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**DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR LAKES AT LAUREL HIGHLANDS**

Prepared By and After Recording Return to:
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Akerman LLP

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**DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR LAKES AT LAUREL HIGHLANDS**

THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR LAKES AT LAUREL HIGHLANDS is made as of the "Effective Date" (as that term is defined below), by **D.R. HORTON, INC.**, a Delaware corporation ("**D.R. Horton**"), whose address is 6200 Lee Vista Boulevard, Suite 400, Orlando, Florida 32822, hereinafter referred to as "**Declarant**." For convenience, this instrument is hereinafter referred to as the "**Declaration**."

RECITALS:

A. Declarant is the owner of certain real property located in the City of Lakeland, Florida known generally as the Lakes at Laurel Highlands, and more particularly described on Exhibit "A" attached hereto and incorporated herein ("**Property**").

B. Declarant intends that the Property be developed as a single-family residential community known as "**Lakes at Laurel Highlands**".

C. Declarant is the developer of Lakes at Laurel Highlands, which is a "Community" (as that term is defined pursuant to the Association Act).

D. Declarant desires to ensure that the properties within the Property are subdivided, developed, improved, occupied, used and enjoyed pursuant to a uniform plan of development tailored to the Property, and, in this regard, Declarant desires to impose this Declaration upon the Property and possibly upon certain other properties, as more particularly described in this Declaration, that are now or hereafter owned by Declarant, at such time and pursuant to such processes as are more particularly described in this Declaration, to the effect that such properties shall be subject to the covenants, conditions, easements and restrictions more particularly set forth herein.

E. Declarant intends that this Declaration shall be applicable to only lands that are developed as single family residential and related common properties, and that such lands shall be subjected to this Declaration only upon the events, and at such time, and in such manner, as more particularly set forth in this Declaration.

F. Declarant further intends that the properties subjected to this Declaration will be developed with various common properties and facilities benefiting all owners of such property, all as more particularly set forth in this Declaration.

NOW, THEREFORE, Declarant, as the owner of fee simple title to the Property, hereby declares that all of the Property is, and shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with, subject to the easements, covenants, conditions, restrictions, reservations, liens and charges contained within this Declaration, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property and shall run with title to the Property, shall be binding upon all parties having and/or acquiring any right, title or interest in the Property or in any part thereof, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in the Property.

I. **DEFINITIONS**

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

A. **"Alley"** shall mean and refer to any vehicular or pedestrian alley or alleyway established by or depicted on any Recorded Plat (including, but not limited to, the Initial Plat), which Alley has not been or is not hereafter dedicated to the City or the public.

B. **"Architectural Guidelines"** shall mean and refer to any criteria, guidelines and Rules and Regulations adopted by the ARC from time to time, including any amendments thereto, pertaining to the architectural guidelines, criteria and control provisions applicable to development within the Property, all pursuant to Article IX of this Declaration.

C. **"Architectural Review Committee"** or **"ARC"** shall refer to any body/board established pursuant to the provisions of, and for the purposes set forth in, Article IX of this Declaration.

D. **"Articles of Incorporation."** or **"Articles"** shall mean the Articles of Incorporation of the Association as they may exist from time to time pursuant to, and in compliance with, the provisions of this Declaration, a true and correct copy of which, as same exist as of the Effective Date, are attached hereto as Exhibit "B".

E. **"Assessments"** shall mean and refer to any assessments of an Owner by the Association for Common Expenses and other items pursuant to, and in accordance with, and for the purposes specified in, Article VIII of this Declaration.

F. **"Association"** shall mean and refer to the Lakes at Laurel Highlands Homeowners Association, Inc., a Florida not for profit corporation, its successors and assigns.

G. **"Association Act"** shall mean and refer to the laws of the State of Florida applicable to the operations of the Association on the Effective Date (as opposed to as amended, restated, or re-codified from time to time), including, but not necessarily limited to, those laws set forth in Chapters 617 and 720 of the Florida Statutes. Chapter 720 of the Florida Statutes, being the Florida legislation specifically enacted to govern the Association and the Community, shall in all instances trump the more general legislation set forth in Chapter 617 of the Florida Statutes. In the event of any ambiguity or conflict between Chapter 617 and 720 of the Florida Statutes, Chapter 720 shall govern as necessary to resolve any such ambiguity or conflict.

H. **"Board", "Board of Directors"** or **"Directors"** shall mean and refer to the Board of Directors of the Association, which shall be the body responsible for the general governance and administration of the Association, and which body shall be selected, appointed, or elected as provided in the Governing Documents.

I. **"Builder"** shall mean and refer to a person or entity that has acquired or that acquires title to any Lot, Unit or portion of the Residential Property expressly in furtherance of: (1) the business of developing said Lot, Unit, or portion of the Residential Property, for eventual construction of Dwellings thereon in the ordinary course of such person's or entity's business; or (2)

the business of constructing Dwellings thereon for later sale to a bona fide third-party purchaser that is not a Builder or an affiliate of a Builder. After the Turnover occurs, Declarant shall be considered and deemed a Builder with regard to or concerning any Lot(s) or Units that Declarant then owns or thereafter acquires title to, and with Declarant, as a Builder, automatically being deemed to and having all rights, powers, benefits, easements, and reservations afforded to a Builder under the Governing Documents or that may be delegated to a Builder by Declarant under the Governing Documents.

J. **"Bylaws"** shall mean and refer to the Bylaws of the Association as they may exist from time to time pursuant to, and in compliance with, the provisions of this Declaration, a true and complete copy of which is attached hereto as **Exhibit "C"**.

K. **"City"** shall mean and refer to the City of Lakeland, Florida, specifically including each and all of its departments and agencies.

L. **"City Use Restrictions"** shall mean and refer to any restrictive covenants that are required to be imposed upon the Property in satisfaction of the requirements imposed by the City in conjunction with its approval of the Governing Documents or a PSP/DP for the Property, if any.

M. **"Common Area(s)"** shall mean and refer to all real and personal property from time to time owned or held by the Association, or any rights or interests of the Association in any real or personal property, including, but not limited to: (i) "Common Areas" (as that term is defined in the Association Act), ponds, recreation areas, parks, open spaces, and green spaces that are located within the Property and owned from time to time by the Association; (ii) the Common Area Tracts; (iii) the Surface Water Management System, to the extent the Association owns same or has the maintenance responsibility with regard to or concerning same; (iv) any Conservation Areas; and (v) all easements, rights and other interests established in favor of the Association by this Declaration or any Recorded Plat or any portion thereof.

N. **"Common Area Tract(s)"** shall initially mean and refer only to the platted tracts set forth on the Initial Plat and identified on **Exhibit "D"** attached hereto and made a part hereof, which exhibit, subject to the terms of this Declaration, establishes, with regard to each Common Area Tract, the party or entity responsible for maintaining said Common Area Tract, and the party or entity that will own each Common Area Tract in fee simple no later than Turnover.

O. **"Common Expenses"** shall mean and refer to the actual and estimated costs and expenditures, including reasonable reserves, for maintenance, operation, and other services required or authorized to be performed by the Association, and for any other purpose or function of the Association, all of the foregoing pursuant to this Declaration and the Association Act, including, but not limited to, costs and expenditures incurred with respect to Common Area, all as may be found to be reasonably necessary by the Board from time to time pursuant to the Governing Documents. Except as otherwise expressly set forth in Governing Documents, all undertakings, duties, responsibilities, obligations, activities, outlays, and costs and expenditures of the Association concerning the Property, and in enforcing the terms, conditions, and provisions of the Governing Documents, the Community-Wide Standard, and the Rules and Regulations, shall all be done at Common Expense.

P. **"Community"** shall mean and refer to the real property encumbered by this Declaration, together with any approved modification thereto.

Q. **"Community Development District"**: As defined in Chapter 190 of the Florida Statutes.

R. **"Community-Wide Standard"** shall mean and refer to the standard of conduct, maintenance, or other activity generally prevailing throughout the Community. Declarant initially, and until the time of Turnover, shall establish any such Community-Wide Standard. Thereafter, such standard shall be determined by the Board and/or the ARC. The Community-Wide Standard may evolve as development progresses and as the Community changes and evolves.

S. **"Conservation Areas"**: As defined in Article VII, Section 13 hereof.

T. **"County"** shall mean and refer to Polk County, Florida, a political subdivision of the State of Florida, specifically including each and all of its departments and agencies.

U. **"Declarant"** shall mean and refer to D.R. Horton, and any successor or assign designated as the Declarant pursuant to the provisions of Article XVII, Section 5 of this Declaration.

V. **"Declaration"** shall mean and refer to this Declaration of Covenants, Conditions, Easements and Restrictions for Lakes at Laurel Highlands, as same may from time to time be amended.

W. **"District" or "Water Management District"** shall mean and refer to the Southwest Florida Water Management District or any successor governmental agency.

X. **"District Permit(s)" or "Water Management District Permit(s)"** shall mean and refer to all permits and approvals associated with the Surface Water Management System, including, but not limited to, any environmental resource permits, and any applicable City permits and approvals and other Water Management District permits and approvals pertaining to the Surface Water Management System.

Y. **"Division"** shall mean and refer to the Division of Florida Condominiums, Timeshares, and Mobile Homes, or any successor governmental agency, division, or department of the State of Florida.

Z. **"Dwelling" or "Residence"** shall mean and refer to any single-family residence or dwelling unit located, or to be located, on a Lot or Unit.

AA. **"Effective Date"** shall mean and refer to the date that this Declaration is recorded in the Public Records.

BB. **"Fiscal Year"**: The first fiscal year shall begin on the date of incorporation and end on December 31 of that year (**"Fiscal Year"**). Thereafter, the Fiscal Year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

CC. **"Governing Documents"** shall have the meaning ascribed to that term in the Association Act.

DD. **"Individual Assessment"** shall mean and refer to a specific assessment charged against a particular Member or its Residential Property.

EE. **"Initial Plat"** shall mean and refer to the Lakes at Laurel Highlands Phase 1A Plat, recorded in Plat Book 159, Pages 44 through 46, inclusive, of the Public Records.

FF. **"Institutional Lender"** shall mean and refer to a bank, savings bank, mortgage company, life insurance company, federal or state savings and loan association, an agency of the United States government, private or public pension fund, Veteran's Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a credit union, real estate or mortgage investment trust or any other lender generally recognized in the City as an institutional lender or secondary mortgage-market institution that owns or holds, insures or guarantees, a first-lien or first priority position Mortgage encumbering a Lot.

GG. **"Limited Common Area"**: As defined in Article IV, Section 11 of this Declaration.

HH. **"Limited Common Area Expense"** shall mean Common Expenses incurred by the Association for maintenance, operation and other services required or authorized to be performed by the Association with respect to any Limited Common Area.

II. **"Lot"** shall mean and refer to any numbered lot shown upon any Recorded Plat of all or any portion of the Property and shall include any improvements from time to time constructed, erected, placed, installed or located thereon.

JJ. **"Member"** shall mean and refer to each member of the Association as provided in Article V of this Declaration and shall include all Owners.

KK. **"Monetary Obligation"** shall mean and refer to any monetary obligations, including, but not limited to, Assessments, due to the Association by any Member pursuant to the terms of the Governing Documents, the Rules and Regulations, or under the Association Act.

LL. **"Mortgage"** shall mean and refer to a bona fide first lien or first priority permanent or construction mortgage, deed of trust, deed to secure debt, security deed, or any other form of instrument used to create a security interest in real property, including any collateral security documents executed in connection therewith, made in good faith and for value.

MM. **"Mortgagee"** shall mean and refer to a beneficiary or holder of a Mortgage, including, but not limited to, an Institutional Lender.

NN. **"MSBU(s)"** shall mean and refer to a Municipal Services Benefit Unit.

OO. **"MSTU(s)"** shall mean and refer to a Municipal Services Taxing Unit.

PP. **"Officers"**: As that term is defined in the Bylaws.

QQ. **"Owner"** shall mean and refer to the owner, as shown by the records of the Association, of fee simple title to any Residential Property. Owner shall not mean or refer to the holder of a Mortgage unless and until such holder has acquired title pursuant to foreclosure proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any Tenant.

RR. **"Plat"** shall mean and refer to any plat(s) of the Property, as recorded or to be recorded in the Public Records including, but not limited to, the Initial Plat.

SS. **"Property"** shall mean and refer to the real property legally described in Exhibit "A" attached hereto and incorporated herein and any Additional Property annexed pursuant to Article II, Section 2.A, hereof.

TT. **"PSP/DP"** shall mean and refer to: (i) any preliminary subdivision plan/development plan for the Property as approved by the City from time to time; and (ii) final construction and engineering plans for the Property, to the extent approval of such final construction and engineering plans are the equivalent of preliminary subdivision plan/development plan approval by the City.

UU. **"Public Records"** mean and refer to the Public Records of the County.

VV. **"Recorded Plat"** shall mean and refer to any Plat(s) as of the Effective Date or thereafter recorded in the Public Records including, but not limited to, the Initial Plat.

WW. **"Residential Property"** shall mean and refer to: (i) any Lot; and (ii) any portion of the Property which has not been subdivided or platted into Lots via a Recorded Plat, but which is shown, depicted, or contemplated on any PSP/DP or Plat for development of single-family residential homes, including any improvements constructed thereon. As of the Effective Date, Lots are the only type of Residential Property contained within the Property.

XX. **"Rules and Regulations"** shall mean and refer to any and all written rules, regulations, procedures, criteria, guidelines and standards of the Association: (1) governing and/or restricting the use of Property; (2) governing the conduct of the Members/Owners and members of such Member's/Owner's family, Tenants, guests or other invitees; and (3) governing the operation of the Association, which rules and regulations are adopted by the Declarant, the Board, the ARC, or any duly appointed committee or subcommittee of the Board, pursuant to the Governing Documents or the Association Act, including, but not limited to, the Architectural Guidelines and the Community-Wide Standard, as any of such rules and regulations may be changed, modified, altered, amended, rescinded, supplemented and augmented from time to time.

YY. **"Subdivision Improvements"** shall mean and refer to roads, drives, streets, driveways, and sidewalks; easements and easement areas; water and sewer systems; utilities; drainage pipes and improvements; retention ponds; surface water or stormwater management system; conservation areas; lakes, ponds, and waterways; open areas; recreational tracts and amenities; and all other infrastructure and common areas and structures thereon, any of the foregoing of which are located within the Property and serve and/or support in any way all or any portion of the Property including, but not limited to, any subdivision and onsite or offsite improvements.

ZZ. **"Supplement"** shall mean any supplement, amendment or modification of this Declaration made consistent with, and pursuant to the provisions of, this Declaration.

AAA. **"Surface Water Management System", "Stormwater Management System" or "SWMS"** shall mean and refer to 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 control the quantity and quality of discharges from the system, as permitted pursuant to Chapter 62-330, F.A.C.

BBB. **"Tenant" or "tenant"** shall mean and refer to any tenant, lessee, subtenant or sublessee, beneficiary under any land trust pursuant to Section 689.071 of the Florida Statutes, or any other occupant or possessor that is not the Owner thereof of any Residential Property or improvement thereon, whether or not such relationship is documented by a lease, a sublease, a trust agreement, or any other document or writing (collectively, **"Lease"**).

CCC. **"Turnover"** shall mean the transfer of operation of the Association by the Declarant pursuant to Section 720.307 of the Association Act.

DDD. **"Turnover Meeting"** shall mean and refer to the meeting to allow Members other than Declarant to elect a majority of the Directors to the Board pursuant to Section 720.307 of the Association Act.

EEE. **"Unit"** shall mean and refer to any portion of the Property which is shown, depicted, or contemplated on any PSP/DP or Plat for development of single family residential homes, including any improvements constructed thereon. Upon recording of a Plat for such portion of the Property or portion thereof, the Units included in such Recorded Plat shall become Lots.

FFF. **"Voting Member"** shall mean and refer to (i) Declarant as to votes allocated to the Class C Member (or Declarant's designated individual representative, if Declarant is an entity other than an individual), and (ii) each Owner of Residential Property, or said Owner's designated individual representative, if said Owner is an entity other than an individual).

II.

PROPERTY SUBJECT TO DECLARATION

Section 1. Property. The Property is hereby made subject to, and encumbered, governed, benefited and burdened by, this Declaration; provided, however, that any portion of the Property dedicated or conveyed to a governmental or quasi-governmental entity (other than a public school board) for use by or on behalf of the public shall, with no further action required, be deemed released from this Declaration.

Section 2. Annexation and Withdrawal.

A. Declarant hereby reserves to itself, and shall hereinafter have, the right, but not the obligation, at any time and from time to time prior to Turnover, in its sole and absolute discretion, and without notice to or the approval of any party or person whomsoever or whatsoever, including any Owner: (i) to impose this Declaration upon any real property from time to time that has a land use designation that allows for single family residential development (**"Additional Property"**); and (ii) to withdraw from the provisions of this Declaration any of the Property (or, if applicable, Additional Property), which continues to be owned by Declarant or by any party that owns such real property and consents to the withdrawal, and which property has not been expressly designated herein as Common Area or designated as such on a Recorded Plat. Annexations or withdrawals under this Section 2.A. shall be accomplished by execution by Declarant of a Supplement describing the real property to be annexed or withdrawn, as the case may be, and shall

become effective when such Supplement is recorded in the Public Records, unless otherwise provided therein.

B. Subject to the consent of the owner thereof, and, while the Declarant owns any portion of the Property, with consent of the Declarant, which consent may be granted or withheld in the sole and absolute discretion of Declarant, the Association may annex Additional Property. Such annexation by the Association shall require the affirmative vote of a majority of the voting interests of the Members present at a meeting duly called for the purpose of considering and voting upon such annexation. The annexation of land under this Subsection 2.B., shall be accompanied by the recordation in the Public Records of a Supplement describing the property being annexed as Additional Property, signed by the President and Secretary of the Association, by Declarant (if Declarant owns any portion of the Property), and by the owner(s) of the property being annexed as Additional Property. Any such annexation shall become effective when such Supplement is recorded in the Public Records.

C. No provision of this Declaration shall be construed to require Declarant or any other person or entity to annex or withdraw any real property to or from the jurisdiction of this Declaration.

D. The Declarant hereby reserves the right to seek and obtain governmental approval to modify the Plat or PSP/DP from time to time. The Declarant shall not be required to follow any predetermined order of improvement or development of the Property; and Declarant may annex Additional Property and develop same before completing the development of the Property as originally or from time to time constituted. Prior to Turnover, the Declarant shall have the full power to add to, subtract from or make changes in the lands included within the Property, regardless of the fact that such actions may alter the relative voting strength of the Members of the Association.

E. In recognition of the fact that within the Property there may be a variety of land use types, housing types, uses, and development parameters, conditions and restrictions, thereby necessitating differing, additional, or supplemental restrictive covenants, including, but not limited to, covenants, conditions, restrictions, reservations, Community-Wide Standard, and Architectural Guidelines, Supplements may contain additional or different covenants, conditions, restrictions, reservations, Community-Wide Standards, and Architectural Guidelines applicable only to the portion of the Property that is annexed via the Supplement; provided, however, that none of the foregoing are inconsistent or incompatible with the covenants, conditions, restrictions, and reservations set forth in this Declaration.

III. **PERMITTED USE**

Section 1. Residential Property. Except as hereinafter provided in Article VII, Section 10 and Article X, Section 3 of this Declaration, or as expressly reserved herein for Declarant's benefit, all of the Property shall be improved as and used, occupied and enjoyed solely and exclusively for single family residential dwelling purposes, or for Common Area and for no other uses or purposes whatsoever.

Section 2. Common Area. Common Area shall be improved, maintained, used, and enjoyed for the common recreation, health, safety, welfare, benefit and convenience of all Owners and their guests and invitees, except that any Common Area may be improved, maintained, used and

enjoyed for the common recreation, health, safety, welfare, benefit and convenience of only certain Owners, and their guests and invitees, as designated from time to time by Declarant.

IV. COMMON AREA

Section 1. Additional Common Area. In addition to the property and interests in property included within the term "Common Area", as defined in Article I of this Declaration, Declarant, in its sole and absolute discretion, shall have the right to convey to the Association, and the Association shall be obligated to accept from Declarant, from time to time, any other property, real or personal, or interests therein, so long as such property is, in the sole discretion of Declarant, useful for the common recreation, health, safety, welfare, benefit or convenience of the Owners, provided said additional land is not encumbered by any lien or notice of violation. Any such additional property conveyed to the Association shall become and thereafter continue to be Common Area which shall be subject to all covenants, conditions, restrictions, easements and reservations set forth in this Declaration with respect to all other Common Area.

Section 2. Restriction on Use of Common Area. The Common Area shall, subject only to the easements specified in Article VII of this Declaration, be developed, improved, maintained, used and enjoyed solely for the purposes specified in this Declaration, on the Recorded Plat that created the Common Area, and in the instrument of conveyance conveying such Common Area to the Association, and for the common health, safety, welfare, benefit and recreation of the residents of and visitors to the Property and for no other purpose or purposes whatsoever. Notwithstanding anything in the foregoing to the contrary, use of Limited Common Area may be restricted to only those Owners, residents and visitors that have been identified by Declarant as being authorized and entitled to utilize and realize the benefits of said Limited Common Area. No other use shall be made of the Common Area without the prior written consent of Declarant.

Section 3. Encumbrance as Security. The Association shall have the right in accordance with the Governing Documents to (i) borrow money for the purpose of improving, replacing, restoring or expanding the Common Area and to mortgage or otherwise encumber the Common Area solely as security for any such loan or loans, and (ii) engage in purchase money financing with respect to personal property and equipment purchased by the Association in connection with the performance of its duties and obligations pursuant to this Declaration and to secure the payment of the purchase price therefor by the encumbrance of the personal property and equipment so purchased; it being expressly provided, however, that any such mortgage or other encumbrance shall (a) be subject in all respects to the terms and provisions of the Governing Documents, and (b) be made subordinate to the rights of the City or any other governmental agency in and to the Common Area, including but not limited to the Surface Water Management System. In no event shall the Association be entitled or empowered to mortgage or otherwise encumber any easements granted to it.

