIATION, INC. (A Florida Corporation Not For Profit)

ARTICLE I NAME AND LOCATION

1.01 The name of this corporation is Tuscan Reserve Neighborhood Association, Inc., hereinafter referred to as the "Association".

1.02 The initial principal office of the corporation shall be located at 1221 Dunlawton Ave., Suite 200, Port Orange, FL 32127, 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, Tuscan Reserve Neighborhood Association, Inc. at Venetian Bay Subdivision ("Declaration") executed by Venetian Bay of New Smyrna Beach, LLC, a Florida limited liability company (referred to herein as "Declaration") and recorded in the Public Records of Volusia County, Florida.

ARTICLE III PURPOSE

3.0. The specific purposes for which this Association is formed are to provide for management, maintenance, preservation and architectural control of the lots and common areas within the Tuscan Reserve "Property" as defined in the Declaration, and to promote the health, safety and welfare of the owners and residents within the above Property, 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 Articles of Incorporation (the "Articles"), Declaration, and all supplementary or amendatory 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", and the words "Corporation Not For Profit" and is affixed hereto.

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 V of the Articles and Article III of the Declaration.

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
MASTER ASSOCIATION

Members of the Association shall also be members of the Venetian Bay Homeowners Association, Inc. ("Master Association") with all the rights, privileges and obligations provided to members under the governing documents for the Master Association.

ARTICLE VII
MEETINGS OF MEMBERS

7.01 The Association shall have an annual meeting of its Members. The first annual meeting of the Members shall be held in the year in which a majority of the Board of Directors of the Association are elected by the Owners, other than the Declarant. The annual meeting shall be held on the first Monday in December 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 the hour of 8:00P.M. or at such other time 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.

7.02 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 one-fourth (1/4) of the Members.

7.03 Meetings of the Members shall be open to all Members. Unless a Member serves as a Voting Member or unless he has been specifically invited to participate in the meeting, such Member shall not participate in the meeting, but shall only be entitled to attend as an observer. If a Member not serving as a Voting Member or not otherwise invited 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 the Member may be expelled from the meeting by any reasonable means which may be necessary to accomplish such expulsion. Also, 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.

7.04 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 ten (10) 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 Neighborhood Association or Neighborhood 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.

7.05 The voting Members may, at the discretion of the Board of Directors, act by written agreement in lieu of meeting, provided written notice of the matter or matters to be agreed upon is given to the Members at the address and within the time periods set forth in Section 7.04 herein or duly waived in accordance with such Section. The decision of the majority of the Voting Members as to the matter or matters to be agreed upon (as evidence by written response to be solicited in the notice) shall be binding on the Members provided a quorum of the Voting Members submits a response. The notice shall set forth a time period during which time a response must be made by a Voting Member.

7.06 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 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

7.07 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 all reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

ARTICLE VIII **VOTING BY MEMBERS**

8.01 There shall be 52 Units in the Association. .

8.02 The Association shall have two classes of voting membership:

- (a) Class "A". Class "A" Members shall be all Owners with the exception of the Class "B" Member, if any. Class "A" Members shall be entitled to one (1) vote for each Unit Owned.

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

Unless otherwise specified in the Declaration or the By-Laws, the vote for each Unit in a "Neighborhood" shall be exercised by a "Voting Member" representing the Neighborhood of which the Unit is a part, as provided in these By-Laws.

- (b) Class "B". The Class "B" Members shall be the Declarant.

The Class "B" Member shall be entitled to three (3) votes for each 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) two (2) years after expiration of the Class "B" Control Period pursuant to the By-Laws; or
- (ii) when, in its discretion, the Declarant so determines.

8.03 The number of votes in the Association shall be determined as set forth in the preceding Section 8.02. The class "A" Members shall be entitled to one (1) vote for each Lot or Dwelling Unit owned and the Class "B" Member shall be entitled to three (3) votes for each Lot or Dwelling Unit owned.

8.04 The Class "B" Control Period terminates on the happening of one of the following events, whichever shall first occur:

- (a) When the total votes outstanding in the Class "A" membership exceeds the total votes outstanding in the Class "B" membership, based on a maximum of 52 Units, or
- (b) Such earlier date as, in its discretion, the Declarant determines.

8.05 Association voting shall be conducted as follows:

- (a) The presence at a meeting of Members and Voting Members entitled to

cast a majority of the votes shall constitute a quorum, except as otherwise provided in 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 by fifty percent (50%). The notice for the first meeting may include notice for the second meeting with the time and date for the second called meeting and shall be sufficient for any adjournment thereof.

- (b) Each Neighborhood shall be represented by one (1) Voting Member.
- (c) Voting Members shall be entitled to cast the votes attributable to Lots or Dwelling Units in their Neighborhood on all matters requiring action by the Members of the Association.
- (d) Voting Members shall be entitled to cast the votes of their Neighborhood on the manner they deem appropriate, unless they are otherwise restricted by their Neighborhood Documents.
- (e) 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.
- (f) The Voting Member of each Neighborhood shall be the President of the Neighborhood Association, or in his absence, the Vice President, unless the Neighborhood Documents provided otherwise.

