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**DECLARATION OF COVENANTS AND RESTRICTIONS
 FOR
SOUTHGATE AT LAKE COUNTY**

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NOTICE: As provided in Section 15.11 of this Declaration, each Homeowner, by virtue of taking title to a Lot, hereby agrees that the deed of conveyance of the Lot to a third party shall specifically state that the Lot is subject to the terms of this instrument and shall state the recording book and page information for this instrument as recorded in the public records of the County. The intent of this provision is to defeat any potential argument or claim that Chapter 712, Florida Statutes, has extinguished the application of this instrument to each of the Lots.

THIS DECLARATION OF COVENANTS AND RESTRICTIONS FOR SOUTHGATE AT LAKE COUNTY (“Declaration” as defined hereinafter) is made by KB Home Orlando LLC, a Delaware limited liability company authorized to do business in Florida, and its successors, assigns and designees.

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Article II of this Declaration and desires to create thereon an exclusive residential community known as Southgate at Lake County (hereinafter referred to as the “Community”); and

WHEREAS, Declarant desires to insure the attractiveness of the individual lots and facilities within the Community and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the subject property, and to provide for the maintenance of Community common properties, areas and facilities and certain exterior maintenance on Lots as may be defined hereinafter, and, to this end, desires to subject the real property described in Article II of this Declaration to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each Homeowner thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in the Community and to insure the residents’ enjoyment of the specific rights, privileges and easements in the Community common properties, areas and facilities, to create an organization to which should be delegated and assigned the powers of owning, maintaining and administering the Community common properties, areas and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated under the laws of the State of Florida, as a corporation not for profit, Southgate at Lake County Property Owners Association, Inc., for the purpose of exercising the functions aforesaid within the Community;

NOW, THEREFORE, Declarant declares that the real property described in Article II of this Declaration is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes collectively referred to as “covenants and restrictions”) hereinafter set forth.

Article 1: Definitions and Construction

Unless the context expressly requires otherwise, the following terms mean as follows wherever used in this Declaration:

1.1 “ARC” means the Architectural Review Committee of the Association, as established pursuant to this Declaration.

1.2 “ARC Guidelines” means the guidelines for development and/or renovation of the Lots contained or to be contained in the Community. A copy of the initial ARC Guidelines for the Community is contained in Exhibit E attached hereto and made a part hereof. Any amendments or modifications to the original ARC Guidelines need not be recorded in the public records of the County. Wherever in this Declaration the approval of the ARC is required, it shall be in accordance with the ARC Guidelines, to the extent the ARC Guidelines contain guiding provisions.

1.3 “Act” means Chapter 720, Florida Statutes, as existing on the date of recordation of this Declaration.

1.4 “Articles of Incorporation” or “Articles” means the Articles of Incorporation of the Association, as may be amended from time to time. A copy of the Articles of Incorporation as filed with

the Florida Department of State is attached as Exhibit B hereto. Any future amendments to the original Articles need not be recorded in the public records of the County.

1.5 "Assessment" means a General Assessment, Special Assessment or Specific Assessment levied by the Association against a Lot from time to time.

1.6 "Association" means Southgate at Lake County Property Owners Association, Inc., a Florida corporation not for profit, organized under Chapter 617, Florida Statutes, and the Act.

1.7 "Authorized User" means the tenants, guests and invitees of a Homeowner and all occupants of a Home and Lot other than the Homeowner(s).

1.8 "Benefited Parties" means Declarant, the Association and the Homeowners, together with each of their respective successors and assigns, and the tenants, guests and invitees of the Homeowners, but excluding the general public.

1.9 "Board" means the Association's board of directors.

1.10 "By-Laws" means the By-Laws of the Association as may be amended from time to time. A copy of the original By-Laws is attached as Exhibit C hereto. Any future amendments to the original By-Laws need not be recorded in the public records of the County.

1.11 "City" means the City of Groveland, Florida.

1.12 "Common Expenses" means all expenses properly incurred by the Association in the performance of its duties pursuant to this Declaration, the Articles, the By-Laws or any rules promulgated thereunder, or any agreement properly entered into by the Association, including, but not limited to: (a) the expenses incurred in connection with the ownership, maintenance, repair, replacement, reconstruction or improvement of the Common Property and/or real property held in title by the Association, if any, as provided for pursuant to this Declaration (which expenses may, but shall not necessarily, include utilities, taxes, assessments, insurance and repairs); (b) the expenses of obtaining, repairing or replacing personal property owned by the Association; (c) the expenses incurred in the administration and management of the Association; and (d) the expenses declared to be Common Expenses pursuant to this Declaration or the Articles or the By-Laws.

1.13 "Common Property" or "Common Properties" mean any portion or portions of the Property now or hereafter owned by the Association or designated herein or on the plat of the Property as recorded in Plat Book _____, Page _____, public records of the County, as from time to time may be amended ("Plat"), as either Common Property or property to be maintained by the Association (whether or not such property is part of a dedicated right-of-way or easement). "Common Property" shall also include, but shall not be limited to, (a) any landscaping in any median or cul-de-sac island located in any right-of-way as shown on the Plat (whether or not these areas are indicated as common areas), (b) any lake areas for which the Association has maintenance responsibility and for which the costs thereof shall be shared by the Homeowners and certain owners of adjacent real property pursuant to separate agreement, (c) all portions of the "Surface Water Drainage and Management System" (as defined in Article 10 hereof) which serve the Community, (d) any property designated by Declarant as Common Property elsewhere in this Declaration or in any amendment or supplement to this Declaration, and (e) utility easements or tracts for corresponding sewer or potable water.

1.14 "Community" means the subdivision development project known as Southgate at Lake County.

1.15 "Community Wide Standards" means the standards of conduct, maintenance or other activity generally prevailing throughout the Property. Such standards may be more specifically determined by Declarant so long as Declarant owns any portion of the Property. Community Wide Standards shall be set forth in this Declaration and/or as a part of the Rules and Regulations.

1.16 “County” means Lake County, Florida.

1.17 “Declaration” means this instrument, as may be amended from time to time.

1.18 “Declarant” means KB Home Orlando LLC, a Delaware limited liability company authorized to do business in Florida, and its successors, assigns and designees. A Homeowner or a Mortgagee shall not be deemed to be the Declarant by the mere act of purchase or mortgage of a Lot. No successor or assignee of Declarant shall have any rights or obligations of Declarant under this Declaration except to the extent any such rights and obligations are specifically set forth in an instrument of succession or assignment, or unless such rights pass by operation of law.

1.19 “Family” means one or more persons each related to the other by blood, marriage, or legal adoption, or a group of not more than 3 persons not all so related, together with domestic servants if any, maintaining a common household in a Home.

1.20 “First Mortgage” means a valid Mortgage (as defined hereinafter) having priority over all other mortgages on the same property.

1.21 “First Mortgagee” means the holder of a recorded First Mortgage encumbering a Lot and the Home thereon, if any.

1.22 “Governing Documents” means collectively this Declaration, the Articles, the By-Laws, any rules and regulations of the Association, and any other instrument which governs the operation and/or use of the Property and the duties and obligations of the Association.

1.23 “Governmental Entities” means collectively the agencies of the local, state or federal government having jurisdiction over all or a portion of the Property, including, but limited to, the City, the County and the WMD.

1.24 “Home” means any residential dwelling that has been completed and a certificate of occupancy has been issued, and which has been conveyed to a Person other than Declarant and is to be used by one Family.

1.25 “Homeowner” means any person who from time to time holds record title to any Lot. If more than one person holds such title, all such persons are Homeowners, jointly and severally. Declarant is a Homeowner with respect to each Lot from time to time owned by such Declarant.

1.26 “Lot” means each numbered lot as established by the recorded Plat of the Property.

1.27 “Member” means a member of the Association.

1.28 “Mortgage” means any valid instrument transferring any interest in real property as security for the performance of an obligation.

1.29 “Person” means any natural person or artificial entity having legal capacity.

1.30 “Property” means the real property described in Article II of this Declaration.

1.31 “Resident” means a permanent occupant of a Home who is not a Homeowner, but occupies pursuant to a lease or other formalized arrangement with such Homeowner pursuant to the terms of this Declaration, including all approvals required therein.

1.32 “Rules and Regulations” means the rules and regulations adopted by the Board, as same may be amended from time to time.

1.33 “Transfer of Control” means that date upon which Declarant transfers majority control of the Board as provided in Section 5.4 hereof.

1.34 “WMD” means the St. Johns River Water Management District.

1.35 “WMD Permit” means the permit(s) issued from time to time with regard to the Community. The current WMD Permit is attached hereto and incorporated herein as Exhibit D.

1.36 “Work” means the development of all or any portion of the Property as a residential community by Declarant’s construction and installation of streets, dwellings, buildings, and other improvements and the sale or other disposition of the Property and improvements thereon as completed Lots.

The term “Article” and the term “Paragraph” where used throughout this Declaration shall mean the same, unless the context requires otherwise. The term “Section” where used throughout this Declaration shall refer to that portion of the Article indicated, unless the context requires otherwise.

All definitions contained in the Governing Documents other than this Declaration are hereby incorporated into this Declaration (most specifically the definitions contained in the exhibits to this Declaration).

Unless the context expressly requires otherwise: (i) the use of the singular includes the plural and vice versa; (ii) the use of one gender includes all genders; (iii) the use of the terms “including” or “include” is without limitation; (iv) the use of the term “Lot” includes any portion applicable to the context thereof, any and all improvements, fixtures, trees, vegetation, and other property from time to time situated thereon, and any and all appurtenant rights, unless the context otherwise dictates; and (v) the words “must,” “should,” and “will” have the same legal effect as the word “shall.” This Declaration should be interpreted, construed, applied, and enforced in a reasonable, practical manner to effectuate its purpose of protecting and enhancing the value, marketability, and desirability of the Lots by providing a common plan for their development and enjoyment. The various headings used in this Declaration are for indexing and organizational purposes only and are not to be used to interpret, construe, apply, or enforce its substantive provisions.

Article 2: Property Subject to this Declaration

2.1 Subject Property. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in Lake County, State of Florida, and is more particularly described in the metes and bounds description attached hereto as Exhibit A and incorporated by reference as fully as if specifically repeated herein, and all of which real property shall hereinafter be referred to as “Property.”

2.2 Expansion of Community. Declarant has the right, acting in its sole discretion, but not the obligation, to expand the Community from time to time by adding additional land, or to change the number or type of Lots, Homes, and any other residential, amenities or other features of the Community.

2.3 Long-Term Development; Non-Binding Plans. From time to time, Declarant and/or others may present to the public drawings, renderings, plans or models showing possible future development of the Property. Declarant does not represent, warrant and/or guarantee that the development programs or features of any such drawings, renderings, plans and/or models will be carried out or how the future improvements, if any, within the Property will actually be developed and/or built. Any such drawings, renderings, plans and/or models are conceptual in nature and do not represent a final development or improvement plan. Each Homeowner acknowledges, covenants and agrees that Declarant shall have no liability to any Homeowner or other party for any changes to, or failure to complete, any development and/or improvements in accordance with any drawings, renderings, plans and/or models. Each Homeowner further acknowledges that the development of the Property may extend over a number of years, and each Owner specifically and voluntarily agrees and consents to all changes in the following:

- 2.3.1 uses or density of Lots within the Property;
- 2.3.2 the architectural scheme of the Property; and/or
- 2.3.3 the architectural pattern of the Property.

Each Homeowner acknowledges and agrees that the Homeowner is not entitled to rely upon, and has not received and/or relied upon, any representations, warranties and/or guarantees of any type or nature whatsoever as to the current or future: design, construction, completion, development, use, benefits and/or value of land within the Property; number, types, sizes, prices and/or designs of any Home, structure, building, facilities, amenities and/or improvements built or to be built in or on any portion of the Property; and/or use or development of any land, real property, personal property, building, structure and/or improvement adjacent to or within the vicinity of the Property.

Article 3: Property Rights; Common Property; Covenants, Easements and Restrictions

3.1 Appurtenances; Extension of Rights and Benefits.

3.1.1 The benefit of all rights and easements granted by this Declaration with regard to the Common Property constitute a permanent appurtenance to, and will pass with, the title to every portion of the Property enjoying such benefit. Whenever any such rights or easements are described as non-exclusive by this Article, its benefit nevertheless is exclusive to all Homeowners and other Benefited Parties granted such benefit by this Article, unless this Article expressly grants such benefit to other Persons. In no event will the benefit of any such easement extend to the general public.

3.1.2 Every Homeowner shall automatically have the rights and easements of enjoyment vested in him under this Article extended to each of the applicable Benefited Parties, and to such other persons as may be permitted by the Association.

3.2 Utility Easements. Declarant has identified areas for use by all utilities for the construction and maintenance of their respective facilities servicing the Property, and Declarant hereby grants to such utilities, jointly and severally, easements for such purpose. The location and extent of such easements are as shown on the Plat (recorded or to be recorded) of the Property or such other instrument defining them. In addition to the above, Declarant hereby reserves unto itself and its successors and assigns an easement over, under, across and through the Common Property as may be required for the construction, maintenance and operation of a two-way communication and monitored access control system. Such utilities, as well as Declarant, and their respective agents, employees, designees and assigns shall have full rights of ingress and egress over any Lot for all activities appropriately associated with the purposes of said easements. Furthermore, Declarant hereby grants to the Governmental Entities an easement over, under, across and through the Common Property as may be required for the construction, maintenance and operation of certain utility services, as and to the extent applicable.

3.3 Common Properties.

3.3.1 All Common Property owned or leased by Association shall be held by the Association for the use and benefit of the Association, the Benefited Parties, and any other Persons authorized to use the Common Property or any portion thereof by Declarant or the Association.

3.3.2 All Common Property shall be used for all proper and reasonable purposes and uses for which the same are reasonably intended, subject to (a) the terms of this Declaration, (b) the terms of any easement, restriction, reservation or limitation of record affecting the Common Property or contained in the deed or instrument conveying the Common Property to the Association, and (c) any rules and regulations adopted by the Association.

3.3.3 The rights and easements of the Benefited Parties and, in general, the use of the Common Properties, shall be subject to the following:

- (a) the right of the Association to limit the use of the Common Properties;
- (b) the right of the Association to suspend the enjoyment rights of an Homeowner, if and up to the maximum extent permitted by law, for any period during which any Assessment remains unpaid, or for any infraction of the Rules and Regulations or this Declaration;
- (c) the right of the Association to dedicate or transfer all or any part of the Common Property owned by the Association to any governmental body, quasi-governmental body, public agency, authority or utility for purposes associated with such entities. No such dedication or transfer shall be effective unless the Members entitled to cast at least 67% of the total Class A votes and all of the Class B votes agree to such dedication or transfer; provided, however, that this paragraph shall not preclude (a) the Association, on or before Transfer of Control, from dedicating or transferring all or any portion of the Common Property owned by the Association to any public agency, authority or utility for such purposes without the consent of the Homeowners; (b) the Board from granting specific easements for the installation and maintenance of electrical, telephone, special purpose cable for television and other uses, water and sewer, fire protection, trash collection and utilities and drainage facilities and other utilities or services of the like, upon, over, under and across the Common Property without the consent of the Members; or (c) prevent Declarant from granting such specific easements with regard to any portion of the Property owned by Declarant, including any Common Property, without the consent of the Members;
- (d) the right of the Association to impose reasonable Rules and Regulations with respect to the use of the Common Properties in addition to those set forth herein; and
- (e) the restrictions and conditions of any applicable zoning ordinance or development order, or any other regulation, rule or statute.

3.3.4 The Association may restrict use of any portion of the Common Property when the nature of such property is not intended for the use of some of the Benefited Parties or may restrict the type of use or times of use in any way deemed appropriate by the Board. A non-exclusive easement and right for such use of the Common Property is hereby created in favor of all Benefited Parties, appurtenant to the title to their portion of the Property, subject to any rules and regulations promulgated by the Association. In addition, (a) Declarant shall have the right, in its sole discretion, to permit access to and use of the Common Property to and by individuals other than as so described herein for so long as Declarant owns any portion of the Property, and (b) Declarant retains and reserves the right to grant easements and rights of way in, to, under and over the Common Property so long as Declarant is a member of the Association for such purposes as Declarant shall reasonably deem necessary or helpful in connection with the development, sale or operation of the Community.

3.3.5 Additions, Alterations or Improvements.

- (a) On or before Transfer of Control, the Association shall have the right to make additions, deletions, alterations or improvements to the Common Property (if any) and to purchase any personal property as it deems necessary or desirable from time to time. The cost and expense of any such additions, deletions, alterations or improvements to the Common Property, or the purchase of any personal property, shall be a common expense.
- (b) Subsequent to Transfer of Control, the Association shall have the right to make additions, alterations or improvements to the Common Property, and to purchase any personal property as it deems necessary or desirable from time to time; provided, however, that the approval of a majority of the Members present in person or by proxy at a duly called meeting of the Association shall be required for any addition, alteration or improvement, or any purchase of personal property, for which the annual expense exceeds 10% of the annual budget in effect at the time the addition, alteration,

improvement or purchase is contemplated by the Association. The foregoing approval shall in no event be required with respect to expenses incurred in connection with the maintenance, repair or replacement of existing Common Property, or any existing improvements or personal property associated therewith, or with respect to any property being conveyed to the Association by Declarant. The cost and expense of any such additions, alterations or improvements to the Common Property, or the purchase of any personal property, shall be a Common Expense.

(c) So long as Declarant owns any portion of the Property, Declarant shall have the right to make any additions, alterations or improvements to the Common Property, or to amend the description of the Common Property, as may be desired by Declarant in its sole discretion from time to time, at Declarant's expense.

3.4 Lots. The following covenants, restrictions and easements are hereby imposed on each Lot in the Community:

3.4.1 General Restrictions. The following restrictive covenants are easements and covenants running with the land and are binding upon all Homeowners, Authorized Users, and other occupants and their respective successors and assigns:

(a) General Encroachment Easements; Right of Entry. Each Lot and the Common Property are hereby subjected to a permanent easement appurtenant to any adjoining Lot to permit the use, construction, existence, maintenance, repair and restoration of structures located on such adjoining Lot, including, but not limited to, driveways, walkways and roof structures which overhang and encroach upon the servient Lot or Common Property, if any, provided that such structures were constructed by Declarant or the construction of such structure is permitted and approved as elsewhere herein provided. The owner of the dominant tenement shall have the right, at all reasonable times, to enter the easement area in order to make full use of such structure for its intended purposes and to maintain, repair and restore any improvements located on the dominant tenement; provided, however, that any such entry made for purposes of maintenance, restoration or repair shall be limited to daylight hours and shall only be made with the prior knowledge of the owner of the servient tenement. In case of emergency, the right of entry for maintenance, restoration or repair shall be immediate, not restricted as to time, and not be conditioned upon prior knowledge of the owner of the servient tenement. The owner of the servient tenement shall not place any improvement, material or obstacle in or over the easement area on the servient tenement which would unreasonably interfere with the rights of the owner of the dominant tenement granted by this paragraph. Any such improvement, material or obstacle shall be promptly removed by the owner of the servient tenement at that owner's expense when requested by the owner of the dominant tenement or Declarant notwithstanding any lapse of time since such improvement, material or other obstacle was placed in or over the easement area.

(b) No Improper Uses. No improper, offensive, hazardous or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Property, shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Property, as elsewhere herein set forth. Notwithstanding the foregoing and any provisions of this Declaration, the Articles of Incorporation or By-Laws, the Association shall not be liable to any person(s) for its failure to enforce the provisions of this Section. No activity specifically permitted by this Declaration shall be deemed a violation of this Section.

(c) Leases. No Lot may be leased and/or rented for a term shorter than 12 consecutive months, and no more than 1 lease shall be permitted in any 12 month period. Any lease and/or rental agreement shall specifically provide that the lessee, tenant and all occupants of the leased Home and Lot shall be bound by the terms of the Governing Documents. There shall be no subleasing of any kind of any Lot. If a Homeowner intending to lease or rent his or her Lot is delinquent in the payment of any Assessments, the Association shall so notify the Association, which shall be entitled to refuse to allow the Homeowner to rent or lease his or her Lot until such delinquency is made current. Upon

execution of such a lease, the Homeowner shall provide the Association with an executed copy of such lease. The Association shall have the right to require upon notice to all Homeowners that a substantially uniform form of lease or sub-lease be used by all Homeowners (including Declarant) intending to rent or lease after said notice and to provide such form as a Common Expense.

(d) Insurance Obtained by Owners. By virtue of taking title to a Lot, a Homeowner agrees to carry blanket all-risk casualty insurance on such Homeowner's Lot and the Home and other improvements contained thereon. The insurance to be obtained by each and every Homeowner shall be in an amount sufficient to cover 100% of the replacement cost of any repair and/or reconstruction in the event of damage or destruction from any insured hazard. Each Homeowner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of the Home and other improvements on such Homeowner's Lot, the Homeowner shall proceed promptly to repair and/or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are or may be approved in accordance with this Declaration. The Homeowner shall pay any costs of repair and/or reconstruction which are not covered by insurance proceeds. If the Home is totally destroyed, the Homeowner may decide not to rebuild and/or to reconstruct, in which case the Homeowner shall clear the Lot of all debris and return that Lot to substantially the natural state in which it existed prior to the beginning of construction of the original Home, and thereafter such Homeowner shall continue to maintain the Lot in a neat and attractive condition consistent with the terms, conditions and provisions of this Declaration.