Section 4. Use by Owners. Subject to any reasonable Rules and Regulations, and subject always to (i) the restriction upon use of Limited Common Area as set forth in Section 10 of this Article IV and (ii) any and all easements granted or reserved in this Declaration, each and every Owner shall have the non-exclusive right, privilege and easement to use and enjoy the Common Area for the purpose or purposes for which the same is conveyed, designated and intended by Declarant and maintained by the Association, and such non-exclusive right, privilege and easement shall be an appurtenance to and shall pass with the title to each and every Residential Property within the

Property; subject, however, at all times to the terms, provisions, covenants, conditions, restrictions, easements and reservations set forth in this Declaration including, without limitation, the following:

A. If a Member is delinquent for more than ninety (90) days in the paying of any Monetary Obligation, the Association may suspend, until such Monetary Obligation is paid, the rights of a Member and such Member's family, tenants, guests or other invitees to use the Common Area and facilities located thereon; provided, however, that: (i) any such suspension of the Common Area use rights may not impair the right of a Member or Tenant of any Residential Property to have vehicular and pedestrian ingress to and egress from such Residential Property, including, but not limited to, the right to park; and (ii) no suspension of use rights shall apply to any portion of Common Area that must be used to provide access or utility services to the subject Residential Property. Any suspensions to be imposed pursuant to this Subsection A, must be approved at a properly noticed Board meeting.

B. The Association may suspend, for a reasonable period of time, the right of a Member and such Member's family, tenants, guests or other invitees, to use the Common Area and facilities for the failure of the Member or such Member's family, tenants, guests or other invitees to comply with any provision of the Governing Documents, or the Rules and Regulations; provided, however, that: (i) any such suspension of the Common Area use rights may not impair the right of a Member or Tenant of any Residential Property to have vehicular and pedestrian ingress to and egress from such Residential Property; and (ii) no suspension of use rights shall apply to any portion of Common Area that must be used to provide access or utility services to the subject Residential Property. A suspension pursuant to this Subsection B may not be imposed without at least fourteen (14) days' prior written notice to the person sought to be suspended and a single opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not Officers, Directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an Officer, Director, or employee of the Association ("Committee"). If the Committee, by majority vote, does not approve a proposed suspension, it may not be imposed by the Association. The Committee's written recommendation shall be delivered to the Board within fourteen (14) days after the date of the Committee's hearing. If the Association imposes a suspension, the Association must provide written notice of such suspension by mail or hand delivery to the Member and, if applicable, to any affected tenants, guests or other invitees of the Member's Residential Property.

C. The right of the Association to limit the number of guests of Owners who may use the Common Area from time to time, and to limit or prohibit the use of the Common Area by Owners and Members that are not then in actual possession of said Owner's or Member's Lot.

D. The right of the Association to establish, promulgate and enforce reasonable Rules and Regulations pertaining, and with respect, to the use of the Common Areas pursuant to Section 8 of this Article IV.

E. The right of the Association to charge reasonable admission and other fees to or for the use of the Common Area, other than for the use of easements established created or declared pursuant to this Declaration or any Plat of the Property.

F. The right of the Association to take such steps as are reasonably necessary to maintain, preserve, control and protect the Common Area.

G. The right of Declarant to designate Common Area as Limited Common Area and to designate which of the Owners has the right to enter upon and use the Limited Common Area.

H. The right of Declarant to require that the Association re-convey to the Declarant, or convey directly to any public agency or entity, any Common Area previously conveyed by Declarant to the Association in error. Any such re-conveyance to a public agency or entity shall automatically cause all of the easements created under Article VII or any Recorded Plat to be automatically void, released and vacated, and any such re-conveyance to Declarant shall automatically cause all of the easements created over Common Areas under said Article VII or any Recorded Plat to be automatically void, released and vacated, in each case without the requirement of any written release from any easement holder.

Section 5. Delegation of Use. Any Owner shall be entitled to and may delegate the right, privilege and easement to use and enjoy the Common Area to the members of such Owner's family, tenants, guests or other invitees; subject, at all times, however, to the terms and conditions of the Governing Documents and such reasonable Rules and Regulations governing such delegation as may be established, promulgated and enforced by the Association pursuant to Section 8 of this Article IV. In the event, and for so long as, an Owner shall delegate such right, privilege and easement for use and enjoyment to Tenants who reside on such Owner's Residential Property, the Owner making such delegation to a Tenant shall be prohibited from the simultaneous exercise of such right, privilege and easement of and for the use and enjoyment of the Common Area.

Section 6. Waiver of Use. No Owner may exempt itself from personal liability for, or exempt such Owner's Residential Property from, any Assessments duly levied by the Association, or release the Residential Property owned by such Owner from the liens, charges, encumbrances and other provisions of this Declaration, or the Rules and Regulations, by (i) the voluntary waiver of the right, privilege and easement for the use and enjoyment of the Common Area, (ii) the abandonment of such Owner's Residential Property or (iii) by conduct which results in the Association's suspension of such right, privilege and use as provided in Section 4 of this Article IV.

Section 7. Administration and Care. The administration, regulation, care, maintenance, repair, restoration, replacement, preservation and protection of the Common Area shall be the responsibility of the Association as more particularly provided in Article VI of this Declaration, and in the other Governing Documents.

Section 8. Rules and Regulations. In addition to the foregoing restrictions, conditions and limitations on the use of Common Area, the Association shall have the right, power and authority, subject to the prior written consent and approval of Declarant until Turnover, to promulgate and impose reasonable Rules and Regulations governing and/or restricting the use of Common Area; provided, however, that no Rules or Regulations so promulgated shall be in conflict with the provisions of this Declaration. The Rules and Regulations shall be applicable to and binding upon all Common Area and all Owners and their successors and assigns, as well as upon all members of their families, their tenants, guests, and other invitees and upon all other parties claiming by, through or under such Owners.

Section 9. Payment of Assessments Not Substitute for Taxes. The payment of Assessments from time to time established, made, levied, imposed and collected by the Association pursuant to this Declaration, including, without limitation, those for the maintenance of the Common Area, shall not be deemed to be a substitute for or otherwise relieve any Owner from paying any

other taxes, fees, charges or assessments imposed by the City, or any other governmental authority with regard to any portion of the Property owned by said Owner.

Section 10. Limited Common Area. In connection with its permitting, development, construction and sale of the Property, or any part thereof, and notwithstanding anything to the contrary set forth in the Governing Documents or otherwise, Declarant, prior to Turnover, in its sole and absolute discretion, and without notice to or the approval of any party or person whomsoever or whatsoever, including, but not limited to, any Owner or Member, may designate that the benefits of certain Common Area be reserved for the utilization and realization of only certain Owners. Any such property or interests so designated by Declarant shall be considered "**Limited Common Area**". The designation of Limited Common Area may be made pursuant to this Declaration, a Supplement or in the deed of conveyance, upon a Recorded Plat, or pursuant to any other written instrument recorded by Declarant in the Public Records. Notwithstanding its designation as Limited Common Area, any Limited Common Area shall remain Common Area. Upon such designation of any Limited Common Area, the Owners and Members expressly identified by Declarant as being authorized and entitled to utilize and realize the benefits of such Limited Common Area shall have the rights to do so as are provided in this Declaration with respect to Limited Common Area. Declarant hereby reserves to itself the right, prior to Turnover, in its sole and absolute discretion, and without notice to or the approval of any party or person whomsoever or whatsoever, including any Owner, to designate or identify, from time to time, additional Owners as being authorized and entitled to utilize and realize the benefits of any Limited Common Area designated pursuant to this Section 10. All Common Expenses with respect to the Limited Common Area shall be assessed only against the Owners identified by Declarant as being authorized and entitled to utilize and realize the benefits of the subject Limited Common Area. Additionally, any matter arising under this Declaration and pertaining to the Limited Common Area and requiring a vote of Members of the Association, shall be decided by a vote of only those Members that have been identified by Declarant as being authorized and entitled to utilize and realize the benefits of the Limited Common Area.

Section 11. Alleys. Regardless of the fee simple ownership of any Alley within the Property, the administration, regulation, care, maintenance, repair, restoration, replacement, preservation and protection of said Alley (collectively, "**Alley Maintenance**") shall be the responsibility of the Association, as if such Alley was Common Area for the benefit of the Association. Declarant hereby reserves for the benefit of the Declarant and the Association, such perpetual, nonexclusive easements as time to time required by the Declarant and the Association in connection with the Alley Maintenance.

V. ASSOCIATION

Section 1. Membership. The Declarant and every Owner shall be "**Members**" of the Association. By acceptance of a deed or other instrument evidencing its ownership interest in Residential Property, each Owner accepts membership in the Association, acknowledges the authority of the Association stated in the Governing Documents, and agrees to abide by and be bound by the provisions of the Governing Documents and the Rules and Regulation. In addition to the foregoing, each Owner shall cause its family members, tenants, guests and other invitees to abide and be bound by the provisions of the Governing Documents and the Rules and Regulations.

Section 2. Voting Rights. The voting rights of the Members of the Association shall be allocated and exercised as set forth in the following provisions of this Section 2.

A. Membership in the Association shall be divided into Class A, Class B, and Class C Members, and the membership in each such class, and the voting rights applicable thereto, shall be allocated as follows.

Class A Members. Class A Members shall be all Owners of Lots with the exception of the Declarant (prior to Turnover). Class A Members shall be allocated one vote for each Lot in which they hold the interest required for membership in the Association pursuant to Section 1 directly above.

Class B Members. Class B Members shall be all Owners of portions of Residential Property, other than the Declarant (prior to Turnover), that have not been subdivided or platted into Lots. It is contemplated, but not required, that Class B Members shall be Builders or developers who purchase an unsubdivided pod or parcel of land from Declarant with the intention of platting the pod or parcel into Lots. Class B Members shall be allocated one vote for each Unit planned for, or allocated to, such Residential Property pursuant to any site plan or preliminary plat or subdivision plan approved by Declarant. Class B Members shall automatically become Class A Members as to the Lots created upon subdivision or platting of such pod or parcel of land. In the event that an Owner of an unsubdivided pod or parcel of land conveys a portion of such pod or parcel to a third party, then the conveying Owner and the third party shall both be Owners with respect to the land which each of them owns and the number of Units, and the corresponding number of votes allocated to each such Unit, shall be as determined between such conveying Owner and the third party purchaser.

Class C Members. The sole Class C Member shall be Declarant, or its specifically designated (in writing) successor(s) or assign(s). The Class C Member shall be allocated the number of votes equal to the total number of Class A Member votes and Class B Member votes, plus one (1). Class C Membership shall cease and become converted to Class A Membership or Class B Membership, as applicable, upon Turnover.

B. When any Residential Property is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or if two or more persons or entities shall have the same fiduciary relationship respecting the same Residential Property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the Secretary, such Owner shall: (i) select one official representative to represent such Residential Property and exercise all rights ("**Representative**"), which Representative shall be the only person or party with the right to exercise any rights of membership in the Association with respect to such Residential Property, including, but not limited to, voting with respect to such Residential Property; and (ii) shall notify the Secretary in writing of the Representative's name. The vote of each Representative shall be considered to represent the will of all the Owners of that Residential Property. In the circumstance of such common ownership, if the Owners fail to designate a Representative, then the Association may accept the person asserting the right to vote on behalf of the Residential Property as the Voting Member until notified to the contrary by the other Owner(s). Upon such notification no Owner of said Residential Property may vote or act as the Voting Member until the Owner(s) appoint their Representative pursuant to this paragraph.

C. The voting rights of any Voting Member may be suspended for failure to pay Monetary Obligations as provided in Article VIII, Section 9 of this Declaration or the Association Act.

D. Voting of Members as to matters under this Declaration pertaining to Limited Common Area shall be decided by a vote of only those Members expressly identified by Declarant as being authorized and entitled to utilize and realize the benefits of the Limited Common Area.

Section 3. Change of Membership.

A. Change of membership in the Association by Class A Members and Class B Members shall be established by recording in the Public Records of a deed or other instrument conveying record fee title to the subject Residential Property, and, at the Association's election, by the delivery to the Association of a copy of such recorded instrument. The Owner designated by such instrument shall, by acceptance of such instrument, become a Member of the Association, and the membership of the prior Owner with respect to such conveyed land shall be terminated. In the event that a copy of said instrument is not delivered to the Association, said Owner shall become a Member, but said Member shall not be entitled to voting privileges enjoyed by its predecessor in interest until delivery of a copy of the conveyance instrument to the Association. The foregoing shall not, however, limit the Association's powers or privileges and the new Owner shall be liable for accrued and unpaid fees and Assessments attributable to the Residential Property acquired.

B. An Owner's membership interest in the Association shall not be assigned, hypothecated or transferred in any manner or way except as an appurtenance to the Owner's Residential Property. Membership in the Association by all Owners shall be compulsory and shall continue as to each Owner until such time as such Owner transfers or conveys of record all of its interest in the Residential Property upon which its membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which such membership is based.

Section 4. Directors: Declarant Right to Appoint Directors; Officers. Within ninety (90) days after being elected or appointed to the Board, each Director shall certify in writing to the Secretary that he or she has read this Declaration, the Articles of Incorporation, the Bylaws, the Rules and Regulations, and any other written rules and policies of the Association; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the Members. Within ninety (90) days after being elected or appointed to the Board, in lieu of such written certification, the newly elected or appointed Director may submit a certificate of having satisfactorily completed the educational curriculum administered by a Division-approved education provider within one (1) year before or ninety (90) days after the date of election or appointment. The written certification or educational certificate is valid for the uninterrupted tenure of the Director. A Director who does not timely file the written certification or educational certificate shall be suspended from the Board until he or she complies with the requirement. The Board may temporarily fill the vacancy during the period of suspension. The Association shall retain each Director's written certification or educational certificate for inspection by the Members for five (5) years after the Director's appointment or election. However, the Association's failure to have the written certification or educational certificate on file does not affect the validity of any Board action.

Prior to Turnover, Declarant, as the Class C Member, shall have the sole and absolute right to appoint all of the members of the Board; provided, however, that if at any time Declarant is not permitted under Florida law to appoint such Directors, then the Class C Member shall have the sole and absolute right to elect all such Directors, which election, to the fullest extent permitted under the

Association Act, may be conducted via written consent of the Class C Member, in lieu of a meeting of the Class C Member. Prior to Turnover, Directors may only be removed and replaced by Declarant, as the Class C Member, pursuant to the Governing Documents. Notwithstanding the foregoing, Members other than Declarant are entitled to elect at least one (1) member of the Board if fifty percent (50%) of the Lots in all phases of the Property which will ultimately be operated by the Association have been conveyed to Members other than Declarant. Any Directors appointed by Declarant or elected by the Class C Member prior to Turnover, or appointed or elected by Declarant pursuant to this Section 4, need not be Members and need not be residents of the State of Florida. All other Directors shall be Voting Members and residents of the State of Florida. After Turnover, no Member or Owner, or representative thereof, may serve as a Director if: (i) such Member or Owner is more than ninety (90) days delinquent or deficit with regard to payment of any Monetary Obligation owed to the Association, or (ii) such Member or Owner, or representative thereof, has been convicted of any felony in the State of Florida or in a United States District or Territorial Court, or has been convicted of any offense in another jurisdiction that would be considered a felony in the State of Florida, unless such individual's civil rights have been restored for at least five (5) years as of the date such individual seeks election to the Board. Any Director charged by information or indictment with a felony theft or embezzlement offense involving the Association's funds or property shall immediately be deemed removed from office. The Board shall fill the vacancy according to the applicable provision of this Declaration until the end of the period of the suspension or the end of the Director's term of office, whichever occurs first. However, if the charges are resolved without a finding of guilt or without acceptance of a plea of guilty or nolo contendere, the Director shall be reinstated for any remainder of his or her term of office. A Member who has such criminal charges pending may not be appointed or elected to a position as a Director.

Prior to Turnover, (y) the Board shall consist of three (3) Directors; and (z) the number of Directors may not be increased or decreased without Declarant's prior written consent, which consent may be granted or denied by Declarant in its sole and absolute discretion. The term of office of the initial Directors appointed herein by Declarant shall expire at the time of Turnover, unless otherwise required by Florida law. After Turnover, Directors shall be elected to the Board by the Voting Members. Notwithstanding anything in the foregoing to the contrary, Declarant shall, without regard to the number of votes allocated to Declarant, be entitled to appoint one (1) member of the Board for as long as Declarant is the Owner of at least five percent (5%) of the total number of the combined Lots and Units within the Property. Nothing contained in the foregoing, however, is intended, nor shall be deemed, to create any obligation upon Declarant to exercise such right to elect such one (1) Director.

Any Officer charged by information or indictment with a felony theft or embezzlement offense involving the Association's funds or property shall immediately be deemed removed from office. The Board shall fill the vacancy according to the provisions of this Declaration until the end of the period of the suspension or the end of the Officer's term of office, whichever occurs first. However, if the charges are resolved without a finding of guilt or without acceptance of a plea of guilty or nolo contendere, the Officer shall be reinstated for any remainder of his or her term of office. A Member who has such criminal charges pending may not be appointed or elected to a position as an Officer.

VI. FUNCTIONS OF ASSOCIATION

Section 1. Objectives, Purposes and Function. The Association has been created and established in order to advance the objects and purposes of this Declaration. The Association shall have exclusive jurisdiction over, and the sole responsibility for, (i) the administration and enforcement of the Governing Documents, (ii) the establishment, levy, imposition, enforcement and collection of all Assessments for which provision is made in the Governing Documents, (iii) the administration, regulation, care, maintenance, repair, restoration, replacement, preservation and protection of the Common Area (except as otherwise specifically set forth to the contrary herein), (iv) the payment of all Common Expenses, and (v) the promotion and advancement of the health, safety and general welfare of the Members of the Association; all as more particularly provided in the Governing Documents and Rules and Regulations.

Section 2. Duties and Powers. Generally. In addition to those duties and powers conferred by law and those specified and enumerated in its Articles of Incorporation and Bylaws, the Association shall also have such duties and powers as are, respectively, imposed and conferred upon it pursuant to this Declaration, including, without limitation, such duties and powers as may be reasonably necessary for, and incidental to, the accomplishment of the objects and purposes for which the Association has been created and established.

Section 3. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, as well as the maintenance obligations of the Owners set forth in Article X, Section 13, shall be exclusively responsible for the management, operation and control of the Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas) and shall keep the Common Area in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

Section 4. Personal Property and Real Property for Common Use. The Association, through action of the Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. Prior to Turnover, the Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests conveyed to it by the Declarant.

Section 5. Duties of the Association. The Association, acting by and through the Board, shall, in addition to those general and specific duties, responsibilities, obligations and powers elsewhere referenced in the Governing Documents or imposed upon it by law, have the following specific duties, responsibilities and obligations:

A. To pay all Common Expenses and any other expenses associated with the management and administration of the business and affairs of the Association.

B. To establish, make, levy, impose, enforce and collect all Assessments for which provision is made in the Governing Documents or which shall otherwise be necessary to provide and assure the availability of such funds as may be reasonably necessary to pay all Common Expenses or otherwise conduct the business and affairs of the Association.

C. To maintain and operate all Common Area, subject to the maintenance obligations of the Owners set forth herein, and all public rights of way (to the extent permitted by any governmental authority) which are located within or in a reasonable proximity to the Property, the deterioration of which would adversely affect the appearance or the operation of the Common Area. The Association may adopt standards of maintenance and operation which are consistent with the Community-Wide Standard. In all events, however, the Common Area shall be maintained and operated in compliance with any and all governmental permits, rules, regulations or requirements.

D. To maintain, repair or replace any of the Property, or any improvements, structures, facilities or systems located thereon, as and to the extent provided in this Declaration and with respect to which the Association has been granted an easement for said maintenance.

E. To take any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in the Governing Documents.

F. To conduct the business of the Association, including but not limited to administrative services such as legal, accounting and financial, and communication services informing Members of activities, notice of meetings, and other important events. The Association shall have the right to enter into management agreements, including with companies affiliated with Declarant, in order to provide its services, and perform its functions.

G. To establish and operate the ARC at such time that the Association is delegated such purpose and authority by the Declarant.

H. To adopt, publish and enforce such Rules and Regulations as the Board deems necessary in connection with the fulfillment of the duties and powers of the Association arising pursuant to the Governing Documents or by any other applicable laws.

I. At the sole option and discretion of the Board, to conduct recreation, sport, craft, and cultural programs of interest to Members, their families, tenants and guests and charging admission or other fees for the operation thereof.

J. To construct improvements on Common Area as may be required to provide the services as authorized in this Article VI.

K. The Association may also (but shall never have any obligation to) provide exterior maintenance upon any Residential Property the responsibility for which maintenance belongs to the Owner of said Residential Property but which, in the opinion of the Board, requires such maintenance because said Residential Property is being maintained in a manner inconsistent with the Community-Wide Standard or other requirements of the Governing Documents or the Rules and Regulations. The Association shall notify the Owner of said Residential Property in writing, specifying the nature of the condition to be corrected, and if the Owner has not corrected the condition within fifteen (15) days after date of said notice, the Association may correct such condition. Said maintenance may include but is not limited to, painting, repairs, replacement and maintenance of roofs, gutters, down spouts, exterior building surfaces, trees, shrubs, grass, and other landscape items, walks and other exterior improvements, such as, but not limited to pools. For the purpose of performing the exterior maintenance authorized by this Section 5.K., the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the

Owner, to enter upon any Residential Property at reasonable hours on any day except Saturday, Sunday and legal holidays; provided, however, the Association shall have the right of entry without notice, at any time and on any day, if necessary to correct an emergency situation. The cost of such maintenance shall be assessed against the Residential Property upon which such maintenance is performed as an Individual Assessment.

L. To establish any use or amenity fees, and promulgate Rules and Regulations, respecting the use of Common Area and Association facilities located thereon by Members and persons other than Members.

M. To engage in any activities reasonably necessary to remove from the Common Area any pollutants, hazardous waste or toxic materials, and by Special Assessment or Individual Assessments, recover costs incurred from the Owner(s) causing or upon whose property such materials were located or generated.

N. Subject to the Board's sole discretion in determining the types of insurance coverages to purchase, and the amounts thereof, to provide adequate insurance protection on and for the Common Area and, consistent with their respective duties, responsibilities and liabilities, provide adequate insurance protection on and for the Association itself and its Officers and Directors, as well as for the members of the ARC.

