

BYLAWS OF MELWOOD OAKS HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

IDENTITY

The following Bylaws shall govern the operation of Melwood Oaks Homeowners' Association, Inc.

The Association is a Florida corporation not-for-profit, organized and existing under the laws of the State of Florida for the purpose of administering the planned residential community to be known as Melwood Oaks, which will be located on land described in Exhibit "A" to the Declaration of Restrictions for Melwood Oaks, as recorded in the Public Records of Manatee County, Florida.

Section 1. The office of the Association shall be at such place as may be set forth in the Articles of Incorporation or the Declaration of Restrictions or as may be subsequently designated by the Board of Directors of the Association.

Section 2. The seal of the Corporation shall bear the name of the Corporation, the word "Florida", the words "Corporation Not-For-Profit," and the year of incorporation.

Section 3. As used herein, the word "Corporation" shall be the equivalent of "Association," as defined in the Declaration of Restrictions for Melwood Oaks. All references to "Declaration of Restrictions" or "Declaration" as used herein, shall mean the aforesaid Declaration of Restrictions. All other words and phrases, as used herein, shall have the same definitions as attributed to them in the aforesaid Declaration of Restrictions. As used herein and in the Declaration of Restrictions and the exhibits thereto, if any, the term "Board of Directors" and "Board of Administration" are synonymous. The term "Lot" or "Lot Owner" shall have the same meaning as such terms have in the Declaration of Restrictions.

ARTICLE II

MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership in the Association shall be limited to owners of the Lots within Melwood Oaks as described in the Declaration of Restrictions above described. The transfer of ownership to a Lot, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee. If ownership is vested in more than one person, then all of the persons so owning said Lot shall be members eligible to hold office, attend meetings, and exercise such other rights and privileges of an Owner, but, as hereinafter indicated, the vote of a Lot shall be cast only by the "Voting Member." If ownership is vested in a corporation, said corporation may designate an individual officer or employee of the corporation as its "Voting Member." If ownership is vested in a partnership, said partnership may designate an individual partner of the partnership as its "Voting Member."

Section 2. The owner or owners of each Lot shall have no more and no less than one (1) equal vote for each Lot owned. If a Lot Owner owns more than one (1) Lot, he shall be entitled to one (1) vote for each Lot owned. The vote of a Lot is not divisible.

Notwithstanding the above, the Developer of the Melwood Oaks, as defined in the Declaration of Restrictions, shall have the right to control the affairs of the Association until the earlier of either four (4) months after seventy-five (75%) percent of the Lots in Melwood Oaks have been sold and conveyed

to Owners other than Developer, or five (5) years after the conveyance of the first unit in the first phase of Melwood Oaks Subdivision, or in the event that only one phase of Melwood Oaks Subdivision is ever developed, three (3) years following the conveyance of the first unit of such subdivision. Until such time as Developer has transferred control of the Association to the Lot Owners within Melwood Oaks, as defined in the Declaration of Restrictions, each Lot Owner shall be deemed to be non-voting members of the Association. Provided further, however, that prior to the date control of the Association shall pass to the Owners as set forth herein, the Association is not bound either directly or indirectly to contracts or leases previously entered into by the Developer on behalf of the Association (including a management contract) unless there is right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days notice to the other party.

Section 3. Unless otherwise provided in these Bylaws, the presence in person or by proxy of a majority of the members total votes shall constitute a quorum.

Section 4. Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5), and shall be filed with the Secretary prior to the meeting in which they are to be used and shall be valid only for the particular meeting designated therein and any adjournment thereof. If a Lot is owned jointly by a husband and wife, and if they have not designated one of them as a Voting Member, a proxy must be signed by both husband and wife where a third person is designated. Where a Lot is owned by a corporation or a partnership or other legal entity the proxy must be signed by a natural person designated by such Owner.

Section 5. If a Lot is owned by one person, his right to vote shall be established by recorded title to the Lot. If a Lot is owned by more than one (1) person, the person entitled to cast the vote for the Lot shall be designated in a certificate, signed by all of the record owners of the Lot and filed with the Secretary of the Association. If a Lot is owned by a corporation, the officer, director or employee thereof entitled to cast the vote of the Lot for the corporation shall be designated in a certificate for this purpose, signed by the President or Vice President, attested to by the Secretary or Assistant Secretary of the Corporation and filed with the Secretary of the Association. If a Lot is owned by a partnership, the general partner or employee thereof entitled to cast the vote of the Lot for the partnership shall be designated in a certificate for this purpose, signed by each of the general partners of the partnership, and filed with the Secretary of the Association. The person designated in such certificate who is entitled to cast the vote for a Lot shall be known as the "Voting Member." If such a certificate is not on file with the Secretary of the Association for a Lot owned by more than one (1) person or by a corporation or partnership, the vote of the Lot concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the Lot, except if said Lot is owned by a husband and wife. Such certificate shall be valid until revoked or until superseded by a subsequent certificate, or until a change in the ownership of the Lot concerned takes place. If a Lot is owned jointly by a husband and wife, the following three (3) provisions are applicable thereto:

(a) They may, but they shall not be required to, designate a Voting Member.

(b) If they do not designate a Voting Member, and both are present at a meeting and are unable to concur in their decision upon any subjects requiring a vote, they shall lose

their right to vote on that subject at that meeting.

(c) Where they do not designate a Voting Member, and only one (1) is present at the meeting, the person present may cast the lot vote, just as though he or she owned the lot individually and without establishing the concurrence of the absent person.

Notwithstanding the foregoing, no Lot Owner shall be entitled to vote in the affairs of the Association until such time as the Developer, as defined in the Declaration of Restrictions, has transferred control of the Association to the Lot Owners within Melwood Oaks.

ARTICLE III

MEETING OF THE MEMBERSHIP

Section 1. All meetings of the Association and membership shall be held in Manatee County, Florida, at such place and at such time as shall be designated by the Board of Directors of the Association and stated in the notice of the meeting.

Section 2. It shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting, stating the time and place thereof to each Lot Owner of record at least fourteen (14), but not more than thirty (30) days prior to such meeting. Notice of any annual or special meeting shall state the purpose thereof and said meeting shall be confined to the matters stated in said notice. All notices shall be mailed to or served at the address of the Lot Owner as it appears on the books of the Association.

Section 3. The annual meeting for the purpose of electing Directors and transacting any other business authorized to be transacted by the members shall be held once in each calendar year at such time and on such date in each calendar year as the Board of Directors shall determine. At the annual meeting, the members shall elect by plurality vote (cumulative voting is prohibited), a Board of Directors and shall transact such other business as may properly be brought before the meeting. Until such time as the Developer is required to transfer control of the Association to the Lot Owners within Melwood Oaks, Developer may, but shall not be required to, convene annual or special meetings of the Association. Notwithstanding that the Developer may convene annual or special meetings during such time as Developer has control of the Association, the First Annual Meeting of the Association, as such phrase may be used herein or in the Articles of Incorporation, shall be deemed to be that meeting at which the Developer transfers control of the Association to the Lot Owners.

Section 4. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors or at the request, in writing, of Voting Members representing twenty-five (25%) percent of the members' total votes, which request shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the object stated in the notice thereof. Any special meeting of the membership at which a member or members to the Board of Directors are elected, the members shall elect such Directors by plurality voting (cumulative voting is prohibited).

Section 5. Whenever the vote of members at a meeting is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than seventy-five (75%) percent of the members who would have been entitled to vote upon the action if such meeting were held,

shall consent in writing to such action being taken; however, notice of such action shall be given to all members unless all members approve such action.

Section 6. If any meeting of the members cannot be organized because a quorum of Voting Members is not present, either in person or by proxy, the meeting shall be adjourned from time to time until a quorum is present.

Section 7. All business properly brought before any meeting shall be decided by majority vote.

ARTICLE IV

DIRECTORS

Section 1. Subject to the terms and provisions of the Declaration of Restrictions, the affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) nor more than seven (7) persons, as is determined from time to time by the members. The term of each Director's service shall extend until the next annual meeting of the members, and thereafter, until his successor is duly elected and qualified, or until he is removed in the manner provided in Section 3 below. All Directors shall be members of the Association, provided, however, that all Directors that the Developer is entitled from time to time to elect or designate need not be members of the Association. Notwithstanding the provisions of these Bylaws, until such time as the Developer is required to transfer control of the Association to the Lot Owners in accordance with the terms and conditions of the Declaration of Restrictions, the Developer shall have the sole and exclusive control over all the affairs and other matters of the Association and the Developer shall have the sole and exclusive right to elect all officers and Directors of the Association during the period of such control. During the period of such control, as aforesaid, all members of the Association, other than the Developer, shall have a non-voting membership in the Association unless expressly waived in writing by the Directors and the Developer. Upon the Developer turning over control of the Association to the members as provided herein, the Developer shall have the right to appoint a member to the Board of Directors for so long as Developer or any entity related to the Developer holds for sale in the ordinary course of business one or more Lots in Melwood Oaks. Upon the Developer turning over control of the Association as provided hereinabove, the members shall fix the number and elect the Board as provided for herein.