3.4.2 Access by Association. The officers, employees, or designated agents of the Association have a right of entry onto the exterior of each Lot to the extent reasonably necessary to discharge any duty imposed, or exercise any right granted, by this Declaration or to investigate or enforce the provisions of the Declaration and the rules and regulations of the Association. Such right of entry must be exercised in a peaceful and reasonable manner at reasonable times, and the entry may be only upon reasonable notice whenever circumstances permit. Entry into any improvement upon any Lot may not be made without the consent of its Homeowner or occupant for any purpose, except pursuant to court order, other authority conferred by law or in the event of an emergency. Such consent will not be unreasonably withheld or delayed.

3.4.3 General Easements. In the event that any part of any Home or Lot encroaches or shall hereafter encroach upon any part of any other Lot or the Common Property, valid easements for the maintenance of such encroachments are hereby established and shall exist so long as all or any part of the same shall remain standing; provided, however, that in no event shall a valid easement for any encroachment be created in favor of any Homeowner if such encroachment or use is detrimental to or interferes with the reasonable use and enjoyment of the Home or Lot of another Homeowner and if it occurred due to the willful conduct of any Homeowner.

3.4.4 Easement for Irrigation. The Association shall each have a perpetual, non-exclusive easement over, across, under and through each of the Lots and the Common Property for purposes of installing, maintaining, repairing, replacing and/or reconstructing all lines and facilities pertaining to the irrigation system for the Community, as and to the extent same shall be a part of the Association's obligations as pertaining to the Lots.

3.5 Ingress and Egress. Each Homeowner shall have a perpetual, unrestricted easement over, across and through the Common Property for the purpose of ingress to and egress from his Lot, subject only to the right of the Association to impose reasonable and non-discriminatory rules and regulations governing the manner in which such easement is exercised, which easement shall be appurtenant to and pass with ownership to each Lot.

3.6 Continuous Maintenance of Easements by Association. The Association shall be responsible for the continuous maintenance of the easements and rights-of-way of the Surface Water Drainage and Management System. This obligation shall run with the land as do other provisions of this Declaration, and any Homeowner may enforce this covenant and will be entitled to costs and fees, pursuant to Section 15.1 hereof, which result from such enforcement.

3.7 Dedications. Declarant hereby reserves the right to dedicate, grant or convey any portion of the Property owned by it, or any interest or easement therein, to any governmental or quasi-governmental agency or private or public utility company. Declarant also shall have the right to direct the Association to likewise dedicate, grant or convey any Common Property, or any interest or easement in any Common Property, owned by the Association whereupon the Association shall execute such documents as will be necessary to effectuate such dedication; provided, however, that this right of Declarant shall terminate when Declarant either is no longer a Member or has duly executed and recorded in the public records of the County a notice releasing and waiving this right, whereupon the right shall be vested solely within the Association. Any portion of the Property, or any interest or easement therein, which is dedicated, granted or conveyed pursuant to this provision shall not be subject to this Declaration, unless the instrument so dedicating, granting, or conveying such portion of the Property, interest or easement specifically provides that same shall remain subject to this Declaration.

3.8 Community Systems and Services. Declarant reserves for itself, its successors and assignees and the Association the exclusive and perpetual right to provide and operate, or to permit others to provide and operate, within the Property, such telecommunication systems (including, without limitation, cable television, satellite television, community intranet, internet, telephone and other systems for receiving, distributing and transmitting electronic data, signals, and audio or visual communications), systems and services, utilities, and similar systems and services, including, without limitation, conduits, wires, amplifiers, towers, antennae, and other apparatus and equipment for the operation and/or provision thereof (collectively, the "Community Systems and Services") on a reasonably competitive basis, as Declarant, in its discretion, deems appropriate. Such right shall include, without limitation, the right to select and contract with companies licensed to provide such services in the area where the Property is located, and to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules, and regulations of the relevant government authority, if applicable. Declarant and/or the Association may receive, and shall be entitled to retain, any rebate, credit, fee, and/or incentive relating to the installation, operation, and/or provision of any Community Systems and Services. Declarant and/or the Association may require that the Board enter into agreements for the provision of Community Systems and Services to all Lots as part of the Common Expenses. If particular services or benefits are provided to particular Homeowners or Lots at their request, the benefited Homeowner(s) shall pay the service provider directly for such services, or the Association may assess the costs as an Assessment (the type of which shall depend upon the circumstances). No Homeowner may avoid liability for the charges associated with the Community Systems and Services by electing not to utilize the Community Systems and Services.

Article 4: Use Restrictions

4.1 General Applicability to the Property. All use and development of the Property shall conform to the provisions of this Declaration and any other restrictive covenants recorded against all or a portion of the Property, as may be amended from time to time. The Property shall be used only for residential and related purposes. The Association, acting through the Board, shall have standing and the power to enforce standards imposed by the Declaration, and each Homeowner, by virtue of taking title to a Lot, hereby agrees and consents, and shall be deemed to agree and consent, to the Association's powers under this Section 4.1.

4.2 Specific Exemption for Declarant. Notwithstanding anything to the contrary herein, Declarant shall be exempt from application of the terms and provisions of this Article so long as it owns any portion of the Property. This Section 4.2 may not be amended without the prior written consent of Declarant for so long as Declarant owns any Lot in the Community.

4.3 Article 6 Provisions Not Comprehensive. This Article contains provisions and restrictions which permit or prohibit certain conduct or uses and which may require certain permitted uses to be approved by the ARC pursuant to this Declaration. The provisions and restrictions of this Article are illustrative only and shall in no event be deemed a comprehensive list of items subject to approval hereunder.

4.4 Rules and Regulations. The Association, acting through its Board, shall have the authority to make and to enforce reasonable Rules and Regulations which provide standards governing the use of the Property, in addition to those contained herein.

4.5 Homeowners and Authorized Users Bound; Homeowner's Liability.

4.5.1 In General. Use restrictions shall be binding upon all Homeowners and Authorized Users of Lots and other portions of the Property. All provisions of the Governing Documents which govern the conduct of Homeowners and which provide for sanctions against Homeowners shall also apply to all Authorized Users. Every Homeowner shall cause his or her Authorized Users to comply with the Governing Documents, and shall be responsible for all violations and losses to the Property caused by such Authorized Users, notwithstanding the fact that such Authorized Users are fully liable and may be sanctioned for any violation of the Governing Documents.

4.5.2 Right to Cure. Should any Homeowner do any of the following:

(a) fail to perform its responsibilities as set forth herein or otherwise violate or breach the provisions of the Governing Documents; or

(b) cause any damage to any improvement or to any portion of the Property or the Common Property; or

(c) impede Declarant or the Association from exercising its rights or performing its responsibilities hereunder, including obligations under any applicable permits; or

(d) undertake unauthorized improvements or modifications to a Home, the Property or the Common Property; or

(e) impede Declarant from proceeding with or completing the development of the Community,

Declarant and/or the Association, where applicable, after reasonable prior written notice, shall have the right, through its agents and employees, to cure such violations or breaches, including, but not limited to, by entering upon the Home and/or Lot and causing the violation or breach to be remedied and/or the required repairs or maintenance to be performed, or as the case may be, remove unauthorized improvements or modifications. The cost of curing such violations or breaches, plus reasonable overhead costs and attorneys' fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, shall be assessed against the Homeowner as a Specific Assessment.

4.5.3 Non-Monetary Defaults. In the event of a violation or breach by any Homeowner, other than the nonpayment of any Assessment or other monies, of any of the provisions of this Declaration, Declarant or the Association shall notify the Homeowner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within 7 days after receipt of such written notice, the party entitled to enforce same may, at its option:

(a) commence an action to enforce the performance on the part of the Homeowner or to enjoin the violation or breach or for equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

(b) commence an action to recover damages; and/or

(c) take any and all actions reasonably necessary to correct the violation or breach.

All expenses incurred in connection with the violation or breach, or the commencement of any action against any Homeowner, including reasonable attorneys' fees and paraprofessional fees at all levels,

including appeals, collections and bankruptcy, shall be assessed against the Homeowner as a Specific Assessment, and shall be immediately due and payable without further notice.

4.5.4 No Waiver. The failure to enforce any right, provision, covenant or condition in this Declaration, shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future.

4.5.5 Rights Cumulative. All rights, remedies, and privileges granted to Declarant, the Association and/or the ARC pursuant to any terms, provisions, covenants or conditions of this Declaration, or the ARC Guidelines, shall be deemed to be cumulative, and the exercise of any one or more of same shall neither be deemed to constitute an election of remedies, nor shall it preclude any of them from pursuing such additional remedies, rights or privileges as may be granted or as it might have by law.

4.5.6 Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration or the ARC Guidelines may be enforced by Declarant and/or, where applicable, the Association by any procedure at law or in equity against any person violating or attempting to violate any provision herein or contained in the ARC Guidelines, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein or in the ARC Guidelines. The expense of any litigation to enforce this Declaration or the ARC Guidelines shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this Declaration or the ARC Guidelines.

4.6 Parking and Vehicular Restrictions.

4.6.1 Location of Parking.

(a) No vehicle shall be parked anywhere but on paved areas intended for that purpose (i.e., no street parking), it being the intent to limit and control on-street parking for a more aesthetic streetscape and safer vehicle access. Notwithstanding the foregoing, the following exceptions shall exist:

(i) Guests and visitors of a Homeowner or Authorized User shall be permitted to park on the streets for no longer than 7 days in any 30 consecutive day time period and then must park in the same fashion as is required for Homeowners and Authorized Users. While parking within the Property, guests and visitors shall follow all parking rules and regulations; and

(ii) the Board may grant temporary exceptions when it deems appropriate (for example, but not limited to, large parties, holidays, parade of homes, special events at a Home, and special events at a Lot).

(b) Parking on lawns or landscaped areas is prohibited, unless specifically approved or designated for such purpose.

(c) A Homeowner shall not be permitted to install upon a Lot any parking area in addition to the existing driveway without the prior written consent of the ARC.

(d) Homeowners' automobiles shall be parked in the garage or driveway of or pertaining to a Lot.

(e) No vehicle shall be permitted to park overnight within the Community which cannot be parked within the size of a private parking garage with the garage door closed.

4.6.2 Number of Vehicles. No more than 2 vehicles of any type may be parked in a driveway of a Lot overnight without the written consent of the Association.

4.6.3 Permitted and Prohibited Vehicles; Exceptions.

(a) The parking of personal passenger vehicles and motorcycles equal to or less than two hundred thirty inches (230") in length and pick-up trucks and sport utility vehicles ("SUVs") equal to or less than two hundred sixty four inches (264") in length are subject only to the restrictions found in Section 4.6.1 hereof and the restrictions set forth in Sections 4.6.3(c)-(e) hereof.

(b) Pick-up trucks and SUVs in excess of two hundred sixty four inches (264") must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property.

(c) Except as specifically herein to the contrary, vehicles, no matter their size or length, with a camper top, work racks and/or any other commercial appendages attached to it, must be stored so that same will not be visible from any street, and all vehicles, no matter the size, must be parked or stored in the driveway or garage and shall not block any part of the sidewalk.

(d) Commercial vehicles (which for purposes of this provision are defined as vehicles not designed and/or used for normal personal/family transportation, vehicles with work racks, tool racks and/or visible equipment, and/or vehicles bearing lettering, graphics, contact information, logos, advertising and/or any other commercial insignia) must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property. A vehicle used for normal personal or family transportation shall be considered a commercial vehicle for purposes of this subsection and must be parked or stored completely out of sight if it contains any lettering, graphics, contact information, logos, advertising and/or any other commercial insignia. Such lettering, graphics, contact information, logos, advertising and/or any other commercial insignia may also be completely covered with a magnetic or other type of covering of the same color of the vehicle, so that no portion of the lettering, graphics, contact information, logos, advertising and/or other commercial insignia is visible from the street and/or visible from any other Lot within the Property. Notwithstanding the foregoing, commercial vehicles shall be permitted to temporarily park on the exterior portions of a Lot or in the street for purposes of deliveries.

(e) Unregistered, derelict and/or inoperable vehicles or trailers of any kind must be parked or stored so that they will not be visible from any street and not be visible from any other Lot within the Property. For purposes of this subsection, derelict or inoperable vehicles, include, but are not limited to, vehicles with no current license plate, vehicles with no current registration, and vehicles incapable of self-propulsion.

(f) Recreational vehicles (including, without limitation, a camper, mobile home, and a motor home, no matter their size), all-terrain vehicles (ATVs or ATCs), dune buggies, scooters, go-carts, mini-motorcycles, boats and trailers of all types, must be parked or stored so that same will not be visible from any street and not visible from any other Lot within the Property. Notwithstanding anything to the contrary in this Declaration, a Homeowner may temporarily park a recreational vehicle on the driveway of that Homeowner's Lot for the purpose of loading, unloading and/or cleaning that recreational vehicle. No such recreational vehicle shall remain visibly parked and/or stored on that Homeowner's Lot for longer than 48 consecutive hours in any 7 consecutive day time period.

(g) Notwithstanding anything to the contrary in this Declaration, a Homeowner may temporarily park a boat on the driveway of that Homeowner's Lot, if the boat is on a boat trailer, for the purpose of loading, unloading and/or cleaning that boat. No such boat and/or boat trailer shall remain visibly parked and/or stored on that Homeowner's Lot for longer than 48 consecutive hours in any 7 consecutive day time period.

(h) Delivery vans, service vans and buses, no matter their size, must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property.

(i) Motorized scooters, dune buggies, mini-motorcycles, mopeds, motorized skateboards, go-carts and all-terrain vehicles shall not be operated and/or used on any sidewalk or street or landscaped portions of the Common Property.

(j) Notwithstanding the restrictions contained in this Section 4.6.3, all commercial and public service vehicles (including construction vehicles and vehicles owned by construction workers) present on and/or within the Property while performing work and/or services for or on behalf of Homeowners will be permitted on a temporary basis during the period of time that the work is being actually performed. However, no overnight parking of any of these vehicles shall be permitted.

4.6.4 Repairs. No repair, except for emergency repair, of vehicles shall be made within the Community, except within the closed confines of the garage of or pertaining to Lot.

4.6.5 Gas or Electric Golf Carts. No private golf carts (gas or electric) or any other cart-like vehicle (collectively, "Carts") shall be permitted in the Community, save and except for Carts (a) which are used by Declarant in the course of its sale and development of the Community (in which case such Carts shall be permitted upon the roadways and Common Properties of the Community), or (b) which are used by the Association in the fulfillment of its duties in and for all or part of the Community (in which case such Carts shall be permitted upon the roadways and Common Properties of the Community). Each Homeowner, by virtue of taking title to a Lot, understands and agrees, and shall be deemed to understand and agree, that private Carts are not permitted on or within a Lot and that Carts shall only be permitted in the limited fashion prescribed by this Section 4.6.5. No amendment or modification to this Section 4.6.5 shall be effective without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

4.6.6 Exemptions. In addition to any other exemptions from the provisions of this Section 4.6 stated otherwise, this Section does not apply to any vehicles utilized for sales, construction or maintenance operations of or by Declarant or the Association.

4.6.7 Amendments to this Section. No amendment or modification to this Section 4.6 shall be effective without the prior written consent of Declarant for so long as Declarant owns any portion of the Property. The Association may, but shall not be obligated to, promulgate rules and regulations and clarify the provisions and objectives of this Section 4.6.

4.6.8 Garage Doors. All Homes shall be equipped with automatic garage doors. Homeowners shall generally keep the garage doors closed except when required for ingress and egress from the garage.

4.6.9 Towing. In addition to all other enforcement tools available to the Association, in accordance with Section 715.07, Florida Statutes, the Association and Declarant shall have the right and authority to tow violating vehicles at the vehicle owner's sole and absolute cost and expense.

4.7 Driveways. All driveways in the Community shall be paved and/or constructed of pavers and of stable and permanent construction. Unless prior written approval of the ARC is obtained, the driveway base shall be concrete or brick pavers. No driveway surface shall be painted, repainted, or otherwise artificially colored or recolored without the prior written approval of the ARC.

4.8 Traffic Regulation. To the extent permitted by the Governmental Entities, the Association may, but shall not be obligated to, employ individuals, enter into one or more agreements to enforce rules and regulations concerning operation of motorized vehicles, parking restrictions and to otherwise provide a more enjoyable environment, on the internal roads of the Community.

4.9 Animals and Pets.

4.9.1 Prohibited and Permitted Animals; Number of Animals. No animals, livestock, reptiles, pets or poultry of any kind may be kept in and/or on any Lot or brought onto the Property by any

Homeowner and/or Authorized User other than domesticated dogs, domesticated cats, fish and/or caged birds, all of which are usually and commonly kept as household pets (collectively “pets”). No more than 2 of each type of permitted pet shall be permitted on a Lot, with the exception of fish. If any Lot contains more than 2 of any type of the permitted pets (other than fish), it shall be automatically considered unreasonable and such Homeowner shall be in violation of the Governing Documents. Animals, fowl, birds and reptiles which are deemed by the Board from time to time to be obnoxious are prohibited. The determination of what is or what may be obnoxious shall be determined by the Association in its sole discretion.

4.9.2 Prohibited Actions; Requirements.

(a) No animal breeding or sales as a business shall be permitted in the Community.

(b) No pet or animal shall be kept on the exterior of a Home, or upon a Lot or the Common Property, or left unattended in a yard or on a balcony, porch, patio or lanai.

(c) All pets (including cats) shall be walked on a leash when outside of the physical boundaries of a Home, and no pet shall be permitted to be kept outside of the boundaries of a Home while such pet’s Homeowner is away from the Home or overnight (meaning that no pet shall be permitted to sleep outside of the physical boundaries of a Home).

(d) No pet shall be permitted to leave its excrement on any portion of the Property, and the Homeowner of such pet shall immediately remove the same.

4.9.3 Nuisance. A determination by the Board that an animal or pet kept or harbored in a Home is a nuisance shall be conclusive and binding on all parties. When notice of removal of any pet is given by the Board, the pet shall be removed within 48 hours of the giving of the notice.

4.9.4 Limitations on Amendment. No amendment to this Section 4.9 shall be permitted except upon the prior written consent of Declarant for so long as Declarant owns any portion of the Community.

4.9.5 Agreement of Homeowners. Each Homeowner, by virtue of taking title to a Lot, shall indemnify the Association and Declarant and hold them harmless from and against any loss or liability of any kind or character whatsoever arising from such Homeowner having any pet upon any portion of any property subject to this Declaration.

4.9.6 Rules and Regulations. The Association shall have the power and right to promulgate rules and regulations in furtherance of the provisions of this Section, including, but not limited to, weight limitations, the number of pets and breeds of pets.

4.10 Nuisances; Obnoxious or Offensive Activity; Hazardous Materials.

4.10.1 No noxious or offensive activity shall be conducted upon any portion of the Property, nor shall anything be done thereon which may become an annoyance or nuisance to the Community or its members.

4.10.2 No activity or use shall be allowed upon the Property which is a source of annoyance, embarrassment and/or discomfort to the Homeowners, Authorized Users or Benefited Parties, or which interferes with the peaceful possession and proper use and enjoyment of the Property, nor shall any improper, unsightly, offensive and/or unlawful use be made of any Lot, any portion of the Property and/or the Common Property, and all laws, ordinances, codes, rules and regulations of all applicable governmental bodies shall be observed.

4.10.3 The Property shall be used, enjoyed and occupied in such manner as not to cause or produce any of the following effects discernible outside of any Home: noise or sound that is objectionable because of its volume, duration, beat, frequency or shrillness; smoke; noxious, toxic or corrosive fumes, chemicals and/or gases; obnoxious odors; trash; debris; construction materials; dust, dirt or fly ash; fire or explosive hazards; vibration; or interference with normal television, radio, telephone and/or other telecommunication reception by other Homeowners.

4.11 Trash; Garbage Containers.

4.11.1 No portion of the Property shall be used or maintained as a dumping ground for rubbish.

4.11.2 Trash, garbage or other waste shall be maintained in sanitary containers with lockable tops, and all trash containers shall be kept in a clean and sanitary condition. If provided by a service provider, containers to hold recycling and garbage shall be utilized by each Homeowner. If recycling and garbage containers are not provided by a service provider, the Association shall issue specifications for acceptable containers.

4.11.3 With regard to all Homes, all trash containers shall be stored in the garage of or pertaining to a Home, and all trash containers shall be taken to curbside in front of the Home not more than 24 hours prior to pickup and returned to their area of storage by the end of the day on which trash was collected.