O. To act as the operating/responsible entity under, and to assume responsibility for compliance with, all permits or other governmental or quasi-governmental approvals assigned by Declarant to the Association, in Declarant's sole discretion, so long as such permits or approvals are, in the sole discretion of Declarant or the Board, useful or necessary for the common recreation, health, safety, welfare, benefit or convenience of the Property or the Association. Further in this regard, acceptance of such assignments from Declarant shall be mandatory upon the Association prior to Turnover. Notwithstanding anything in the foregoing to the contrary, no Owner may transfer to the Association any such permit or approval, or any obligation or responsibility arising thereunder, obtained by such Owner in conjunction with its development of a Residential Property ("**Owner Permit**"). Responsibility for compliance with the Owner Permit shall remain with the Owner of the respective Residential Property.

Section 6. Powers of Association. The Association, acting by and through its Board, shall, in addition to those general and specific powers elsewhere referenced in the Governing Documents or imposed upon it by law, have the following specific powers:

A. Except as may be limited by the terms of the Governing Documents, to acquire, own, hold, control, administer, manage, operate, regulate, care for, maintain, repair, replace, restore, preserve, protect, insure, buy, sell, lease, transfer, convey, encumber or otherwise deal in or with real or personal property, (or any interest therein, including easements) (i) which is, or upon its acquisition by the Association shall thereupon become, Common Area as defined in this Declaration, including the power to enter into any leases or other arrangements with appropriate governmental agencies necessary for the use of sovereignty lands associated with any of the Common Area, or (ii) the responsibility for which is delegated to the Association pursuant to the terms and provisions of this Declaration, and further including the power to direct, conduct, maintain or support activities within or upon the Property in order to limit or control access to said Common Area.

B. To establish, make, levy, impose, enforce and collect all Assessments and impose, foreclose and otherwise enforce all liens for Assessments for which provision is made in this Declaration in accordance with the terms and provisions of this Declaration and the Articles of Incorporation and Bylaws.

C. To establish, make, levy, impose, enforce and collect fines and temporarily suspend rights of use of Common Area against any Owner and Residential Property for any violation of the covenants, conditions and restrictions set forth in the Governing Documents, or in the Rules and Regulations, all in accordance with the terms hereof and of the Association Act.

D. To create, establish, maintain, and administer such capital expenditure reserves and other reserve funds or accounts as shall, in the discretion of the Board, be reasonably necessary to provide and assure the availability of funds necessary for the care, maintenance, repair, replacement, restoration, preservation, and protection of all Common Area, including all easements and facilities, and for such other purposes as the Board, in its reasonable discretion, shall deem necessary or appropriate.

E. To sue and be sued and to defend any suits brought against it.

F. Subject to the limitations specified in Section 7 of this Article VI, to borrow such money as may reasonably be required to discharge and perform the duties, responsibilities and obligations imposed upon the Association pursuant to the Governing Documents.

G. To employ such persons or to contract with such independent contractors or managing agents as shall be reasonably required in order for the Association to carry out, perform and discharge all or any part of its duties, obligations and responsibilities pursuant to the Governing Documents; provided, however, that any such employment contract or contract with any independent contractor or managing agent for a term of more than one (1) year shall, by its express terms, be terminable (i) for cause at any time upon not more than thirty (30) days written notice by the Association, and (ii) without cause at any time after one (1) year upon not more than sixty (60) days written notice by either party; and, provided further, that any such contract shall otherwise be subject to the provisions of Section 7 of this Article VI.

H. To provide equipment, facilities and personnel or to contract with an independent contractor or independent contractors, for such public or quasi-public services as may be deemed by the Association to be reasonably necessary or desirable for the common health, safety and general welfare of the Owners, including, without limitation, internal security and protection services, garbage and trash pickup and disposal services, cable television/internet services and street lighting services.

I. To take such steps as may be necessary to enforce the provisions of the Governing Documents, the Community-Wide Standard, and the Rules and Regulations, including, without limitation the employment of counsel and the institution and prosecution of litigation to enforce the said provisions including, without limitation, such litigation as may be necessary to collect Assessments and foreclose liens for which provisions are made in the Governing Documents.

J. To encourage, cause, facilitate, assist and cooperate in the formation, establishment and operation of a Community Development District and/or MSTU/MSBU.

K. To establish, undertake, and promote, from time to time, all at Common Expense, social activities or programs; educational programs; cultural, artistic and environmental programs; charter clubs and other similar services, activities or programs designed, intended, or implemented to further a sense of community among Owners of Lots and residents thereof. Nothing in this Subsection K shall ever be construed as a representation or promise by Declarant or the Association as to which, if any, of the foregoing may be established, undertaken, promoted, or (as applicable) continued by the Association from time to time. The Board, in its sole and absolute discretion, may designate up to two (2) dates or weekends during each calendar year to hold and promote Community-wide yard and/or garage sales. No other yard or garage sales shall ever be permitted to be held at any time within the Community by Owners or residents thereof.

Section 7. Limitations and Restrictions on Power of Association. In addition to such other restrictions or limitations on the powers of the Association as may be imposed by law or elsewhere in the Governing Documents, prior to the Turnover, no party other than Declarant, either directly or through the Directors appointed/elected by Declarant, shall have the right to promulgate, enact, change, modify, alter, amend, rescind, supplement or augment any Rules and Regulations. In addition to such other restrictions or limitations on the powers of the Association as may be imposed by law, or elsewhere in the Governing Documents, and without limiting the generality of any thereof, at any time that, and for so long as, Declarant owns any portion of the Property, the Association shall have no authority to, and shall not, undertake any action which shall:

- (1) decrease the level of maintenance services of the Association performed by the initial Board;
- (2) make or levy any Special Assessment or Individual Assessments against or upon Declarant's property or against or upon Declarant;
- (3) modify, amend or alter any PSP/DP or any Plat;
- (4) terminate or cancel any contracts of the Association entered into prior to Turnover, except when expressly permitted pursuant to Section 720.309 of the Association Act;
- (5) terminate or waive any rights of the Association under the Governing Documents;
- (6) convey, lease, mortgage, alienate or pledge any Common Area;
- (7) accept the conveyance, lease, mortgage, alienation or pledge of any real or personal property to the Association from any party other than Declarant;
- (8) terminate, cancel, convey, lease, mortgage, alienate or pledge any easements granted or reserved in the Governing Documents;
- (9) terminate or impair in any fashion any easements, powers or rights of Declarant under or pursuant to the Governing Documents;
- (10) restrict Declarant's right of use, access and enjoyment of any of the Property;

(11) cause the Association to default on any obligation of it under any contract or the Governing Documents, unless Declarant consents in writing to the prohibited action, which consent shall be exercised by its appointee(s) on the Board or other person expressly designated to so act by Declarant; or

(12) modify, amend or change in any way any permits or other governmental or quasi-governmental approvals transferred or assigned to the Association by Declarant, without the prior written approval of Declarant, which approval may be denied.

Section 8. Limitations and Restrictions on Power of Association to Act Without Member Approval. In addition to such other restrictions or limitations on the powers of the Association as may be imposed by law, elsewhere in this Declaration or elsewhere in the Governing Documents, and without limiting the generality of any thereof, the Association shall be prohibited from taking any of the following actions without the prior approval of a majority of the Members present, in person or by proxy, at a special meeting of the Members held for the specific purpose of obtaining Member approval of the following actions:

A. The entry into of employment contracts or other contracts for the delivery of services or materials to the Association having a term in excess of one (1) year, except in the case of prepaid insurance, casualty or liability contracts or policies for not more than three (3) years duration; provided that the applicable contract or policy provides for and permits early cancellation by the insured.

B. The borrowing of any funds secured by a pledge, assignment or encumbrance of the right and duty of the Association to exercise its power to establish, make levy, impose, enforce and collect any Assessments for which provision is made in the Governing Documents, whereby as a result of such pledge, assignment or encumbrance such right and power of assessment may be exercised by a party other than the Association or whereby the Association shall become obligated to establish, levy, enforce and collect any Assessment or Assessments in a particular amount or within a particular time so as to effectively divert from the Association and the Board the right, duty and discretion to establish, make, levy, impose, enforce and collect Assessments in such amounts and within such time periods as the Board, in its discretion, shall deem to be necessary and reasonable. It is expressly provided, however, that the foregoing limitation and restriction upon the pledge, assignment or encumbrance of the assessment rights herein contained shall not preclude the Association from pledging or making an assignment of or otherwise encumbering any Assessment which is then payable to or which will thereafter, in the ordinary course of the Association's business, become payable to the Association provided that any such assignment, pledge or encumbrance, though then presently effective, shall allow and permit any such Assessments to continue to be paid to and used by the Association as set forth in the Governing Documents unless and until the Association shall default on the repayment of the debt which is secured by such pledge, assignment or encumbrance.

C. The sale, transfer or other disposition, whether or not for consideration, of any real property owned by the Association as Common Area; provided, however, in no event shall the Association be entitled or empowered to sell, convey or transfer any real property constituting Common Area transferred and conveyed by Declarant to the Association without first receiving the prior written consent of Declarant. Further, upon the request of Declarant, the Association shall re-convey to Declarant, or convey directly to a Community Development District or MSTUs/MSBUs, any Common Area previously conveyed by Declarant to the Association, in the event such original

conveyance was made in error or in the event Declarant seeks to cause or assist in the establishment, creation or operation of Community Development District or MSTUs/MSBUs, or in the event Declarant modifies the PSP/DP or any Plat in such manner as to require the incorporation of the affected Common Area into Residential Property use. Any such re-conveyance to a public agency or entity shall automatically cause all of the easements created under Article VII or any Recorded Plat to be automatically void, released and vacated, and any such re-conveyance to Declarant shall automatically cause all of the easements created over Common Areas under said Article VII or any Recorded Plat to be automatically void, released and vacated, in each case without the requirement of any written release from any easement holder. Notwithstanding anything to the contrary contained in the foregoing, the Association shall not be permitted to sell, transfer or otherwise dispose of any lands without the prior written consent of the District to the extent any such sale, transfer, or conveyance impacts land upon which the Surface Water Management System, is located.

Section 9. No Compensation to Directors or Officers. The payment of compensation to the elected Directors or to the Officers of the Association for services performed in the conduct of their duties is prohibited; provided, however, that nothing herein contained shall preclude the Association from reimbursing any such elected Director or Officer for reasonable expenses actually incurred and paid by any such elected Director or Officer in the conduct of the business and affairs of the Association; and provided, further, that nothing herein contained shall preclude the employment by the Association and payment of compensation to a manager or executive Director of the Association who shall not be an elected director or Officer of the Association.

VII. EASEMENTS

Section 1. Access and Use Easements. Subject to the restrictions on use of Limited Common Areas as set forth in Section 10 of Article IV of this Declaration, Declarant grants to all Owners (and their guests, Tenants, and invitees) as an appurtenance to the ownership of Residential Property held by such Owner, but subject to the Governing Documents and the Rules and Regulations, a perpetual non-exclusive easement for ingress and egress over, across and through, and for use and enjoyment of, all Common Area; such use and enjoyment to be shared in common with the other Owners, their guests, Tenants and invitees as well as the guests, Tenants and invitees of Declarant. Notwithstanding anything in the foregoing to the contrary, the above referenced easement, as same relates to any Limited Common Area, shall be deemed granted only to Declarant and those Owners to whom the use and enjoyment of such Limited Common Area has been expressly dedicated or reserved by Declarant. With respect to all Common Area, after Turnover, the Declarant reserves the right, but not the obligation, to maintain and use all rights of way associated therewith, and to maintain and place Declarant's signs thereon.

Section 2. Utility Lines and Systems; Utility Easements.

A. Declarant hereby reserves to itself (and its successors or assigns) for so long as the Declarant owns any of the Property, and for the Association thereafter, the right to grant to any private company, public or private utility, or governmental authority providing utility and other services within the Property and the Common Area (collectively, "**Utility Providers**"), certain easements upon, over, under, across, and through the Property as are reasonably necessary from time to time for the sole purpose of maintaining, installing, repairing, altering, and operating any "Utility Lines and Systems" (as that term is defined below), as may be necessary, convenient, or desirable for the installation and maintenance of said utilities and providing services to Owners, the Property, and

Common Area, all pursuant to and in compliance with, all applicable permits, rules, and regulations of any applicable governmental authorities (collectively, "**Utility Easements**"). All such Utility Easements shall be of a size, width, scope, and location as Declarant (or the Association, after Turnover), in its discretion, deems best, but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon any Residential Property.

B. For purposes of this Declaration, the term "**Utility Lines and Systems**" shall mean and refer to any sewer lines, irrigation lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal lines and systems, pipes, wires, fiber optics lines, electrical lines, power lines, telephone service, gas lines, syphons, valves, gates, pipelines, HVAC systems and ductwork, cable television service, Internet service, alarm systems and all utility infrastructure, machinery, and apparatus appurtenant to any of the foregoing, necessary, convenient, or desirable to service the Property.

C. No Utility Provider shall disrupt, interfere with, or damage the Utility Lines and Systems of another Utility Provider without the prior written consent of such other Utility Provider, and in the event of any such disruption, interference or damage, whether consented to or not, the disrupting, interfering or damaging Utility Provider shall be responsible for all costs and expenses incurred by the other Utility Provider or otherwise in connection with the disruption or repair and/or replacement of such affected Utility Lines and Systems, and shall release, indemnify, defend, and hold Declarant, the Association, and all affected Owners harmless from any and all costs, liabilities, claims, and expenses incurred in connection with the disruption, interference or damage to such affected Utility Lines and Systems.

D. Notwithstanding the foregoing, Declarant hereby reserves to itself (and its respective successors or assigns) for so long as the Declarant owns any portions of the Property, and the Association thereafter, the right to amend, replace, or restrict the location or parameters of the Utility Easements, without the joinder and consent of the Owners or other Members, provided none of the foregoing unreasonably interfere with the use of any improvements which are now, or will be, located upon any Residential Property.

Section 3. Declarant Easements. The Declarant hereby reserves to itself, its successors and assigns, and to such other persons as Declarant may from time to time expressly designate in writing, a perpetual easement, privilege and right in and to, over, under, on and across the Common Area for ingress and egress as required for any purpose from time to time by its officers, directors, employees, agents, independent contractors, invitees and designees. Declarant reserves the right to impose further restrictions and to grant or delegate additional easements and rights-of-way on any of the Property owned in fee simple by Declarant. The aforementioned easements granted or reserved by Declarant shall not structurally weaken any improvements or unreasonably interfere with any Owner's enjoyment of said Owner's Residential Property. Declarant reserves for itself, its successors and assigns, an exclusive easement for the installation and maintenance of security and television/Internet cables and wire within the rights-of-way, Common Area and easement areas referred to hereinabove, which reservation shall automatically transfer to the Association at Turnover. The easements granted or reserved in this Article VII, Section 3 are collectively referred to herein as "**Declarant's Easements.**"

Section 4. Service Easements. Declarant hereby reserves to itself (and its successors or assigns) for so long as the Declarant owns any lands located within the Property, and the Association

thereafter, the right to grant to delivery, pickup and fire protection services, police and other authorities of the law, United States mail carrier, representatives of electrical, telephone, cable television/Internet and other utilities authorized by the Declarant, its successors or assigns to service the Property, and to such other persons as the Declarant from time to time may designate, non-exclusive, perpetual easement rights over and across the Common Area for the purpose of performing their authorized services and investigations.

Section 5. Emergency, Security and Safety. The Association shall have the right and a reserved easement for, but not the obligation, to enter onto or upon any Residential Property for emergency, security and safety, which right and easement may be exercised by the Board, Officers, designated agents, employees, and managers of the Association; and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry under said right and easement shall only be during reasonable hours and after notice to the Owner. This right of entry under said easement shall include the right of the Association to enter onto any Residential Property to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 6. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, as between all Residential Property and such portion or portions of the Common Area adjacent thereto due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet (3'), as measured from any point on the common boundary along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner or the Association.

Section 7. Stormwater Easements. There is hereby created, declared and reserved for the benefit of Declarant, the City, the Association, and all Owners, a non-exclusive easement for stormwater management, collection, retention, detention and drainage under, over, upon and within all portions of the Property included within the Surface Water Management System, including, but not limited to, all drainage easements, ponds and tracts shown on any Recorded Plat, together with an easement and license in favor of Declarant; the City; the District; and the Association, only to enter upon such areas, and as necessary other portions of the Property adjacent thereto, for the purposes of constructing, installing, inspecting, maintaining, repairing and replacing any and all stormwater drainage systems, improvements and facilities including, but not necessarily limited to, pipes, culverts, structures, berms, swales and retaining walls, from time to time located therein or thereon consistent with the plans for the Surface Water Management System. Additionally, Declarant, for the benefit of itself, the City, the Water Management District, the Association, and all Owners, hereby reserves perpetual easements over any and all other portions of the Property as may be reasonably required from time to time in order to provide stormwater drainage to all or any portions of the Property; provided, however, that any such additional drainage easements shall not unreasonably interfere with the use and enjoyment by any Owners of any particular Residential Property. The foregoing easements are sometimes hereinafter referred to as the "**Stormwater Easements.**"

The Declarant or the Association may construct berms and drainage swales within portions of the Stormwater Easements for the purpose of managing and containing the flow of surface water, if any. Each Owner shall be responsible for the maintenance, operation and repair of the berms and

drainage swales on their respective Residential Property. Likewise, the Association shall be responsible for the maintenance, operation and repair of the berms and drainage swales that are located within the Common Area. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the berms and drainage swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the berms and drainage swales is prohibited. No alteration of the berms and drainage swales shall be authorized and any damage to any berms and drainage swales, whether caused by natural or human-induced phenomena, shall be repaired and the berms and drainage swales returned to their former condition as soon as possible by the party (*i.e.*, Owner or the Association) having responsibility for the maintenance of the damaged berms and drainage swales.

Section 8. Wall, Entrance Feature and Landscape Easements. There is hereby created, declared, granted and reserved for the benefit of Declarant and the Association an easement over and upon all wall, entrance feature and landscape easement areas shown on any Recorded Plat ("**Wall and Landscape Easements**") that constitute walls, entrance features or landscape areas benefiting all Residential Property or more than one Residential Property, together with an easement and license to enter upon such Wall and Landscape Easement areas for the purposes of erecting, constructing, installing, inspecting, maintaining, repairing and replacing any and all entrance features, walls (screening or otherwise) or fences, and the installation and irrigation of any landscaping therein, which may be required by the City and/or deemed to be necessary or desirable by Declarant or the Association. The Association shall maintain the wall(s) and any trees and shrubs located on the back side of the wall(s). Each Owner shall maintain the lawn located on the backside of any wall(s) adjacent to an Owner's Lot.

Section 9. Planting and Screening Easements. There is hereby created, declared, granted and reserved for the benefit of Declarant and the Association an easement for planting and screening purposes ("**Planting and Screening Easements**") over and upon all planting and screening easement areas, entry ways, medians and landscape buffers shown on any Recorded Plat, if any, or hereafter declared by Declarant, which planting and screening areas, entryways, medians and landscape buffers benefitting all Residential Property or more than one Residential Property, together with a perpetual non-exclusive easement and license to enter upon such areas for the purposes of installing, maintaining, inspecting, repairing and replacing any and all landscaping, including trees, grasses, shrubs, bushes, ground covers and other plant materials and irrigation systems of any kind, whether the same shall be required by the City and/or deemed necessary or desirable by Declarant or the Association.

Section 10. Construction and Marketing Easements. There is hereby created, declared, granted and reserved for the benefit of Declarant, together with the right to grant, assign and transfer the same or any part thereof to Declarant's sales agents and sales representatives as well as to Builders or building contractors approved in writing by Declarant for the construction of residences within the Property, an easement for construction activities upon the Property and an easement for marketing activities and signs on the Property and for the maintenance on the Property from time to time of model centers in which and from which Declarant and its authorized sales agents and sales representatives and approved Builders and building contractors may engage in marketing, sales and information activities on a temporary basis during the period of the development of and construction within the Property ("**Construction and Marketing Easements**"), provided, however, that such activities shall be conducted from and within buildings constructed as Dwellings which are temporarily used for such activities and which are thereafter to be sold, used and occupied as

Dwellings. The location of such model centers may be changed from time to time by Declarant, in its sole and absolute discretion.

Section 11. Association Easements. There is hereby created, declared and granted to the Association, such perpetual, non-exclusive easements over and upon all or any portion of the Property, as may be reasonably necessary to permit the Association to carry out and discharge its duties, obligations and responsibilities under and pursuant to the Governing Documents and Rules and Regulations, including, but not limited to, for purposes of performing its maintenance responsibilities as provided in this Declaration ("**Association Easements**"). The Association Easements shall be in addition to the Stormwater Easements hereinabove granted to the Association pursuant to Section 7 of this Article VII.

Section 12. Sidewalk/Pedestrian Trail Easements. There is hereby created, declared and reserved for the benefit of the Declarant and the Association an easement over, within and upon any Bike/Pedestrian Systems shown on any Recorded Plat of, or construction plans approved by the City regarding, or otherwise created/established within, the Property which are not or will not be dedicated to the City or the public ("**Sidewalk/Bike Path Easements**"), for the purposes of constructing, installing, maintaining, repairing and replacing from time to time the Bike/Pedestrian Systems for the Property. The Declarant, the Association and all Owners shall have a non-exclusive easement for pedestrian ingress, egress and passage over and upon any such Bike/Pedestrian Systems or from time to time located, constructed, installed and maintained within the Property. The use of any such Bike/Pedestrian Systems shall be expressly limited to the boundaries of such system and no use shall be permitted other than for passage of pedestrians as set forth herein.

Section 13. Conservation Easements. Pursuant to and as and to the extent required by the Water Management District Permits or the City, Declarant may record, from time to time, one or more conservation easements (collectively, "**Conservation Easement**"), in favor of the Water Management District or the City over, across, and upon certain portions of the Property. The precise metes and bounds legal description of the portions of the Property encumbered by a Conservation Easement is or will be as specifically set forth in the subject Conservation Easement (all such portions of the Property that are or become encumbered by a Conservation Easement shall hereinafter be referred to as "**Conservation Areas**"). Upon establishment of any Conservation Easement, the Conservation Areas shall be subjected to the restrictions set forth in this Article VII, Section 13. The Conservation Area shall be Common Area and the Conservation Areas shall be the perpetual responsibility of the Association, and may in no way be altered from their natural state, except as specifically provided in the subject Conservation Easement. Furthermore, the use and development of the Conservation Areas shall be restricted as set forth in the subject Conservation Easement. Declarant has the perpetual easement, privilege, and right to enter upon the Conservation Areas to carry out and discharge its duties, obligations, and responsibilities under this Declaration, including, but not limited to, to perform all of the activities necessary for compliance with the Water Management District Permits and the subject Conservation Easement. Declarant may retain ownership of the Conservation Areas until Turnover, at which time Declarant shall quit claim the Conservation Areas to the Association and (if, and only if, expressly required by the City) development rights over the Conservation Areas to the City.