Section 2. The first Board of Directors of the Association who shall hold office and serve until the first annual meeting of the members, and until their successors have been elected by plurality vote and qualified, shall consist of the following:

D. L. Greenhill
Joel Jarvis
Ron Jarvis

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

Section 3. Subject to Section 1 above, at any time after the first annual meeting of the membership, at such duly convened regular or special meeting, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of the Voting Members, casting not less than two-thirds (2/3) of the total votes present at such meeting, and a successor may then and

there be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancies in the manner provided in Section 4 below.

Section 4. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, the majority of the remaining Directors, though less than a quorum, shall choose a successor or successors who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors.

Section 5. Any Director may resign at any time by sending a written notice of such resignation to the office of the Corporation, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the organizational meeting of a newly elected Board of Directors following the first annual meeting of the members of the Association, more than three (3) consecutive absences from regular meetings of the Board of Directors, unless excused by resolution of the Board of Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors. Commencing with the Directors' election at the first annual meeting of the membership, the transfer of title of his Lot by a Director shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. No member shall continue to serve on the Board should he be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors. Notwithstanding the foregoing, Directors appointed or elected by the Developer are not required to be a member of the Association.

Section 6. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. Notice of such regular meetings shall, nevertheless, be given to each Director personally or by mail, telephone or telegraph at least five (5) days prior to the day named for such meeting.

Section 7. Special meetings of the Board of Directors may be called by the President, and in his absence, by the Vice President, or by a majority of the members of the Board of Directors, by giving five (5) days' notice in writing, to all of the members of the Board of Directors of the time and place of said meeting. All notices of special meetings shall state the purposes of the meeting.

Section 8. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting, and such waiver shall be deemed the equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at such meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At each such adjourned meeting, any business which might

have been transacted at the meeting, as originally called, may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purposes of determining a quorum.

Section 10. Officers and Directors of the Association shall not be entitled to any fee or compensation for acting in such capacity. Notwithstanding the above, however, an officer, director or other member of the Association shall be entitled to compensation for actual services rendered to the Association in such amounts and upon such terms as may be determined by the Board of Directors.

Section 11. The Board of Directors of the Association shall have the powers and duties necessary for the administration of the affairs of the Association and shall do all such acts and things as are not by law or by the Declaration of Restrictions, the Articles of Incorporation, or these Bylaws, prohibited. These powers shall specifically include, but shall not be limited to the following:

(a) To exercise all powers specifically set forth in the Declaration of Restrictions, the Articles of Incorporation, and in these Bylaws, and all powers incidental thereto.

(b) To make assessments for the purposes set forth in the Declaration of Restrictions; to collect said assessments and to use and expend the assessments to carry out the purposes and powers of the Association and to file liens and foreclose same in the event of non-payment and to do all other things permitted by the Declaration of Restrictions.

(c) To employ, dismiss and control the personnel necessary for the maintenance and operation of any property or facility to be maintained or operated by the Association, including the right and power to employ attorneys, accountants, contractors, and other professionals, as the need arises.

(d) To make and amend rules and regulations as set forth in the Declaration of Restrictions.

(e) To contract for the management of any property or facility to be maintained or operated by the Association and to delegate to such person or entity all of the powers and duties of the Association, except those which may be required by the Declaration to have the approval of the Board of Directors or membership of the Association, and those powers and duties which the Board of Directors, by law, may not delegate.

(f) To designate one or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management, affairs and business of the Association. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors and said committees shall keep regular minutes of their proceedings and report the same to the Board of Directors, as required.

The foregoing powers shall be exercised by the Board of Directors or its agents, contractors or employees, subject only to approval by the membership when such is specifically required.

ARTICLE V

OFFICERS

Section 1. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. One

person may not hold more than one of the aforementioned offices, except one (1) person may be both Secretary and Treasurer. The President shall be a member of the Board of Directors.

Section 2. The officers of the Association designated in Section 1 above shall be elected annually by the Board of Directors at the organizational meeting of each new Board following the meeting of the members.

Section 3. The Board may appoint Assistant Secretaries and Assistant Treasurers and such other officers as the Board of Directors deem necessary.