4.12 Satellite Dishes. Satellite dishes, aerials, antennas and all lines and equipment related thereto located wholly within the physical boundaries of a Home shall be permitted without any requirement for approval from the Board of Directors. Satellite dishes, aerials and antennas (including, but not limited to, ham radio antennas) shall not be permitted on the non-enclosed dwelling portions of the Property except to the extent required to be permitted by applicable law (including, but not limited to, the Federal Telecommunications Act of 1996). The Association shall have the right and authority, in its sole discretion and from time to time, to promulgate rules and regulations, provided same are not violative of federal law, concerning the size and location of, and safety restrictions pertaining to, the installation of such signal reception equipment. To the extent permitted by applicable law, satellite dishes shall be required to be hidden from view from adjacent lands through location and landscaping techniques.

Notwithstanding any provision to the contrary, only antennae, aerials and satellite dishes which are designed to receive signals shall be permitted (i.e., no antennae and satellite dishes which broadcast a signal shall be permitted) on a Lot. The preceding sentence shall be deemed inapplicable to the Association, which, in its discretion and from time to time, shall have the power, right and ability to erect or install any satellite dish, aerial or antenna or any wireless networking devices and facilities for purposes of disseminating information to the Homeowners or for access control and monitoring purposes.

4.13 Energy Conservation Devices. The ARC must approve all solar panels and energy conservation equipment prior to installation of such equipment on a Home or Lot. All solar heating apparatus must conform to the standards set forth in the HUD Intermediate Minimum Property Standards Supplement, Solar Heating, and Domestic Water Systems, or other applicable governmental regulations and/or ordinances. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as reasonably determined by the ARC. No solar panel, vents, or other roof-mounted, mechanical equipment shall project more than 1.0 feet above the surface of the roof of a Home, and all such equipment, other than solar panels, shall be painted consistent with the color scheme of the portion of the Home for which such equipment is installed. This provision is not intended to prohibit the use of energy conservation devices.

4.14 Division of Lands; Prohibition Against Timesharing or Similar Uses. No Lot shall be subdivided or its boundary lines changed except by Declarant as to the Lots owned by Declarant and otherwise except with the prior written approval of the Board. The Board may permit a division in

ownership of any Lot intended for a single family residence as shown on a plat, but solely for the purpose of increasing the size of the adjacent Lots. Declarant hereby expressly reserves the right to replat any Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

No portion of the Property shall be made subject to any type of timeshare program, interval ownership, vacation club or similar program (except for short-term lodging purposes by Declarant) whereby the right to exclusive use of the Home and Lot rotates among multiple Homeowners or members of the program on a fixed or floating time schedule over a period of years. This Section shall not prohibit ownership of such property by joint tenants or tenants-in-common nor shall it prohibit ownership by an Homeowner who is not a natural person. Notwithstanding anything to the contrary, Declarant shall specifically be exempt from any timeshare or interval ownership development restrictions imposed by this Declaration, and in its sole discretion may develop a timeshare regime or facility on any portion of the Property from time to time. No amendment or modification to this Section shall be effective without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

4.15 Firearms. The discharge of firearms within the Community is prohibited; provided, the Association, the Board, the Association's directors, officers, employees and agents shall not have any duty to become physically involved to stop any such discharge. The term "firearms" includes handguns, rifles, shotguns, "B-B" guns, paintball guns, pellet guns, crossbows, paintball guns and other firearms of all types and weapons which expel a projectile, regardless of size or type.

4.16 Irrigation. No sprinkler or irrigation systems of any type which draws upon water from creeks, streams, rivers, lakes, ponds, wetlands, canals or other ground or surface waters within the Property shall be installed, constructed or operated within the Property by any Person other than Declarant or the Association. No Person may install a pump or otherwise divert any waters from any lake located wholly or partially on, or which are adjacent to, the Property for purposes of irrigation or any other purpose.

4.17 Wells and Drainage. No private water system or well shall be constructed or permitted on any portion of the Property, either for personal use or for irrigation. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant or the Association may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves for itself and grants to the Association a perpetual easement across the Property for the purpose of altering drainage and water flow, provided the same shall not unreasonably interfere with a Homeowner's use of a Lot. Notwithstanding the foregoing, Declarant shall be permitted to install and maintain wells on the Property as they determine from time to time (in which event such wells shall be deemed to be permitted once the property upon which the well is located is conveyed to a third party).

4.18 Sewage Disposal; Septic Tanks. No individual sewage disposal system shall be permitted on any portion of the Property. Septic tanks are not permitted on any portion of the Property, except for sales centers, models or construction offices of Declarant or as otherwise permitted by the ARC in conjunction with temporary use.

4.19 Temporary Structures. No structure of a temporary character, trailer, tent, shack, storage building, shed, stand-alone garage, barn or other outbuilding (a) shall be used on any portion of the Property at any time as a residence either temporarily or permanently, except that Declarant may place any type of temporary structure on any portion of the Property at any time to aid in its construction and/or sales activities, or (b) shall be permitted to be located on any portion of the Property for any other purpose without the prior written approval of the ARC (Declarant shall be exempt from this approval requirement with regard to Declarant-owned Lots).

4.20 Insurance Rates. No Homeowner shall permit or suffer anything to be done or kept in his Home or, where applicable, on his Lot which will increase the rate of insurance for, or result in the cancellation of insurance policies pertaining to, other Homeowners, the Association or Declarant.

4.21 Sight Distance at Intersections. All portions of the Property located at street intersections shall be landscaped in a manner so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem, as the same is determined by the Board; provided, however, that the foregoing restriction shall in no manner be deemed applicable to walls which serve to border or exist along or directly adjacent to one or more Lots.

4.22 Utility Lines. No overhead utility lines, including, without limitation, lines for electric, telephone and cable television, shall be permitted within the Property, except for (a) overhead transmission lines existing as of the date of original recording of this Declaration, and (b) temporary lines as required during construction and lines within the Property as the same may exist on the date hereof.

4.23 Wetlands, Lakes and Water Bodies. All lakes, ponds and streams within the Property, if any, shall be designated as aesthetic and drainage or irrigation amenities. No swimming, boating, playing, fishing or use of personal flotation devices on all water bodies or lake within the Community shall be permitted, save and except for activities specifically permitted by the Rules and Regulations and the requirements of the WMD Permit.

4.24 Increase in the Size of Lots; Changes in Elevation. No Lot shall be changed in size by filling in any water body or lake it may abut or by excavating existing ground, except upon the prior written approval of the ARC. The elevation of a Lot may not be changed so as to materially affect the surface elevation or grade of the surrounding Lots without the prior written approval of the ARC.

4.25 Signs.

4.25.1 In General. Except as otherwise specifically permitted hereunder, no sign, billboard or advertisement of any kind, including, without limitation, those of realtors, contractors, subcontractors and for sale or for lease signs, shall be erected within the Property without the written consent of the ARC and in accordance with the Community Wide Standard, except as may be required by legal proceedings or applicable law, and except signs, regardless of size, used by Declarant, its successor and assigns, and replacement of such signs. If permission is granted to any Homeowner to erect a sign within the Property, the ARC reserves the right to restrict the size, color, lettering, height, material and location of the sign. Under no circumstances shall signs, banners or similar items advertising or providing directional information with respect to activities being conducted outside the Property be permitted within the Property. The ARC may promulgate rules and regulations for signs which do not require prior ARC approval to be placed on a Lot. No sign shall be nailed or otherwise attached to trees.

4.25.2 Homes for Sale; Signs Advertising Auctions. Homes which are for sale or lease may be shown by prior appointment only. No "For Sale" or realtor signs shall be permitted to be placed upon any Lot, within the windows of any Home, or upon the Common Property for so long as Declarant owns at least one Lot in the Community, and thereafter only as specifically approved by the ARC. In furtherance of the provisions of Section 4.48 hereof, no signs shall be permitted indicating that a Lot will be sold by means of a public or private auction, and reference should be made to such Section 4.48 with regard to the general prohibition against a Lot being offered for sale by public or private auction. Notwithstanding the foregoing provisions of this Section 4.25.2, Declarant shall be entitled to utilize signs on a Lot or the Common Property indicating the name of a particular model type or the name of the future Homeowner of a Lot being constructed or to be constructed.

4.25.3 Prohibition Against Signs Advertising Homes for Rent or Lease; Limitation on "Open House" Signs. No "for rent," "for lease" or like signs shall be permitted on any Lot, Home or the Common Property. "Open house" signs shall only be permitted to be placed on a Lot or Home, and open houses shall only be permitted within the Community, within normal and ordinary daylight hours. The size and number of "open house" signs shall be determined by the ARC from the time to time, and the ARC shall be permitted to impose differing requirements for different Lots, as the ARC may determine in its

sole and absolute discretion. No “open house” signs shall be permitted to be placed on the Common Property.

4.25.4 Traffic Signs. The Association shall be responsible for the installation, maintenance, repair and/or replacement of all traffic signs within the Community. The Association, for aesthetic purposes, may not, and shall not be required to, fully utilize the Florida Department of Transportation standards for any or all traffic signs, unless otherwise so required by a governmental entity.

4.25.5 Declarant Exemption; Amendment to Provisions Concerning Signs. Declarant is specifically exempt from the provisions of this Section 4.25, and as such shall be entitled to erect such signs as it deems necessary or desirable in Declarant’s sole discretion from time to time. No amendment or modification to this overall Section pertaining to signs shall be effective without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

4.25.6 Flag Display. In accordance with the Act, a Homeowner may (i) erect a freestanding flagpole no more than 20 feet high as long as such flagpole does not obstruct sightlines at intersections and is not erected within or upon an easement, and (ii) may display one official United States flag, not larger than 4½ 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 must be equal in size to or smaller than the United States flag). The flagpole and flag display are subject to all building codes, zoning setbacks, and other applicable governmental regulations, including, but not limited to, noise and lighting ordinances of the Governmental Entities (to the extent applicable) and all setback and locational criteria contained in the Declaration.

4.25.7 Security Sign Display. Any Homeowner may display a sign of reasonable size provided by a contractor for security services within 10 feet of any entrance to the Home. The Association may promulgate rules and regulations in furtherance of this Section; provided, however, that no such rules or regulations will inhibit the rights of a Member pursuant to Section 720.304(6) of the Act.

4.26 Pools; Screens and Screened Enclosures.

4.26.1 Pools. A Homeowner may apply to the ARC for approval for installation of a pool in accordance with all applicable governmental regulations.

(a) Above-Ground Pools. No above-ground pools or Roman spas shall be erected, constructed or installed on any Lot, except that above-ground pools which are integrated within the construction of or are attached to a building or decking around the building may be permitted subject to the discretion of the ARC.

(b) In-Ground Pools. All in-ground pools shall be contained within a screened enclosure or otherwise shall be enclosed in accordance with applicable law.

(c) Pool Equipment. All pool equipment shall be shielded from view.

4.26.2 Spa. A Homeowner may apply to the ARC for approval for installation of a spa in accordance with all applicable governmental regulations, including setback requirements.

4.26.3 Screened Enclosures.

(a) The use of standard cage screen enclosures may be restricted on Lots and Homes abutting or facing certain portions of the Property, as shall be determined by the ARC.

(b) Any screened enclosures shall be integrated within the principal structure, shall be constructed in accordance with applicable Governmental Entity building code provisions, and shall be subject to construction, design and appearance approval by the ARC, which may

vary by Neighborhood. The ARC may, but shall not be obligated to, approve an alternate fence structure on a Lot in lieu of a screened enclosure, subject to applicable provisions of the ARC Guidelines and applicable Governmental Entity building code provisions; the ARC shall be permitted to approve or disapprove any such alternative fence structure in its sole discretion.

(c) All screened pool enclosures shall be of a color approved by the ARC, but no mill finish aluminum is permitted.

4.26.4 Screening of Lanais. No lanai may be enclosed by screening except for those located on the first floor of a Home; provided, however, that any screened enclosure which encompasses a pool and deck area may serve to permissibly enclose lanai and balcony areas located above the first floor of a Home.

4.26.5 Screens on Windows and Doors. The foregoing provisions shall not be deemed to apply to screens directly affixed to windows or sliding glass doors, but in no event shall screens be permitted to be affixed or attached to or in connection with the front entrance to a Home or the garage serving a Home.

4.26.6 Limitations on Amendment. Except as otherwise provided herein, the provisions of this Section 4.26 shall not be amended without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

4.27 Air Conditioning Units. No window air conditioning units may be installed on or in any Home except in connection with a temporary structure operated by Declarant or the Association. All air conditioning units shall be screened from view of the street and adjacent Homes and Lots.

4.28 Lighting. Except for seasonal Christmas or holiday decorative lights, which may be displayed between Thanksgiving and January 10 only, all exterior lights must be approved by the ARC prior to installation.

4.29 Artificial Vegetation, Ornamentation, Sculptures, Statuaries and Similar Items.

4.29.1 All artificial vegetation must be approved by the ARC prior to installation.

4.29.2 Ornaments, sculptures, statuaries, lawn decorations and similar items of any size or type, including, but not limited to, bird feeders, statues, fountains, gazing balls, gnomes, planters and signs, may not be installed on a Lot without first obtaining the approval of the ARC. To implement this requirement, the ARC may adopt and amend, from time to time, standards for such ornaments, statuary, and/or lawn decorations as part of the ARC Guidelines.

4.30 On-Site Fuel Storage. No on-site storage of gasoline or other fuels shall be permitted on any Lot except that up to 5 gallons of fuel may be stored upon a Lot and/or within the boundaries of the Home contained on a Lot for emergency purposes and/or operation of lawn mowers and similar tools or equipment. No underground or above ground propane or natural gas tanks shall be permitted on the Property. Notwithstanding the foregoing to the contrary, small propane tanks which are utilized directly and solely in connection with a barbecue grill shall be permitted on any Lot, subject to applicable fire code and safety regulations. All fuel tanks must be hidden from view.

4.31 Window Treatments.

4.31.1 Any window treatments of any kind that are visible from the exterior of a Home shall be compatible with the exterior design and color of such Home.

4.31.2 The following shall not be used as window treatments and/or window coverings: sheets, towels, flags, aluminum foil and/or any material not specifically designed to be a window treatment, which shall be determined by the ARC in its respective sole and absolute discretion.

4.31.3 Notwithstanding any provision to the contrary, reflective window coverings are prohibited within the Community.

4.31.4 No awnings, canopies or shutters shall be permanently installed on the exterior of any Home unless approved by the ARC prior to installation.

4.32 Completion of Work. Upon commencement of any Work, the Homeowner of a Lot shall diligently prosecute the Work to the end so that all work shall be completed as expeditiously as is reasonable, but in no event shall last longer than 12 consecutive months. If an unforeseen event occurs that would prevent such Work from being completed in that 12 month time period, the Homeowner of such Lot shall apply to the ARC for an extension of time to complete the Work. The Homeowner of such Lot shall provide the ARC with a good faith estimate of the time required to complete the Work, but the length of any extension shall be in the sole discretion of the ARC. There shall be no more than 2 extensions for each approved Work project. If the Work remains incomplete after the second extension, the Association shall have all available rights and remedies under Florida law or the Governing Documents. The Homeowner of the Lot on which Work is being undertaken shall keep the streets, sidewalks, drainage structures and all areas adjacent to that Lot free from damage, dirt, mud, garbage, trash, refuse, building materials and/or other debris occasioned by construction.

4.33 Hedges, Walls and Fences.

4.33.1 There shall be no hedge, shrubbery, fence and/or wall constructed, built, placed, planted, erected and/or installed on any Lot or other portion of the Property unless the height, location, design, color and component materials are first submitted to and approved in writing by the ARC in accordance with the ARC Guidelines and subject to the terms and conditions of Section 4.32 hereof.

4.33.2 Incidental to the approval of any hedge, fence or wall, the ARC may impose conditions and/or requirements applicable to such hedge, fence or wall, such as, but not necessarily limited to, a requirement for a landscape buffer on the exterior side of such hedge, fence or wall.

4.33.3 No fence and/or wall shall be constructed, built, placed, erected and/or installed on any Lot or other portion of the Property unless the fence and/or wall contains not less than one (1) gate wide enough to allow and enable the Association and its contractors and employees to access and maintain the trees, shrubbery, grass and any other landscape material located on the Homeowner's Lot for maintenance and repair (to the extent required under Section 6.2.5 herein). Prior to installation, the proposal for such gate must be submitted to and approved in writing by the ARC in accordance with the ARC Guidelines and subject to the terms and conditions of Section 4.32 hereof.

4.33.4 In no event shall the ARC approve construction, placement and/or installation of any fence or wall between any street or boulevard and a straight line being the extensions of the farthest set back portion of the elevation (whether front, side or rear) of any Home facing such street or boulevard to the boundaries of the Lot.

4.33.5 Notwithstanding anything herein to the contrary, so long as any builders or contractors designated by Declarant maintain any staging, storage and/or parking areas within the Property, they shall be entitled to hedge, fence or wall off any such area for only the term of such use, provided that Declarant's written approval of each such hedge, fence or wall is obtained prior to construction, planting, placing and/or installation of the hedge, fence or wall.

4.33.6 Hedges, fences and walls constructed, planted, placed and/or installed by Declarant are exempt from compliance with this Section 4.33 or prior ARC approval.

4.33.7 Notwithstanding anything to the contrary contained herein, construction of any fence or wall, whether by Declarant or otherwise, which obstructs the surface water flow in swales shall be strictly prohibited.

4.33.8 Declarant, in the course of creating the ARC Guidelines, shall be entitled to place restrictions on the installation of walls and fences on certain Lots based upon the Lot size and dimension.

4.33.9 Unless a fence, hedge or wall placed within any drainage easement area on the Lot satisfies the requirements of the ARC Guidelines, such fence, hedge or wall shall be removed by the Association, and the costs of such removal shall be charged to the offending Homeowner and Lot as a Specific Assessment.

4.33.10 Invisible fences are permitted only in the rear and/or side yards. Invisible fences are permitted in a front yard only with the prior written approval of the ARC.

4.33.11 The provisions of this Section 4.33 shall specifically not be amended without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

4.34 Use Indemnity. Every Homeowner agrees to indemnify, defer and hold harmless the Association, Declarant and their partners, shareholders, directors, officers, employees and agents for any claims, demands, losses, costs, fees and expenses related to, or in any way pertaining to, use of any Common Property furnished by Declarant, or the Association, by the Homeowner and other Authorized Users.

4.35 Maintenance Easement. Every Lot is burdened with an easement permitting the Association to utilize portions of the Property abutting the Common Property to maintain portions of the Common Property, provided such easement shall be exercised in a manner which does not interfere with use or enjoyment of the Lot for its primary purpose and that such use by the Association will not damage improvements on the Lot.

4.36 Home Business Use. No trade or business may be conducted in or from any Lot, except that an Homeowner or occupant residing in a Home may conduct business activities within the Home so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside of the Home; (b) the business activity conforms to all governmental requirements; (c) the business activity does not involve persons coming onto the residential properties who do not reside in the Property or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the privacy or safety of other residents of the Property, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this subsection, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of 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 therefor. Notwithstanding the above, the leasing of a Lot shall not be considered a trade or business within the meaning of this Section.

4.37 View Impairment. Neither Declarant nor the Association guarantees or represents that any view over or across any body of water or the Common Property to and from the Lots shall be preserved without impairment. Neither the Association nor the Homeowners shall have an obligation to thin trees or other landscaping. The Association has the right, in their sole and absolute discretion, to add or withdraw trees and other landscaping and other improvements or changes to the Common Properties from time to time. Any such changes or additions may diminish, obstruct or impair any view from the Lots, and any express or implied easements for view purposes or for the passage of light and air are hereby disclaimed.

4.38 Wildlife. All Persons are hereby notified that from time to time alligators, snakes and other wildlife may inhabit or enter into or exit from water bodies or conservation areas within the

Community and may pose a threat to persons, pets and property. No Person shall be permitted to disturb or harm any wildlife residing in the Community.

4.39 Use of Common Property. There shall be no alteration, addition or improvement of any Common Property, except as provided in this Declaration, nor shall any Person use the Common Property, or any part thereof, in any manner contrary to or not in accordance with the rules and regulations pertaining thereto as from time to time may be promulgated by the Association or approved and authorized in writing by the Association.

4.40 Mailboxes.

4.40.1 Mailboxes shall be constructed and located by Declarant in its sole discretion and in accordance with U.S. Postal Service requirements. In the event that a mailbox is not installed by Declarant, before occupying a Home, the Homeowner thereof shall install or have installed a mailbox of such type, design and decoration, and in such location on the Lot as shall hereafter be designated by Declarant and/or approved by the ARC. No other mailbox, paper box or other receptacle of any kind for use in the delivery of mail, newspapers, magazines and/or similar material(s) shall be placed, located, constructed and/or installed on any Lot.

4.40.2 A perpetual, non-exclusive easement is hereby declared across the Common Property for purposes of permitting delivery of the mail.