Section 14. Future Easements. There is hereby reserved to Declarant and its successors and assigns, together with the right to grant and transfer the same, along with the right, power and privilege to, at any time hereafter, grant to itself, the Association, the City or any other parties, such other further and additional easements as may be reasonably necessary desirable, or convenient, in

the sole opinion and within the sole discretion of Declarant, subject to the reasonable approval of the City, if expressly required, for the future orderly development of the Property in accordance with the objects and purposes set forth in the Governing Documents. Any such easement(s) shall be recorded in the Public Records. It is expressly provided, however, that no such further or additional easements shall be granted or created over and upon any Residential Property if any such easement shall unreasonably interfere with an Owner's plans to use or develop the Residential Property. The easements contemplated by this Section 14 may include, without limitation, such easements as may be required for utility, drainage, roads, sidewalks or other purposes reasonably related to the orderly development of the Property in accordance with the objects and purposes specified in the Governing Documents. Such further or additional easements may be hereafter created, granted, or reserved by Declarant without the necessity for the consent or joinder of any other persons including, but not necessarily limited to, the Owner of, or the person holding the mortgage on, the particular portion of the Property over which any such further or additional easement is granted or required.

Section 15. Extent of Easements. The rights and easements of enjoyment created in this Article VII shall be subject to the following:

A. The right of the Declarant or the Association, in accordance with the Governing Documents, to borrow money from any lender for the purpose of improving and/or maintaining the Common Area and providing services authorized herein and, in aid thereof, to mortgage said property.

B. The right of the Association to charge reasonable admission, amenity and other fees and charges for the use of any recreational facility that may be situated on or in the Common Area.

C. The right of the Association to give, dedicate, mortgage or sell all or any part of the Common Area (including leasehold interest therein) to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be determined by the Association, provided that no such gift or sale or determination for such purposes or conditions shall be effective unless the same shall be authorized by two-thirds (2/3) of the votes of the Association, and unless written notice of the meeting and of the proposed agreement and action thereunder is sent at least thirty (30) days prior to such meeting to every Voting Member. A true copy of such resolution, together with a certificate of the results of the vote taken thereon, shall be made and acknowledged by the President or Vice-President and Secretary of the Association, and such certificate shall be annexed to any instrument or dedication or transfer affecting the Common Area, prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the Members.

D. The restrictions upon use of Limited Common Areas set forth in Article IV of this Declaration.

VIII. ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. Each Owner of a Residential Property shall, by acceptance of a deed therefor or other form of conveyance thereof, regardless of whether it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to pay the Association: (1) Annual Assessments, and (2) Special

Assessments, all fixed, established, levied, made and thereafter collected from time to time as hereinafter provided. The Assessments, together with such interest thereon and costs of collection provided herein, shall be a charge and continuing lien as provided herein on the real property and improvements of the Owner against whom each such Assessment is fixed, established, levied or made. Assessments, together with such interest thereon and cost of collection, shall also be the personal obligation of the person who was the Owner of such real property at the time when the Assessment first became due and payable. In the case of co-ownership of a Residential Property, all of such co-owners shall be jointly and severally liable for the entire amount of such Assessments.

The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Area or by the abandonment of the property against which the Assessment was fixed, established, levied or made. No diminution or abatement of Assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Declarant, the Association, or the Board to take some action or perform some function required to be taken or performed by the Declarant, the Association, or the Board under the Governing Documents or otherwise, or for the inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of or the decision of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Notwithstanding anything to the contrary in the provisions of this Article VIII, Annual Assessments and Special Assessments fixed, established, levied or made with regard to or concerning any Common Expenses that are specific to certain Limited Common Area, as opposed to all Common Area, as determined by the Board from time to time, shall be fixed, established, levied, and made only against the Residential Property and Owners expressly designated by Declarant as having the right to utilize and realize the benefits of the subject Limited Common Area. Any "Budget" (as that term is defined below) prepared by the Association for capital expenditures and/or other Common Expenses shall include a separate itemization of such expenditures that pertain to Limited Common Area, and the Association, as permitted herein, may establish reserves for expenses specifically associated with such Limited Common Area.

Section 2. Purpose and Establishment of Annual Assessments. The Annual Assessments fixed, established, levied, and made by the Association may be used for the acquisition, improvement, maintenance, enhancement and operation of the Common Area, to pay for Common Expenses and to provide services and perform functions which the Association is authorized, empowered, or required to perform pursuant to the Governing Documents, including, but not limited to, the payment of taxes, assessments, and insurance, construction, repair or replacement of improvements, payment of the costs to acquire labor, equipment, materials, management and supervision necessary to carry out its authorized, empowered, and required functions, and for the payment of principal, interest and any other charges and fees connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized or required functions.

Annual Assessments on each Residential Property shall commence upon the closing of the sale of the subject Residential Property by Declarant to a bona fide third party purchaser, with such term including Builders (a "**Third Party Purchaser**"), or upon the occupancy of the Residential Property by a Third Party Purchaser, whichever is earlier. At the closing of the sale of each Residential Property to a Third Party Purchaser, the purchaser shall pay to the Association the entire Annual Assessment for the Fiscal Year of closing, prorated on a per diem basis from the date of closing on the sale of, or the date of occupancy of the Residential Property, whichever is earlier,

through the end of that Fiscal Year. As to any Additional Property, the subject Supplement shall set forth and establish the Annual Assessment per Residential Property for the Fiscal Year in which the Additional Property becomes Property.

The "Annual Assessment per Lot/Unit" (as that term is defined below) for Lots/Units shall be Seven Hundred Eighty and No/100 Dollars (\$780.00) per Lot/Unit. Prior to Turnover, Declarant shall not, without approval of the voting interests of the Members other than Declarant, increase the Annual Assessments hereunder for the Property in any year by more than fifteen (15%) above what the Annual Assessments were in the prior year.

Section 3. Budgets and Reserve Fund Contribution. The Board shall annually prepare a budget that sets out the Association's annual operating expenses ("**Budget**"), which Budget must: (A) reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year; (B) set out separately all fees or charges paid for by the Association for recreational amenities, whether owned by the Association, Declarant, or another person or entity; (C) include reserve accounts for capital expenditures and deferred maintenance for which the Association is responsible, including, but not limited to, the Common Area; and (D) comply with Section 720.303(6)(a) and (b) of the Association Act, taking into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost to be incurred by the Association, and shall establish a reserve fund for such anticipated expenditures. The Board shall set the required reserve fund, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown in the Budget, with respect both to amount and timing of Annual Assessments over the period of the Budget. The reserve funds required, if any, shall be fixed by the Board and included within and distributed with the Budget and any applicable notice of Annual Assessment. Any reserve fund established by the Board shall be held in an interest-bearing account or investments. Except as otherwise provided herein, the first Budget promulgated or adopted by Declarant must designate therein the components for which reserve accounts may be used.

Section 4. Timing of and Budgeting for Annual Assessments and Allocation of Assessments. It shall be the duty of the Board, at least once each Fiscal Year, to prepare a Budget. The Budget shall include a capital contribution establishing a reserve fund in accordance with a capital budget separately prepared in accordance with Section 720.303(6)(a) of the Association Act. It is the intent of this Declaration that Common Expenses be allocated among Residential Property in a manner that reflects the benefit that each such Residential Property receives from any related Common Area, as reasonably determined by Declarant, it being recognized, however, that: (i) benefits of Common Area to any particular Residential Property may not always be direct; and (ii) it may not be practicable or possible to perform such benefit/assessment allocations with absolute precision. As of the Effective Date, Common Expenses shall be allocated, and related Assessments assessed, against the Residential Property as set forth in the following provisions of this Section 4. However, and notwithstanding anything herein to the contrary, the method of allocating Common Expenses and Assessments may change from time to time as reasonably determined by Declarant, provided that at all times Declarant shall use reasonable efforts to ensure such allocations will be pursuant to a method, as reasonably determined by the Declarant, to most fairly allocate such Common Expenses and Assessments between the various Residential Property, such as, but not limited to, a pro rata basis based upon the number of Lots and Units.

Except as may be subsequently modified consistent with the foregoing, the Annual Assessments to be levied hereunder for the coming Fiscal Year against each Residential Property

subject to Assessment shall include a computation of: (a) the budgeted Common Expenses (not including Limited Common Expenses), divided by the number of Lots and Units within the Property; and (b) the budgeted Limited Common Expenses allocable to such Residential Property divided by the number of Lots and Units that are also responsible for the payment of such Limited Common Expenses. The resulting figure of (a) and (b) shall be the "**Assessment per Lot/Unit**" for any particular Lot or Unit.

The Board shall cause a copy of the Budget and notice of the amount of the Annual Assessment to be levied against each Residential Property for the following year to be delivered to each Voting Member, at least thirty (30) days prior to the beginning of the next Fiscal Year. Unless a longer notice period is required under the Association Act, the Association shall mail to each Voting Member, at least fourteen (14) days prior to the date of the "Budget Approval Meeting" (as that term is defined below), written notice of the date, time, and location of the Board meeting at which the Board will consider approval of the Budget (the "**Budget Approval Meeting**"), which notice shall also include a copy of the proposed Budget and notice of the amount of the Annual Assessment to be levied against each Residential Property for the following year. The Budget shall become effective upon the Board's approval of the Budget at the Budget Approval Meeting. Unless otherwise expressly required by the Association Act, the Budget shall not be subject to the Members approval and there shall be no obligation to call a meeting of the Members to discuss or consider the Budget.

Notwithstanding the foregoing, however, in the event the proposed Budget is disapproved or the Board fails for any reason whatsoever to determine the Budget for any Fiscal Year, then and until such time as a Budget shall have been determined as provided herein, the Budget in effect for the immediately preceding Fiscal Year shall continue for the current Fiscal Year.

At the discretion of Declarant (prior to Turnover) and the Board (after Turnover), Annual Assessments may be collected in monthly installments, due and payable on the first (1st) day of each month; in bi-annual installments due and payable by the first (1st) day of January and July of each year; or in quarterly installments due and payable by the first (1st) day of January, the first (1st) day of April, the first (1st) day of July, and the first (1st) day of October of each year. Absent any such determination by the Board permitting payment in monthly, bi-annual, or quarterly installments, the Annual Assessment for any year shall be due and payable by January 1 of such year. Initially, Annual Assessments shall be due quarterly. Any Annual Assessment not paid by January 15, if payable in one lump sum, not paid by the fifteenth (15th) day of January and July, if allowed to be paid bi-annually, or paid by the fifteenth (15th) day of January, April, July, and October, if allowed to be paid quarterly, or on the tenth (10th) day of any month, if allowed to be paid monthly, shall be considered delinquent. In the event of such deferred payments, i.e., in the event that Annual Assessments are not due and payable, in full, on January 1st, the Board may, but shall not be required to, charge a uniform, lawful rate of interest on the unpaid balance. The Board may accelerate the balance of any Annual Assessment upon default in the payment of any installment thereon or any other Assessment due hereunder. Annual Assessments which commence to accrue as to any Residential Property other than on the first day of the year shall be prorated for the balance of that year.

In the event that the Board shall determine during any Fiscal Year that the Annual Assessment established for such Fiscal Year is or will become inadequate or insufficient to meet all Common Expenses for such calendar year, for whatever reason, the Association shall be entitled to immediately determine the approximate amount of such deficiency or inadequacy, issue a supplemental estimate of Common Expenses to all Owners and, within thirty (30) days thereafter,

establish, make, levy, impose, enforce and collect a supplemental or revised Annual Assessment for such Fiscal Year.

Section 5. Special Assessments. The Association may establish, make, impose, enforce and collect, from time to time, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, or the unexpected repair or replacement of any capital improvement to or upon the Common Area or the cost of the initial purchase or any subsequent unexpected repair or replacement of any equipment or personal property purchased, repaired or replaced by the Association in furtherance of the discharge of its duties and obligations pursuant to this Declaration. The obligation to pay Special Assessments shall be computed on the same basis as for Annual Assessments, provided, however, that if the Special Assessment is made with respect to Limited Common Area, then the Owners designated by Declarant to utilize and realize the benefits of the Limited Common Area shall be responsible for, and shall be assessed, the Special Assessments in accordance with the provisions of Article IV, Section 10 of this Declaration. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the Fiscal Year in which the Special Assessment is approved, if the Board so determines.

The Association may also levy a Special Assessment or Individual Assessments against any Owner or Residential Property to reimburse the Association for costs, expenses, and incurred by the Association in bringing an Owner or its Residential Property into compliance with the provisions of the Governing Documents, or the Rules and Regulations, which Special Assessment or Individual Assessment may be levied upon the vote of the Board after notice to the Owner and an opportunity for a hearing.

Section 6. Assessment of Declarant. Notwithstanding any provision of the Governing Documents to the contrary, Declarant, to the fullest extent permitted by the Association Act, may, at its sole option, prior to Turnover, be excused from payment of Assessments and Declarant's share of Common Expenses related to its Residential Property; provided, however that during such time that Declarant is excused from paying such Assessments and Common Expenses related to Declarant's Residential Property, Declarant pays any Common Expenses incurred by the Association that exceed the Assessments receivable from other Members of the Association and other income of the Association (the "**Deficit Funding Obligation**"). To the maximum extent permitted by law, Declarant's Deficit Funding Obligation may be satisfied in the form of a cash subsidy or by "in kind" contributions of services, labor, or materials, or a combination of any of the foregoing. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, labor, or materials or a combination of services, labor, and materials with Declarant or other entities for the payment of some portion of the Common Expenses. For purposes of this subsidy arrangement, unless otherwise required by the Association Act, Declarant need not subsidize or pay any Assessment amounts levied for replacement reserves or capital expenditures. At Turnover, the Assessments against any Residential Property owned by Declarant shall be assessed against Declarant as a Class A Member or Class B Member, as appropriate, consistent with Declarant's ownership of such Residential Property. If Declarant elects to deficit fund pursuant to this Section 7, then for purpose of complying with Section 720.308(3) of the Association Act, the amount of the Annual Assessments set forth in Section 2 of this Article VIII shall be the maximum obligation of the Members other than Declarant. If Declarant elects to deficit fund pursuant to this Section 7, then for purpose of complying with Section 720.308(2) of the Association Act, the amount above the Annual Assessments set forth in Section 2 of this Article VIII that is necessary to keep the Association operational shall be the amount of Declarant's guarantee of Common Expenses. It is the

express intent of the Declarant that this Section 6 be an establishment of a guarantee pursuant to Section 720.308(2) of the Association Act. Unless Declarant otherwise notifies the Board in writing at least thirty (30) days before the beginning of the next Fiscal Year, Declarant shall continue paying on the same basis as during the previous Fiscal Year. Declarant, at its option, may elect by written notice delivered to the Association at any time to abandon the subsidy approach and commence payment of the Assessments thereafter falling due for the Residential Property then owned by Declarant, prorated as of the date of such notice. Declarant shall never be obligated to pay any Special Assessments or Individual Assessments. Declarant, may, at its sole option, for so long as there is a Class C Membership in the Association, waive Annual Assessments and Special Assessments against Owners; provided, however, that in the event of a deficit for any Fiscal Year in which Annual Assessments and Special Assessments are waived, such benefitted Owners, along with Declarant, shall pay the difference between the total amount of the Assessments collected and the actual costs and expenses necessary to operate the Association. Each such exempted Owner's share of the deficit shall be pro-rated on a per Residential Property owned basis for any Residential Property that the exempted Owner owns during the time of said deficit, as compared to the number of Residential Properties owned by all exempted Owners and Declarant.

Section 7. Working Capital. For each Residential Property sold after the Effective Date to any party or entity other than Declarant, upon acquisition of record title to a Residential Property by each purchaser or grantee thereof, and in addition to any Assessment that may be due with respect to such Residential Property for such year and prior years, a working capital contribution ("**Working Capital Contribution**") shall be made by or on behalf of such purchaser or grantee to the working capital of the Association in the amount of Two Hundred and No/100 Dollars (\$200.00), for each Lot or Unit contained within such Residential Property; which Working Capital Contribution is nonrefundable, shall be in addition to, and not in lieu of, the Assessment levied on the Residential Property and shall not be considered an advance payment of any portion of Assessments levied on said Residential Property. The Working Capital Contribution shall be paid to the Association and shall be used for operating expenses and other costs and expenses incurred by the Association pursuant to the terms of the Governing Documents and as determined by the Board. Declarant, may, at its sole option, for so long as there is a Class C Membership in the Association, waive Working Capital Contributions that would be due from Owners of any Residential Property. After completion of the second Fiscal Year, the Board may elect to increase the Working Capital Contribution by up to five percent (5%) each Fiscal Year. Additional Property annexed into the Property may have a different or additional Working Capital Contribution, as established in the subject Supplement.

Section 8. Duties of the Board. The Board shall prepare a roster of Owners and Assessments applicable thereto which shall be kept by the Association as part of the official records of the Association.

Section 9. Effect of Non-Payment of Assessment; Personal Obligation of the Owner; Lien; Remedies of Association. If any Assessment is not paid on the date due, then such Assessment shall become delinquent and the entire Assessment, including future annual installments of such Assessment, shall, together with interest thereon and cost of collection thereof as hereinafter provided, become due and payable and be a continuing lien on the Residential Property that is the subject of such Assessment which lien shall bind such property in the hands of the then Owner, and said Owner's heirs, devisees, personal representatives, successors and assigns. The obligation of the Owner to pay such Assessment, however, shall remain a personal obligation, notwithstanding any disposition by such Owner of the Residential Property that is the subject of such Assessment. The Association may record notice(s) of lien(s) for delinquent Assessments in the Public Records and

foreclose any such lien(s) in the same manner as a mortgage may be foreclosed under Florida law. Upon recording, any such lien(s) shall secure not only the amount of delinquency stated therein, but also all unpaid Assessments thereafter with regard to said Owner and the subject Residential Property until all of the foregoing are satisfied of record.

If any Assessment is not paid when due pursuant to the terms hereof, said Assessment shall bear interest from the date of delinquency at the highest rate allowed by Florida law as of the date of delinquency, and the Association may bring an action at law or in equity against the Owner personally obligated to pay the same or foreclose the lien against the Residential Property, or both, and there shall be added to the amount of such Assessment the costs, expenses, and fees incurred by the Association in connection with such action, and in the event a judgment is obtained, such judgment shall include interest on the Assessment as above provided and a reasonable attorneys' and other legal fees to be fixed by the court together with all other costs, expenses, and fees of the action.

In addition to the foregoing, if the Assessment is not paid when due, the Association may also charge an administrative late fee not to exceed the greater of \$25.00 or 5 percent of the amount of each installment that is paid past the due date thereof.

The Association, acting on behalf of the Owners, shall have the power to bid for the Residential Property at any foreclosure sale and to acquire the same via foreclosure or deed in lieu thereof and thereafter hold, lease, mortgage, and convey the same. During the period in which the Residential Property is owned by the Association following foreclosure or a deed in lieu thereof: (a) no right to vote shall be exercised on said Residential Property; (b) no Assessment shall be assessed or levied on said Residential Property; and (c) each other Residential Property shall be charged, in addition to its Assessment, its pro rata share of the Assessment that would have been charged such Residential Property had it not been acquired by the Association as a result of foreclosure or a deed in lieu thereof. Suit to recover a money judgment against an Owner or Residential Property for unpaid Common Expenses, Assessments, and all costs, expenses, and fees incurred by the Association in connection with such action, including, but not limited to interest as provided herein, along with reasonable attorneys' and other legal fees to be fixed by the court, together with all other costs, expenses, and fees of the action, shall be maintainable by the Association without foreclosing or waiving the lien securing the same.

If any Residential Property is occupied by a Tenant and the Owner of the Residential Property is delinquent in paying any Monetary Obligations, the Association may demand in writing that the Tenant pay to the Association the subsequent rental payments related to the Residential Property ("**Tenant Demand**"). Any Tenant Demand is continuing in nature, and upon such Tenant Demand, the Tenant of the subject Residential Property (the "**Notified Tenant**") must continue to pay the subsequent rental payments until all the Monetary Obligations of the Owner related to the Residential Property have been paid in full to the Association and the Association releases the Tenant or until the Tenant discontinues tenancy in the Residential Property. A Notified Tenant is immune from any claim by the Owner related to the rent timely paid to the Association after the Association has made a Tenant Demand.

If the Notified Tenant paid rent to the Owner of the Residential Property for a given rental period before receiving the Tenant Demand and provides written evidence to the Association of having paid the rent within fourteen (14) days after receiving the Tenant Demand, such Notified Tenant shall begin making rental payments to the Association for the following rental period and shall continue making rental payments to the Association to be credited against the Monetary

Obligations of the Owner until the Association releases the Tenant or the Tenant discontinues tenancy in the Residential Property. The Association shall, upon request, provide the Tenant with written receipts for payments made. The Association shall mail written notice to the Owner of the Association's demand that the Tenant pay Monetary Obligations to the Association.

The liability of the Notified Tenant may not exceed the amount due from the Notified Tenant to the Owner. The Notified Tenant shall be given a credit against rents due to the Owner in the amount of Assessments paid to the Association.

After serving a Tenant Demand, if the Notified Tenant fails to pay any Monetary Obligation, the Association may issue notices under Section 83.56 of the Florida Statutes, and may sue for eviction under Sections 83.59-83.625 of the Florida Statutes, as if the Association were a landlord under Part II of Chapter 83 of the Florida Statutes. However, the Association is not otherwise considered a landlord under Chapter 83 of the Florida Statutes and specifically has no duties under Section 83.51 of the Florida Statutes.

A Tenant does not, by virtue of payment of Monetary Obligations, have any of the rights of the Owner of the Residential Property to vote in any election or to examine the books and records of the Association.