Section 4. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the Board of Directors, provided, however, that no officer shall be removed except by the affirmative vote for removal by a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the membership and of the Board of Directors. He shall have executive powers and general supervision over the affairs of the Association and other officers. He shall sign all written contracts, perform all of the duties incident to his office and which may be delegated to him from time to time by the Board of Directors.

Section 6. The Vice President shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Directors of the Association.

Section 7. The Secretary shall issue notices of all Board of Directors meetings and all meetings of the membership; he shall attend and keep the minutes of same; and he shall have charge of all of the Association's books, records, and papers, except those records to be kept by the Treasurer and he shall attest to all written contracts or other instruments required by the Board of Directors.

The Assistant Secretary shall perform the duties of the Secretary in the Secretary's absence.

Section 8. The Treasurer shall:

(a) Have custody of the Association's funds and securities and shall keep full and accurate accounts of receipts and disbursements and books belonging to the Association, and shall deposit all monies and other valuables in the name of and to the credit of the Association in such depositories as may be designated from time to time by the Board of Directors. The books shall reflect an account for each separate lot.

(b) Disburse the funds of the Association as may be ordered by the Board of Directors in accordance with these Bylaws, making proper vouchers for such disbursements, and shall render to the President and the Board of Directors at the regular meetings of the Board of Directors, or whenever they may require, an account of all his transactions as the Treasurer and of the financial condition of the Association.

(c) Collect the assessments and promptly report the status of collections and all delinquencies to the Board of Directors.

(d) Give status reports to potential transferees on which reports transferees may rely.

The Assistant Treasurer shall perform the duties of the Treasurer when the Treasurer is absent.

ARTICLE VI

FINANCES AND ASSESSMENTS

Section 1. The funds of the Association shall be deposited in such banks and depositories as may be determined by the Board of Directors from time to time upon resolutions approved by the Board of Directors, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two (2) officers of the Association.

Section 2. The Board of Directors shall determine whether to bond the Treasurer and all officers who are authorized to sign checks, and any contractor handling or responsible for Association funds, and if bonded, the amount of such bond shall be determined by the Board of Directors. All members of the Board of Directors of the Association and other employees of the Association shall be bonded in an amount to be determined by the Board of Directors, but in no event shall such insurance be in an amount less than that specified in the FNMA Lending Guide, Chapter Three, Part 5, Insurance Requirements, as the same may be modified from time to time. Premiums on such bonds shall be paid by the Association.

Section 3. The Association shall be on a calendar year basis beginning with the calendar year in which the Declaration of Restrictions is recorded in the Public Records of Manatee County, Florida. Notwithstanding the foregoing, the Board of Directors is authorized to change to a fiscal year in accordance with the provisions and regulations from time to time described by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deems it advisable. Notwithstanding the foregoing, the Board of Directors may not change the calendar for the Association, as hereinbefore provided, without the approval of all the members of the Board of Directors that are elected or designated by the Developer.

Section 4.

(a) The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary and adequate to pay for the expenses of the Association. The Association expenses shall include those expenses as set forth in the Declaration of Restrictions, including the cost of carrying out the powers and duties of the Association, and such other expenses as are determined by the Board of Directors and as provided in the Declaration of Restrictions. The Board of Directors is specifically empowered on behalf of the Association, to make and collect assessments subject to the provisions hereof and of the Declaration of Restrictions. Funds for the payment of Association expenses shall be assessed against the lots on an equal basis as provided for in the Declaration. Said assessments shall be payable in advance on a monthly, bi-monthly or quarterly basis, as determined by the Board of Directors, and shall be due on the first day of the applicable period in advance, unless otherwise ordered by the Board of Directors. Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments and shall be payable in the manner determined by the Board of Directors, in accordance with the provisions of the Declaration of Restrictions.

(b) When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each Lot Owner a statement of his lot assessment. All assessments shall be payable to the Treasurer of the Association and, upon request, said Treasurer shall give a receipt for each payment made to him.

(c) The Board of Directors shall adopt an operating budget for the calendar year pursuant to Declaration of Restrictions.

Section 5. All sums collected by the Association from assessments other than working capital contributions which shall be maintained in an account for the use and benefit of the Association for such purposes as set forth in the Declaration of Restrictions, may be commingled in a single fund or divided into more than one fund as determined by the Board of Directors of the Association. All assessment payments by a Lot Owner shall be applied as to interest, delinquencies, costs, late charges, and attorney's fees, other charges, expenses and advances, as provided herein and in the Declaration of Restrictions, and general or special assessments, in such manner and amounts as the Board of Directors determines in its sole discretion.