4.40.3 No mailbox may be altered, changed, modified, repaired and/or replaced without the prior written approval of the ARC. Replacement and maintenance of mailboxes shall be the obligation of the Homeowner.

4.41 Extended Vacation or Absences. In the event a Home will not be occupied for an extended period of time, the Home and Lot must be prepared prior to departure by:

4.41.1 notifying the Association of such absence and the anticipated date of return;

4.41.2 removing all removable furniture, plants and other items of personal property from the exterior portions of the Lot; and

4.41.3 designating a person or entity to care for the Lot during such period of absence (both in terms of routine care and in the event of damage) and providing necessary access to the Home (the Homeowner is required to provide the Association with the name and telephone number of the designated person or entity).

The Association hereby disclaims any responsibility with regard to each unoccupied Home, and the Homeowner hereby acknowledges and agrees that the Association has no duty with regard to any unoccupied Home under this Section.

4.42 Storm and Hurricane Shutters; Hurricane Emergency Preparedness Plan.

4.42.1 No storm or hurricane shutters or any similar protective covering for the windows or doors of a Home may be installed unless first approved in writing by the ARC, whether or not applicable provisions are contained in the ARC Guidelines. Accordion style storm shutters are not permitted on the front façade of any Home.

4.42.2 All hurricane shutters or similar protective window coverings shall be aesthetically pleasing or harmonious with the Governing Documents, Declarant's development plan, the architectural pattern of the Property and/or the architectural scheme of the Property.

4.42.3 Should severe storm weather occur the following shall apply to temporary measures that may be taken by any Homeowner or Resident:

(a) storm shutters, hurricane shutters, plywood, tape and/or similar protective window coverings of any type may be applied, installed and/or placed no sooner than 3 days before the arrival of a named storm based on the projected arrival time of that named storm by the National Weather Service and/or the National Hurricane Center; and

(b) all storm shutters, hurricane shutters, plywood, tape and/or similar protective window coverings of any type must be removed, taken down and/or taken off no later than 5 days after the specific named storm and/or threat of that named storm has passed the Property;

4.43 Garage Sales. No garage sales or other private sales of a similar nature shall be permitted at any time in the Community, it being the specific intention of Declarant to preserve the distinct nature and character of the Community as developed. No amendment or modification to this Section shall be effective without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

4.44 Sound Transmission. Each Homeowner, by acceptance of a deed or other conveyance of their Lot, hereby acknowledges and agrees that sound and impact noise transmission is very difficult to control, and that noises from adjoining or nearby Lots and Homes and/or mechanical equipment, adjacent businesses, or adjacent roadways or streets, can be heard in another Home. Declarant does not make any representation or warranty as to the level of sound or impact noise transmission between and among Homes and the other portion of the Property, and each Homeowner hereby waives and expressly releases, to the extent not prohibited by applicable law as to the date of this Declaration, any such warranty and claims for loss or damages resulting from sound or impact noise transmission.

4.45 Access Ramps. Any Homeowner may construct an access ramp on or to their Home if a resident or occupant of the Home has a medical necessity or disability that requires a ramp for egress and ingress, under the following conditions:

4.45.1 the ramp must be as unobtrusive as possible, be designed to blend in aesthetically as practicable, and be reasonably sized to fit the intended use;

4.45.2 plans for the ramp must be submitted in advance to the Association. The Association may make reasonable requests to modify the design to achieve architectural consistency with surrounding structures and surfaces; and

4.45.3 the Homeowner must submit to the Association an affidavit from a physician attesting to the medical necessity or disability of the resident or occupant of the Home requiring the access ramp. Certification as required under Section 320.0848, Florida Statutes, shall be sufficient to meet the affidavit requirement.

4.46 Basketball Goals. Basketball goals and accompanying or related structures or supports are not permitted for Lots, it being Declarant's stated intent to ensure a uniform and consistent exterior appearance within the Community, except that portable basketball stands are permitted provided that the Homeowner stores the equipment in the garage whenever the equipment is not in use.

4.47 Swingsets and Playground Equipment. No swingset or playground equipment or other similar devices or items shall be placed on a Lot without the prior written consent of the ARC.

4.48 Prohibition Against Auctions. No Lot, or any personal property contained within or pertaining to a Lot or Home, shall be permitted to be sold by means of a public or private auction held on the Lot or upon any portion of the Community; provided, however, that (a) the sale of a Lot, or any personal property contained within or pertaining to a Lot or Home, pursuant to court order (such as, but not necessarily limited to, an order of forced sale as a result of foreclosure, bankruptcy or seizure) shall be exempt from the prohibitions of this Section 4.48, and (b) Declarant shall be exempt from the provisions of this Section 4.48.

4.49 Clothes Drying Area. No portion of the Property shall be used as a drying or hanging area for laundry of any kind unless that area is fully screened from view by fencing and/or landscaping, except to the extent required to be permitted by applicable law. No drying or hanging area for laundry shall be permitted to be visible from the streets or from any other Lot within the Property.

4.50 Hazardous Materials. No inflammable, combustible or explosive fluid or chemical substance shall be kept on any portion of the Property except such as are required for normal household use, and same shall be kept within a Home or upon a Lot.

4.51 Exterior Equipment. All exterior water treatment systems, well pumps, sprinkler pumps, pool and spa equipment and heaters, and other mechanical fixtures and equipment, all wood piles, and all exterior fuel tanks and other storage receptacles, shall be installed only within approved accessory buildings and/or screened areas so as not to be visible from any street and surrounding Lots, and same shall also comply with any additional standards established from time to time by the ARC and applicable law.

4.52 Garages. No Homeowner may in any way diminish and/or reduce the parking capacity for a garage located on that Homeowner's Lot. No Homeowner may convert and/or turn the garage located on that Homeowner's Lot into living space of any kind. No Homeowner may use, rent and/or lease the garage located on that Homeowner's Lot as living space of any kind.

4.53 Tree Removal and Landscaping. Except by Declarant, existing trees measuring four inches (4") or more in diameter at three feet (3') or more above ground level shall not be cut and/or removed without the prior written consent of the ARC. More restrictive arbor ordinances and/or environmental laws shall control in the event of any conflict with this Declaration. There shall be no removal of trees or clearing, other than clearing of underbrush, until the ARC has approved in writing a landscape plan that designates those existing trees to be retained and preserved on the Lot. Prior to occupancy of the Home, all of the grounds of each Lot not covered by building improvements shall be completely sodded or covered with grass ground cover that has first been submitted to and approved by the ARC (except for the initial sale of a Lot by Declarant to a third party purchaser, which shall be exempt from the requirement for ARC approval).

4.54 Pumping or Draining. No Homeowner of any Lot which includes, abuts, borders, and/or is adjacent to any pond, retention pond, detention pond, drainage facility, creek, river, lake, bay head, or other body of water shall pump and/or drain any water therefrom.

4.55 Oil, Gas and Minerals. No oil, gas or mineral drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in the Property, nor shall oil, gas or mineral equipment, wells, tunnels, excavations or shafts be permitted upon or in the Property. The operations and activities of Declarant in developing the Property and of the Association in operating, maintaining, repairing and replacing the Surface Water Drainage and Management System and/or any portion of the Property are exempt from the provisions of this Section 4.55.

4.56 Security Bars. No security bar system may be installed on the interior and/or exterior of any window or door of any Home unless first approved in writing by the ARC, whether or not applicable provisions are contained in the ARC Guidelines.

4.57 Holiday Displays. Homeowners shall be permitted to display religious and/or holiday signs, symbols and decorations on their Lots of the kinds normally displayed inside or outside of residences located in a single family residential community. However, in addition to the provisions of Section 4.28 hereof, the Association may adopt reasonable time, place and manner restrictions, including, but not limited to, design criteria and length of time that the display is visible, for the purpose of minimizing damage, preventing an unsightly appearance and/or minimizing disturbance to other Homeowners, Authorized Users and/or Residents.

4.58 Rules and Regulations. The Board of Directors may from time to time adopt, or amend previously adopted, Rules and Regulations governing (i) the interpretation and more detailed implementation of the restrictions set forth in this Declaration, including those which would guide the ARC in the uniform enforcement of the foregoing general restrictions, and (ii) the details of the operation, use, maintenance, management and control of the Common Properties; provided, however, that copies of such rules and regulations shall be furnished to each Homeowner prior to the time same becoming effective and provided that said rules and regulations are a reasonable exercise of the Association's power and authority based upon the overall concepts and provisions of this Declaration.

4.59 Provisions Inoperative as to Initial Construction; Exemptions for Specified Parties. Nothing contained in this Declaration will be interpreted, construed or applied to prevent Declarant or with the prior written consent of Declarant so long as Declarant is an owner of any portion of the Property, and then the Association, or its or their contractors, subcontractors, agents, and employees (collectively, "Specified Parties"), from doing or performing on all or any part of the Property owned or controlled by Declarant whatever is determined to be reasonably necessary or convenient to complete the development of the Community, including, but not limited to, (a) the right to erecting, construct, and maintain such structures and other improvements as may be reasonably necessary or convenient for the conduct of the Specified Parties' business of completing the development, establishing the Property as a mixed-use community, disposing of the same by sale, lease, or otherwise and operating and maintaining a hotel, restaurant, bar, parking, sales and marketing or other non-residential facilities on the Property; (b) the ability to conduct thereon its business of completing the development and disposing of the same by sale, lease or otherwise, and operating and maintaining of a hotel, restaurant, bar, parking, sales and marketing or other non-residential facilities on the Property (however, any and all work described herein and proposed to be performed must be performed in accordance with the provisions of the ARC Guidelines); and (c) the right to maintain such signs as may be reasonably necessary or convenient in connection with the development or the sale, lease or other transfer of Lots or the sales and marketing activities on the Property.

4.60 Access by Association. The officers, employees or designated agents of the Association have a right of entry onto each Lot, except those owned by Declarant, to the extent reasonably necessary to discharge any duty imposed, or exercise any right granted, by this Declaration or to investigate or enforce the provisions of this Declaration and the rules and regulations of the Association. Such right of entry must be exercised in a peaceful and reasonable manner at reasonable times and the entry may be only upon reasonable notice whenever circumstances permit. Entry into the interior of any Home may not be made for any purpose without the consent of its Homeowner or occupant, except pursuant to court order or other authority conferred by law. Such consent will not be unreasonably withheld or delayed.

4.61 Requirement for Declarant Consent for Amendments. No amendment to any provision contained in this Article 4 may be amended without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

Article 5: Membership and Voting Rights

5.1 Membership. Every Homeowner of a Lot that is subject to assessment under Article 8 of this Declaration shall become a Member upon the recording of the instrument of conveyance. If title to a Lot is held by more than one person, each such person is a Member. A Homeowner of more than one Lot is entitled to one membership for each Lot owned. Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by conveyance of title to that Lot whether or not mention thereof is made in such conveyance of title. No person other than a Homeowner may be a Member, and a membership in the Association may not be transferred except by the transfer of title to a Lot; provided, however, the foregoing does not prohibit the assignment of membership and voting rights by a Homeowner who is a contract seller to such Homeowner's vendee in possession.

5.2 Voting. The Association shall have two (2) classes of voting membership: Class A and Class B. So long as there is Class B membership, Class A Members are all Homeowners except Declarant. The Class B Member shall be Declarant. Upon termination of Class B membership, as

provided below, Class A Members are all Homeowners, including Declarant so long as such Declarant is a Homeowner. Subject to the provisions of Section 5.3 of this Article, Members shall cast votes in accordance with the applicable provisions of the By-Laws, as there are different votes allocated to , Class A and Class B members; however, as provided in the Articles of Incorporation and/or By-Laws, the Class B Members are entitled to elect not less than a majority of the Association's directors until termination of Class B membership.

5.3 Co-Ownership. If more than one person owns an interest in any Lot, all such persons are Members, but there may be only one vote cast with respect to such Lot. Such vote may be exercised as the co-owners determine among themselves, but no split vote is permitted. Prior to any meeting at which a vote is to be taken, each co-owner must file the name of the voting co-owner with the secretary of the Association to be entitled to vote at such meeting, unless such co-owners have filed a general voting authority with the secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to any Lot is held in a tenancy by the entireties, either tenant is entitled to cast the vote for such Lot unless and until the Association is notified otherwise in writing.

5.4 Transfer of Control of the Association.

5.4.1 Transfer of Control shall occur upon which Class B membership ceases to exist and is converted into Class A membership, which shall be on the earlier of (a) a triggering event contained in Section 720.307(1) of the Act, or (b) the date that Declarant waives in writing its right to Class B membership, which waiver shall be evidenced by the recording of a certificate to such effect in the public records of the County.

5.4.2 Subsequent to Transfer of Control, Declarant shall be entitled to elect at least one member of the Board (and in fact shall be entitled to elect all members of the Board which will constitute one less than a majority of the members of the Board) as long as Declarant holds for sale in the ordinary course of business at least 5% of the Lots that may be constructed in all phases of the Community that will ultimately be operated by the Association.

5.4.3 After Declarant relinquishes control of the Association, Declarant may exercise the right to vote in the same manner as any other Member, except for purposes of reacquiring control of the Association by selecting the majority of the members of the Board of Directors.

5.5 Termination of Class B Membership. Upon Transfer of Control, Class B membership shall terminate and Declarant shall own portions of the Property in the same manner as a Class A Member.

Article 6: Rights and Obligations of the Association

6.1 Association. The Association shall govern, make Rules and Regulations, and control and manage the Lots and Common Properties located on the Property pursuant to the terms and provisions of this Declaration and the Articles of Incorporation and By-Laws. The Association shall at all times pay the real property ad valorem taxes on any Common Properties if said taxes are billed to the Association as differentiated from being billed to the Homeowner and pay any governmental liens assessed against the Common Properties. The Association shall further have the obligation and responsibility for the hiring of certain personnel and purchasing and maintaining such equipment as may be necessary for maintenance, repair, upkeep and replacement of any Common Properties and facilities which may be located thereon, the performance of any of its maintenance obligations and performance of such other duties as are set forth herein, as follows:

6.1.1 Notwithstanding the foregoing, the Association may, but is not obligated to, employ community access or patrol services or personnel. If community access or patrol services or personnel are employed by the Association, the Board shall determine, in its sole discretion, the schedule and cost of expense of such access or patrol services or personnel. Declarant, while in control of the Association, does not intend to hire or pay for access or patrol services or personnel. Each Homeowner,

by virtue of taking title to a Lot, consents and agrees that Declarant is and shall be under no obligation to provide any access or patrol services or personnel within the Community, and shall hold Declarant harmless for any occurrences in such regard.

6.2 Declarant and/or the Association may, but shall not be obligated to, maintain or support certain activities within the Property and the Community designed to make the Property and the Community more secure than they otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security or safety within the Property. Neither the Association nor Declarant shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security or safety measures undertaken. All Homeowners and occupants of any Home or Lot, Residents, Authorized Users, tenants, guests and invitees of any Homeowner or Authorized User, as applicable, acknowledge that Declarant and the Association, and the officers, directors and supervisors of each of them, do not represent or warrant that any fire protection system, electronic monitoring system or other security system designated by or installed according to guidelines established by Declarant or the ARC may not be compromised or circumvented, that any fire protection or electronic monitoring systems or other security systems will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise, and that fire protection or electronic monitoring systems or other security systems will in all cases provide the detection or protection for which the system is designed or intended. Each Homeowner and occupant of any Home, and each Resident, Authorized User, tenant, guest and invitee of a Homeowner, as applicable, acknowledges and understands that each Homeowner and occupant of any Home and each Authorized User, tenant, guest and invitee of any Homeowner assumes all risks for loss or damage to persons, to Lots and Homes and to the contents of Homes and further acknowledges that the Association and Declarant have made no representations or warranties nor has any Homeowner, Authorized User, occupant, tenant, guest or invitee relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire and/or electronic monitoring systems or other security systems recommended or installed or any security measures undertaken within the Property and the Community.

6.2.1 The Association shall maintain the Common Properties and pay the real property ad valorem taxes and governmental liens assessed against the Common Properties and billed to the Association. Any Common Properties which are to be maintained by the Association as provided herein shall be maintained in good condition and repair. Should real property ad valorem taxes or governmental liens as to any Common Properties be assessed against the billed Lots, the Board shall have the right to determine, in its sole discretion, if the Association should pay all or any portion of said bill(s) for taxes or liens, and such amount as they determine should be paid by the Association shall be levied as a Special Assessment pursuant to Article 8 of this Declaration.

6.2.2 The Association shall maintain any and all landscaping islands and all landscaping and/or signage located, placed, installed or erected thereon, if any.

6.2.3 In the event the Association in the future acquires any Common Properties, the Association shall obtain, maintain and pay the premiums for the hazard insurance (if and to the extent required or otherwise determined to be applicable and necessary), flood insurance, liability insurance and fidelity bond coverage as set forth below and as consistent with state and local insurance laws, and such other types of insurance as the Board may deem advisable:

(a) Hazard insurance covering all Common Properties, except for land foundations and excavations, and all common personal property and supplies. The policy must protect against loss or damage by fire and all other hazards normally covered by the standard extended coverage endorsement and all other perils customarily covered for similar types of communities, including those covered by the standard "all risk" endorsement. The policy shall cover 100% of the current replacement cost of all covered facilities and shall include the following endorsements: agreed amount and inflation guard (if available); and construction code (if the local construction code requires changes to undamaged portions of buildings even when only part of the Property is destroyed by an insured hazard).

(b) Flood insurance covering the Common Property buildings and any other common personal property if any part of the Community is in a special flood hazard area as defined by the Federal Emergency Management Agency. The amount of flood insurance shall be for not less than the lesser of (i) 100% of the current replacement cost of all buildings and insurable property within the flood hazard area, or (ii) the maximum coverage available for the Property under the National Flood Insurance Program.

(c) Comprehensive general liability insurance covering all Common Properties and any other areas under the Association's supervision, including public ways and commercial spaces owned by the Association. The policy must provide coverage of at least \$1,000,000.00 for bodily injury and property damage for any single occurrence. The policy must cover bodily injury and property damage resulting from the operation, maintenance or use of the Common Properties and other areas under the Association's control and any legal liability resulting from law suits related to employment contracts to which the Association is a party. The policy must provide for at least 10 days' written notice by the insurer to the Association prior to cancellation or substantial modification.

(d) Fidelity bond coverage for any person (including a management agent) who either handles or is responsible for funds held or administered by the Association, whether or not such persons are compensated for such services. The bond shall name the Association as an obligee and shall cover the greater of (i) the maximum funds that will be in the custody of the Association or its management agent while the bond is in force, and (ii) the sum of 3 months' General Assessments on all Lots (including reserves, if any). The bond shall provide for 10 days' written notice to the Association and all servicers of FNMA-owned mortgages in the Property prior to cancellation of or substantial modification to the bond.

6.2.4 The Association shall care for and maintain any entryway walls and signage intended for and/or identifying the Property and shall maintain any landscaping located within the Common Property, road right-of-way or any landscaping easement which is owned by or runs in favor of the Association, which maintenance activities may, but not necessarily will, include without limitation any of the following: replacement and/or replanting of existing landscaping, excavation, construction of berms, and installation, maintenance and repair of irrigation facilities.

6.2.5 The Association shall care for and maintain any lakes and associated drainage facilities located wholly on the Property. The Association shall have the power to contract with any other entity to share the expense of maintaining any lake and associated drainage facilities which is not located wholly on the Property but which is contiguous to any portion of the Property, and such contractual obligations shall be a valid expense of the Association.

The foregoing constitutes the basic and general expenses of the Association, and said expenses are to be paid by Members as hereinafter provided, except as otherwise provided herein. It shall be the duty and responsibility of the Association, through the Board, to fix and determine from time to time the sum or sums necessary and adequate to provide for the expenses of the Association. The procedure for the determination of such Assessments shall be as hereinafter set forth in this Declaration or the By-Laws or the Articles of Incorporation. The Board shall have the power and authority to levy a Special Assessment, should one become necessary, as determined by it in its sole discretion, and said Special Assessment shall be determined, assessed, levied and payable in the manner determined by the Board as hereinafter provided in this Declaration or the Articles of Incorporation or the By-Laws. A General Assessment shall be payable in advance or monthly, quarterly, or on a semi-annual or annual basis or otherwise as determined by the Board. Initially, General Assessments shall be levied on a quarterly basis.

6.3 Management Contracts and Leases of Common Property. The Association shall expressly have the power to contract for the management of the Association and/or the Common Property, if any, further having the power to delegate to such contractor any or all of the powers and duties of the Association respecting the contract granted or property demised. The Association shall further have the power to employ administrative and other personnel to perform the services required for proper administration of the Association.

The undertakings and contracts authorized by the first Board shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by the first Board duly elected by the membership of the Association.

6.4 Easements.

6.4.1 Easements for installation and maintenance of utilities (including, but not limited to, those required for cable television service) and drainage facilities are reserved as shown on the Plat or as otherwise granted by Declarant and recorded by separate instrument in the public records of the County. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow of drainage channel in the easements, or which may obstruct or retard the flow of water through drainage channel in the easements, or which are or might be prohibited by the public authority to whom said easement is given.