In the Board's discretion, the Association may suspend the voting rights of any Residential Property or Member for the non-payment of any Monetary Obligation (including, but not limited to, Assessments) due to the Association that is more than ninety (90) days delinquent. A voting interest or consent right allocated to any Residential Property or Member which has been suspended by the Association may not be counted towards the total number of voting interests for any purpose, including, but not limited to, the number of voting interests necessary to constitute a quorum, the number of voting interests required to conduct an election, or the number of voting interests required to approve an action under the Association Act or pursuant to the Governing Documents. Any suspension pursuant to this paragraph ends upon full payment of all Monetary Obligations currently due or overdue to the Association. Any suspensions to be imposed pursuant to this paragraph must be approved at a properly noticed Board meeting. If the Association imposes a suspension pursuant to this paragraph, the Association must provide written notice of such suspension by mail or hand delivery to the Member and, if applicable, to any affected Tenants, guests or other invitees of the Member's Residential Property.

Section 10. Subordination of the Lien to the Mortgages; Mortgagees' Rights. All liens for Assessments ("**Assessment Lien**") shall be prior to all other liens created except: (i) ad valorem real estate taxes and assessments levied by any governmental authority; (ii) any first- lien or first priority position permanent or construction Mortgage, expressly subject to the Association's right to collect Assessments from the holder of the Mortgage pursuant to Section 720.3085(2)(c) of the Association Act; and (iii) other liens which by law are superior to an Assessment Lien. To the fullest extent permitted by law, any Assessment Lien shall be prior to and superior in dignity to the Member's homestead status. A subsequent Member is jointly and severally liable with the previous Member for all unpaid Assessments that came due up to the time of transfer of title of the subject Residential Property; provided, however the liability of any Mortgagee, or its successor or assignee as a subsequent holder of a first-lien or first priority position permanent or construction Mortgage who acquires title to any Residential Property by foreclosure or deed in lieu of foreclosure, for the unpaid Assessments that became due before the Mortgagee's acquisition of title to the Residential Property, is limited to the lesser of the amounts stated in Section 720.3085(2)(c) of the Association Act. For the

purposes of this Section 11, the term "previous Member" shall not include the Association if the Association acquires title to a delinquent Residential Property through foreclosure or by deed in lieu of foreclosure. The previous Member's liability for unpaid Assessments is limited to any unpaid Assessments that accrued before the Association acquired title to the delinquent Residential Property through foreclosure or by deed in lieu of foreclosure. Notwithstanding anything to the contrary set forth herein, if any unpaid Assessments remain following transfer of title to the subject Residential Property to the Mortgagee, as provided above, such unpaid Assessments shall be a Common Expense collectible from Owners of all Residential Property subject to Assessment pursuant to this Declaration, including the acquiring Mortgagee, on a pro-rata basis. Notwithstanding anything to the contrary set forth herein, any such transfer of any Residential Property to a Mortgagee under this Section 11 or otherwise shall not relieve the transferor of such Residential Property from personal responsibility for any prior Assessments nor the Residential Property from the lien for Assessments thereafter falling due.

Section 11. Certificates of Status. The Association shall, upon demand at any time, and in compliance with Section 720.30851 of the Association Act, provide a certificate signed by an Officer or authorized agent of the Association stating all Assessments and other moneys owed to the Association by the subject Owner with respect to the subject Residential Property ("**Estoppel Certificate**"). The Association may charge a fee for the preparation of such certificate, and the amount of such fee must be stated on the certificate. Unless sold or conveyed by or to Declarant, no Residential Property may be sold or conveyed unless an Estoppel Certificate is obtained and all amounts set forth therein are paid prior to the sale or conveyance.

Section 12. Exempt Property. All Common Area, and any portions of the Property fee simple title to which is dedicated to and accepted by any governmental authority, shall be excepted and exempt from the Assessments, charges and liens created in this Article VIII.

IX. ARCHITECTURAL CONTROL

Section 1. Reservation of Architectural and Landscape Control. In order to ensure that the development of the Property will proceed pursuant to a uniform plan of development and construction and in accordance with consistent architectural, ecological, environmental and aesthetic standards, including any architectural or design guidelines or standards contained in any governmental permit, approval, ordinance, rule or regulation, or the like, applicable to the Property, including, but not limited to, the Lakes at Laurel Highlands Land Use Plan and Lakes at Laurel Highlands Design and Development Standards, Declarant shall have and hereby reserves exclusively unto itself for the duration hereinafter specified, the right, privilege, and authority to review, approve and control the design, placement, construction, erection and installation of any and all buildings, structures and other improvements of any kind, nature or description, including landscaping, upon all Residential Property and Common Area, including further, without limitation, approval of the identity of any and all persons or entities performing construction, reconstruction or repair work to such buildings, structures and other improvements. Declarant's approval of any of the foregoing items may be granted or withheld in the sole discretion of Declarant or its designee. In reviewing and acting upon any request for approval, Declarant or its designee shall be acting solely in the interest of the Declarant and shall owe no duty to any other person, including any Member or Owner. Such right and control of Declarant shall be exercised in the manner and pursuant to the same procedures as is hereinafter provided in this Article IX for the ARC. Declarant may elect to delegate the aforesaid right, privilege and authority to the Association, acting through the ARC. Notwithstanding the

foregoing, unless said delegation is stated to be irrevocable and is made via a document recorded in the Public Records, Declarant may rescind or revoke the delegation of this right, privilege and authority at any time, and for any reason or no reason, whereupon Declarant shall once again have the exclusive possession of such rights, power, duties and authority. Except as otherwise expressly set forth herein, the aforesaid right, privilege and authority shall remain with Declarant until Turnover. There shall be no prior surrender of the aforesaid right, privilege and authority except as provided in this Section 1.

Section 2. Architectural Review Committee. Upon the initial appointment of the ARC by Declarant, at Declarant's election, the Association shall thereafter at all times maintain an ARC, as an Association standing committee consisting of not less than three (3) persons, to perform the ARC functions described in this Declaration. Until the Turnover Meeting, Declarant shall have the right to set the number of and appoint (and remove and replace) all members of the ARC which, unless otherwise designated by Declarant from time to time, shall be the Directors. Upon expiration of the foregoing described right of the Declarant, or upon Declarant's earlier written relinquishment of the foregoing described right, each Director shall be required to be and shall be a member of the ARC.

The purpose of the ARC shall be to exercise the right, privilege and authority to review, approve and control the design, architecture, placement, construction, erection and installation of buildings, structures, other improvements, and trees/landscaping upon the Residential Property and Common Area, and all other parts of the Property on behalf of, or as delegated to the Association and ARC by, Declarant as described in Section 1 above, including, but not limited to, review and approval of plot plans and construction plans and specifications for all Residential Property in order to ensure that the Property is developed consistent with the terms and provisions of this Declaration and any Architectural Guidelines. Subject to the Declarant's, or Board's if delegated to the Association, discretionary review and approval of same, the ARC shall have the authority to promulgate, Rules and Regulations (including, but not limited to, the Architectural Guidelines) with respect to any aspect of the actions contemplated in this Declaration to be taken by the ARC. The ARC also has the right to elect, in its reasonable discretion, to waive, vary or modify standards or procedures (whether such standards and procedures are set forth in this Declaration, the Architectural Guidelines or in the Rules and Regulations adopted by the ARC pursuant to this Declaration) for the review and approval of plot plans or construction plans and specifications, etc., such waiver or modification, if given, to be in writing and signed by a majority of the members of the ARC. Refusal to approve plans, specifications, plot plans, etc., or any of them, may be based on any ground, including purely on aesthetic grounds, which in the sole and absolute discretion of the ARC are deemed sufficient. Any change in the exterior appearance of any building, wall, fencing or other structure or improvements, and any substantial change in the appearance of the landscaping, shall be deemed an alteration requiring ARC approval.

A meeting of the ARC occurs whenever a quorum of the ARC gathers to conduct Association business. All meetings of the ARC must be open to all Voting Members (and any Member seeking ARC approval or a decision by the ARC concerning said Member's Residential Property) except for meetings between the ARC and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Members of the ARC may not vote by proxy or by secret ballot. If and to the extent required by the laws of the State of Florida, the provisions of the Bylaws governing meetings of the Board shall likewise apply to meetings of the ARC; otherwise no particular formality is required for any of the ARC's proceedings, including any hearing, nor is any record required. A majority of the ARC may take any action the ARC is empowered to take, may designate a representative to act for the ARC and may

employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the ARC, a successor shall be appointed by the party (e.g., Declarant or the Board) that has a right to appoint the members of the ARC.

The ARC shall make a determination on each request or application within forty-five (45) days after receipt of a completed request/application and all information required by the ARC as part of the request/application process. The ARC may permit or require that a request/application be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submission stage. The ARC may (i) approve the request/application, with or without conditions; (ii) approve a portion of the request/application and disapprove other portions of the request/application; or (iii) disapprove the request/application; provided, however, that if the ARC disapproves the request/application, it shall state in writing the reason for such denial.

Section 3. Residential Property. No building, wall, fence or other structure or improvement of any kind or nature shall be commenced, erected, placed, repaired, modified or altered on any Residential Property until plans and specifications depicting such matters as building elevations, landscaping, building materials and colors for improvements to be constructed within the Residential Property ("**Parcel Plan**"), have been approved in writing by the ARC. In order to seek ARC approval, the person intending to make the improvements must submit a Parcel Plan to the ARC, which Parcel Plan must include: (i) a plot plan for the Residential Property showing the location on the Residential Property of all improvements, existing or proposed, and (ii) the construction plans and specifications showing such things as building elevations (for all exterior walls), materials (including size and quantity information) and colors.

Unless otherwise approved by the ARC in writing, construction of improvements must be commenced not later than twelve (12) months from the date that the ARC issues its written approval of the final Parcel Plan therefor. If construction has not commenced within such time period, the previously approved Parcel Plan must once again be submitted and approved by the ARC in accordance with this Article IX and any prior approval of same by the ARC shall no longer be binding on the Association. Upon commencement of such construction, such construction must be prosecuted diligently, continuously, and without interruption or delay to full completion within a reasonable period of time, but in no event longer than eighteen (18) months from the date of commencement of such construction. The ARC, however, shall have the power and authority to extend the period permitted for completion of construction; provided, however, that the Owner and any contractor or Builder involved makes written application for such extension stating the reasons for the requested extension of time and provided further that the ARC, in its reasonable discretion, determines that the request is reasonable and that the extension is appropriate and warranted under the conditions then existing.

Section 4. ARC Fees; Assistance. The ARC shall be entitled to charge submittal, review and processing fees for each submittal and resubmittal received by it. The ARC may employ architects, engineers or other professionals, as deemed necessary, to perform the reviews contemplated in this Article IX and shall be entitled to include in its fees the reasonable costs incurred to retain such architects, engineers or other professionals.

Section 5. Architectural Guidelines. The ARC shall have the authority, from time to time, to adopt and thereafter amend architectural guidelines which contain general and specific criteria, guidelines, and other provisions applicable to, and which must be satisfied in connection with, development, construction, and modification of the Property and the ARC's approval thereof

and any improvements and trees/landscaping, including, but not limited to, any Residential Property ("**Architectural Guidelines**"); which Architectural Guidelines may not conflict with any provisions of this Declaration. The ARC shall make the Architectural Guidelines available to Owners who seek to engage in development or construction within the Property. The ARC shall have the sole and absolute authority to amend the Architectural Guidelines, which amendments shall be prospective only and shall not apply to, require modifications to, or removal of, structures or improvements previously approved by the ARC, provided that construction or modification of such structure or improvement has actually commenced in the time period required hereunder. There shall be no limitation on the scope of amendments to the Architectural Guidelines, and such amendments may remove requirements previously imposed by the Architectural Guidelines, or otherwise make the Architectural Guidelines less restrictive. The Architectural Guidelines are intended to provide guidance to Owners regarding matters of particular concern to the ARC in accepting and considering applications hereunder. The Architectural Guidelines are not the exclusive basis for decisions of the ARC and compliance with the Architectural Guidelines does not guarantee approval of any application. In addition to the Architectural Guidelines, any improvements constructed upon the Property, including, but limited to, any Residential Property, must comply with all of the covenants and restrictions contained in this Declaration (however, such compliance does not automatically entitle an applicant to ARC approval of its planned improvement).

Section 6. Inspection and Non-compliance. The ARC shall have the right to enter upon and inspect any Residential Property at any time prior to, during, or after the construction or alteration of improvements on such Residential Property to ensure compliance with its approvals and requirements. If, during the inspection, the ARC finds that the work was not performed, or the improvements were not constructed, in substantial compliance with the Parcel Plan approved by the ARC; or if during subsequent inspection the ARC notes that previously inspected improvements are not being maintained in compliance with the ARC's approvals and requirements or with the aesthetic standards or other standards imposed by the ARC, then the ARC shall notify the Owner in writing of such non-compliance. Such written notice shall specify the particular areas of non-compliance and shall demand that the Owner immediately bring such improvements into compliance.

Section 7. Enforcement. If an Owner shall have failed to remedy a non-compliance within thirty (30) days from the date of the notice described in the previous Section 6, the ARC shall notify the Board in writing of such failure. The Board may demand that the Owner remedy or remove the non-complying improvements within a period of not more than fifteen (15) days from the date of such demand. If the Owner does not comply within that period, the Board, in its sole discretion, may pursue the remedies set forth in Article XVII, Section 11 hereof, and if the Board so acts, the Owner shall reimburse the Association for all expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees, legal fees and other costs and expenses of litigation connected therewith, which fees and costs, and expenses shall include those caused by reason of any appellate proceeding, re-hearing, appeal, post-judgment action, or otherwise. If such costs, expenses, and fees are not promptly reimbursed, the Board shall levy a Special Assessment or Individual Assessment against the Residential Property upon which the non-complying improvement is or was located. In addition to the above, the Association may exercise any other rights or remedies available to it under this Declaration or under Florida law.

Section 8. No Liability for Actions. Neither the ARC, the Declarant, the Association, the Board, nor any of their members, officers, directors or duly authorized representatives, shall be liable to any person or entity for any loss, damage, injury or inconvenience arising out of or in any way connected with the performance or non-performance of the ARC's duties under this Declaration.

Section 9. No Waiver. If, for any reason, the ARC fails to notify an Owner of any noncompliance under this Article IX, such failure shall not relieve the Owner from the requirements to comply with all provisions of this Article IX and the Declaration.

Section 10. Exemption of Declarant. Declarant, prior to and after Turnover, shall at times be exempt from the provisions of this Article IX and shall never be obligated to obtain ARC approval for any construction or change in construction or alterations to improvements that Declarant may elect to make at any time. Declarant, may, at its sole option, for so long as there is a Class C Membership in the Association, by written documentation executed by Declarant, exempt Owners from the provisions of this Article IX and the ARC approval requirements.

X. RESTRICTIVE COVENANTS

Section 1. Applicability. This Article X contains restrictive covenants applicable to the use of all or certain portions of the Property, as more particularly set forth herein ("Use Restrictions"). All Owners are hereby given notice that use of the Residential Property and the Common Area is bound, restricted and limited by the Use Restrictions, as they may be amended, expanded and otherwise modified consistent with the provisions of this Article X. Each Owner, by acceptance of a deed for any portion of the Property, hereby acknowledges and agrees that the use and enjoyment and marketability of the Residential Property can be affected by the Use Restrictions and that the Use Restrictions may change from time to time, and all purchasers of any portion of the Property are hereby placed on notice that the Use Restrictions as initially set forth in this Article X may have been amended, expanded or otherwise modified. The Use Restrictions shall never be applicable to those portions of the Property then owned by Declarant, but shall be applicable to such portions of the Property immediately upon conveyance thereof by Declarant. The Use Restrictions do not, however, constitute all restrictions, restraints, criteria, conditions or constraints associated with development and construction of the Property, as the Property is also subject to all restrictions, restraints, criteria, conditions and constraints as are set forth in any and all permits or approvals applicable to development and construction of the Property, including, but not limited to, all such restrictions, criteria, conditions and constraints set forth in any Recorded Plat or PSP/DP.

Section 2. Approved Builders. All construction, reconstruction and repair work upon any Residential Property shall be performed by a licensed building contractor approved by the Declarant or the ARC. If a Residential Property has been sold to an approved contractor, any subsequent purchaser shall be required to comply with this paragraph.

Section 3. Land Use and Building Type. No Lot, nor building on a Lot, shall be used for any purpose other than residential purposes and no Lot shall have more than one (1) Dwelling constructed thereon. Notwithstanding the foregoing, an Owner or lawful Tenant of a completed Dwelling situated upon a Lot may use a single room within the dwelling as an office for conducting business as long as the business: (A) does not involve or require regular visitation of the Lot or Dwelling by clients, customers, suppliers, service providers, or other business invitees, or door-to-door solicitation within the Property; (B) does not include the manufacture or distribution of any products or goods in the Dwelling or on or from the subject Lot; (C) is not apparent or detectable by sight, sound, or smell from outside the Dwelling; (D) complies with applicable land use and zoning requirements; and (E) is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others within the Community, as determined from time to time in the Board's sole discretion. No signs shall

be placed on any Dwelling or Lot which identifies the Dwelling or Lot as a place of business. For purposes of this Section 3, "(B)usiness" shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of monetary or non-monetary consideration, regardless of whether: (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. This Section 3 shall not apply to restrict Declarant's, or Declarant's affiliates activities, nor shall it restrict the activities of persons or entities Declarant approves of with respect to the development and marketing/sale of property within the Community. This Section 3 also shall not apply to Association activities related to the provision of services or to operating and maintaining the Community, including the Community's recreational and other amenities. Leasing a Dwelling is not a "business" within the meaning of this Section 3. No daycare, child care, or assisted living/hospice facilities are permitted to be operated from any Dwelling situated upon any Lot. Temporary uses of Lots by Declarant and its affiliates or assigns (including Builders as may be designated by Declarant from time to time) for model homes, sales displays, parking lots, sales offices, and other offices, or any one or combination of such uses, shall be permitted until permanent cessation of such uses takes place. No changes may be made in buildings erected on Lots by Declarant or its affiliates (except if such changes are made by Declarant) without the consent of the ARC as provided herein.

Section 4. Maintenance. Each Owner shall maintain its Residential Property, including all landscaping and improvements, in a manner consistent with this Declaration, the Rules and Regulations, and the Community-Wide-Standard, including but not limited to, maintaining and irrigating lawns and landscaping lying between the boundary of such Owner's Residential Property and any public right-of-way or any Community wall or fence; provided, however, that no Owner shall remove any trees, shrubs or other vegetation from these areas outside of such Owner's Residential Property without the prior written approval of the Association.

Section 5. Use of Utility Easement Areas. Utilities easements are reserved as shown on the Recorded Plats, as provided in this Declaration, or as established by standalone easement documents recorded in the Public Records. No structure, improvement, tree, planting or other material may be placed or permitted in the easement areas that will interfere with or prevent the maintenance of the benefitted utilities. The area of each Residential Property included within such easement areas shall be maintained continuously by the Owner of the Residential Property, except as may be provided herein to the contrary, and except for installations for which a public authority, agency, or utility company is responsible. All utilities and lines within the Property, whether in street rights-of-way or in utility easements, shall be installed and maintained underground.

Section 6. Restriction Against Short Term Rentals. There shall be no "short term" leasing or rentals of any dwellings, or portions thereof, on any Lot. For purposes of this Declaration, a "short term" lease or rental shall be defined as any rental for a period of less than six (6) full calendar months. Should an Owner enter into a lease or rental, and said lease or rental shall terminate or expire earlier than stated therein, then Owner may only enter into one more lease or rental in the calendar year in which the previous lease or rental terminated or expired. Upon execution of a lease or rental agreement, Owner shall provide a fully executed copy to Association.

Section 7. Height / Minimum Square Footage. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one (1) Residence not to exceed the maximum height permitted by the City, with air conditioned living area of not less than the minimum square

footage required by the City, nor greater than the maximum square footage permitted by the City, all based upon the size of the Lot. For purposes of this Declaration, the size of a Lot shall be measured based on the width of the Lot at its front yard building setback line.

Section 8. Garages. A private enclosed garage for not less than two (2) cars, with a minimum of one single overhead door, must be constructed and maintained at all times in conjunction with any Residence constructed on each Lot. No garage may be constructed on a Lot unless the ARC has first approved the plans nor prior to the construction of a Residence on the Lot. All garage doors must remain closed at all times, save and except only for the temporary opening of the same in connection with the ingress and egress of vehicles and the loading or placement and unloading or removal of other items customarily kept or stored in a garage.

Section 9. Driveways and Sidewalks. All Lot driveways must be constructed of materials approved by the ARC from time to time, and must be the minimum width required by the PSP/DP, the City, and the permits and approvals for construction of the subject Dwelling. All driveways shall be continuously maintained from the garage front to the street/alley abutting the Lot. When curbs are required to be broken for driveway entrances, the curb shall be repaired in a neat and orderly fashion and in such a way as to be acceptable to the ARC.

Section 10. Additional Structures. No outbuilding, garage, tool or other storage room, shed, barn, trailer, temporary building, or other auxiliary structures or improvements may be constructed on any Lot separate and apart from the subject Residence.

Section 11. Walls, Fences, Hedges and Hurricane Panels. No fence, wall or other similar structure or improvement shall be erected or replaced on any Lot unless the materials, color, and style are in accordance with such standards and criteria as may be adopted by the ARC and the location and dimensions thereof are approved by the ARC. The ARC shall have the right to adopt such standards and criteria as it deems advisable in regard to the location and height of and colors and materials for any fences installed within any Residential Property. All fences shall have a four foot (4') wide self-closing gate, unless otherwise approved, in writing, by the ARC. As of the Effective Date, and until changed by the ARC, fences shall be limited to enclosing the rear yards of Lots only and such fences shall be constructed only of materials and of a style approved by the ARC. In the event that front yard fencing is ever approved by the ARC, any such fencing shall be in compliance with the City Use Restrictions. No Owner shall make or permit any opening to be made in any Declarant or Association erected wall or fence, except as such opening is installed by Declarant or the Association. No building wall or masonry wall or fence, or any associated landscaping or buffer improvements installed during the initial development and construction of the Property, shall be demolished or removed without the prior written consent of Declarant and the ARC. Declarant shall have the right, but not the obligation to assign all or any portion of its rights and privileges under this Section 12 to the Association or to any Builder, concerning any portion of the Residential Property owned by said Builder. Any dispute as to height, length, type, style, design, composition or material of or concerning any fence, wall or other similar structure or improvement on or about any part of the Property shall be resolved by the ARC, whose decision shall be final. Unless applicable law otherwise expressly permits the permanent affixing of same, hurricane or storm shutters and other protective materials may only be used on a temporary basis, and shall not be stored on the exterior of any Residence.