ARTICLE IX **BOARD OF DIRECTORS ELECTIONS AND MEETINGS**

9.01. 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.

9.02 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.

9.03 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.

9.04 In order to guarantee representation on the Board of Directors for various groups having dissimilar interest and to avoid a situation in which the Voting Members representing similar Neighborhoods are able, due to the number of Lots or Dwelling Units in such Neighborhoods, to elect the entire Board of Directors, excluding representation of others, the Declarant shall establish Voting Groups for election of Directors to the Board. The Declarant shall establish "Voting Groups" not later than the date of expiration of the Class "B" Control Period by filing with the Association and in the Public Records of Volusia County, Florida, a Supplemental Declaration identifying each Voting Group and designating the Lots or Dwelling Units within each group. Such designation may be amended from time to time by Declarant, acting alone, at any time prior to the expiration of the Class "B" Control Period. Until such time as Voting Groups are established by Declarant, or in the event that Declarant fails to establish Voting Groups, all Lots or Dwelling Units shall be assigned to the same Voting Group. Each Voting Group shall be entitled to elect the number of directors specified in the Supplemental Declaration. Any other members of the Board of Directors shall be elected at large by all Voting Members without regard to Voting Groups.

9.05 After the termination of the Class "B" Control Period, the Class "B" Member shall reserve the right to disapprove certain actions of the Association. Nothing in the Declaration shall be amended, interpreted or transferees, or its or their 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 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 to purchasers of unimproved lots who are not contractors or builders.

9.06 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.

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

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

9.09 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.

9.10 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.

9.11 The presiding officer at Board of directors meetings shall be the President.

9.12 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 all 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.

9.13 Meetings of the Board of directors shall be open to all Members. Unless a Member serves as a Director or unless he has been specifically invited by the Directors to participate in a meeting of the Board of Directors, such Member shall not participate in the meeting, but shall only be entitled to act as an observer. If a member not serving as a Director or not otherwise invited by the Directors to participate in a meeting attempts to become more than a mere observer at such meeting or conducts himself in a manner detrimental to the carrying on of such meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish such expulsion. Also, 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.

ARTICLE X
BOARD OF DIRECTORS POWERS AND DUTIES

10.01 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.

10.02 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) To call the annual meeting of the Members and to call special meetings of the Members whenever it deems necessary; and it shall call a meeting any time upon written request from one-fourth (1/4) of the Members, 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 of 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 when such is requested in writing by one-fourth (1/4) of the Members.
- (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 mortgages at reasonable hours.
- (k) To supervise all officers, agents and employees of the association and see that their duties are properly performed.
- (l) To issue, upon the request of a Member, a certificate stating whether or not the assessments against the Member's 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.
- (p) To send written notice of each assessments to every Owner subject thereto

at least thirty (30) days in advance of the due date of the annual assessment or first installment thereof. Monthly notices will not be sent. Monthly installments are due on the first day of each month in the amount specified in the one notice.

- (q) To accelerate the payment of any assessment for the balance of the Association's fiscal year and declare the entire balance immediately due and payable in full if any installment remains unpaid thirty (30) days after the installment due date.
- (r) To take action it deems appropriate for the best 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.

ARTICLE XI **OFFICERS**

11.01 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.

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

11.03 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.

11.04 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.

11.05 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.

11.06 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.

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

11.08 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 reside at all meetings of the Board of Directors.

11.09 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.

11.10 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.

11.11 The Treasurer shall have custody of all the property of the Association, including funds, securities and evidences of indebtedness; shall keep the assessments 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 XII

ACCOUNTING RECORDS AND FISCAL MANAGEMENT

12.01 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 XIII **OBLIGATIONS OF OWNERS**

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

13.02 Every Owner and occupant of any Lot or dwelling Unit shall comply with all lawful provisions of this Declaration, 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.

13.03 Conduct of Members 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 XIV **RULES AND REGULATIONS**

14.01 The Board of directors may adopt Rules and Regulations for the operation and use of the Venetian Bay "Property" 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 XV **COMMITTEES**

15.01 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.

15.02 Design Review Committee

The duties of this committee shall be as defined in the Declaration and include regulating the external design, appearance, location and maintenance of the property and of the improvements thereon and regulating uses of property as permitted in the Declaration.

Declarant shall appoint three (3) persons to serve as the initial Design Review Committee of the Association. Persons appointed to the Design Review Committee by Declarant need not be Members of the Association; however, when the directors are elected by the Lot Owners other than Declarant, members of the committee shall be Lot Owners. Subsequent to the election of the Directors by the Lot Owners other than Declarant, the Design Review Committee shall be appointed for the terms provided in the Declaration, from the Lot Owners and shall be composed of a chairman, who need not be a Director, and four (4) other members. A quorum for action shall be a majority of the members of the committee.

15.03 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.

15.04 Traffic Control Committee

The duties of this committee shall include developing and recommending to the Board for adoption 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.