6.4.2 Drainage easements have been declared and reserved as shown on and created by the Plat and as described herein. Each Homeowner of any Lot encumbered by a drainage easement upon which a drainage berm and/or swale is located shall be solely responsible for the repair, replacement and maintenance of such drainage berm and/or swale. Alteration, obstruction, modification, removal and/or any change of any kind to any drainage swale, drainage berm or drainage control facilities and/or structures is expressly prohibited. In the event any Homeowner fails to repair, replace and maintain any drainage swales and/or drainage berms, and/or alters or obstructs any piping, drainage swales, drainage berms, facilities and/or structures, the Association may repair, replace and maintain such drainage swales, drainage berms, facilities and structures and assess such Homeowner as a Specific Assessment for the costs and expenses incurred in order to accomplish the foregoing. Each Homeowner hereby grants an easement and license to Declarant and the Association over, upon, under, through and across such Homeowner's Lot in order to facilitate and accomplish the foregoing. Further, no Homeowner shall place, erect, install and/or construct any improvements of any kind or otherwise permit anything to occur within any drainage easement area which would in any way effect said drainage easement or any swale, berm, pipe or drainage control facility or structure located therein or thereon, unless, in the event of construction of any improvements, such improvements have been approved by the ARC.

6.4.3 Easements over, under, across and through each Lot and the Common Properties are hereby expressly granted to the Association for the purpose of making any repairs or performing any maintenance provided for or required by this Declaration, regardless of whether such repairs or maintenance directly benefit the Lot upon which they are performed.

6.4.4 The easement area of each Lot and all improvements in it shall be maintained by the Homeowner of the Lot, except for those Community improvements for which a public authority or utility company is responsible.

Article 7: Maintenance of Homes and Lots; Failure to Maintain

7.1 Homeowner Responsibilities.

7.1.1 Except as otherwise provided herein, each Homeowner shall be responsible for the maintenance, repair and replacement of all improvements on such Homeowner's Lot and such other areas as are provided herein. Any area or matter not specifically required to be maintained, repaired or replaced by the Association shall be maintained, repaired and replaced by the Homeowner.

7.1.2 Each Owner shall keep and maintain that Homeowner's Lot and the Home and Lot in good repair and in a neat and attractive condition at all times. The minimum, but not exclusive, standard for maintenance of improvements shall be consistency with the Community-Wide Standards and with the general appearance of the other occupied improvements or Lots in the Property as a whole when initially constructed and improved.

7.1.3 The maintenance obligation of each Homeowner as to the Home shall include, without limitation, maintenance of all exterior surfaces and roofs, fascias and soffits, awnings, trellises, decorative facades, gutters, screens, windows and doors. Homeowners shall clean, repaint and/or restain, as appropriate, the exterior portions and/or surfaces of the Home (with the same colors as initially approved or with other colors that have first been submitted to and approved by the ARC), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards. A Homeowner shall keep the roof of the Home in a neat and attractive condition at all times, including but not limited to, pressure washing, removal of mold, removal of mildew and removal of dirt.

7.1.4 A Homeowner shall keep, maintain and irrigate the trees, shrubbery, grass and any other landscape material located on the Homeowner's Lot in good repair and in a neat and attractive condition. The minimum, but not exclusive, standard for maintenance of landscaping shall be consistency with the Community-Wide Standards and with the general appearance of the other occupied Lots in the Property as a whole when initially landscaped (taking into account, however, the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained). Landscape maintenance shall include, without limitation, irrigation, fertilization, weeding, mowing, trimming, edging, spraying for insects and disease, and the periodic and timely replacement of any dead, damaged and/or diseased plantings and/or sod.

7.1.5 To the extent not included in the areas required to be maintained by the Association pursuant to this Declaration, a Homeowner shall, at such Homeowner's expense, grass over (with sod of the St. Augustine or Floratam variety or other grass or groundcover that have first been submitted to and approved by the ARC), mow and keep free of trash and debris, on a routine basis, those portions of the Surface Water Drainage and Management System located on such Homeowner's Lot (whether or not included in a platted drainage easement). When required, all major repairs to, and major maintenance and reconstruction of, all components of the Surface Water Drainage and Management System within the Property shall be performed by the Association, the costs of which shall be Common Expenses.

7.2 Mandatory Obligation. A Homeowner's maintenance responsibilities as set forth herein is mandatory and shall be complied with its entirety even if a Homeowner does not reside on and/or occupy such Homeowner's Lot. A Homeowner may not waive or otherwise avoid this exterior maintenance responsibility by abandonment of such Homeowner's Lot.

7.3 Association Right to Maintain in the Event of Homeowner Default.

7.3.1 The Association shall have the right, but not the obligation, to provide for the repair, replacement, cleaning and/or maintenance on any Lot, and any Home, in the event of default by a Homeowner in the duties imposed by Section 7.1. Prior to the Association performing repair, replacement, cleaning and/or maintenance on any Lot that is the responsibility of a Homeowner, the Board shall determine that repair, replacement, cleaning and/or maintenance is needed, that such repair, replacement, cleaning and/or maintenance is the responsibility of the Homeowner, and that the failure of the Homeowner to perform such repair, replacement, cleaning and/or maintenance, in the sole opinion of the Board, detracts from the overall appearance or quality of the Property. All costs associated with activities taken under this Section 7.3.1 shall be charged to the Homeowner as a Specific Assessment, the nonpayment of which may lead to foreclosure of the lien for such Specific Assessment in accordance with the provisions of Article 8.

7.3.2 Except in emergency situations, prior to undertaking any action contemplated under Section 7.3.1. hereof, the Board must furnish written notice to the Homeowner to the effect that, unless specified repairs, replacement, cleaning and/or maintenance are commenced within 10 days from the date of the notice, and thereafter diligently pursued to completion, the Association may perform, or have performed, said repairs, replacement, cleaning and/or maintenance. Upon the Homeowner's failure to properly and timely commence and pursue diligently the required repairs, replacement, cleaning and/or maintenance, the Association and its agents, employees, servants and/or contractors shall have the right to enter in and/or upon the Lot to perform the repairs, replacement, cleaning and/or maintenance

specified in the notice to such Homeowner. For example and not as a limitation, the Association shall have the right to clean, remove debris, remove trash, paint, resurface, repair, replace and provide maintenance to any and all exterior surfaces, roofs, chimneys, gutters, downspouts, pools, pool enclosures, fences, walls, driveways, walks, sidewalks, parking areas, retaining walls, landscaping (including but not limited to mowing, edging, trimming, watering, fertilizing and caring for trees, shrubs, grass, repairing sprinkler systems and providing shoreline maintenance), swales, berms and other drainage improvements. Neither Declarant nor the Association, nor any of their respective directors, officers, employees, contractors, servants, invitees and/or agents, shall have any liability to the Homeowner, Authorized User or Benefited Party for any trespass, damages and/or injury to property or person(s) for any action taken hereunder unless caused by gross negligence or intentional wrongdoing. Any such entry upon that Homeowner's Lot shall not be considered a trespass and any corrections, repairs, replacements, cleaning, alterations, modifications and/or removals from that Lot shall not be considered criminal activity of any kind, including, but not limited to, theft, criminal mischief, and burglary, and shall not be considered the basis for any civil action, including, but not limited to, conversion and any tort claim.

7.3.3 The Association shall have the right, but not the obligation, to provide maintenance, mowing, trimming, edging and/or pruning of the landscaping of any yards, lawns and/or sod located on a Lot (specifically excluding any landscape beds located on a Lot, gated portions of a Lot and/or fenced portions of a Lot), exterior pest control and/or fertilizer. Any maintenance, repair, operation, cleaning, irrigation and/or replacement performed and/or assumed by the Association shall be part of the Common Expenses. Neither Declarant nor the Association, nor any of their respective directors, officers, employees, contractors, servants, invitees and/or agents, shall have any liability to the Homeowner, Authorized User or Benefited Party for any trespass, damages and/or injury to property or person(s) for any action taken hereunder unless caused by gross negligence or intentional wrongdoing. Any such entry upon a Homeowner's Lot shall not be considered a trespass and any corrections, repairs, replacements, cleaning, alterations, modifications and/or removals from that Lot shall not be considered criminal activity of any kind, including, but not limited to, theft, criminal mischief, and burglary, and shall not be considered the basis for any civil action, including, but not limited to, conversion and any tort claim.

Article 8: Covenant for Assessments; Fines; Collection of Rents from Tenants

8.1 Assessments Established. Each Homeowner of any Lot, by virtue of taking title to a Lot, whether or not expressed in the instrument of conveyance, is deemed to covenant to pay to the Association:

8.1.1 General Assessments, as defined in Section 8.2 hereof; and

8.1.2 Special Assessments, as defined in Section 8.6 hereof; and

8.1.3 Specific Assessments against any particular Lot that are established pursuant to any provision of this Declaration as provided in Section 8.7 hereof;

8.1.4 All taxes, if any, that from time to time may be imposed upon all or any portion of the Assessments established by this Article.

All of the foregoing, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, are a continuing charge on the land secured by a continuing lien upon the Lot against which each Assessment is made as provided in Section 8.10 hereof.

8.2 Purpose of Assessments; General Assessment. The Assessments levied by the Association must be used exclusively to promote the common good and welfare of the residents, to operate and manage the Association and the Common Properties, if any, and to perform such duties or as otherwise may be required by this Declaration and the Articles of Incorporation and By-Laws. To effectuate the following, the Association may levy an annual general assessment ("General Assessment")

to provide and be used for the operation, management and all other general activities and expenses of the Association.

8.3 Initial General Assessment. The initial General Assessment shall _____ and _____/100 Dollars (\$_____.00) per quarter and will remain in effect until a different General Assessment may be determined as provided in Section 8.4 hereof.

8.4 Determination of General Assessment. Except with regard to the initial General Assessment, the amount of the General Assessment shall be fixed by the Board at least 30 days in advance of each General Assessment period, and shall be based upon an adopted budget. The General Assessment period shall coincide with the Association's fiscal year. Except for the initial General Assessment, written notice of the amount of the General Assessment should be given to every Homeowner, but the failure to give or receive such notice, or both, shall not invalidate any otherwise valid Assessment. The General Assessment shall be paid in equal quarterly installments without interest until delinquent, and prepayable in whole at any time or times during the applicable Assessment period without penalty or other consideration; provided, however, at the discretion of the Board, the General Assessment may be collected on a monthly, semi-annual or annual basis rather than collected on a quarterly basis.

8.5 Declarant's Assessments; Deficit Funding.

8.5.1 Notwithstanding any provision of the Governing Documents to the contrary, prior to Transfer of Control, Declarant shall not be obligated to pay any Assessment for any Lot which it may own during any period of time that Declarant shall be responsible for paying the difference between the Association's operating expenses and the sum of the revenues of the Association from all sources. The term "all sources" used in the previous sentence includes, but is not limited to, interest earned on Association deposits, revenues from the operation of Common Property, Initial Working Capital Fund Payment (as defined hereinafter) and the Assessments levied against the Members other than Declarant. Such difference, herein called the "deficit funding," shall not include any reserve for replacements, operating reserves (if any), depreciation reserves (if any) or capital expenditures. Declarant shall be obligated for deficit funding for each year of operation until such time that Declarant shall give written notice to the Board terminating its responsibility for deficit funding during the next succeeding fiscal year. Upon giving such notice, each Lot owned by Declarant for which a certificate of occupancy has been issued for the Home constructed thereon shall thereafter be assessed in the same manner as Lots owned by Homeowners other than Declarant.

8.5.2 Notwithstanding any provision herein to the contrary, any deficit funding provided by Declarant pursuant to this Section shall automatically terminate as of Transfer of Control.

8.5.3 Any surplus may either be paid to Declarant after the conclusion of the fiscal year or carried forward to the next fiscal year at the sole option of Declarant. There is no limit to the number of years for which a surplus may be accumulated. Any surplus remaining at Transfer of Control shall be paid to Declarant. In conjunction with Transfer of Control, an audit will be conducted to determine the cumulative "due to" or "due from" Declarant for the term of the deficit funding.

8.5.4 Deficit funding by Declarant under this Section 8.5 shall not preclude the levying of Special Assessments against the Homeowners to defray the costs of Association expenses not contemplated under the Association's estimated operating budget for that fiscal year.

8.5.5 Subsequent to Transfer of Control, or upon such time as deficit funding is discontinued, Declarant shall be responsible for the payment of Assessments only upon Lots which it owns and on which a Home has been constructed for which a certificate of occupancy has been issued.

8.6 Special Assessments. In addition to the General Assessment, the Association may levy in any fiscal year a special assessment ("Special Assessment") applicable to that year only for the purpose of defraying, in whole or in part, known expenses which exceeded, or when mature will exceed, the budget prepared and on which the General Assessment was based, or as described in Section 8.5 of

this Article. Notwithstanding the foregoing, no Special Assessment against the Homeowners shall exceed 1/12 of the total of the General Assessments levied against the Homeowners for that fiscal year without the prior approval of 75% of the votes eligible to be cast in Association matters. In addition, prior to Transfer of Control, the Board shall only levy a Special Assessment with the approval of a majority of non-Declarant Members at a duly-called special meeting of the Members at which a quorum is present.

8.7 Specific Assessments. Any and all accrued liquidated indebtedness of any Homeowner to the Association arising under any provision of this Declaration also may be assessed by the Association against such Homeowner's Lot after such Homeowner fails to pay it when due and such default continues for 30 days after written notice.

8.8 Uniformity of Assessments. The General Assessment and any Special Assessment must be uniform for each Homeowner throughout the Community.

8.9 Commencement of General Assessment. The General Assessment as to each Lot owned by a Homeowner other than Declarant shall be prorated as of the day of closing for the current installment period, and thereafter the first full payment shall be due and owing on the first day of the next full installment period.

8.10 Effect of Nonpayment of Assessment; Lien.

8.10.1 If any Assessment is not paid on or before the past-due date specified herein, then such Assessment shall become delinquent and shall, together with interest thereon at the maximum rate allowed under law from the due date, late charges, attorney's fees, and the cost of collection thereof as hereinafter provided, thereupon become a charge and continuing lien on the land and all improvements thereon, against which each such Assessment is made.

8.10.2 Said lien shall be evidenced by a claim of lien recorded in the public records of the County, shall be effective from and as of the time of recording and shall relate back to the original date of recordation of this Declaration, and shall continue in effect until all amounts due to the Association are paid in full, except as specifically stated below in Section 8.15. Notwithstanding the foregoing to the contrary, neither the recording of, nor failure to record, any such claim of lien will affect the existence or priority of the Association's lien.

8.10.3 Any payment received by the Association and accepted shall be applied first to any interest accrued, then to any administrative late fee, then to any fines levied by the Association pursuant to the applicable provisions of this Declaration, the By-Laws and the Act, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent and/or accelerated Assessment(s) or installment(s) thereof. This paragraph applies notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

8.10.4 If any Assessment, or a portion thereof, is delinquent for more than 30 days, or if a mortgage foreclosure action is filed to foreclose a Mortgage against a Lot, then the Association may accelerate by general policy, administrative decision or otherwise the remainder of all Assessment installments for the fiscal year.

8.10.5 Except for liens for all sums validly secured by any First Mortgage, all other lienors acquiring liens on any Lot after this Declaration is recorded are deemed to consent that such liens are inferior to the lien established by this Article, whether or not such consent is specifically set forth in the instrument creating such lien. The recordation of this Declaration constitutes constructive notice to all subsequent purchasers and/or creditors of the existence of the Association's lien and its priority.

8.10.6 Sale or transfer of a Lot does not affect the Association's claim of lien.

8.11 Certificate. Upon demand, and for a reasonable charge, the Association will furnish to any interested person a certificate signed by an officer of the Association setting forth whether the Assessments have been paid and, if not, the unpaid balance(s).

8.12 Remedies of the Association. If any Assessment, or a Homeowner or tenant's other monetary obligation to the Association, is not paid within 30 days of its due date, the Association may proceed with all remedies available, including, but not limited to, suspending use and voting rights and bringing an action at law against the persons and entities personally obligated to pay the same, and proceeding with an action in equity to foreclose the lien against the Lot, and there shall be added to the amount of such Assessment the costs of preparing and filing the complaint in such action, interest following conclusion of the 30 day grace period at the rate of 15% per annum or such other rate as may be from time to time determined by the Board (provided, however, that such rate shall not exceed the maximum rate allowed by law not constituting usury), late charges, costs of collection and attorney's fees. The prevailing party in any such claim shall also be awarded attorney's fees and costs. No Homeowner may waive or otherwise escape liability for the Assessments. A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing, waiving, or otherwise impairing the security of the Association's lien or its priority.

8.13 Reimbursement of Fee for Worthless Check. In the event the Association incurs any bank service charge or fee as a result of depositing a worthless or otherwise uncollectible check issued to the Association for the payment of any Assessment or other sum due to the Association, the issuer of such worthless or otherwise uncollectible check shall reimburse the Association for such bank service charge or fee incurred, together with an administrative processing fee of \$25.00.

8.14 Foreclosure. The lien for sums assessed pursuant to this Article may be enforced by judicial foreclosure in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the Homeowner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees. All such costs and expenses are secured by the lien foreclosed. The Homeowner also is required to pay to the Association any Assessments against the Lot that become due during the period of foreclosure, which Assessments also are secured by the lien foreclosed and accounted on a pro rata basis and paid as of the date the Homeowner's title is divested by foreclosure. The Association has the right and power to bid at the foreclosure or other legal sale to acquire the Lot foreclosed, or to acquire such Lot by deed or other proceeding in lieu of foreclosure, and thereafter to hold, convey, lease, rent, encumber, use, and otherwise deal with such Lot as its Homeowner for purposes of resale only. If any foreclosure sale results in a deficiency, the court having jurisdiction over the foreclosure may enter a personal judgment against the Homeowner for such deficiency.

8.15 Subordination of the Lien to First Mortgages.

8.15.1 The claim of lien filed by the Association shall be subordinate to the lien of any First Mortgage held by a First Mortgagee recorded and valid before the effective date of this provision.

8.15.2 If a Mortgage against a Lot (i) is properly recorded as a First Mortgage before the Association's claim of lien is recorded and (ii) maintains First Mortgage priority, then the liability of the Lot and the First Mortgagee (and its successor or assignee who acquires title to the Lot by foreclosure or by deed in lieu of foreclosure, but only if the successor or assignee is the subsequent holder of the First Mortgage) for the unpaid Assessments that became due before the First Mortgagee's acquisition of title is limited to the lesser of:

(a) the Lot's unpaid Assessments which accrued or came due during the 12 months immediately preceding the acquisition of title or for which payment in full has not been received by the Association; or,

(b) 1% of the original debt secured by the First Mortgage.

8.15.3 The limitation of liability for payment of Assessments contained in this Section applies only if the First Mortgagee joins the Association as a defendant in the foreclosure action; however, joinder of the Association is not required if, on the date the foreclosure complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the First Mortgagee.

8.15.4 All unpaid Assessments as a result of this exception are Common Expenses, collectible from all of the Homeowners, including the new Homeowner and the Homeowner's successors and assigns. Such new Homeowner is not excused from liability for any Assessments against the Homeowner's Lot which accrue after the Homeowner's acquisition of title; provided, however, that if the Association is the grantee, it is excused from payment. Notwithstanding the foregoing, First Mortgagee shall be exempt from liability for Assessments coming due before the First Mortgagee receives title to the Lot as the result of a foreclosure or deed-in-lieu of foreclosure.

8.15.5 The Association may give any encumbrancer of record 30 days' notice within which to cure such delinquency before instituting foreclosure proceedings against the Lot. Any encumbrancer holding a lien on a Lot may pay, but is not required to pay, any amounts secured by the lien established by this Section; upon such payment, such encumbrancer will be subrogated to all rights of the Association with respect to such lien, including priority.

8.15.6 The liability limitations contained in this Section for First Mortgagees shall be expanded in the Association's favor to the fullest extent permitted by the Act, as amended from time to time.

8.16 Homesteads. By virtue of taking title to a Lot, each Homeowner is deemed to acknowledge conclusively and consent that all Assessments established pursuant to this Article are for the improvement and maintenance of any homestead thereon and that the Association's lien has priority over any such homestead.

8.17 Reserves. There is and shall be no requirement for the collection of any reserves for future or deferred maintenance. From time to time, the Association, through the Board, may elect to collect reserves, in which event such amounts shall be a Common Expense. If the Board determines that reserves are to be collected, (a) the Board shall determine the appropriate level of the reserves based on a periodic review of the useful life of the improvements to the Common Properties and equipment owned by the Association, as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Properties, the purchase of equipment to be used by the Association in connection with its duties hereunder, and/or performance of required maintenance of Homes and Lots pursuant to this Declaration, and (b) the Association's budget shall disclose the exact monies collected and the reserve categories involved.