Notwithstanding anything to the contrary set forth in this Section 12 or elsewhere herein, before or after the construction of a Dwelling thereon by Declarant, a Builder, or the subject Owner,

Declarant may elect to install or cause to be installed one or more perimeter fences on or along the back or rear lot line of certain Lots (each, a "**Lot Fence**"). After such installation, a Lot Fence may not be removed, moved, relocated, or modified, except during any "Lot Fence Maintenance" (as that term is defined below) that necessarily requires the temporary removal or the replacement of the Lot Fence, provided that the Lot Fence is put or placed back in the same location and position at the conclusion of such Lot Fence Maintenance. The Owner of the Lot upon which the Lot Fence is located shall be responsible for the maintenance, repair, restoration, and replacement of the portion of the Lot Fence located upon said Owner's Lot (collectively, "**Lot Fence Maintenance**"), in accordance with the Community-Wide Standard, pursuant to Section 14.A, below. If the Lot Fence is installed between two Lots, then, and notwithstanding anything in the foregoing to the contrary, the Lot Fence shall be treated as a party structure pursuant to Section 15 below, and the Lot Fence Maintenance shall be shared between the Owners of such adjoining Lots consistent with said Section 15. As provided elsewhere herein, if an Owner fails to properly and timely perform any necessary or required Lot Fence Maintenance as to the subject Lot Fence, Declarant or the Association may elect to perform such Lot Fence Maintenance, and thereafter levy a Special Assessment or Individual Assessment against the subject Owner or Lot to reimburse Declarant or the Association for costs incurred in connection therewith.

Section 12. Landscaping. A comprehensive landscaping plan for each Lot, building, and improvement to be constructed thereon, consistent with the overall Landscape Plan, must be submitted to and approved by the ARC ("**Parcel Landscape Plan**"). Unless the ARC finds that extenuating circumstances exist, the ARC shall not be required to consider or approve any Parcel Landscape Plan that does not include elements such as sod, trees, shrubs, ground cover, and full irrigation systems in front yards, side yards, rear yards and between the sidewalks and roadway curbs. Sod will be required on all yards. Each Owner, by acquisition of a Residential Property, is deemed to acknowledge that any Parcel Landscape Plan for an individual Lot approved by the ARC shall be prepared and approved reflecting elements of a Xeriscape or Florida-friendly landscape landscaping plan designed and constructed in accordance with the definition of such terms in Section 737.185 of the Florida Statutes, and, therefore, in recognition of the foregoing, no owner of any Lot may make any changes to the approved Parcel Landscape Plan for such Lot, including, but not limited to, any additions thereto, or removals therefrom, as originally approved by the ARC. No original landscaping, trees, street trees, shrubbery, grass, etc., installed by the Declarant or otherwise originally approved by the ARC, shall be removed from a Lot without the ARC's prior approval and the ARC's prior approval of a replacement Parcel Landscape Plan. If any such original landscaping, trees, street trees, shrubbery, grass, etc., should become diseased, damaged (via the elements or otherwise), unsightly (taking into account, however, the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained), or die, they must be promptly replaced by the Lot Owner with the same species, type, size, etc., of landscaping, trees, street trees, shrubbery, grass, etc., unless otherwise approved by the ARC. No landscape bed layout installed by the Declarant or otherwise originally approved by the ARC may be removed, altered, or changed, without the prior approval by the ARC of a replacement landscape bed layout plan.

Section 13. Maintenance. Except as and to the extent that maintenance obligations are specifically assigned to and performed by the Association, each Owner shall maintain its Residential Property, including all landscaping and improvements, in a manner consistent with this Declaration, the Rules and Regulations, and the Community-Wide Standard, including, but not limited to, maintaining and irrigating lawns and landscaping lying between the boundary of such Owner's Residential Property and any public right-of-way or any Community wall or fence; provided,

however, that no Owner shall remove any trees, shrubs or other vegetation from these areas outside such Owner's Residential Property without the prior written approval of the Association.

Section 14. Reclaimed Water. Reclaimed water may, as required by the County or at the option of Declarant or the Association, after Turnover, be provided and used for irrigation to the Community. At such time as reclaimed water becomes available to a Lot, the Owner of the Lot shall be required to use the reclaimed water, and the provision of the reclaimed water, and charges applicable to the use thereof, shall be paid by the Owner as set forth in Section 9 of Article XVII hereof.

Section 15. Shared Structures. Each wall, fence or similar structure built as part of the original construction on the Lots that serves and/or separates any two (2) adjoining Lots shall constitute a party structure. To the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party structures and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Each Owner that shares a party structure shall share equally the cost of repair and maintenance of such structure; provided, however, that each Owner shall be responsible to perform routine maintenance, cleaning and painting to its side of the party structure. If a party structure is destroyed or damaged by fire or other casualty, any Owner that shares the party structure may restore it, and the Owner performing such restoration to such party structure shall have the right to receive from each other Owner sharing such party structure such other Owner's proportionate share of the costs and expenses incurred in connection with such restoration. The right of an Owner to contribution from any other Owner under this Section 15 shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 16. Mailboxes. No mailbox or paper box or other receptacle of any kind for use in the delivery of mail or newspapers or magazines or similar materials shall be erected on any Residential Property. In connection with the development of each Residential Property, the United States Postal Service ("USPS") requires the use of cluster box units approved by the USPS ("CBUs") for the purpose of centralized mail delivery by the USPS ("**Centralized Mail Delivery**") to the Lots. In connection with the foregoing, the Property shall be developed with concrete slabs on, as applicable, Common Area or Limited Common Area to accommodate the subject CBUs. Unless otherwise undertaken by the USPS from time to time, the Association, as determined necessary by the Board, and, as applicable, at Common Expense or Limited Common Area Expense, shall be responsible for the routine maintenance, repair, and replacement of the aforementioned concrete slabs and all CBUs, all in accordance with any applicable requirements, rules, policies, and guidelines of the USPS. Notwithstanding the foregoing, neither Declarant nor the Association shall ever be responsible for the safety or security of any CBUs or any mailboxes or parcel compartments contained therein. Each Owner and Member acknowledges and agrees their Lot will be serviced by CBUs, meaning that all mail delivery to said Lot by the USPS will be done via the mailboxes or parcel compartments contained within the CBUs, as opposed to individual, curbside mailboxes for said Lot.

Section 17. Utility Connections. All connections for utilities including, but not limited to, potable water, reclaimed water, sewerage, electricity, gas, telephone and television shall be run underground from the proper connecting points to the improvement in such a manner to be acceptable to the governing utility authority.

Section 18. Pets, Livestock and Poultry. No livestock, poultry or animals of any kind, character, nature or description shall be kept, bred or raised on or upon any Lot; provided, however, that household, domesticated pets as allowed by the City ordinances, as appropriate, may be kept on each Lot so long as they are not kept, raised, or maintained thereon for any business or commercial purposes, provided that they do not become a nuisance or annoyance, and provided that no more than three (3) domesticated pets may be kept on any Lot at any one time. The keeping of pets shall be governed by Rules and Regulations.

Section 19. Commercial Trucks, Trailers, Campers and Boats. No commercial vehicle, recreational vehicle (including, but not limited to, personal water craft, all-terrain vehicles, two-wheeled dirt bike motorcycles and boats), camper, mobile home, motor home, boat, house trailer, boat trailer or trailer of any other description, shall be permitted to be parked or to be stored at any place on any Residential Property, unless Declarant designates specifically certain spaces for some or all of the above, in which case Declarant or the Association may charge for the use of such spaces. Provision for temporary visitation may be established by the ARC. This prohibition of parking shall not apply to temporary parking of commercial vehicles, such as for pick-up and delivery and other commercial services, nor to vehicles for personal use (including personal water craft, recreational vehicles, boats and boat trailers) which are stored within enclosed garages and are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time), nor to any vehicles of Declarant or its affiliates or any building contractor designated by Declarant in writing.

No vehicle, regardless of whether it would otherwise be permitted to be parked on any Lot or other part of the Property, shall be permitted to be parked on any Lot (unless stored in a garage and out of view) or other part of the Property if such vehicle is not fully functioning and operational, currently registered by the State of Florida or another U.S. state, and currently tagged (with a license plate(s) affixed in the proper place(s) on said vehicle) by the State of Florida or such other U.S. state in which the vehicle is registered.

No vehicles commonly known as "three-wheelers", "two-wheel dirt bikes", "all-terrain vehicles", or "go carts" or any other form of similar motorized transportation shall be operated on the Property.

As long as the provisions of Section 715.07 of the Florida Statutes are complied with, any vehicle parked in violation of these or other restrictions contained herein, or in the Rules and Regulations, may be towed by the Association at the sole expense of the owner of such vehicle, if such vehicle remains in violation for a period of twenty-four (24) hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the Owner to receive it for any other reasons, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes, personal water craft, all-terrain vehicles, boats and trailers; and an affidavit of the person posting such notice stating that it was properly posted shall be conclusive evidence of proper posting.

Notwithstanding anything in the foregoing to the contrary, each Lot shall have a garage large enough to accommodate at least two (2) cars. Garage doors shall remain in operating condition and shall remain in the down position at all times, except when moving cars or transporting items to and from the Lot through the garage.

Section 20. Outdoor Drying. No clothing, laundry or wash shall be aired or dried outside of any building structure on any Lot, unless such clothing, laundry, wash and drying apparatus are fully screened from view from adjacent property and streets by fencing or landscaping. Such clothing, laundry, or wash shall not be placed outside before sunrise and shall be removed from the exterior of the Lot by sunset each day.

Section 21. Unit Air Conditioners, Screening of Equipment and Reflective Materials. No air conditioning units may be mounted through windows or walls unless approved by the ARC. No building shall have any aluminum foil placed in any window or glass door or any reflective substance or other materials (except standard window treatments) placed on any glass, except such as may be approved by the ARC for energy conservation purposes. All air conditioning units, l.p. tanks, and pool pumps and other equipment located on Lots must be screened from view from the adjacent street by a thirty inch (30") high shrub or brick, stone, masonry wall (stuccoed) or fence approved by the ARC, or if the rear yard of the Lot abuts a water retention area or pond, then screened from view from the water retention area or pond by appropriate landscaping or brick, stone, masonry wall (stuccoed) or fence approved by the ARC. All such fences and walls shall be properly maintained by Owner. Unless installed by Declarant, or approved by the ARC, the placement of air conditioning units in side yards is not permitted.

Section 22. Exterior Antennas. No exterior antennas and no citizen band or short wave antennas or satellite dishes in excess of eighteen inches (18") in diameter shall be permitted on any Lot or improvement thereon, except that Declarant and its affiliates shall have the right to install and maintain Community antenna, microwave antenna, dishes, satellite antenna and radio, television and security lines. The location of any approved satellite dish must be approved by the ARC, which may require appropriate screening; provided, however, that the satellite dish shall be allowed in the least obtrusive location where the satellite signal may be received.

Section 23. Chain Link Fences. No chain link, hog wire, or barb-wire fences shall be permitted on any Residential Property or portion thereof, unless installed by Declarant or its affiliates during construction periods.

Section 24. Skateboard Ramps. No ramps or other structures for skateboards, roller blades, scooters or similar equipment shall be permitted on the Property at any time.

Section 25. Solar Heating Panels. For aesthetic purposes, and to the maximum extent permitted by Section 163.04 of the Florida Statutes, the location, type and design of solar heating panels must be approved by the ARC prior to installation, which may require landscape screening.

Section 26. Basketball Goals and Equipment. No basketball goals, backboards, poles or other equipment may be installed, located or maintained on any Lot other than temporary basketball goals which are used on driveways and which must be stored inside a garage or other permitted structure on a Lot when not in use.

Section 27. Children's Play Structures. Prior to placement on any Lot, the location of any children's play structure, whether temporary or permanent, shall be approved by the ARC in its sole discretion. Children's play structures shall not have any material coverings or canopies except those approved by the ARC, which may require a specific type, design, material and color. The ARC, in its sole discretion, may require children's play structures to be partially screened by landscaping, trees,

fences or walls. Playground structures must be positioned in the rear yard of the Residence and no closer than ten feet (10') from the rear or side property line.

Section 28. Outside Storage and Storage Sheds. Outside storage or storage sheds or similar structures are not permitted on any Lot.

Section 29. Owner's Obligation to Rebuild. If all or any portion of a structure on any Lot is damaged or destroyed by fire or other casualty, it shall be the duty of the Owner thereof, with all due diligence, to rebuild, repair, or reconstruct such structure in a manner which will substantially restore it to its appearance and condition immediately prior to the casualty. Reconstruction that is the responsibility of the Owner hereunder, shall be undertaken within two (2) months after the damage occurs, unless prevented by governmental authority, in which case reconstruction shall be undertaken within the time allowed or required by the governmental authority. Once commenced, reconstruction shall be diligently and continuously undertaken and pursued so that reconstruction is complete no later than twelve (12) months after it commenced.

Section 30. Soliciting. No soliciting shall be allowed at any time within the Property.

Section 31. Drainage. All stormwater from any Lot shall drain into or onto contiguous or adjacent street rights-of-way, drainage easements, or retention areas, all in accordance with the applicable governmental approvals. Stormwater from any Lot shall not be permitted or allowed to drain or flow unnaturally onto, over, under, across or under any contiguous or adjacent Lot unless a drainage easement shall exist for same and same is done in accordance with any and all applicable governmental permits and approvals. All work done on any Lot affecting or pertaining to the Lot grade, original drainage plan, the flow of surface water, stormwater drainage, the alteration or removal of any drainage or environmental berm or swale or any storm berm or swale, must be in accordance with the site grading and drainage plans for the Lot as approved by the City.

Section 32. Flags. Display of flags is permitted on Lots only as and to the extent expressly permitted pursuant to this Section 32. Each Lot Owner may display one portable, removable United States flag or official flag of the State of Florida in a respectful manner, and one portable, removable official flag, in a respectful manner, not larger than 4.5 feet by 6 feet, which flag represents the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, or a POW-MIA flag. Each Lot Owner may erect a single freestanding flagpole no more than 20 feet high on any portion of the said Owner's Lot ("**Flagpole**"), provided the Flagpole does not obstruct sightlines at intersections and is not erected within or upon any easement area established, granted, or reserved pursuant to this Declaration or otherwise. Each Lot Owner may further display in a respectful manner from the Flagpole, one official United States flag, not larger than 4.5 feet by 6 feet, and may additionally display one official flag of the State of Florida or the United States Army, Navy, Air Force, Marines, or Coast Guard, or a POW-MIA flag. Such additional flag of the State of Florida or the United States Army, Navy, Air Force, Marines, or Coast Guard, or a POW-MIA flag, must be equal in size to or smaller than the United States flag. In addition to the foregoing, each Lot Owner may display either one (1) 2-sided decorative house flag or banner, or one (1) 2-sided decorative garden flag or banner, not larger than 29" wide x 44" long. Any such decorative flag or banner may only be displayed via a standard decorative neutral color flag pole or stand; must be professionally made of nylon, denier polyester, or similar material; must be in good condition, good taste, and not unsightly; unless installed by Declarant or approved in advance by Declarant, may not be used in connection with, as applicable, the advertising, advocating, promotion, marketing, sale, or leasing of the Property, the Community, any Lot, Dwelling, Member, Owner, Builder, product, good, service,

business, real or personal property, or political party, candidate, or cause; and may not directly or indirectly, in anyway whatsoever, defame or cast negative light on or upon the Declarant, the Association, any Builder, the Community, the Property, any Lot, Dwelling, Member, Owner, product, good, service, business, real or personal property, or political party, candidate, or cause. Any holiday (e.g., Thanksgiving, Christmas, etc.) or seasonal (e.g., Spring) decorative flags and banners shall be subject to any Rules and Regulations regarding the time periods during which such flags and banners may be displayed. The Flagpole and aforementioned displays are subject at all times to the Community-Wide Standard, all building codes, zoning setbacks, and other applicable governmental regulations, including, but not limited to, noise and lighting ordinances of the City, and to all setback and locational criteria set forth in the Governing Documents.

Section 33. Solar Equipment. No solar heating equipment or devices are permitted outside of any enclosed structure on any Lot, except such devices whose installation and use is protected by federal or Florida law. Notwithstanding such protection, an application for such equipment or device must be submitted for approval to the ARC prior to installation and approval and will be granted only if: (i) such equipment or device is designed for minimal visual intrusion when installed (*i.e.*, is located in a manner which minimizes visibility from the street or any adjacent Lot and is consistent with the Community-Wide Standard); and (ii) the equipment or device complies to the maximum extent feasible with the ARC requirements. Without limiting the foregoing, Declarant or the ARC may determine the specific location where solar collectors may be installed on the roof of any Dwelling or building within an orientation to the south or within 45 degrees east or west of due south if such determination does not impair the effective operation of the solar collectors.

Section 34. Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, except in covered containers of a type, size and style which are pre-approved by the ARC. Such containers shall be screened from view from outside of the Lot except when they are being made available for collection. Containers transported and made available for collection shall not be placed at any Lot curb or outside any Dwelling earlier than 6:00 p.m. on the evening prior to the scheduled pickup, and must be retrieved and returned to storage inside the Dwelling by no later than 9:00 a.m. on the date after the pickup occurs. Rubbish, trash and garbage must be removed from all Residential Property and may not be permitted to accumulate on any Residential Property. Outdoor incinerators may not be kept or maintained on any Residential Property. Notwithstanding anything to the contrary set forth above in this Section 34, if required by the City in connection with the development of the Community, Declarant shall establish, on Common Area or otherwise, a centralized garbage collection and recycling facility (collectively, "**Garbage Facility**") at or near the main entrance of the Community, all in accordance with the City's requirements regarding establishment of the Garbage Facility. After Declarant establishes and constructs the same, the administration, regulation, care, maintenance, repair, restoration, replacement, insuring, preservation and protection of the Garbage Facility, regardless of whether or not the same is located on Common Area, shall be done by the Association at Common Expense, all in accordance with the City's requirements regarding same. Rules and Regulations may be promulgated from time to time regarding the use of the Garbage Facility.

Section 35. Spa and Pool Equipment. All spa and pool equipment stored on any Lot shall be blocked from view from outside the Lot. No above ground pools shall be installed on any Lot.

Section 36. Street Lighting. Street lighting within the Community shall be provided in accordance with City subdivision regulations, and shall be maintained by the City or other appropriate utility provider, its successors or assigns.

Section 37. Signs. No sign of any kind shall be displayed to the public view from any Lot or improvement thereon, except any sign used by Declarant to advertise the Declarant's or Builder(s)' Company, project, sales or other matters during the construction and sales period. No sign of any kind shall be permitted to be placed inside a Dwelling or on the outside walls of the Dwelling so as to be visible from the exterior, nor on any Common Area, nor on any dedicated streets, drainage easement areas, or any other dedicated areas, nor in any entryways, nor on or within any vehicles within the Property, except such as are placed by Declarant. Notwithstanding the foregoing, an Owner may display a sign of reasonable size provided by a contractor for security services within ten (10) feet of any entrance to the Owner's Residence.

Section 38. Window Treatments. Window treatments within any Dwelling shall consist of drapery, blinds, decorative panels, or other window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an Owner or Tenant first moves into a Dwelling or while permanent window treatments are being cleaned, replaced, or repaired. No security bars shall be placed on the windows of any Dwelling without prior written approval of the ARC; no awnings, canopies or shutters shall be affixed to the exterior of a Dwelling without the prior written approval of the ARC; and no reflective tinting or mirror finishes on windows on any Dwelling shall be permitted unless approved by the ARC.

Section 39. Lakes and Ponds. No fishing, boating, swimming or any other type of activity (commercial or recreational) shall be permitted in the lakes or ponds located within or adjacent to the Residential Parcels, except (i) for fishing from the community dock constituting part of the Common Area of the Community, and then subject to and only in compliance with applicable Rules and Regulations, and (ii) for repair or maintenance activities as required under any District Permit or otherwise under this Declaration. Furthermore, neither Declarant nor the Association (hereinafter, a "**Disclaiming Party**") shall ever bear any responsibility or obligation whatsoever to try to or attempt to adjust, modify, or otherwise influence the water levels of the lakes or ponds, since such levels, at all times, are subject to seasonal groundwater and rainfall fluctuations and to other events of nature and Acts of God that are beyond the control of any Disclaiming Party. Each Owner and each other person having an interest in or lien upon or making any use of any portion of the Residential Property, acknowledges and agrees that the water levels of the lakes or ponds may vary greatly from time to time. There is no representation or guarantee of any kind, character, nature, whatsoever, by any Disclaiming Party that water levels will be constant or aesthetically pleasing at any particular time; at times, such water levels may in fact be nonexistent. Each Owner and each other person having an interest in or lien upon or making any use of any portion of the Residential Property, shall be bound by this Section 40 and shall be deemed to have automatically and irrevocably waived any and all rights, claims, demands, and causes of action against each and every Disclaiming Party and arising from or connected with any matter for which the liability, responsibility, duty, or obligation of the Disclaiming Parties have been disclaimed in this Section 40.

Section 40. Disclosure of Proximate Railroad and Airport Facilities. THE PROPERTY IS LOCATED NEAR OR ADJACENT TO (I) AN AIRPORT AND (II) CERTAIN RAILROAD TRACKS AND RELATED FACILITIES, AND THE COMMUNITY MAY BE LOCATED WITHIN THE FLIGHT PATH OF PLANES ARRIVING TO AND DEPARTING FROM SAID AIRPORT. AIR TRAFFIC AND TRAINS GENERATE NOISE THAT WILL BE AUDIBLE FROM TIME TO TIME WITHIN THE COMMUNITY, AND WHICH NOISE MAY BE OR BECOME AN IRRITATION IN THE COMMUNITY. EACH OWNER HEREBY ACKNOWLEDGES AND AGREES THAT IT IS ACQUIRING ITS RESIDENTIAL PROPERTY

WITH KNOWLEDGE OF THE PROXIMITY OF THE AIRPORT AND FLIGHT PATH AND RAILROAD FACILITIES, AS WELL AS THE NOISE IMPACTS GENERATED THEREBY, AND HEREBY RELEASES DECLARANT AND ANY BUILDER FROM ANY AND ALL DEMANDS, ACTIONS, CAUSES OF ACTION, SUITS, JUDGMENTS, CLAIMS, LIABILITIES OR DAMAGES ARISING THEREFROM, OR RELATED THERETO.