15.05 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.

15.06 Enforcement Committee

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

ARTICLE XVI **ENFORCEMENT PROCEDURE**

16.01 Pursuant to Section 9.03 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 any other assessment. The Association shall have a lien against the Owners and Lot or dwelling Units against which a fine has been assessed or levied.

16.02 Each Board of Directors (the "Appointing Board") shall have the power to create an "Enforcement Committee" to be comprised of three (3) members, one of which shall be a member of the Board of Directors, and one of which shall be designated as the Chairperson thereof. The appointing Board shall also designate an Alternate Enforcement Committee Member to serve in the place of an absent member of the Enforcement Committee. 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.

16.03 Prior to a hearing of the Enforcement Committee being called, alleged Non-complying Members shall be notified by certified mail, return receipt requested or by hand delivery, of the alleged Non-complying condition and be given a reasonable opportunity thereafter to rectify the alleged Non-complying condition.

16.04 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 five (5) 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.

16.05 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 Twenty-Five Dollars (\$25.00) for each day the violation continues past the date set by the Enforcement Committee for compliance, and not to exceed Five Hundred Dollars (\$500.00) under any circumstances. A notarized copy of an Order imposing a fine may be recorded in the public records and thereafter shall constitute a lien against the Lot or Dwelling Unit owned by the Non-complying Member, collectible by the Association as a Neighborhood special Assessment against such Lot or dwelling Unit in the manner set forth in the Neighborhood Declaration.

ARTICLE XVII
PARLIAMENTARY RULES

17.01 The then latest edition of Robert's Rules of Orders 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 XVIII
AMENDMENT OF THE BY-LAWS

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

18.02 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%) 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 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.

18.03 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.

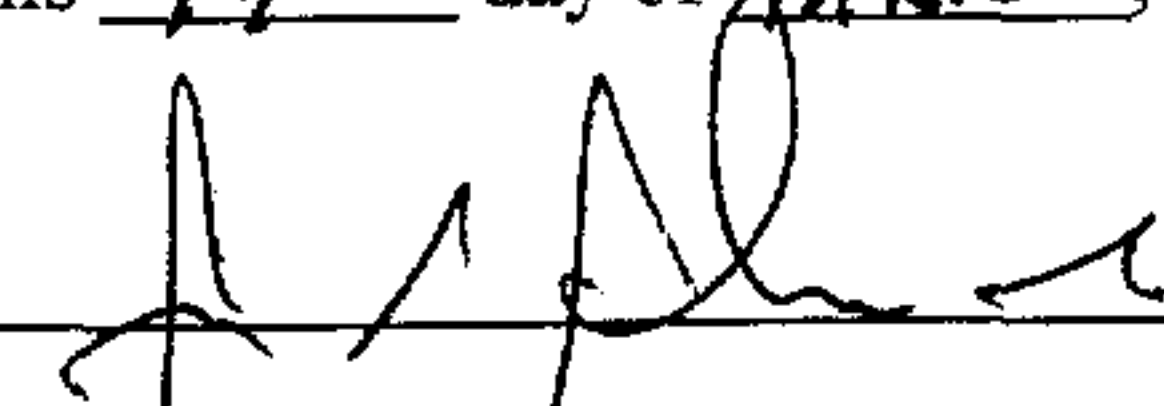
18.04 Amendments to these By-laws shall be made in accordance with the requirements of the law and amendments thereto in effect at the time of amendment.

18.05 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 XIX
CONFLICT

19.01 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.

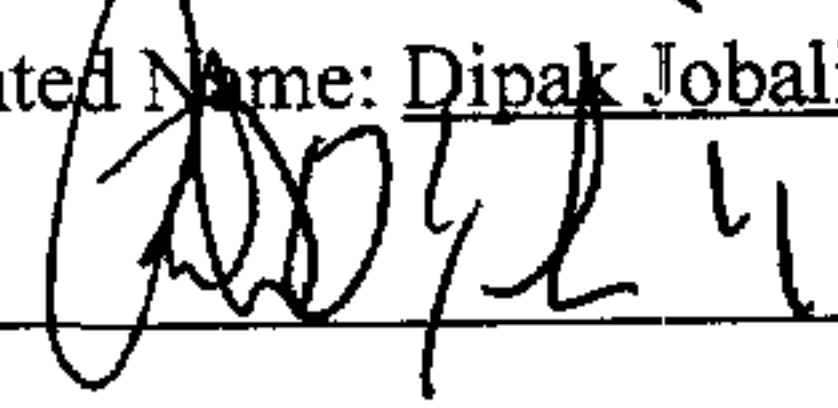
The foregoing By-Laws of Tuscan Reserve Neighborhood Association, Inc. are hereby adopted by all of the Directors of Tuscan Reserve Neighborhood Association, as and constituting the Board of Directors of said Association this 14th day of APRIL, 2004.



Printed Name: Jerry S. Johnson



Printed Name: Dipak Jobalia



Printed Name: Arthur Campbell