8.18 Initial Funding of Working Capital Fund. At the time the initial sale of each Lot is closed, the purchaser of the Lot shall pay to the Association an "Initial Working Capital Fund Payment". This sum shall be used and applied for start-up costs and as a working capital fund in connection with all initial operating expenses for the Association. This payment shall not be refundable or applied as a credit against the Homeowner's payment of Assessments. The amount of the Initial Working Capital Contribution shall be specified in the purchase contract between Declarant and the purchaser.

8.19 Master Association. In the event the Association, or its Members, become members of a master community association or umbrella association ("Master Association"), then and in that event the Association shall have the power to:

8.19.1 levy and collect on its own behalf as part of the General Assessment an amount equal to the amount levied upon the Association by the Master Association; or

8.19.2 collect on behalf of the Master Association as part of the General Assessment or as a separate charge an amount equal to the amount levied upon the Association's Members by the Master Association.

8.20 Suspensions and Fines.

8.20.1 In the event a Homeowner is more than ninety (90) days delinquent in the payment of a monetary obligation due to the Association, the Association shall have the power, but not the duty, to suspend (i) the right of a Homeowner, such Homeowner's tenant, guest, or invitee, and a Resident to use Common Property or facilities, and (ii) the voting rights pertaining to a Lot (the vote pertaining to such suspended Lot shall not be counted towards the total number of voting interests as defined in the Act). The notice and hearing requirements applicable to suspension of rights in Section 8.20.2 hereof are not applicable to this Section 8.20.1. Any imposed suspension pursuant to this Section 8.20.1 will end upon full payment of all obligations currently due or overdue to the Association.

8.20.2 Separate and apart from, but not in a manner inconsistent with, Section 8.20.1 hereof, the Association shall have the power to suspend, for a reasonable period of time, the rights of a Homeowner and/or such Homeowner's tenants, guests or invitees to use the Common Property, and to levy reasonable fines against same not to exceed the greater of \$100.00 per violation or the maximum amount allowed under the Act for activities which violate the provisions of the Declaration, the By-Laws or any Rules and Regulations duly promulgated by the Association. No fine or suspension (other than suspensions due to a monetary obligation delinquency of more than 90 days pursuant to Section 8.20.1 hereof) may be imposed except upon 14 days prior written notice to the person sought to be suspended or fined, and such person having an opportunity for a hearing before a committee of at least 3 Homeowners of the Association. A fine may be levied for each day of a continuing violation, with a single notice and opportunity for hearing, and fines of a continuing nature may be charged up to a maximum of \$10,000. A fine of more than \$1,000 may become a lien against the Lot. Such committee shall be appointed by the Board and shall not be composed of any officers, directors or employees of the Association, nor any spouse, parent, child, brother or sister of any officer, director or employee. No fine or suspension (other than suspensions due to a monetary obligation delinquency of more than 90 days pursuant to Section 8.19.1 hereof) may be imposed except upon majority approval of the Homeowners of such committee. Suspension of rights to use the Common Property shall not include any right to restrict vehicles and pedestrians ingress and egress to and from such offending person's Lot. The voting rights of a Homeowner may not be suspended by the Association (other than suspensions due to a monetary obligation delinquency of more than 90 days pursuant to Section 8.20.1 hereof).

8.21 Administrative Processing Fee. Upon each closing of the purchase and sale of a Home between Homeowners, the new Homeowner shall pay to the Association an administrative processing fee (the "Administrative Processing Fee") of \$75.00, which amount shall be utilized to process the new Homeowner into the Association's recordkeeping and other systems. The Administrative Processing Fee will not be considered an advance payment of Assessments by the Homeowner. Notwithstanding any provision herein to the contrary, the Administrative Processing Fee shall not apply to any conveyances made by Declarant to a third party purchaser.

8.22 Collection of Rents from Tenants.

8.22.1 If a Lot is occupied by a tenant and the Homeowner is delinquent in paying any monetary obligation due to the Association, the Association may demand that the tenant pay to the Association the subsequent rental payments and continue to make such payments until all the monetary obligations of the Homeowner related to the Lot have been paid in full to the Association and the Association releases the tenant or until the tenant discontinues tenancy in the Lot.

8.22.2 The Association must provide the tenant a notice, by hand delivery or United States mail, in substantially the following form:

Pursuant to section 720.3085(8), Florida Statutes, we demand that you make your rent payments directly to the homeowners' association and continue doing so until the association notifies you otherwise.

Payment due the homeowners' association may be in the same form as you paid your landlord and must be sent by United States mail or hand delivery to (full address) , payable to (name) .

Your obligation to pay your rent to the association begins immediately, unless you have already paid rent to your landlord for the current period before receiving this notice. In that case, you must provide the association written proof of your payment within 14 days after receiving this notice and your obligation to pay rent to the association would then begin with the next rental period.

Pursuant to section 720.3085(8), Florida Statutes, your payment of rent to the association gives you complete immunity from any claim for the rent by your landlord.

8.22.3 A tenant is immune from any claim by the Homeowner related to the rent timely paid to the Association after the Association has made written demand.

8.22.4 If the tenant paid rent to the landlord or Homeowner (if different) for a given rental period before receiving the demand from the Association and provides written evidence to the Association of having paid the rent within 14 days after receiving the demand, the 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 Homeowner until the Association releases the tenant or the tenant discontinues tenancy in and of the Lot. The Association shall, upon request, provide the tenant with written receipts for payments made. The Association shall mail written notice to the Homeowner of the Association's demand that the tenant pay monetary obligations to the Association.

8.22.5 The liability of the tenant may not exceed the amount due from the tenant to the tenant's landlord. The tenant shall be given a credit against rents due to the landlord in the amount of the monies paid to the Association.

8.22.6 The Association may issue notice under Section 83.56, Florida Statutes, and sue for eviction under Sections 83.59-83.625, Florida Statutes, as if the Association were a landlord under part II of Chapter 83, Florida Statutes, if the tenant fails to pay a monetary obligation. However, the Association is not otherwise considered a landlord under Chapter 83, Florida Statutes, and specifically has no obligations under Section 83.51, Florida Statutes.

8.22.7 The tenant does not, by virtue of payment of monetary obligations, have any of the rights of a Homeowner to vote in any election or to examine the books and records of the Association.

8.22.8 A court may supersede the effect of this Section 8.22 by appointing a receiver.

Article 9: Architectural Control

9.1 ARC Guidelines. Until such time as Declarant no longer owns any portion of the Property, Declarant shall have the exclusive power and right to adopt from time to time the ARC Guidelines, which standards shall be applied by the ARC and the Board of Directors in their respective capacities as provided hereinafter. The initial ARC Guidelines are contained in Exhibit E attached hereto. No material alteration, modification or addition to a Home, or a material change in external appearance of a Home, or any modification, addition or deletion to or from the landscaping as contained on a Lot subsequent to initial installation by Declarant, shall be undertaken without the prior written approval of the ARC in accordance with this Article. The ARC Guidelines shall be created by Declarant and may be changed in the future by Declarant from time to time in its sole discretion. Upon such time as Declarant no longer owns any portion of the Property, the Association shall inure to the powers and rights of Declarant under this Article 9.

9.2 Role of the Board and the ARC. The purpose of the Board and the ARC is to insure the maintenance of the Property as an area of highest quality and standards and to insure that all improvements on each Lot shall present an attractive and pleasing appearance from all sides of view. All references to the ARC shall also reference the Board.

9.3 Composition of the ARC. Until such time as Declarant no longer owns any portion of the Property, Declarant shall be solely responsible for appointing the members of the ARC (it being Declarant's intention to ensure harmonious and consistent use of the various portions of the Property by the Homeowners), and the number of members shall be permitted to change from time to time in the sole discretion of Declarant. Subsequent to the time that Declarant no longer owns any portion of the Property, (a) the Board shall appoint the chairman and the members of the ARC, (b) the ARC shall consist of 3 members, (c) the Board may remove ARC member(s) if determined beneficial, and (d) where a vacancy or vacancies on the ARC occurs, a successor or successors shall be appointed by the Board.

9.4 Powers of the ARC. The ARC shall represent, act as directed by, and report to the Board; however, the Board shall retain final authority, as the ARC is a committee of the Board. The ARC shall evaluate, control and approve construction, remodeling, or additions to the buildings and structures and other improvements on each Lot in the manner and to the extent set forth herein. No building or other structure or improvement, regardless of size or purpose, whether attached to or detached from the main structure, shall be commenced, placed, erected or allowed to remain on any Lot, nor shall any addition to or exterior change (including repainting) or alteration thereto be made, nor shall any change in the landscaping, elevation or surface contour of a Lot be made, unless and until building plans and specifications covering same ("Plans and Specifications"), showing such information as may be required by the ARC and/or the Board, have been submitted to and approved in writing by the Board of Directors. Acceptance or rejection of Plans and Specifications shall be made by majority vote.

9.5 Plans and Specifications. The ARC shall require that all Plans and Specifications be accompanied by site plans showing the detail of the siting of the structure or improvement under consideration. As a prerequisite to consideration for approval, and prior to beginning the contemplated work, a minimum of 4 complete sets, or as many as requested by the ARC, of Plans and Specifications must be submitted to the ARC. In addition, if requested by the ARC, there shall be submitted to the ARC for consideration such samples of building materials proposed to be used as the ARC shall specify and require. All Plans and Specifications shall be prepared by an architect and/or professional engineer registered in the State of Florida. The architect and/or professional engineer submitting the Plans and Specifications must state in writing that he has visited the site and is familiar with all existing site conditions. These requirements pertaining to Plans and Specifications may be waived, in whole or in part, by the ARC or the Board of Directors upon application of the Homeowner showing good cause for waiving such requirement(s). All requests for improvements must be submitted on the most recently promulgated Association forms.

9.6 Recommendations of the ARC. Once the ARC has received and reviewed the Plans and Specifications submitted by a Homeowner, the ARC may either (a) approve or disapprove the proposal of the Homeowner, or (b) request additional information as the ARC deems necessary in its discretion to be able to render a decision.

9.7 Approval of Plans and Specifications. Upon written approval of the Plans and Specifications, construction may be commenced and shall be prosecuted to completion promptly and in strict conformity with such Plans and Specifications. The Board of Directors shall be entitled to stop any construction in violation of these restrictions, and any such exterior addition to or change or alteration made without application having first been made and approval obtained as provided above shall be deemed to be in violation of this covenant and may be required to be restored to the original condition at the Homeowner's expense. All costs and expenses of the Association (including attorney's and paraprofessional's fees) related to the enforcement of these covenants shall be paid by the Homeowner in violation thereof. All structures must be built to comply substantially with the Plans and Specifications as approved. Each Homeowner, by virtue of taking title to a Lot, understands and agrees, and shall be deemed to understand and agree, that approval of the ARC in no manner eliminates any obligation to

obtain governmental approval for the contemplated activity, or that upon proper application to such governmental authority the contemplated activity will be permitted. Any approval of a proposed activity by the ARC shall immediately and automatically become null and void upon a written rejection of an application to a governmental authority for authorization to undertake the proposed activity (.e.g., denial of a building permit).

9.8 Rejection of Plans and Specifications. The ARC shall have the right to refuse to approve any Plans and Specifications which are not suitable or desirable in its opinion for any reason, including purely aesthetic reasons and reasons connected with Declarant's future development plans for the Property. In the event the ARC rejects such Plans and Specifications as submitted, the ARC shall so inform the Homeowner in writing, stating with reasonable detail the reason(s) for disapproval. In rejecting such Plans and Specifications, the ARC may take into consideration the suitability and desirability of proposed construction and the materials of which the same are proposed to be built, the Lot upon which such construction is proposed to be erected, the quality of the proposed workmanship and materials, the harmony of external design with the surrounding neighborhood and existing structures therein, and the effect and appearance of such construction as viewed from neighboring Lots.

9.9 Appeal by Aggrieved Homeowner.

9.9.1 Prior to Transfer of Control. Prior to Transfer of Control, if the ARC rejects such Plans and Specifications, the aggrieved Homeowner and/or any other interested Homeowner may appeal such adverse decision to the Board, and any decision by the Board shall be final and binding.

9.9.2 Subsequent to Transfer of Control. Subsequent to Transfer of Control, if after the Board's review the appealing Homeowner is still in disagreement with the Board's decision, such Homeowner may appeal such adverse decision by submitting in writing to the Board a request to call a special meeting of all Members to consider the propriety of the Board of Directors' decision within 10 days after receipt of such written request. The Board thereafter shall call a special meeting, and the costs pertaining to such special meeting shall be borne by the appealing Homeowner. At such special meeting, the proposal made by the Homeowner and the decision of the ARC and the Board, together with the stated reasons for the rejection of the proposal, shall be made available to all Homeowners. A vote of a majority of the votes eligible to be cast in Association matters which are present in person or by proxy of a duly-called and noticed meeting of the Members at which a quorum is present shall be necessary to overturn an adverse decision of the ARC and the Board against the Homeowner.

9.10 No Waiver of Future Approvals. The approval of the ARC of any proposals or Plans and Specifications for any work done or proposed, or in connection with any other matter requiring the approval and consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matter whatever subsequently or additionally submitted for approval or consent.

9.11 Variances. The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain the issuance of any permit, or the terms of any financing shall not necessarily be considered a hardship warranting a variance.

9.12 Compliance. Any contractor, subcontractor, agent, employee or other invitee of an Homeowner who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the ARC may be excluded from doing further work within the Property by the Association without liability to any Person. Prior to exclusion of any contractor or subcontractor for violations of guidelines and procedures promulgated by the ARC, the contractor or subcontractor shall have the right to the notice and hearing procedures contained in the By-Laws.

9.13 Right to Inspect. Subject to reasonable advance notice for occupied Homes, there is specifically reserved unto the ARC the right of entry and inspection upon any Lot for the purpose of determination by the ARC whether there exists any construction or any improvements which violate the terms of any approval by the ARC or the terms of this Declaration or of any other covenant, conditions and restrictions to which a deed or other instrument of conveyance or plat makes reference. The ARC is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the event it becomes necessary to resort to litigation to determine the propriety of any constructed improvement, or to remove any unapproved improvements, the prevailing party shall be entitled to recovery of all court costs, expenses, reasonable attorney's and paraprofessional's fees in connection therewith and the same shall be assessable and collectible in the same manner as any Specific Assessment provided for herein. The Association shall indemnify and hold harmless each member of the ARC from all costs, expenses, and liabilities, including attorney's and paraprofessional's fees, incurred by virtue of any service by a member of the ARC. A perpetual, non-exclusive easement over, across and through the private roadways of the Community and a right of entry upon any Lot is hereby granted to the applicable Governmental Entities for the limited purpose of permitting code inspectors to inspect and examine the construction of improvements, additions, or modifications on such Lot.

9.14 Exemption. Notwithstanding anything to the contrary contained herein, improvements and construction activities of Declarant on any portion of the Property and from time to time shall be exempt from the provisions of this Article.

9.15 Amendment. This Article may not be amended without Declarant's written consent in its sole and absolute discretion so long as Declarant owns any portion of the Property or until Declarant has elected not to add any additional property to the scope of this Declaration.

9.16 Compliance with Governmental Requirements. In addition to the foregoing requirements, any alteration, addition, improvement or change must be in compliance with the requirements of all controlling governmental authorities, and the Homeowner shall be required to obtain an appropriate building permit from the applicable governmental authorities when required by controlling governmental requirements. Any consent or approval by the Association to any addition, alteration, improvement, or change may be conditioned upon the Homeowner requesting such approval obtaining a building permit for same, or providing the Association with written evidence from the controlling governmental authority that such permit will not be required, and in that event the Homeowner requesting architectural approval shall not proceed with any addition, alteration, improvement, or change until such building permit or evidence that a building permit is not required is submitted to the Association.

9.17 No Liability. Notwithstanding anything contained herein to the contrary, Declarant or the ARC, as applicable, shall merely have the right, but not the duty, to exercise architectural control, and shall not be liable to any Homeowner or any other Person due to the exercise or non-exercise of such control, or the approval or disapproval of any improvement. Furthermore, the approval of any plans or specifications or any improvement shall not be deemed to be a determination or warranty that such plans or specifications or improvement are complete or do not contain defects, or in fact meet any applicable standards, guidelines and/or criteria or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and Declarant, the ARC or the Association, as applicable, shall not be liable for any defect or deficiency in such plans or specifications or improvement, or any injury resulting therefrom.

Article 10: Surface Water Drainage and Management System

10.1 Homeowner Acknowledgment. Due to groundwater elevations underneath the Property, priorities established by governmental authorities, and other causes outside of the reasonable control of Declarant and the Association, water levels may fluctuate at certain times during the year and such fluctuations may be material. Neither Declarant nor the Association shall have any liability for aesthetic conditions, damage to plantings or direct or consequential damages of any nature caused by the fluctuation of water levels.

10.2 System Defined. The "Surface Water Drainage and Management System" shall be the portions of the Property including improvements thereon which are 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 or prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise effect the quantity and quality of discharges from such system as contemplated or provided in the applicable permits, development orders or other authorizations pertaining to the development of the Property. The Surface Water Drainage and Management System shall be governed by the City, the County and the WMD construction plans for the Property, which are on file with the City, the County and the WMD, as well as the WMD Permit.

10.3 Maintenance by the Association. The Surface Water Drainage and Management System shall be owned and maintained by the Association in compliance with all approvals, codes and regulations of governmental authorities. Maintenance of the Surface Water Drainage and Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the City, the County and the WMD (as applicable) and shall specifically include, but not be limited to, maintenance of aquatic vegetation, lake beds, lake banks, lake liners, littoral planting and lake maintenance easements which pursuant to the terms of this Declaration, plat or agreement are not the responsibility of others, as well as water quality and wetland monitoring or testing. Any repair or reconstruction of the surface water or storm system shall be as permitted by the City, the County and the WMD (as applicable).

10.4 Prohibited Actions. Neither the Association nor any Homeowner shall take any action which modifies the Surface Water Drainage and Management System in a manner which changes the flow of drainage of surface water, except to the extent the same is approved by the requisite governmental or quasi-governmental authorities, Declarant so long as Declarant owns any portion of the Property, and the party who has the obligation to maintain the Surface Water Drainage and Management System.

10.5 Easements. The Property shall be burdened with easements for drainage and flow of surface water in a manner consistent with the approved and constructed Surface Water Drainage and Management System. The Association and the Governmental Entities shall have non-exclusive easements for use of the Surface Water Drainage and Management System, and an easement for ingress, egress and access to enter upon any portion of the Property in order to construct, maintain or repair, as necessary, any portion of the Surface Water Drainage and Management System, provided such easement rights shall be exercised in a manner which does not unreasonably disturb use or condition of the Property.

10.6 Conveyance by Declarant. Declarant may convey its ownership interest in the lakes, preserves, conservation areas, or other surface water drainage and management systems within the Property to the Association, together with easements for maintenance and other drainage improvements, such as by way of example and without limitation, weirs and underground pipes.

10.7 Amendments Impacting the Surface Water Drainage and Management System. Any amendment of this Declaration which would affect the Surface Water Drainage and Management System or the responsibility of the Association to maintain or cause to be maintained the Surface Water Drainage and Management System must have prior written approval by the City, the County and the WMD (as applicable).

10.8 Enforcement. Declarant, the Governmental Entities, the Association and each Homeowner 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, monitoring, repair and replacement of the Surface Water Drainage and Management System and maintenance of all easements and rights-of-way.

10.9 Maintenance by Homeowners. Declarant may have constructed a drainage swale and/or drainage berm, as part of the Surface Water Drainage and Management System, upon one or more Lots

for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot(s) from time to time. Each Homeowner, including builders, shall be responsible for the maintenance, operation and repair of the swales and/or berms on such Homeowner's Lot. "Maintenance, operation and repair" shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales and/or berms to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the WMD. Filling, excavation, construction of fences, placement of any improvement, placement of any structure or otherwise obstructing the surface water flow in any swale and/or berm is prohibited. No alteration of any drainage swale and/or drainage berm shall be authorized and any damage to any drainage swale and/or drainage berm, whether caused by natural or human-induced phenomena, shall be promptly repaired and the drainage swale and/or drainage berm returned to its former condition as soon as possible by the Homeowner of the Lot upon which that drainage swale and/or drainage berm is located.

Article 11: Miscellaneous Provisions Respecting Mortgages

The following provisions are intended for the benefit of a First Mortgagee and to the extent, if at all, that any other provisions of this Declaration conflict with the following provisions, the following provisions shall control:

11.1 Notices of Overdue Assessments; Foreclosure. If any First Mortgagee or other person, persons, or entity that is its successor or assign as a subsequent holder of the First Mortgage (the "Acquiring Party") either (a) obtains title to a Lot as a result of a foreclosure of a recorded First Mortgage or (b) receives a deed in lieu of foreclosure of a recorded First Mortgage, that Acquiring Party shall, to the extent permitted by law, take such property free of any claims for unpaid Assessments or charges in favor of the Association against that became due prior to the earlier of the following: (i) the date of the transfer of title to the Acquiring Party, or (ii) the date on which the Acquiring Party comes into possession of the Lot. Notwithstanding anything herein to the contrary, the provisions of this Section 11.1 may not be interpreted or applied in a manner that impairs or otherwise diminishes, in any manner, any preexisting rights of Declarant's lender or its successors or assigns.