Section 41. Amendment to Use Restrictions. In furtherance of the purposes of this Declaration, Declarant acknowledges the need for an ability to respond to unforeseen problems, changes in circumstances, conditions, needs, desires, trends and technology which affect the Property and Owners, and in furtherance thereof, Declarant hereby establishes that the Association shall have the ability to enact, modify, expand, create exceptions to, limit, cancel and/or otherwise amend the Use Restrictions (for purposes of this Article X, hereinafter an "**Amendment**"), all upon the terms and conditions as set forth in this Article X. Notwithstanding anything in the foregoing to the contrary, no Amendment shall be permitted without the express written consent of the Declarant for so long as the Declarant shall own at least five percent (5%) of the total number of Lots and Units. Additionally, no Amendment may be made in violation of the following provisions, except as may be specifically provided in this Declaration:

A. Similarly situated Owners shall, to the extent reasonably practicable, be treated similarly.

B. No Amendment may abridge the rights of Owners to display religious and holiday signs, symbols and decorations inside Dwellings or on their Lots generally; provided, however, that the Board may, from time to time, as necessary, adopt reasonable size, location, time, place, manner, and other Rules and Regulations with respect to all such displays, which Rules and Regulations may include, but shall not be limited to, establishing schedules and time periods during which such displays are allowed. For example, a Rule and Regulation may provide that Christmas displays may not be erected or permitted on any Lot, or to be visible outside any Dwelling, prior to Thanksgiving in the year that the subject Christmas occurs, and must be removed no later than the end of the second week of January of the next calendar year.

C. No Amendment may interfere with the freedom of Owners to determine the composition of their households, except that the Association shall have the power to limit the total number of occupants permitted in each Dwelling on the basis of the size and facilities of the Dwelling and such Lot's occupants' fair use of the Common Area.

D. No Amendment may interfere with the activities carried on within a Dwelling, except that the Association may prohibit activities not normally associated with property restricted to residential use, and any activities that create monetary costs for the Association or other Owners, that create a danger to health or safety of other Owners or their family, tenants, guests or other invitees, that cause offensive odors, that generate excessive noise or traffic, that create unsightly conditions visible outside the Dwelling, or that create an unreasonable source of annoyance to other Owners, their family, tenants, guests or invitees.

E. No Amendment may require an Owner to dispose of personal property which it maintained in or on its Residential Property prior to the effective date of such Use Restriction, or to vacate a Dwelling in which an Owner resided prior to the effective date of such Amendment, provided that such personal property was maintained, or such occupancy was, in compliance with this Declaration and all Use Restrictions previously in force.

Section 42. Precedence Over Less Stringent Governmental Regulations. In those instances where the covenants, conditions and restrictions set forth in this Article XII set or establish minimum standards in excess of applicable governmental regulations, including, without limitation, building, zoning, land use and environmental regulations, the covenants, conditions and restrictions set forth in this Article X shall take precedence and prevail over less stringent governmental regulations.

XI. TURNOVER

Section 1. Time of Turnover. The Turnover shall occur when the earlier of the following events occurs:

A. Declarant makes the election, in its sole and absolute discretion, to voluntarily convert its Class C membership to Class A or Class B membership, as appropriate, which voluntary conversion shall be effected by Declarant giving written notice of such voluntary conversion to the Association.

B. After 90% of the Lots, Units and parcels in all phases of the Property that will ultimately be operated by the Association have been conveyed to Owners other than Declarant.

C. Upon Declarant abandoning or deserting its responsibility to maintain and complete any amenities or infrastructure as disclosed in the Governing Documents. There is a rebuttable presumption that Declarant has abandoned and deserted the property if Declarant has unpaid Assessments or guaranteed amounts under Section 720.308 of the Association Act for a period of more than two (2) years.

D. Upon Declarant filing a petition seeking protection under Chapter 7 of the federal Bankruptcy Code.

E. Upon Declarant losing title to any part of the Property through a foreclosure action or the transfer of a deed in lieu of foreclosure, unless the successor owner has accepted an assignment of declarant rights and responsibilities first arising after the date of such assignment.

F. Upon a receiver for Declarant being appointed by a circuit court of the State of Florida and not being discharged within thirty (30) days after such appointment, unless the court determines within thirty (30) days after such appointment that transfer of control would be detrimental to the Association or the Members.

G. For purposes of this Declaration, the term "Members other than the Declarant" shall not include Builders, builders, contractors, or others who purchase a Residential Property for the purpose of constructing improvements thereon for resale.

H. The Turnover of the Association by Declarant pursuant Subsections 1.A and 1.B. directly above shall occur at the Turnover Meeting, which Turnover Meeting shall be called by Declarant and shall take place no later than ninety (90) days after the occurrence of the subject event.

Section 2. Procedure of Calling Turnover Meeting. No more than sixty (60) days and no less than thirty (30) days prior to the Turnover Meeting, the Association shall notify in writing all Members of the date, location, and purpose of the Turnover Meeting.

Section 3. Procedure for Meeting. The Turnover meeting shall be conducted in accordance with the Bylaws and most recent revision of Robert's Rules of Order.

XII. DECLARANT'S RIGHTS

Notwithstanding any provisions contained in this Declaration to the contrary, at any time that Declarant owns or has contracted to purchase any of the lands located within the Property, Declarant shall have the following rights described in this Article XII, and the following restrictions described in this Article XII shall remain in effect:

A. Declarant may maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of any of the lands within the Property including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Residential Property owned by the Declarant as models, sales offices, and for lodging and entertainment, respectively, of sales prospects and other business invitees.

B. No person or entity shall record any declaration of covenants, conditions and restrictions affecting any portion of the Property without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration or similar instrument being void and of no force and effect unless subsequently approved by recorded consent and executed by Declarant.

C. Declarant shall have the right, in its discretion, to receive and approve all sales, promotional, and advertising materials for the subdivision and/or sale of lands in the Property by any Owner, which approval shall not be unreasonably withheld. Declarant shall deliver notice to any such Owner of Declarant's approval or disapproval of all such materials and documents within thirty (30) days of receipt of such materials and documents, and, if disapproved, set forth the specific changes requested. If Declarant fails to do so within such thirty (30) day period, Declarant shall have deemed to have waived any objections to such materials, forms and documents and to have approved the foregoing. Upon disapproval, the foregoing procedure shall be repeated until approval is obtained or decreed to be obtained. It is hereby established that if Declarant elects to exercise the rights set forth above to review and approve all sales, promotional and advertising materials of any Owner, it shall not by doing so incur or create in favor of any third party any liability, obligation or responsibility to ensure that any such materials comply with any and all applicable laws, rules and regulations nor to determine or correct any false or misleading claims or statements contained in such materials. Further in this regard, Declarant's exercise of such rights shall not be deemed to create a partnership, joint venture or principal/agent relationship with such Owner.

Any or all of the special rights and obligations of Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right of the Declarant beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by Declarant and duly recorded in the Public Records.

This Article XII may not be amended without the express written consent of the Declarant.

XIII. **MORTGAGEE PROVISIONS**

The following provisions are for the benefit of the "Eligible Holders" (defined later in this Article XIII) only and may not be enforced or relied upon by anyone else.

Section 1. Notices of Action. An Institutional Lender that provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and to identify with particularity the Lot, thereby becoming an "**Eligible Holder**"), will be entitled to timely written notice of:

A. Any delinquency in the payment of Assessments or charges owed by an Owner of the Residential Property subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any Eligible Holder, upon request, is also entitled to written notice from the Association of any default in the performance by an Owner of any obligation under the Governing Documents which is not cured within sixty (60) days;

B. Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which there is a first Mortgage held, insured or guaranteed by such Eligible Holder;

C. Any lapse, cancellation, or material modification of any insurance policy maintained by the Association;

D. Any proposed action which, pursuant to the terms of this Declaration, the Articles, the Bylaws, or under applicable law, would require the consent of a specified percentage of Eligible Holders; or

E. If the U.S. Department of Housing and Urban Development is insuring or the U.S. Department of Veterans Affairs is guaranteeing the Mortgage on any Lot, material amendment to any of this Declaration, the Articles, or the Bylaws, or extraordinary action of the Association, as defined under VA Pamphlet 26-7.

A failure by Declarant or the Association to furnish notice to any Eligible Holder shall not result in liability of Declarant or the Association because such notice is given as a courtesy to a Eligible Holder and the furnishing of such notice is not an obligation of the Association to Eligible Holder.

Section 2. No Priority. No provision of this Declaration, the Articles of Incorporation or the Bylaws gives or shall be construed as giving any Owner, Member or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

Section 3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

Section 4. Amendments by Board. Should the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban

Development, or the U.S. Department of Veterans Affairs subsequently delete any of their respective requirements which necessitate the provisions of this Article XIII or make any such requirements less or more stringent, then the Declarant (if prior to Turnover) or the Board (prior to or after Turnover), without approval of the Owners or the Members, may adopt and cause an amendment to this Article XIII to be recorded in the Association's minute book and the Public Records to reflect such changes.

Section 5. Applicability of this Article. Nothing contained in this Article XIII shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, the Articles, the Bylaws, or Florida corporate law for any of the acts set out in this Article XIII.

Section 6. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

XIV. INSURANCE AND CASUALTY LOSSES

Section 1. Association Insurance. The Board, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk casualty insurance, if reasonably available, for all improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

To the extent available on commercially reasonable terms and conditions, the Board may also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability shall have at least One Million Dollar (\$1,000,000.00) limit for bodily injury, personal injury, and property damage from a single occurrence, and, if reasonably available, a Five Million Dollar (\$5,000,000.00) umbrella liability policy.

Premiums for all insurance on the Common Area shall be Common Expenses of the Association and shall be included in the Annual Assessment. The policy may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

All insurance coverage obtained by the Board shall be written in the name of the Association as trustee for the respective benefited parties, as further identified in Subsection B below. Such insurance shall be governed by the provisions hereinafter set forth:

A. All policies shall be written with a company licensed to do business in Florida and which holds a Best's rating of A or better, if reasonably available, or, if not available, the most nearly equivalent rating or as determined by the Board.

B. All policies on the Common Area shall be for the benefit of the Association, the Declarant and the Members.

C. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

D. In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants or their Mortgagees.

E. All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the City.

F. The Board shall make every reasonable effort to secure insurance policies that will provide for the following:

(1) a waiver of subrogation by the insurer as to any claims against the Board, its manager, the Owners, and their respective tenants, servants, agents and guests;

(2) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(3) a statement that no policy may be cancelled, invalidated, suspended or subject to non-renewal on account of any one or more individual Owners;

(4) a statement that no policy may be cancelled, invalidated, suspended or subject to non-renewal on account of the conduct of any Director, Officer, or employee of the Association or its duly authorized representative without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time period within which the defect may be cured by the Association, any Member, any Owner or Mortgagee;

(5) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(6) that the Association will be given at least thirty (30) days prior written notice of any cancellation, substantial modification, or non-renewal.

In addition to the other insurance required by this Section 1 of this Article XIV, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, flood insurance if required; and insurance or a fidelity bond for all persons who control or disburse funds of the Association. As used in this paragraph, the term "persons who control or disburse funds of the Association" includes, but is not limited to, persons authorized to sign checks on behalf of the Association, and the President, Secretary, and Treasurer of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management agent at any one time, as determined by the Board's best business judgment with such amounts, regardless never being less than three (3) months' Assessment on all Residential Property, plus all reserves on

hand. If available, any such insurance policy or fidelity bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or nonrenewal. If annually approved by a majority of the voting interests present at a properly called meeting of the Association, the Association may waive the requirement of obtaining an insurance policy or fidelity bond for all persons who control or disburse funds of the Association.

Section 2. Individual Insurance For Lots. By virtue of taking title to a Residential Property, each Owner of a Lot covenants and agrees with all other Owners, and with the Association, that each such Owner shall carry blanket all risk casualty insurance on the Residential Property and improvements thereon, at minimum full replacement cost protection with building structure replacement cost method extended limits. Each such Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising its Residential Property, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with this Declaration. The Owner shall pay any costs of repair or reconstruction which is not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Residential Property of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Residential Property in a neat and attractive condition consistent with the Community-Wide Standard. Assessments shall apply to any Residential Property cleared and thereafter maintained pursuant to the provisions of this Section 4. Any such cleared Residential Property shall still, at all times, continue to be responsible for payment of full Assessments, regardless of the fact that the Residential Property and Owner may not benefit from maintenance and other services otherwise provided by the Association to occupied or improved Residential Property.

Section 3. Damage and Destruction Covered by Association Policies on Common Areas.

A. Immediately after damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Property to substantially the same condition in which it existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

B. Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Voting Members representing at least seventy-five percent (75%) of the total vote of the Association, or the Owners representing at least seventy-five percent (75%) of the total vote of the Owners whose Limited Common Area is damaged, shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed; provided, however, this provision shall not apply to

construction Mortgagees providing construction financing for such damaged property. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area or to the Limited Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Property shall be restored to their natural state and maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

Section 4. Disbursement of Proceeds of Association Policies on Common Areas. If the damage or destruction to Common Areas for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement, as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. If required by law, this is a covenant for the benefit of any Eligible Holder and may be enforced by same.

Section 5. Repair and Reconstruction Where Proceeds of Association Policies on Common Areas Insufficient. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board may levy a Special Assessment against all Owners on the same basis as provided for Annual Assessments; provided, if the damage or destruction involves Limited Common Area, only the Owners entitled to the use of the Limited Common Area shall be subject to Assessment therefor. Additional Assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

XV. **NO PARTITION**

Except as is permitted in this Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person or entity acquiring any interest in the Property or any part thereof seek any judicial partition. This Article XV shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property or real property which may or may not be subject to this Declaration.

XVI. **CONDEMNATION**

Whenever all or any part of a Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of the Voting Members representing at least two-thirds (2/3) of the total Association vote and the Declarant, as long as the Declarant owns any lands within the Property) by any authority having the power of condemnation or eminent domain, each Owner, care of said Owner's Voting Member, shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then unless within sixty (60) days after such taking, the Declarant, so long as the Declarant owns or has under contract to purchase lands within the Property, and Voting Members representing at least seventy-five percent (75%) of the total vote of the Association, shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board. If such improvements are to be repaired or restored, the above provisions in Article XIV hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

XVII. **GENERAL PROVISIONS**

Section 1. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, the Declarant and any Owner, their respective legal representatives, heirs, successors and assigns, for a period of thirty (30) years from the Effective date. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, Voting Members representing three-fourths (3/4) of the votes of the Association vote in favor of terminating this Declaration at the end of its then current term.

Written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least sixty (60) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute an affidavit which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Voting Members, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution.

Said certificate shall be recorded in the Public Records and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. Termination of this Declaration shall not have the effect of terminating easements herein provided or granted prior to such termination, or terminating contractual rights created prior to termination which from the context of the contract were meant to survive termination.

Section 2. Amendments by Members. Subject to the restrictions on amendment set forth elsewhere in this Article XVII, including, but not limited to, the restrictions set forth in Section 4 below, the Governing Documents may be amended at any time, by the affirmative vote or written

consent, or any combination thereof, of Voting Members representing sixty-six and two-thirds percent (66 2/3%) of the total votes of the Association; provided, however, that if the affirmative vote required for approval of action under the specific provision to be amended is expressly stated as a higher or lower percentage, then such higher or lower percentage shall be required to approve amendment of that provision. Notice shall be given at least sixty (60) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to the Governing Documents is approved by the Voting Members as set forth above, the President and Secretary of the Association shall execute an appropriate amendment which shall set forth the amendment, the effective date of the amendment, the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes of Voting Members of the Association, the number of votes necessary to adopt the amendment, the total number of votes cast for the amendment, and the total number of votes cast against the amendment. If such amendment relates to this Declaration it shall be recorded in the Public Records.

Section 3. Amendments by Declarant. Until such time as the Turnover Meeting occurs, the Declarant specifically reserves for itself, its successors and assigns, the sole, exclusive, absolute and unconditional right to alter, modify, change, revoke, rescind, or cancel any or all of this Declaration (or any of the other Governing Documents) or the restrictive covenants contained in this Declaration (or any of the other Governing Documents): provided, however, that to be valid and enforceable, any such amendment by Declarant may not be arbitrary, capricious, or in bad faith; destroy the general plan of development of the Property; prejudice the rights of existing non-Declarant Members to use and enjoy the benefits of Common Area; or materially shift economic burdens from Declarant to the existing non-Declarant Members. After the Turnover, the Declarant shall continue to have the absolute and unconditional right to alter, modify, change, revoke, rescind or cancel any or all of this Declaration as necessary to comply with any obligations or requirements imposed upon Declarant, or otherwise in connection with the development of the Property, by any applicable governmental authority. Otherwise, following Turnover, this Declaration may only be amended pursuant to the provisions of Section 2 of this Article XVII. Each Owner of any Residential Property, by acceptance of a deed therefor or other form of conveyance thereof, irrevocably waives any claim that such Owner has any vested rights pursuant to case law or statute with respect to this Declaration or any of the other Governing Documents. It is expressly intended that Declarant and the Association have the broad right to amend this Declaration and the other Governing Documents, except as limited by applicable law or except as expressly set forth herein.

Section 4. Restrictions on Amendments. Notwithstanding anything to the contrary contained in Sections 2 or 3 of this Article XVII, no amendment to this Declaration, the Articles of Incorporation or Bylaws may (i) remove, revoke, or modify any right or privilege of the Declarant without the written consent of Declarant or the assignee of any such right of privilege, (ii) impair the validity or priority of the lien of any Mortgage held by a Mortgagee or impair the rights granted to Mortgagees herein without the prior written consent of such Mortgagees, (iii) to the extent that any provision of this Declaration, Articles of Incorporation or Bylaws is included in satisfaction of any condition of approval of the Lakes at Laurel Highlands PUD Ordinance, any PSP/DP or Plat or otherwise constitute a City Use Restriction, such provision shall not be changed, amended, modified or otherwise deleted or eliminated without the prior written consent of the City, (iv) result in or facilitate a termination of the Association's obligation to maintain the Common Area, or (v) change, amend, modify, eliminate or delete the restrictions contained in this Section 4 of this Article XVII. In addition to the foregoing, any amendment to this Declaration that would affect the Surface Water Management System (including any Conservation Areas) shall be submitted to the Water Management District for a determination of whether the amendment necessitates a modification of

the Water Management District Permits. In no event shall any such amendment be made without the prior approval of the Water Management District.

Section 5. Assignment of Rights and Duties. Any and all of the rights, powers and reservations of the Declarant may be assigned to any person, corporation or association which will assume the duties of the Declarant pertaining to the particular rights, powers and reservations assigned. Upon such assignee evidencing the consent in writing to accept such assignment and assume such duties, the assignee shall to the extent of such assignment have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Declarant, as the case may be. Further, the Declarant may from time to time delegate any and all of its rights, powers, discretion and duties hereunder to such agent or agents as it may nominate.

Section 6. Special Exceptions and Variations. Unless the written consent of the Declarant, prior to Turnover, or the Association, after Turnover, is first obtained, no Owner shall file a request for zoning variations, special exceptions or zoning changes affecting or relating to land or improvements within the Property.

Section 7. MSTUs/MSBUs. In order to perform the services contemplated by this Declaration, the Association or Declarant, in conjunction with the City, as may be appropriate, may seek the formation of MSTUs and/or MSBUs. The MSTUs/MSBUs will have responsibilities established in their enabling resolutions which may include, but are not limited to, construction and maintenance of roadway information signs, traffic control signs, benches, trash receptacles and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage canals, ponds and structures, maintenance of designated landscape areas and parks, payment of energy charges for street and pedestrian lighting, and other services benefiting the Property. In the event such MSTUs/MSBUs are formed, the Property will be subject to assessment for the cost of services performed within the MSTUs/MSBUs. Personnel working for or under contract with the City, as may be appropriate, shall have the right to enter upon lands within the Property to affect the services contemplated. Each Owner, by acquiring lands within the Property, agrees to pay each and every MSTUs/MSBUs assessment imposed upon the Owner's land in a timely manner, failing which such assessments and special charges shall be a lien upon those lands. The Association retains the right to contract with the City, as may be appropriate, to provide the services funded by the MSTUs/MSBUs. Notwithstanding the foregoing, the Association may elect, from time to time, to aesthetically maintain any property otherwise maintained or to be maintained by the MSTU/MSBU and if Association does so, no Owner or Member, as a result thereof, shall thereby receive or be entitled to a discount for any ad valorem taxes or assessments assessed by or in connection with the MSTU/MSBU.

Section 8. Surface Water Management System.

A. Construction. Declarant has caused or will cause to be constructed a Surface Water Management System for the Property, including, but not limited to, drainage canals, lakes and drainage retention/detention ponds within the geographic area shown on the PSP/DP.

B. Association.

(1) Pursuant to Fl. Stat. §617.0302(11), the Association, as a corporation not for profit organized under Chapter 617 of the Florida statutes, has the power to sell, convey,

mortgage, pledge, lease, exchange, transfer, or otherwise dispose of all or any part of its property and assets.

(2) Pursuant to Fl. Stat. §617.0302(2), the Association, as a corporation not for profit organized under Chapter 617 of the Florida statutes, has the power to sue and be sued and appear and defend in all actions and proceedings in its corporate name to the same extent as a natural person.

(3) At Common Expense, the Association shall have the authority at all times to contract for services to provide for operation and maintenance services concerning the Common Areas, the Surface Water Management System, any Association property, and the Association generally.

(4) The Association shall operate, maintain, and manage the Stormwater Management System(s) in a manner consistent with the requirements of the District Permit and applicable District rules, and shall assist in the enforcement of the restrictions and covenants contained herein.

(5) The Association shall levy and collect adequate Assessments (e.g., Annual Assessments and Special Assessments) against Members of the Association for the cost of maintenance, operation, and replacement of the Stormwater Management System. The Assessments shall be used for the maintenance and repair of the Stormwater Management Systems and mitigation or preservation areas, including but not limited to work within retention areas, drainage structures and drainage easements.

(6) In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Stormwater Management System must be transferred to and accepted by an entity which complies with Rule 62-330.310, F.A.C., and Applicant's Handbook Volume I, Section 12.3, and be approved by the District prior to such termination, dissolution or liquidation.