Section 6. If a Lot Owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining monthly or quarterly installments for the calendar year upon notice thereof to the Lot Owner and, thereupon, the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than fifteen (15) days after delivery of or the mailing of such notice to the Lot Owner.

Section 7. An audit of the accounts of the Association shall be made annually commencing with the calendar year after the year in which the first annual meeting takes place, as provided for in Article II, Section 3, of these Bylaws. Said audit shall not be required to be certified but shall be prepared by such accountant as the Board of Directors determines and a copy of said report shall be available to the members of the Association in the office of said Association and with the Treasurer of the Association. Said report shall be available not later than ninety (90) days after the end of the year for which the report is made. Notwithstanding the foregoing, until such time as the Developer has transferred control of the Association to the Lot Owners as set forth in the Declaration of Restrictions, the Board of Directors is required only to render an unaudited financial statement for each calendar year, and such statement shall be made available to members of the Association, however, the Board of Directors, in its sole discretion, may cause an audit of the accounts of the Association to be made by an accountant during the period wherein same is not required, as herein provided.

ARTICLE VII

COMPLIANCE AND DEFAULT

Section 1. Except as otherwise provided by the Declaration of Restrictions, in the event of the violation (other than the nonpayment of an assessment) by a Lot owner, their tenants, guests, invitees or employees, of any of the provisions of the Declaration of Restrictions or of these Bylaws, the Association, by direction of its Board of Directors, may notify the said violator by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of thirty (30) days from the date of the notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional and inexcusable material breach of the Declaration or of these Bylaws, and the Association may then, at its option, have the following elections: (a) an action at law to

recover damages on behalf of the Association or on behalf of any other Lot Owner; (b) an action in equity to enforce performance on the part of the violator; or (c) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.

Upon finding by the court that the violation complained of is willful and deliberate, the violator shall reimburse the Association for reasonable attorney's fees incurred by it in bringing such action. Failure on the part of the Association to maintain such action at law or in equity within thirty (30) days from the date of a written request, signed by any Lot Owner sent to the Board of Directors, shall authorize said Lot Owner to bring an action in equity or suit at law on account of the violation. Any violations which are deemed by the Board of Directors to be a hazard to public health may be corrected immediately as an emergency matter by the Association, and the cost thereof shall be charged to the Lot Owner as a specific item which shall be a lien against said Lot with the same force and effect as if the charge were a part of the Association expense.

Section 2. All Lot Owners shall be liable for the expense of any maintenance, repair or replacement to any properties or facilities maintained by the Association rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or their guests, employees, agents, tenants or invitees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Lot or their appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by an insurance company of rights of subrogation. Expense for any maintenance, repair or replacement required, as provided in this Section, shall be charged to said Lot Owner as a specific item, which shall be a lien against said Lot with the same portion affect as if the charge were a part of the Association expense.

Section 3. In any proceeding arising because of an alleged default by a Lot Owner, the prevailing party shall be entitled to recover the cost of the proceeding and such reasonable attorney's fees, including costs and reasonable attorney's fees on appeal as may be determined by the court.

Section 4. The failure of the Association or of a Lot Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration of Restrictions or these Bylaws shall not constitute a waiver of the right of the Association or Lot Owner to enforce such right, provision, covenant or condition in the future.

Section 5. All rights, remedies and privileges granted to the Association or any Lot Owner pursuant to any terms provisions, covenants or conditions of the Declaration of Restrictions, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such other party by the Declaration of Restrictions, or these Bylaws, or at law or in equity.

ARTICLE VIII

ACQUISITION OF LOTS

At any foreclosure sale of a Lot the Board of Directors may, with the authorization and approval of the voting members casting not less than a majority of the total votes of the members present at any regular or special meeting of the members

wherein said matter is voted upon, acquire, in the name of the Association, or its designee, a Lot being foreclosed. The term "foreclosure", as used in this Section, shall mean and include any foreclosure of any lien, including the Association's lien for assessments. The power of the Board of Directors to acquire a Lot at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Directors or of the Association to do so at any foreclosure sale, provisions hereof being permissive in nature and for the purpose of setting forth the power of the Board of Directors to do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of a Lot Owner at the foreclosure sale of a Lot due to the foreclosure of the Association's lien for assessments under the provisions of the Declaration of Restrictions, notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