11.2 Rights of First Mortgagees, Insurers and Guarantors. Upon request in writing, each First Mortgagee, Insurer or Guarantor shall have the right:

11.2.1 to examine current copies of this Declaration, the By-Laws, all rules and regulations, and the books and records of the Association during normal business hours;

11.2.2 to receive, without charge and within a reasonable time after such request, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Homeowners at the end of each of its respective fiscal years; provided, however, that in the event an audited financial statement is not available, any First Mortgagee shall be entitled to have such an audited statement prepared at its expense;

11.2.3 to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

11.2.4 to receive written notice of any decision by the Homeowners to make a material amendment to this Declaration, the By-Laws or the Articles of Incorporation;

11.2.5 to receive written notice of any lapse, cancellation or modification of an insurance policy or fidelity bond maintained by the Association; and

11.2.6 to receive written notice of any action which would require the consent of a specified percentage of First Mortgagees.

11.3 Distribution of Proceeds. No provision of this Declaration or the Articles of Incorporation or any similar instrument pertaining to the Property or the Lots therein shall be deemed to give a

Homeowner or any other party priority over the rights of the First Mortgagees pursuant to their mortgages in the case of distribution to Homeowners of insurance proceeds or condemnation awards for losses to or a taking of the Lots, and/or the Common Property, or any portion thereof or interest therein. In such event, the First Mortgagees, Insurers or Guarantors of the Lots affected shall be entitled, upon specific written request, to timely written notice of any such loss.

11.4 Termination of the Community. Unless the First Mortgagees of the individual Lots representing at least 67% of the votes in the Association have given their prior written approval, neither the Association nor the Homeowners shall be entitled to terminate the legal status of the Community for reasons other than substantial destruction or condemnation thereof.

11.5 Notice of Damage, Destruction or Condemnation. Upon specific written request to the Association, a First Mortgagee, Insurer or Guarantor of a Lot shall be furnished notice in writing by the Association of any damage to or destruction or taking of the Common Property if such damage or destruction or taking exceeds \$10,000.00. If damages shall occur to such Lot in excess of \$1,000.00, notice of such event shall also be given.

11.6 Condemnation; Priority of Awards. If any Lot or portion thereof or the Common Property or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the First Mortgagee, Insurer or Guarantor of said Lot will be entitled to timely written notice, upon specific written request, of any such proceeding or proposed acquisition, and no provisions of any document will entitle the Homeowner of such Lot or other party to priority over such First Mortgagee with respect to the distribution to such Lot of the proceeds of any award or settlement.

11.7 Rights of First Mortgagees. Any First Mortgagee has the following rights:

11.7.1 Inspection. During normal business hours, and upon reasonable notice and in a reasonable manner, to inspect the books, records, and papers of the Association.

11.7.2 Copies. Upon payment of any reasonable, uniform charge that the Association may impose to defray its costs, to receive copies of the Association's books, records, or papers, certified upon request.

11.7.3 Financial Statements. Upon written request to the secretary of the Association, to receive copies of the annual financial statements of the Association; provided, however, the Association may make a reasonable charge to defray its costs incurred in providing such copies.

11.7.4 Meetings. To designate a representative to attend all meetings of the membership of the Association, who is entitled to a reasonable opportunity to be heard in connection with any business brought before such meeting but in no event entitled to vote thereon.

By written notice to the secretary of the Association, and upon payment to the Association of any reasonable annual fee that the Association from time to time may establish for the purpose of defraying its costs, any First Mortgagee also is entitled to receive any notice that it required to be given to the Class A Members of this Association under any provision of this Declaration or the Articles of Incorporation or By-Laws.

Article 12: Damage, Destruction, Condemnation and Restoration of Improvements

12.1 Damage, Destruction and Restoration. In the event the improvements forming a part of the Common Property, or any portion thereof, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, plus reserves (if any), shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds and the reserves (if any), shall be applied by the Board or the payee of such insurance proceeds in payment

therefore; provided, however, that in the event, within 180 days after said damage or destruction, the Homeowners shall elect to withdraw the Property from the provisions of this Declaration, or if the insurance proceeds and the reserves (if any) are insufficient to reconstruct the damaged or destroyed improvements to the Common Property and the Homeowners and all other parties in interest do not voluntarily make provision for reconstruction within 180 days from the date of damage or destruction, then such repair, restoration, or reconstruction shall not be undertaken. In the event such repair, restoration, or reconstruction is not undertaken, the net proceeds of insurance policies shall be divided by the Board or the payee of such insurance proceeds among all Homeowners, after first paying from the share of each Homeowner the amount of any unpaid liens on his or her Lot, in the order of the priority of such liens.

12.2 Withdrawal of Property From Declaration. In the case of damage or other destruction, upon the unanimous affirmative vote of the Homeowners voting at a meeting called for that purpose, any portion of the Property affected by such damage or destruction may be withdrawn from this Declaration. The payment of just compensation, or the allocation of any insurance or other proceeds to any withdrawing or remaining Homeowners, shall be on an equitable basis. Any insurance or other proceeds available in connection with the withdrawal of any portion of the Common Property shall be allocated to the Homeowners on the basis of an equal share for each Lot. Upon the withdrawal of any Lot or portion thereof, the responsibility for the payment of Assessments on such Lot or portion thereof by the Homeowner shall cease.

12.3 Eminent Domain. In the event any portion of the Property is taken by condemnation or eminent domain proceedings, provision for withdrawal of the portion so taken from the provisions of this Declaration may be made by the Board. The allocation of any condemnation award or other proceeds to any withdrawing or remaining Homeowner shall be on an equitable basis. Any condemnation award or other proceeds available in connection with the withdrawal of any portion of the Common Property shall be allocated to the Homeowners on the basis of an equal share for each Lot. Upon the withdrawal of any Lot or portion thereof, the responsibility for the payment of Assessments on such Lot or portion thereof by the Homeowner shall cease. The Association shall represent the Homeowners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for the acquisition of the Common Property or any part thereof. In the event of the total taking of the Property by eminent domain, the condemnation award available in that connection shall be divided by the Association among all Homeowners on the basis of an equal share for each Lot, after first paying from the share of each Homeowner the amount of any unpaid liens on his Lot, in the order of the priority of such liens.

Article 13: Termination of the Community

At a meeting called for such purpose and attended by all Homeowners, the Homeowners, by affirmative vote of 90% of the votes eligible to be cast in Association matters, may elect to terminate the legal status of the Community (via termination of this Declaration) and sell the Common Property as a whole. Within 10 days after the date of the meeting at which such sale was approved, the Board shall give written notice of such action to all First Mortgagees, Insurers and Guarantors entitled to notice under Article 11 of this Declaration, and the termination shall only be effective upon the affirmative vote required under Section 11.4 hereof. Such action shall be binding upon all Homeowners, and it shall thereupon become the duty of every Homeowner to execute and deliver such instruments and to perform all acts in manner and form as may be necessary to effect such termination and sale. The Association shall represent the Homeowners in any negotiations, settlements and agreements in connection with termination of the Community and sale of the Common Property, and any proceeds obtained therefrom shall be first used to pay all expenses and outstanding obligations of the Association and the remainder, if any, shall be divided among all Homeowners on the basis of an equal share for each Lot.

Article 14: Operation

The provisions of this Declaration are self-executing and will run with the land and be binding upon all persons having any right, title, or interest therein, or any part, their respective heirs, successors, and assigns.

Article 15: General Provisions

15.1 **Enforcement.** Unless expressly provided otherwise, the Association, or any Homeowner, has the right to enforce, by any appropriate proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, charges, rules, and regulations now or hereafter imposed by, or pursuant to, the provisions of this Declaration. If the Association or any person entitled to enforce any of the provisions of this Declaration is the prevailing party in any litigation involving this Declaration or any rule or regulation, such party may recover from the losing party all costs and expenses incurred, including reasonable attorneys' fees for all trial and appellate proceedings, if any. If the Association is the losing party against any Homeowner, such costs and expenses, including reasonable attorneys' fees, payable to the prevailing party and those incurred by the Association itself, may be assessed against such Homeowner's Lot, as provided in Article 8 of this Declaration. Failure by the Association or by any Homeowner to enforce any covenant, restriction, rule, or regulation will not constitute a waiver of the right to do so at any time.

15.2 **Amendment.**

15.2.1 Except as may be otherwise provided herein, Declarant may amend this Declaration by an instrument executed with the formalities of a deed without the approval or joinder of any other party at any time prior to the date on which Declarant shall have conveyed 90% of the Lots on the Property. Except as may be otherwise provided herein, commencing on the date that Declarant shall have conveyed 90% of the Lots on the Property, this Declaration may be amended by an instrument so executed by the Association and approved by not less than two-thirds (2/3) of the votes eligible to be cast in Association matters. No amendment is effective until recorded, and the Association's proper execution will entitle it to public record, notwithstanding the informal execution by the requisite percentage of Homeowners. For purposes of this Section, a Lot shall be considered conveyed when the deed is duly recorded.

15.2.2 Notwithstanding the provisions of Section 15.2.1 to the contrary, (a) no instrument of amendment or termination shall be effective while there are Class B memberships unless 100% of the Class B Members shall approve and join in such instrument, and (b) no amendment which will affect any aspect of the Surface Water Drainage and Management System located on the Property shall be effective without the prior written approval of the WMD. For purposes of this Section, a Lot shall be considered conveyed when the deed to such Lot is duly recorded.

15.2.3 Notwithstanding the provisions of Section 15.2.1 to the contrary, for so long as Declarant owns any portion of the Property, no amendment or modification to this Declaration will be effective without the prior written consent of Declarant if that amendment or modification, in Declarant's sole opinion, impairs, alters, or otherwise modifies, in whole or in part, the marketability, viability, usability, or salability of any portion of the Property owned by Declarant. For purposes of example only, and without limitation as to the types of amendments or modifications requiring Declarant consent pursuant to this Section 15.2.3, an amendment which (i) requires Association approval for the sale or transfer of an interest in a Lot in whole or in part; (ii) modifies the Assessment structure pertaining to any Lot; or (iii) impairs, alters, or otherwise modifies construction, sales, or marketing activities (including placement, size, and design of signage, etc.), would be considered an impairment to the marketability, viability, usability, or salability of the Property for which prior written consent of Declarant would be required.

15.3 **Special Amendment.** Anything herein to the contrary notwithstanding, and subject to the requirement of First Mortgagee approval set forth herein where applicable, Declarant reserves the right and power to record a special amendment ("**Special Amendment**") to this Declaration, at any time and from time to time, which amends this Declaration and any provision therein: (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Consumer Finance Protection Bureau of the Department of the Treasury, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to

those currently performed by such entities; (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Lots; (iii) to correct clerical or typographical errors in this Declaration; (iv) to bring this Declaration into compliance with applicable laws, ordinances or governmental regulations; or (v) to minimize any federal or state income tax liability of the Association. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to Declarant to make or consent to a Special Amendment on behalf of each Homeowner and the Association. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of Declarant to make, execute and record Special Amendments. The right and power of Declarant to make Special Amendments hereunder shall terminate on December 31, 2025, or on the date of the conveyance of all Lots in the Community by Declarant to third parties, whichever occurs last.

15.4 Additions to or Deletions from the Property.

15.4.1 Additions to the Property. Additional land (which shall not necessarily be required to be contained within the general concepts of the Community, and in fact may be lands located in the general vicinity of the Community as owned by Declarant) may be made subject to all the terms hereof and brought within the jurisdiction and control of the Association in the manner specified in this Article. Such additional property may constitute additional Common Property or a portion of the Property. Notwithstanding the foregoing, however, under no circumstances shall Declarant be required to make such additions, and until such time as such additions are made to the Property in the manner hereinafter set forth, no other real property shall in any way be affected by or become subject to this Declaration. All additional land which is brought within the jurisdiction and control of the Association and made subject to this Declaration, pursuant to this Article, shall thereupon and thereafter be included within the term "Property" as used in this Declaration. Notwithstanding anything contained in this Section, Declarant neither commits to, nor warrants or represents, that any such additional land will be made subject to and brought within the jurisdiction and control of the Association.

15.4.2 Mergers. Upon a merger or consolidation of the Association with another non-profit corporation, its property (whether real or personal or mixed) may, by operation of law, be transferred to the surviving or consolidated corporation or, alternatively, the property of the other non-profit corporation may, by operation of law, be added to the property of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated corporation shall thereafter operate as the Association under this Declaration and administer the covenants and restrictions established by this Declaration upon the Property. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration.

15.4.3 Deletions from the Property only by Declarant. Except as otherwise provided herein pertaining to deletions from the Property, only Declarant may delete and withdraw a portion of the Property from being subject to this Declaration.

15.4.4 Procedure for Making Additions to or Deletions from the Property. Additions to or deletions from the Property may be made, and thereby become subject to this Declaration by, and only by, the following procedure:

(a) Addition of Lands by Declarant. Except as otherwise provided in herein where applicable and to the contrary, Declarant shall have the right from time to time, in its discretion and without need for consent or approval by either the Association or any Homeowner or Member, or other third party to make additional lands owned by Declarant subject to the scheme of this Declaration and to bring such land within the jurisdiction and control of the Association; provided, however, in the event any portion of such additional land is encumbered by one or more mortgages, Declarant must obtain the consent and approval of each holder of such Mortgage(s). In Declarant's sole discretion, portions of such additional land may be designated as Common Property.

(b) Procedure for Adding Lands. The addition shall be accomplished by Declarant filing of record in the public records of the County a supplement to this Declaration with respect to the additional land is made subject to this. Except as otherwise provided herein where applicable, such supplement need only be executed by Declarant and shall be accompanied by the consent(s) and joinder(s) of any holder(s) of Mortgage(s) on such additional land. Such supplement may contain such additional provisions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added land or permitted uses thereof. In no event, however, shall such supplement revoke, modify, or add to the covenants and restrictions established by this Declaration affecting the land already constituting the Property unless such supplement also constitutes an amendment accomplished in accordance with the provisions of this Declaration.

15.4.5 Continued Use of Common Property. No addition shall revoke or diminish the rights of the Homeowners of the Property to the utilization of the Common Property as established hereunder, except to grant to the owners of the land being added to the Property the right to use the Common Property according to the terms and conditions as established hereunder, and the right to vote and be assessed as hereinafter provided.

15.4.6 Withdrawal of Lands by Declarant. Declarant may delete and withdraw one or more portions of the Property from being subject to this Declaration by a supplement to this Declaration recorded in the public records of the County which specifically and legally describes the property being withdrawn. Declarant must own the property being withdrawn. Such supplement need only be executed by Declarant and shall not require the joinder and consent of the Association or any Homeowner or Member, or other third party.

15.4.7 No Obligation to Add or Withdraw Lands. Nothing contained in this Article shall obligate Declarant to make additions to or deletions from the Property.

15.4.8 Voting Rights of Declarant as to Additions to the Property. Declarant shall have no voting rights as to the land to be added to the Property or any portion thereof until such land is actually added to the Property in accordance with the provisions of this Article. Upon such land being added to the Property, Declarant shall have the voting rights as set forth in the instrument amending or supplementing this Declaration.

15.4.9 Assessment Obligations of Declarant as to Additions to the Property. Declarant shall have no Assessment obligations as to the land added to the Property until such land or portion thereof is actually added to the Property in accordance with the provisions of this Article, following which Declarant shall have Assessment obligations as set forth in this Declaration (unless Declarant is providing deficit funding in accordance with Section 8.5 hereof).

15.5 Disclaimer of Representations or Warranties. EXCEPT AS EXPRESSLY PROVIDED IN THIS DECLARATION, NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, HAS BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH THE PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE COMMUNITY, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF. IF ANY SUCH WARRANTY CANNOT BE DISCLAIMED, AND AS TO ANY CLAIMS WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

15.6 Notices and Disclaimers as to Signal Reception. In recognition of the fact that interruptions in cable television, radio and satellite television will occur from time to time, neither Declarant nor the Association shall in any manner be liable for, and no Homeowner shall be entitled to a refund, rebate, discount, or offset in applicable fees, for any interruption in any such services, regardless of whether or not such interruption is caused by reasons within the service provider's control. Declarant or

Association shall be entitled to retain any rebate, discount, or other compensation received from the provider of any such services in connection with the installation and/or operation of such systems within the Property.

15.7 Construction Activities. All Homeowners, occupants, and users of Lots are hereby placed on notice that Declarant and/or its agents, contractors, subcontractors, licensees, and other designees, successors, or assigns, shall continue, from time to time, to conduct construction activities within the Property. By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest in a Lot, and/or by using any portion of a Lot or the Property generally, Homeowners, Residents and Authorized Users of Lots acknowledge, stipulate, and agree: (a) such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise), any property within or in proximity to the Lot or any other portion of the Property where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night, a holiday or otherwise during non-working hours); (c) that Declarant and all of its agents, contractors, subcontractors, licensees, and other designees, successors, and assigns, shall not be liable for any losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from and/or relating to any breach of this covenant; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a material inducement to Declarant to sell, convey, lease, and/or allow the use of Lots within the Property.

15.8 Natural Conditions. The Property may contain a number of manmade, natural, and/or environmentally sensitive areas that may serve as habitats for a variety of native plants and wildlife, including, without limitation, insects, venomous and non-venomous snakes, alligators, other reptiles, raccoons, foxes, wild dogs, wild cats, and other animals, some of which may pose hazards to persons and/or pets coming in contact with them. Each Homeowner and occupant of any Lot, and every Person entering the Property: (a) acknowledges and agrees that such plants and wildlife are indigenous to the area and are not restrained or restricted in their movements within and/or through the Property; and (b) knowingly and voluntarily assumes all risk of property damage, personal injury and/or death arising from the presence of such plants and wildlife within the Property. Neither the Association, Declarant, nor the members, partners, affiliates, officers, directors, shareholders, attorneys, agents, and/or employees of any of the foregoing, shall have any duty to take action to control, remove, or eradicate any plant or wildlife within the Property, nor shall they have any liability for any property damage, personal injury and/or death resulting from the presence, movement, and/or propagation of any plant or wildlife within or through the Property. The areas described in this Section 15.8 may also contain ponds, lakes, retention ponds, detention ponds, dry detention areas, intermittent pools of water, muddy areas and/or buffer areas, among other things, all of which are important to the ecological balance and maintenance of the area as a wildlife habitat. No Homeowner or occupant of a Lot shall enter upon, or permit their guests, family members, invitees, agents, tenants, employees, contractors, subcontractors, visitors or any other Person acting on that Homeowner's behalf to enter upon and/or disturb any such areas in any way without the prior written approval of the Association.

15.9 Severability. Invalidation of any particular provision of this Declaration by judgment or court order will not affect any other provision, all of which shall remain in full force and effect; provided, however, any court of competent jurisdiction is hereby empowered, to the extent practicable, to reform any otherwise invalid provision contained in this Declaration when necessary to avoid a finding of invalidity while effectuating Declarant's intent of providing a comprehensive plan for the use, development, sale, and beneficial enjoyment of the Community.

15.10 Joinder. Should title to any Lot of the Community have been conveyed by Declarant prior to the recording of this Declaration, such Homeowners of Lots by their signature to a Joinder shall be deemed to have joined with the Homeowner in the recording of this Declaration and shall have subordinated their right, title and interest in the Lot to the terms hereof and declare that their property shall be subject to this Declaration as fully as if title had been taken by them subsequent to the recording hereof.

15.11 Covenant Running with the Property. Except as otherwise provided herein, the covenants and restrictions of this Declaration shall run with and be binding upon the Property, and shall remain in force and be enforced by the Board and the Homeowners, their heirs, successors and assigns, for a term of 30 years after the date this Declaration is recorded in the public records of the County, and shall be automatically renewed for successive periods of 10 years, unless the Homeowners, upon the affirmative vote of the holders of 70% of the votes eligible to be cast in Association matters decide within 6 months of such renewal date, not to renew these covenants and restrictions, and a certificate executed by the president or the vice-president and secretary of the Association certifying to such vote is recorded in the public records of the County.

Each Homeowner, by virtue of taking title to a Lot, hereby agrees that the deed of conveyance of the Lot to a third party shall specifically state that the Lot is subject to the terms of this instrument and shall state the recording book and page information for this instrument as recorded in the public records of the County. The intent of this provision is to defeat any potential argument or claim that Chapter 712, Florida Statutes, has extinguished the application of this instrument to each of the Lots.

15.12 Amendment Pertaining to Surface Water Drainage and Management System. Notwithstanding any provisions to the contrary contained in this Declaration, any amendment which will affect the Surface Water Drainage and Management System, including the management portion of the Common Property, serving the Community, must have the prior written approval of the WMD in order to be effective and binding.