(7) Existence of the Association shall commence with the filing the Articles with the Secretary of State, Tallahassee, Florida, and the Association shall thereafter exist in perpetuity. However, if the Association is dissolved, the Stormwater Management System, any property containing the Stormwater Management System, and all water management portions of Common Areas, shall be conveyed to an entity meeting the requirements of clause (6) directly above.

(8) As provided elsewhere herein, this Declaration shall run with and bind and benefit the Property for a term of thirty (30) years from the Effective Date, after which time this Declaration and each Supplement shall be automatically extended for successive periods of ten (10) years, unless prior to the commencement of any 10-year extension period an instrument properly executed and signed by the Owners of eighty percent (80%) of the Lots and agreeing to terminate this Declaration is recorded in the Public Records.

(9) A "Recorded Notice of Environmental Resource Permit," Form No. 62-330.090(1), shall be recorded in the Public Records. If Rules and Regulations are promulgated a copy of the District Permit shall be attached to said Rules and Regulations as an exhibit. The Registered Agent for the Association will maintain a copy of the District Permit and copies of all further permitting actions for the benefit of the Association.

C. Ownership/Control, Maintenance, and General Use of Stormwater Management System.

(1) Except as to any part of same owned by the County, the Association owns the Stormwater Management System. The Stormwater Management System is located on land that is designated as Common Area, is located on land that is owned by the Association, or is located on land that is subject to a perpetual easement in favor of the Association and its successors such that the Association has the perpetual right to operate and maintain the Stormwater Management System. The Association may and is authorized to enter into one or more use agreements with the County regarding the beautify and/or perform supplemental maintenance of any portion of the Stormwater Management System owned by the County.

(2) Except as to any part of same owned by the County, the Association shall be responsible for the maintenance, operation and repair of the Stormwater Management System. Except as to any part of same owned by the County, it is the responsibility of the Association to operate and maintain the Stormwater Management System. Maintenance of the Stormwater Management System(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the District. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified as approved by the District and if applicable, the County. If monitoring and/or maintenance of wetland mitigation areas are required by the District Permit, the Association, at Common Expense, shall be perpetually responsible for carrying out said monitoring and/or maintenance to complete any necessary or required tasks successfully, including meeting all conditions associated with said wetland mitigation, maintenance, and monitoring.

(3) To the extent not included in the areas required to be maintained by the Association pursuant to clause C.(2), directly above, each Owner shall, at that Owner's expense, grass over, provide routine landscape maintenance, mow and keep free of trash and debris, on a routine basis, those portions of the Stormwater Management System located on or within that Owner's Lot (whether or not included in a platted drainage easement depicted on any Recorded Plat), failing which the Association shall perform the required maintenance and may levy an Individual Assessment to cover the costs thereof. Each Owner shall be responsible for the "Maintenance, Operation and Repair" (as that term is defined below) of the swales, if any, on the Owner's Lot, failing which the Association shall perform the required maintenance and may levy an Individual Assessment to cover the costs thereof. The term "**Maintenance, Operation and Repair**", as used in this Declaration, shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted or required by the District Permit, the District, and, if applicable, the County. Filling, excavation, or construction of fences, or the existence of anything else that interferes with drainage or otherwise obstructs the surface water flow in the swales is prohibited. No alteration of the swale shall be authorized and any damage to any swale, whether caused by natural or human-induced phenomena, shall be repaired and the swale returned to its former and proper condition as soon as possible by the Owner(s) of the Lot(s) upon which the swale is located, failing which the Association shall perform the required repair and may levy an Individual Assessment to cover the costs thereof.

(4) Unless first approved by the ARC and the District and, if applicable, the County, no Owner, including Declarant, may obstruct, alter or in any way modify the method

and/or structures of drainage utilized or installed by Declarant or the Association from, on, or across any Lot, Common Area or any easement area; nor shall any structure or material be erected, placed or maintained which shall in any way obstruct such drainage devices or facilities or impede their efficient operation. No elevation changes shall be permitted on any Lot which materially adversely affects the drainage of or to neighboring Lots or the Common Area.

(5) It shall be the responsibility of each Owner, at the time of construction of the Dwelling or any other structure or building on that Owner's Lot, to comply with the approved construction plans for the Stormwater Management System on file with the District.

(6) Fences may only be permitted within drainage easements on an Owner's Lot so long as the fence does not block or impede the flow of water through the drainage easement area. With regard to any fences permitted within drainage easements pursuant to the terms hereof, the Owner of the subject Lot shall be responsible for removal/replacement of the fence or any portion thereof if removal of same is required in connection with any maintenance, repair, construction, or installations concerning the drainage easement area or the Stormwater Management System. Notwithstanding the foregoing, if the Owner of the subject Lot fails to timely remove any such fence or portion thereof, the Declarant, the Association, and any Governmental Authority (including, but not limited to, the District and the County) may remove such fence or portion thereof, in its discretion, without any liability whatsoever to said Owner, whereupon the fence or portion thereof may be disposed of, and without the party removing the fence or any portion thereof being required to thereafter reinstall or replace said fence or portion thereof.

(7) ALL OWNERS ARE HEREBY ADVISED THAT A PERMIT FROM THE DISTRICT WILL BE REQUIRED IF ANY OF THE FOLLOWING ITEMS ARE PROPOSED: (I) ANY ALTERATION TO THE STORMWATER MANAGEMENT SYSTEM; OR (II) ENCROACHMENT INTO THE WETLANDS, WETLAND BUFFERS, OR ADJACENT OFF-SITE PROPERTY LINE BUFFERS

D. Easements for Access and Drainage.

(1) The Association shall have a perpetual non-exclusive easement over all areas of the Stormwater Management System for access thereto and to operate, maintain or repair the system. By virtue of said easement, the Association shall have the right to enter upon any portion of any Lot which is a part of the Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Stormwater Management System as required by the District Permit, subject to any maintenance responsibilities assumed by any Governmental Authorities (including, but not limited to, the County). Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Stormwater Management System. No person shall alter the drainage flow of the Stormwater Management System, including buffer areas or swales, without the prior written approval of the Association and the District.

(2) Each Owner (including Declarant) shall have a non-exclusive right and easement of use and enjoyment to drain across the Stormwater Management System in accordance with the District Permit, District rules, and the Rules and Regulations.

E. Amendment to Declaration. Any Amendment to this Declaration which alters the Stormwater Management System, beyond maintenance in its original condition, including mitigation or preservation areas and the water management portions of the Common Areas, must

have the prior approval of the District and, if applicable, the County. Any proposed Amendment to this Declaration affecting the Stormwater Management System (including environmental conservation areas and the water management portions of the Common Areas) shall be submitted to the District for a determination of whether the Amendment necessitates a modification of the District Permit. If a modification is necessary, the District will so advise the District Permit's permittee. The Amendment affecting the Stormwater Management System may not be finalized until any necessary Permit modification is approved by the District or the Association is advised that a modification is not necessary.

F. Enforcement. The District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, and repair of the Stormwater Management System. The District has the right to take enforcement action, including a civil action for an injunction and penalties, against the Association to compel it to correct any outstanding problems with the Stormwater Management System facilities or in mitigation or conservation areas under the responsibility or control of the Association. The County shall also have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration that relate to the maintenance, operation, and repair of the Surface Water Management System.

Section 9. Irrigation, Master Metering and Reclaimed Water. In connection with the development of the Property, an integrated irrigation system capable of using reclaimed water for irrigation purposes shall be installed adjacent to each Lot ("**Irrigation System**"). At such time as reclaimed water becomes available, the Association shall: (i) require the Owner of each Lot to use the Irrigation System for irrigation purposes; and (ii) charge the Owner of each Lot served by the Irrigation System a fee for the use of such reclaimed water delivered via the Irrigation System based on either, as determined by the Association, (x) a uniform rate applicable to all Owners evenly, or (y) the volume of reclaimed water used at each Lot. Notwithstanding the foregoing, water for irrigation supplied to each Lot via the Irrigation System shall be individually metered at or for each Lot, and the owner of the Lot shall be responsible for all fees, costs or expenses incurred in connection with the provision of such irrigation water via the Irrigation System to the Lot. Each Lot Owner shall be responsible for the watering of its Lot and the regular operation of the Irrigation System for such Lot, at such times and for such duration as is established by the Rules and Regulations, consistent with applicable laws, rules or regulations of the City, or other applicable governmental authority. Irrigation of Common Areas via the Irrigation System shall be done by the Association at Common Area Expenses. Notwithstanding anything to the contrary contained in Article X, Section 13, the Association shall maintain, repair and replace, as necessary, the Irrigation System on any Lot. Also, in connection with the Irrigation System: (A) a conduit with low voltage irrigation wires will be run across the rear of each Lot to operate the irrigation system (collectively, "**Conduit System**"); (B) after installation of same, the Association will thereafter maintain the Conduit System (notwithstanding anything to the contrary set forth in Article X, Section 13, hereof); and (C) Declarant hereby reserves for the benefit of the Declarant and the Association, such perpetual, nonexclusive easements as time to time required by the Declarant and the Association in connection with the Conduit System and the Irrigation Lines. Notwithstanding anything to the contrary set forth herein, no Owner, in connection with any improvements made or to be made with regard to said Owner's Lot, which improvements require, will require, or may require ARC approval (e.g., installation of a pool on a Lot; installation of a fence, wall, or other similar structure or improvement; etc.), may make any alterations, repairs, or modifications whatsoever to the Irrigation System or any part thereof including, but not limited to, as applicable, the Conduit System, any Irrigation Lines, or otherwise, or connect to or disconnect from (temporarily or otherwise) the Irrigation System, without

first submitting an appropriate Parcel Plan to the ARC and obtaining ARC approval. In addition to the foregoing, the Association may, but is not required to, require that any such alterations, repairs, modifications, connections, and disconnections, at the Owner's cost and expense, be performed by the Association's irrigation contractor/company, or by performed by an irrigation contractor/company approved by the Association.

Section 10. Use of Name "Lakes at Laurel Highlands". No Owner shall use the name "Lakes at Laurel Highlands", or any logo associated with such name and used by Declarant in connection with the Property, or any derivative of such name or logo in any printed or promotional material or in any activity, without the Declarant's prior written consent. Declarant may, however, use such names and logos with respect to any property or other development activities of Declarant, without the consent of any party, including any Owner.

Section 11. Enforcement. The Association is hereby empowered to adopt reasonable Rules and Regulations for the imposition of fines to be levied against any Owner for failure to comply with the terms of this Declaration, the Bylaws, or the Rules and Regulations. A fine levied pursuant to this Section 11 may not be imposed without at least fourteen (14) days' prior written notice to the person sought to be fined and a single opportunity for a hearing before a Committee. If the Committee, by majority vote, does not approve a proposed fine, it may not be imposed by the Association. The Committee's written recommendation shall be delivered to the Board within fourteen (14) days after the date of the Committee's hearing. If the Association imposes a fine, the Association must provide written notice of such fine by mail or hand delivery to the Member and, if applicable, to any affected tenants, guests or other invitees of the Member's Residential Property. Because Declarant intends that the Property be developed and occupied as a high-end residential development, it is important that the Association have the authority and leeway to enforce the covenants, conditions, and restriction set forth herein by meaningful fines. Therefore, fines may exceed One Thousand and No/100 Dollars (\$1,000.00) in the aggregate and there shall be no limit on the aggregate amount of fines that may be levied for continuing violations of the covenants, conditions, and restriction set forth herein. Fines shall constitute an assessment due to the Association and upon failure to pay such fine within the period prescribed by the Association shall become a charge and continuing lien upon the Owner's Residential Property. To the maximum extent permitted by law, in addition to or in lieu of the levying of fines, the Association shall also be permitted to pursue actions in law and equity including, but not limited to, seeking damages and injunctive relief, to address any violations of the covenants, conditions, and restriction set forth herein. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity and may be instituted by the Declarant, its successors or assigns, the Association, its successors or assigns, or any Owner against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by or pursuant to these covenants. Failure to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. Further, the Association and Declarant shall have the right of self-help to cure any violations that remain uncured after any required notice is given.

Section 12. Severability. Should any covenant, condition or restriction contained in, or any (A)rticle, (S)ection, (S)ubsection, sentence, clause, phrase or term of, this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such

judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 13. Interpretation. The Board shall have the right, except as limited by any other provision of this Declaration, Articles of Incorporation or the Bylaws, to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and its good faith, determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Declaration shall be given that interpretation or construction that will best lend toward the consummation of the general plan of improvements.

Section 14. Authorized Action. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association as approved by the Board in the manner provided for herein and in the Bylaws, unless the terms of this instrument provide otherwise.

Section 15. Termination. The Association is to exist in perpetuity; however, should the Members of the Association vote not to renew and extend this Declaration as provided herein, or at any time that the Association is dissolved, the Association shall transfer to another not-for-profit homeowners association or appropriate public agency having similar purposes, all ownership, rights and other interests held at such time by the Association in the Common Area, including, but not limited to, the Surface Water Management System (to the extent that the Surface Water Management System is not owned by the City or the Water Management District) and the Conservation Areas. Any association to which that portion of the Common Area consisting of the Surface Water Management System, if applicable or Conservation Areas is conveyed must meet the requirements of a "responsible entity" consistent with the applicable rules and regulations of the Water Management District, and such entity must be approved in writing by the Water Management District prior to such conveyance. If no other association or agency will accept such property then it will be conveyed to a trustee appointed by the Circuit Court of the County, which trustee shall sell the Common Area free and clear of the limitations imposed hereby upon terms established by the Circuit Court of the County. That portion of the Common Area consisting of the Surface Water Management System and Conservation Areas cannot be altered, changed or sold separate from the lands associated therewith. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Area, then for the payment of any obligations incurred by the trustee in the operation, maintenance, repair and upkeep of the Common Area. The excess of proceeds, if any, from Common Area shall be distributed among Owners in a proportion which is equal to the proportionate share of such Owner in Common Expenses.

Section 16. Execution of Documents. The Lakes at Laurel Highlands PUD Ordinance or PSP/DP may require from time to time the execution of certain documents required by governmental authorities. To the extent that said documents require the joinder of Owners, the Declarant may, through its duly authorized Officers, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents. The Owners, by virtue of their acceptance of deeds or other conveyance instruments conveying title to any portion of the Property, irrevocably nominate, constitute and appoint the Declarant, through its duly authorized Officers, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section 16 shall recite that it is made pursuant to this Section 16.

Section 17. Indemnification. To the full extent as permitted by applicable law, the Association shall indemnify every Officer, Director, and committee member against any and all

expenses, including counsel fees, reasonably incurred by or imposed upon such Officer, Director or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an Officer, Director, or committee member. The Officers, Directors, and committee member shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The Officers and Directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such Officers or Directors may also be Members of the Association), and the Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Officer, Director, or committee member, or former Officer, Director, or committee member may be entitled. Upon approval of the Board, the Association shall, as a Common Expense, maintain adequate general liability and Officers' and Directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 18. Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Association will perform no act nor undertake any activity which will violate its not for profit status under applicable state or federal law.

Section 19. Singular, Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 20. Construction. This Declaration may be amended without amending any of the other Governing Documents. The provisions of the Governing Documents shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Association and the Property; to effectuate the purpose of creating a uniform plan for the operation of the Property; for the preservation of the value of the Property; and the protection of Declarant's rights, benefits, and privileges contemplated herein, in the other Governing Documents, and under the Association Act, to the fullest extent permitted by Florida law. If there is or should there ever be any conflicts between Florida law and the terms and provisions of the Governing Documents, or between the terms and provisions of more than one Governing Document, then the following order of priority and governance shall prevail, but only as necessary to resolve such specific conflict(s): (A) Florida law; (B) this Declaration; (C) any Supplement (in the event that there are multiple Supplements, then the order of priority and governance of such Supplements shall be based upon recording order); (D) the Articles; (E) the Bylaws; (F) the Architectural Guidelines; (G) the Community-Wide Standards, and (H) the Rules and Regulations. If a Governing Document of a higher priority and governance, as established above, is amended in such a way that the terms and provisions of such Governing Document conflict with the terms and provisions of any lower priority Governing Documents, as established above, then the lower priority Governing Documents shall be deemed automatically and simultaneously amended with the amendment of the higher priority Governing Document, so that such lower priority Governing Documents may be read and interpreted to be consistent with the higher priority Governing Document. In no event shall any lower priority Governing Documents be amended if such amendment would conflict with the terms and provisions of any higher priority Governing Document, and any such purported amendment shall be automatically ineffective and void. Notwithstanding that some or all of the Governing Documents may have been prepared, initially, at the direction of Declarant, and notwithstanding any rule of

construction to the contrary, the Governing Documents shall not be more strictly construed or interpreted against Declarant or any of Declarant's affiliates than against any other person or entity.

Section 21. Notice. Any notices required to be given hereunder shall be given by either (i) personal delivery, (ii) certified mail, postage pre-paid, return receipt requested, or (iii) overnight courier service that provides a receipt evidencing delivery of packages, such as Federal Express. The notices to be delivered to the Voting Members or Owners shall be sent to the addresses appearing in their respective recorded deeds, or at such other address as such Voting Member or Owner has provided to the Association. Notices to Declarant shall be sent to Declarant's address set forth in the initial paragraph of this Declaration, or, if applicable, to the address of any assignee of the Declarant's interest hereunder as set forth in any instrument recorded in the Public Records. Notices to the Association shall be sent to the principal address of the Association as established in the records of the Secretary of State, State of Florida. Notices shall not be deemed to have been delivered to the intended addressee until same or actually delivered to the appropriate address as set forth above. Notwithstanding anything in the foregoing to the contrary, any notice required to be given hereunder to any Member may be given to such Member pursuant to any means authorized by the Association Act or the Bylaws. Notice to any one or more of any co-owners of a Residential Property shall constitute notice to all Owners of such Residential Property.

Section 22. Covenants Run With the Land. Each covenant, condition, restriction, easement and other provision contained herein shall be appurtenant to and for the benefit of the Property and shall be a burden thereon for the benefit of all the Property and shall run with the land. This Declaration and the covenants, conditions, restrictions and easements created hereby shall inure to the benefit of and be binding upon Declarant and its successors in title to any of the Property; provided, however, that if any Owner conveys fee simple title to the portion of the Property owned by such Owner, such Owner shall thereupon be released and discharged from any and all obligations as Owner in connection with such portion of the Property arising under this Declaration, the Articles of Incorporation and/or the Bylaws to be performed or arising after the conveyance of said fee simple title, but shall remain liable for all obligations arising prior to the conveyance of such title.

Section 23. Not a Public Dedication. Except as specifically stated in this Declaration, nothing herein shall be deemed to be a gift or dedication of any portion of the Property to the general public or for the general public or for any public purposes whatsoever, it being the intention of Declarant that this Declaration shall be strictly limited to and for the purposes herein expressed.

Section 24. Breach Shall Not Permit Termination. No breach of this Declaration shall entitle any Owner to cancel, rescind or otherwise terminate this Declaration, but such limitation shall not affect in any manner any other rights or remedies which such Owner may have hereunder by reason of any breach of this Declaration. Any breach of any of said covenants or restrictions, however, shall not defeat or render invalid the lien of any Mortgage, but such covenants or restrictions shall be binding upon and effective against such Owner of any of said Property or any portion thereof whose title thereto is acquired by foreclosure, trustee sale or otherwise.

Section 25. Attorneys' Fees. In the event of the institution of any legal proceedings for any violation or threatened violation of any of the terms, covenants, restrictions and conditions contained herein, or for the collection of any sums due and payable hereunder, or for the foreclosures of any liens provided for herein, the prevailing party shall be entitled to recover all reasonable costs and expenses incurred in connection with such litigation, specifically including, but not limited to

reasonable attorneys' fees, which costs and fees shall also include those caused by reason of any appellate proceeding, re-hearing or otherwise, from the non-prevailing party.

Section 26. Negation of Partnership. None of the terms or provisions of this Declaration shall be deemed to create a partnership between or among the Owners, Members, Association or Declarant, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each such entity shall be considered a separate entity and no such entity shall have the right to act as an agent for another unless expressly authorized to do so herein or by separate instrument signed by the parties to be charged.

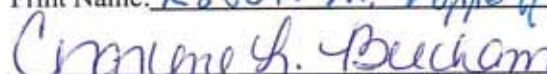
Section 27. Non-Merger. Notwithstanding any applicable law or legal concept or theory, no interest, right, benefit, obligation, term, provision or covenant contained herein or established hereby shall be deemed to merge with any other interest, right, benefit, obligation, term, provision or covenant contained herein or established hereby. Notwithstanding any applicable legal principle or theory including, but not limited to, the principle generally known as "merger," the ownership of the entirety of the lands defined as the Property by the same party at the same time shall not result in or cause the termination of this Declaration and, likewise, ownership by the same party at the same time of both the benefited and burdened lands associated with any of the easements created herein shall not result in or cause the termination of any of such easements.

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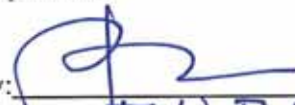
IN WITNESS WHEREOF, the Declarant has executed this Declaration on the date indicated below.

WITNESSES:

"DECLARANT"


Print Name: Robert M. Appel

Print Name: Charlene L. Beecham

D.R. HORTON, INC., a Delaware corporation

By: 
Name: JOHN B. SHOEMAKER
Title: ASST SECRETARY

STATE OF FLORIDA

COUNTY OF ORANGE

I HEREBY CERTIFY that on this day personally appeared before me, John B. Shoemaker, the Asst. Secretary of D.R. Horton, Inc., a Delaware corporation, to me well known to be the person described in and who executed the foregoing instrument and he/she acknowledged before me that he/she executed the same on behalf of the corporation.

WITNESS my hand and official seal this 17th day of March, 2016.

(NOTARIAL STAMP OR SEAL)

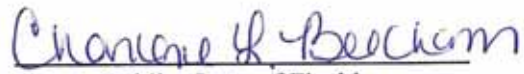

Notary Public, State of Florida
My commission expires: _____



EXHIBIT "A"

Legal Description of the Property

Lots 1 through 28, inclusive, and Tracts "A-1", "B-1", "C-1", "D-1", "E-1", "F-1", "G-1", "H-1", and "I-1", LAKES AT LAUREL HIGHLANDS PHASE 1A, according to the plat thereof recorded in Plat Book 159, Pages 44 through 46, inclusive, Public Records of Polk County, Florida.