ARTICLE IX

AMENDMENT TO THE BYLAWS

These Bylaws may be altered, amended or added to at any duly called meeting of the membership, provided: (a) notice of the meeting shall contain a statement of proposed amendment; and (b) the amendment shall be approved by the affirmative vote of the voting members casting not less than seventy-five percent (75%) of the total votes of the members of the Association; and (c) said amendment shall be certified, as required by the Declaration of Restrictions. Notwithstanding anything above to the contrary, these Bylaws may not be amended without a prior written resolution requesting the said amendment from the Board of Directors; and (d) notwithstanding the foregoing, all the terms and provisions of this Article IX shall be subject to terms and conditions of the Declaration of Restrictions, which shall be deemed paramount to the provisions of this Article of the Bylaws. No amendment of these Bylaws shall change the rights and privileges of the Developer without the Developer's prior written approval.

ARTICLE X

NOTICES

Every notice that is required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices, as set forth in the Declaration of Restrictions.

ARTICLE XI

INDEMNIFICATION

The Association shall indemnify every director and every officer, his heirs, executors and administrators, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, including reasonable counsel fees and costs and reasonable counsel fees on appeal, to be approved by the Association, except as to matters wherein he shall be finally adjudged in such action, suit or proceeding, to be liable for or guilty of gross misfeasance or willful misfeasance. The method of indemnifying a director or officer in the event of a settlement shall be as set forth in The Articles of Incorporation. The foregoing rights shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled by statute or by common law.

ARTICLE XII

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any such former owner or member from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership of a Lot and membership in the Association or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

ARTICLE XIII

LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair areas or facilities as provided in the Declaration of Restrictions, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for any injury or damage caused by the elements or by other owners or persons or by the negligence, carelessness of the party or parties injured.

ARTICLE XIV

PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meeting when not in conflict with the Declaration of Covenant and Restrictions, or these Bylaws.

ARTICLE XV

PARAMOUNT RIGHTS OF THE DEVELOPER

All of the applicable terms and provisions of all the Articles and the Sections thereunder of these Bylaws shall be subject to the provisions of the Declaration of Restrictions as to the rights and powers of the Developer, which rights and powers shall be deemed paramount to the applicable provisions of the Articles and Sections hereunder of these Bylaws.

ARTICLE XVI

LIENS

Section 1. All liens against a Lot, other than for permitted mortgages, taxes, or special assessments, shall be satisfied or otherwise removed within thirty (30) days of the date the lien attaches. All taxes and special assessments upon a Lot shall be paid before becoming delinquent, as provided in the Declaration of Restrictions and Bylaws or by law, whichever is sooner.

Section 2. A Lot Owner shall give notice to the Association of every lien upon his Lot as the case may be, other than for permitted mortgages, taxes and special assessments, within five (5) days after the attaching of said lien.

Section 3. A Lot Owner shall give notice to the Association of every suit or other proceeding which will or may affect title to his Lot as the case may be; such notice to be given within five (5) days after the Lot Owner receives notice thereof.

Section 4. Failure to comply with this Article concerning liens will not affect the validity of any judicial sale.

Section 5. The Association may maintain a register of all

first mortgages, and at the request of a first mortgagee, the Association shall forward copies of all notices for unpaid assessments or violations served upon a Lot Owner to said first mortgagee. If a register is maintained, the Board of Directors of the Association shall make such change as it deems appropriate against the applicable lot for supplying the information provided herein.

ARTICLE XVII

RULES AND REGULATIONS

Section 1. The Board of Directors may from time to time adopt or amend previously adopted administrative rules and regulations as set forth in the Declaration of Restrictions. A copy of the rules and regulations adopted from time to time as herein provided, shall be furnished to each Lot Owner.

Section 2. The Board of Directors may from time to time adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the Lots, provided, however, that copies of such rules and regulations, prior to the time same become effective, shall be furnished to each Lot Owner.

Section 3. In the event of any conflict between the rules and regulations adopted, or from time to time amended, and the Declaration of Restrictions, the latter shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these Bylaws as between these Bylaws and the Declaration of Restrictions, the provisions of said Declaration shall prevail.

Approved and declared, as the Bylaws of the Melwood Oaks Homeowners' Association, Inc.

Dated this 4th day of DECEMBER, 1986.

MELWOOD OAKS HOMEOWNERS' ASSOCIATION, INC.

BY: [Signature]
PRESIDENT

ATTEST: [Signature]
SECRETARY

FILED AND RECORDED
R.E. SHORE, CLERK
MANATEE COUNTY, FL
DEC 7 4 18 PM '86