15.13 Compliance. Every Homeowner and Authorized User shall comply with all lawful provisions of this Declaration, the By-Laws and the Rules and Regulations. Failure to comply shall be grounds for an action to recover sums dues, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved party. Further, in the event of any violation of any ordinances, rules or restrictions imposed by the Governmental Entities with respect to the Property, the Governmental Entities may, without the consent of the Association or any Person, seek judicial enforcement of such ordinances, rules or restrictions and if such enforcement shall be required by a court of competent jurisdiction, then the Governmental Entities shall be entitled, in addition to all other awards or directions of enforcement, to all reasonable attorneys' fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, and court costs incurred by the Governmental Entities relative to its enforcement of the foregoing.

15.14 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association, nor shall any legal services be provided with respect to preparing for such judicial or administrative proceedings unless approved by a vote of (a) 75% of the Class A Members eligible to vote, and (b) the Class B Member (if Class B membership has not been terminated). The Association shall prepare a budget of the total estimated cost of the litigation which shall be submitted to the Members for a vote along with the notice of the proposed litigation. The budget shall be based upon an estimate of the total cost and fees of the litigation made by the attorney being retained by the Association for the litigation. The Association shall assess all Homeowners whose interests are being sought to be protected through such litigation in accordance with the Assessment process provided herein; provided, however, that no funds from General Assessments or other sources may be used for such purpose. Prior to preparation for and institution of legal proceedings, any Assessment levied in such regard must be more than 75% collected. This Section shall not apply, however, to (a) actions brought by the Association against parties other than Declarant to enforce the provisions of this Declaration (including without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided herein, (c) proceedings involving challenges to ad valorem taxation, (d) counterclaims brought by the Association in proceedings instituted against it, or (e) any dispute in which the amount in question is \$10,000 or less, as adjusted for inflation from year to year. This Section shall not be amended unless such amendment is made by Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

15.15 Disclaimer of Association Liability. As used in this Section, "Association" shall mean the Association and all committee and Board members, employees, agents, contractors (including

management companies), subcontractors, successors and assigns of any of the foregoing. Notwithstanding anything contained herein or in the Articles, By-Laws, any rules or regulations of the Association or any other document governing or binding the Association (collectively, the "Association Documents"), the Association shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Homeowner, Member, occupant or user of any portion of the Community, other tenants, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing: (a) it is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern or regulate the uses of the Community, have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Community and the value thereof; and (b) the Association is not empowered, and has not been created, to act as an agency which enforces or insures compliance with the laws of the State of Florida or the Governmental Entities or the prevention of tortious activities. Each Member (by virtue of his or her acquisition of a Lot and each other Person having an interest in or lien upon, or making any use of, any portion of the Community (by virtue of accepting such interest or lien or making such use) shall be bound by this Article and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against which the liability of the Association has been disclaimed in this Article. Each Member does hereby release Declarant and the Association from all liability from injury and/or accidental death due to adverse weather and all effects and results thereof.

15.16 Amplification. The provisions of this Declaration are amplified by the Articles of Incorporation and By-Laws, but no such amplification will alter or amend substantially any of the rights or obligations of the Homeowners set forth in this Declaration. Declarant intends the provisions of this Declaration, on the one hand, and the Articles of Incorporation and By-Laws, on the other, to be interpreted, construed, applied, and enforced to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles of Incorporation or By-Laws to the contrary. The terms defined in this Declaration shall have same meanings in the Articles of Incorporation and By-Laws, unless otherwise provided.

15.17 Logos and Trademarks. All logos, trademarks, and designs used in connection with the Community are the property of Declarant, and the Association shall have no right to use the same after Transfer of Control except with the express written consent of Declarant.

15.18 Flood Zones. Flood zone determinations are made by the Federal Emergency Management Agency. Declarant makes no assurance, with regard to any portion of the Property, that any flood zone designation for a Lot existing as of a particular date will remain the same. Declarant further advises that any such flood designation could be changed due to re-grading of the land as a result of the land development process. Each Homeowner, by virtue of taking title to a Lot, acknowledges and agrees, and shall be deemed to have acknowledged and agreed, that Declarant has no involvement in the determination or designation of flood zone designations for any portion of the Property.

15.19 Homeowner Cooperation. No person shall use the Property, or any part thereof, in any manner contrary to or not in accordance with the rules and regulations set forth in the By-Laws or properly pertaining thereto and promulgated from time to time by the Association. The Homeowner shall not permit or suffer anything to be done or kept in such Homeowner's Home and/or Lot which will increase the rate of any insurance purchased by the Association for the Property or any portion thereof, or which will obstruct or interfere with the rights of other Homeowners, or annoy them by unreasonable noises, or otherwise, nor shall the Homeowners commit or permit any nuisance, immoral or illegal acts in or about the Property.

15.20 Resolution of Disputes. All issues or disputes which are recognized by the Act or by administrative rules promulgated under the Act as being appropriate or required for dispute resolution shall be submitted to such dispute resolution procedures contained in the Act prior to institution of civil litigation.

IN WITNESS WHEREOF, Declarant has duly executed this instrument on this ____ day of _____, 2016.

WITNESSES:

**KB HOME ORLANDO LLC,
a Delaware limited liability company**

Name: _____

By: _____

(SEAL)

Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2016, by _____, as _____ of KB Home Orlando LLC, a Delaware limited liability company, on behalf of the corporation, as Declarant of Southgate at Lake County. He is personally known to me.

My Commission Expires:

(AFFIX NOTARY SEAL)

(Signature)

Name: _____
(Legibly Printed)

Notary Public, State of Florida

(Commission Number, if any)

**EXHIBIT "A" TO DECLARATION OF COVENANTS AND RESTRICTIONS
FOR SOUTHGATE AT LAKE COUNTY**

Legal Description of the Property

**EXHIBIT "B" TO DECLARATION OF COVENANTS AND RESTRICTIONS
FOR SOUTHGATE AT LAKE COUNTY**

Articles of Incorporation of the Association

**ARTICLES OF INCORPORATION
OF
SOUTHGATE AT LAKE COUNTY PROPERTY OWNERS ASSOCIATION, INC.
(A Corporation Not for Profit)**

THE UNDERSIGNED INCORPORATOR to these Articles of Incorporation hereby proposes the incorporation under Chapters 617 and 720, Florida Statutes, of a corporation not for profit, and hereby makes, subscribes, acknowledges and files with the Secretary of State of the State of Florida, Articles of Incorporation, and hereby certifies as follows:

ARTICLE I: NAME AND LOCATION

The name of this corporation shall be **SOUTHGATE AT LAKE COUNTY PROPERTY OWNERS ASSOCIATION, INC.** (hereinafter referred to as the "Association"), and its initial office for the transaction of its affairs shall be 4105 Crescent Park Drive, Riverview, FL 33578.

ARTICLE II: PURPOSES

This Association does not contemplate pecuniary gain or profit to the Members thereof, and no distribution of income to its Members, directors or officers shall be made, except that nothing herein shall prevent the Association from compensating persons who may be Members, directors or officers in exchange for services actually rendered to, or costs actually incurred for the benefit of, the Association in furtherance of one or more of its purposes. The general purpose of this Association is to promote the common interests of the property owners in Southgate at Lake County (hereinafter referred to as the "Community"), and the specific purpose is to perform the functions of the Association contemplated in the Declaration of Covenants and Restrictions for the Community recorded in the public records of Lake County, Florida (hereinafter referred to as the "Declaration"), as the same may in the future be amended, which purposes shall include but not be limited to:

- (a) Exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration;
- (b) Fix, levy, collect and enforce payment, by any lawful means, all charges or assessments pursuant to the terms of the Declaration;
- (c) Own and convey property;
- (d) Establish rules and regulations;
- (e) Sue and be sued;
- (f) To pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association;
- (g) Maintain, repair and replace Common Properties as contemplated by the Declaration and to enter into contracts for the provision of services to maintain and operate the Common Properties (including, but not limited to, the maintenance, repair and replacement of the Surface Water Drainage and Management System, as exempted or permitted by the WMD); and
- (h) Have and exercise any and all other powers, rights and privileges of a not-for-profit corporation organized under the law of the State of Florida.

ARTICLE III: MEMBERSHIP AND VOTING RIGHTS

A. Eligibility. Every person, whether an individual, corporation or other entity, who is the record owner of a Lot that is subject to assessment pursuant to the Declaration shall become a Member of the Association upon the recording of the instrument of conveyance. If title to a Lot is held by more than one person, each such person shall be a Member. A Homeowner of more than one Lot is entitled to membership for each Lot owned. No person other than a Homeowner may be a Member of the Association, and a membership in the Association may not be transferred except by the transfer of title to a Lot; provided, however, the foregoing does not prohibit the assignment of membership and voting rights by a Homeowner who is a contract seller to such Homeowner's vendee in possession.

If more than one person owns a fee interest in any Lot, all such persons are Members, but there may be only one vote cast with respect to such Lot. Such vote may be exercised as the co-owners determine among themselves, but no split vote is permitted. Prior to any meeting at which a vote is to be taken, each co-owner must file a certificate with the secretary of the Association naming the voting co-owner entitled to vote at such meeting, unless such co-owners have filed a general voting certificate with the Secretary applicable to all votes until rescinded. Notwithstanding the foregoing, no separate certificate shall be necessary if title to any Lot is held in a tenancy by the entireties, and in such event either tenant is entitled to cast the vote for such Lot unless and until the Association is notified otherwise in writing by such co-tenants by the entireties.

B. Classes of Membership and Voting; Transfer of Control. The Association shall have 2 classes of voting membership - Class A and Class B. So long as there is Class B membership, Class A Members shall be all persons owning record title to the Lots of the Community ("Homeowners") except Declarant. All Class B memberships shall belong to Declarant. Upon termination of Class B membership as provided below, Class A Members shall be all Homeowners, including Declarant so long as such Declarant is a Homeowner. Voting shall be accomplished in accordance with the applicable provisions of the By-Laws. There shall be no cumulative voting for Directors or any other matters.

Class B membership shall cease to exist and shall be deemed to be converted into Class A membership upon the earlier of (a) a triggering event contained in Section 720.307(1) of the Act, or (b) the date that Declarant waives in writing its right to Class B membership, which waiver shall be evidenced by the recording of a certificate to such effect in the public records of the County. Upon termination of Class B membership, all provisions of the Declaration, Articles of Incorporation, or By-Laws referring to Class B membership will be obsolete and without further force or effect, including any provision requiring voting by classes of membership.

C. Transferability. Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by conveyance of title to that Lot whether or not mention thereof is made in such conveyance of title.

ARTICLE IV: TERM OF EXISTENCE

The Corporation shall have perpetual existence. In the event the Corporation is dissolved, the dedicated property and corresponding infrastructure of the Surface Water Drainage and Management System will be conveyed or dedicated to a similar non-profit organization or entity as contemplated by the WMD's requirements to ensure continued maintenance and operation (following dissolution of the Corporation, until such time as conveyance or dedication to such a similar non-profit organization or entity occurs, all Homeowners shall be jointly and severally liable for the maintenance and operation of the Surface Water Drainage and Management System).

ARTICLE V: INCORPORATOR

The name and address of the Incorporator to these Articles of Incorporation is the following:

Robert S. Freedman
Carlton Fields Jordan Burt, P.A.
4221 W. Boy Scout Blvd., Suite 1000
Tampa, FL 33607

ARTICLE VI: MANAGEMENT

The affairs of the Corporation shall be managed by the Board, which shall consist of not less than 3 nor more than 7 individuals, the precise number to be fixed in the By-Laws or by the Board from time to time. Directors shall be elected for one year terms by the Members at the annual Members' meeting, to be held as scheduled by the Board in the last quarter of each fiscal year in the manner prescribed in the By-Laws of the Association, and shall hold office until their respective successors are duly elected and qualified; provided, however, that Declarant shall be entitled to solely appoint all Members of the Board prior to transfer of control. The Board shall elect a President, a Vice President, and a Secretary-Treasurer of the Association, and such other officers as may, in the opinion of the Board, from time to time be necessary to adequately administer the affairs of the Association. Such officers are to hold office at the pleasure of the Board or until their successors are duly elected and qualified. Officers may be Directors. Officers and Directors must be Members of the Association except with respect to those who are elected by the Class B Members. Any individual may hold 2 or more corporate offices, except that the offices of President and Secretary-Treasurer may not be held by the same person. The officers shall have such duties as may be specified by the Board or the By-Laws of the Association. Vacancies occurring on the Board and among the officers shall be filled in the manner prescribed by the By-Laws of the Association.

Notwithstanding the foregoing, the Class B Members shall have the right to elect all Directors as long as there shall be Class B membership, except that such Class A Members shall be entitled to elect at least one member of the Board (but not a majority of the directors until Transfer of Control has occurred) once (50%) of the Lots in all phases of the Community which will ultimately be operated by the Association have been conveyed to the Class A Members.

ARTICLE VII: INITIAL OFFICERS

The names of the initial officers who are to serve until their successors are elected under the provisions of these Articles of Incorporation and the By-Laws are the following:

_____ - President
_____ - Vice-President
_____ - Secretary/Treasurer

ARTICLE VIII: INITIAL BOARD OF DIRECTORS

The number of persons constituting the initial Board shall be three (3) and the names and addresses of the members of such first Board, who shall hold office until their respective successors are elected pursuant to the provisions of these Articles of Incorporation and the By-Laws, are the following:

_____ 4105 Crescent Park Drive
Riverview, FL 33578
_____ 4105 Crescent Park Drive
Riverview, FL 33578
_____ 4105 Crescent Park Drive
Riverview, FL 33578

ARTICLE IX: BY-LAWS

The By-Laws of the Association shall be adopted by the initial Board, as constituted under Article VIII above, at the organizational meeting of the Board. Thereafter the By-Laws may be altered, amended,

or rescinded by the affirmative vote of 2/3 of the Board, and after notice to the Members, by the majority vote of Class A Members, and the unanimous vote of the Class B Members, present at any regular or special meeting of the membership.

However, no amendment to the By-Laws shall be valid which affects any of the rights and privileges provided to Declarant without the written consent of Declarant as long as Declarant shall own any portion of the Property.

ARTICLE X: AMENDMENTS

Prior to Transfer of Control, amendments to these Articles of Incorporation shall be adopted by the Board of Directors without any requirement or necessity for a vote of the Association membership or for consent by any party, except as may be otherwise specifically required herein. Subsequent to Transfer of Control, amendments to these Articles of Incorporation shall be made in the following manner:

(a) The Board of Directors shall adopt a resolution setting forth a proposed amendment and, if Members have been admitted, directing that it be submitted to a vote at a meeting of Members, which may be either the annual or a special meeting. If no Members have been admitted, the amendment shall be adopted by a vote of the majority of directors and the provisions for adoption by Members shall not apply.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each Member of Record (as defined in the By-Laws) entitled to vote thereon within the time and in the manner provided by *Florida Statutes* for the giving of notice of meetings of Members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

(c) At such meeting, a vote of the Members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of (1) a majority of the votes of the Class A Members, and (2) the Class B Member.

Any number of amendments may be submitted to the Members and voted upon by them at one meeting.

Notwithstanding the foregoing, (a) no amendment to the Articles of Incorporation shall be valid which affects any of the rights and privileges provided to Declarant without the written consent of Declarant as long as Declarant shall own any Lots in the Neighborhood, and (b) no amendment which will affect any aspect of the Surface Water Drainage and Management System shall be effective without the prior written approval of the St. Johns River Water Management District.

ARTICLE XI: REGISTERED OFFICE AND AGENT

Pursuant to Section 48.091 and Section 607.0501, Florida Statutes, the name and address of the Initial Registered Agent for service of process upon the Association is:

CF Registered Agent, Inc.
100 S. Ashley Drive, Suite 400
Tampa, Florida 33602

The above address is also the address of the registered office of the Association.

Dated this _____ day of _____, 2016.

Robert S. Freedman, Incorporator

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Robert S. Freedman, being known to me to be the person who executed the foregoing Articles of Incorporation, and who acknowledged to me that he executed the same as his free act and deed for the uses and purposes therein set forth. He is personally known to me.

My Commission Expires: _____

(AFFIX NOTARY SEAL)

(Signature)

Name _____

(Legibly Printed)

Notary Public, State of Florida

(Commission Number, if any)

ACCEPTANCE OF DESIGNATION AS REGISTERED AGENT

The undersigned, having been named as registered agent and to accept service of process for Southgate at Lake County Property Owners Association, Inc., hereby accepts the appointment as registered agent and agrees to act in such capacity. The undersigned further agrees to comply with the provisions of all statutes relating to the proper and complete performance of his duties and is familiar with and accepts the obligations of his position as registered agent.

CF Registered Agent, Inc.

**EXHIBIT "C" TO DECLARATION OF COVENANTS AND RESTRICTIONS
FOR SOUTHGATE AT LAKE COUNTY**

By-Laws of the Association

**BY-LAWS
OF
SOUTHGATE AT LAKE COUNTY PROPERTY OWNERS ASSOCIATION, INC.
(A Corporation Not for Profit)**

**ARTICLE I
Name and Location**

The name of the corporation is **SOUTHGATE AT LAKE COUNTY PROPERTY OWNERS ASSOCIATION, INC.** (hereinafter referred to as the "Association"), and its initial office for the transaction of its affairs shall be 4105 Crescent Park Drive, Riverview, FL 33578. Meetings of Members and directors may be held at such places within the State of Florida as may be designated by the Board of Directors (hereinafter referred to as the "Board").

**ARTICLE II
Definitions**

Unless the context expressly requires otherwise, the terms used herein shall have the meanings set forth in the Declaration of Covenants and Restrictions for Southgate at Lake County ("Declaration").

**ARTICLE III
Meeting of Members**

Section 1. **Annual Meetings.** All annual and special meetings of the Association shall be held in Lake County, Florida, or at such other place as may be permitted by law and from time to time as fixed by the Board and designated in the notices of meetings.

Section 2. **Notice of Annual Meetings.** Annual meetings of the Members of the Association shall be held in the fourth quarter of each fiscal year. Notice of the meeting, which shall include an agenda, shall be mailed, delivered, or sent by electronic transmission to each Member listed in the membership book of the Association at the street, post office, or electronic mail address (as applicable) shown therein ("Member of Record") not less than 14 days prior to the meeting. Evidence of compliance with this 14-day notice requirement shall be made by an affidavit executed by the person providing the notice and filed upon execution among the official records of the Association. In addition to mailing, delivering, or electronically transmitting the notice of any meeting, the Association may, by reasonable rule, adopt a procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a closed-circuit cable television system serving the Association. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda.

Section 3. **Special Meetings.** Special meetings of the Members, for any purpose or purposes, whether or not specifically required by these By-Laws, the Articles of Incorporation, or the Declaration may be called by the president, secretary, a majority of the Board, or by the Members having 1/10 of the votes of the Class A membership.

Section 4. **Notice of Special Meetings.** No business shall be transacted at any special meeting except as stated in the notice thereof. Notice of all special meetings shall be given by the secretary to Members of Record, or if the secretary shall fail to do so, by the president or Board, not less than 30 nor more than 60 days prior to the date thereof, stating the date, time, and place of the meeting and the purpose or purposes thereof. Notices shall be mailed, delivered, or sent by electronic transmission to each Member listed in the membership book of the Association at the street, post office, or electronic mail address (as applicable) shown therein within the prescribed time or, in lieu of mailing, delivered by hand to the Members shall suffice. The Secretary shall execute an affidavit that the notice

was delivered or mailed in compliance with this section and, once executed the affidavit shall be filed among the official records of the Association.

Section 5. **Quorum.** Members present in person or represented by proxy, entitled to cast at least 1/3 of the votes of the membership of the Association, shall constitute a quorum.

Section 6. **Action Taken at Meeting.** When a quorum is present at any meeting, a majority of the votes duly cast by the Members present at the meeting or represented by written proxy shall decide any question brought before the meeting, unless the question is one upon which by express provision of law, the Declaration, the Articles of Incorporation or these By-Laws, a different vote is required, in which case the express provision shall govern and control. If any meeting of Members cannot be organized because a quorum is not present, the meeting may be adjourned by a majority of the Members present in person, until a quorum is present

Section 7. **Order of Business.** The order of business at all meetings shall be as prescribed in the agenda prepared by the Board and submitted to the Members of Record with the notice of each meeting.

Section 8. **Action Without Meeting.** Any action which may be taken by the membership pursuant to a duly called meeting, may be taken without a meeting provided that: a proposal of action to be taken by the Members is mailed to every Member of the Association together with a request for approval or disapproval; and, the Members responding to the proposal ("Responding Members") hold at least 1/3 of the votes of all Members of the Association. A proposed action may be approved by a majority of the votes attributable to the Responding Members unless the proposed action is one which by express provision of law, the Declaration, the Articles of Incorporation or these By-Laws requires a different vote, in which case the express provision as it pertains to voting percentages shall govern and control.

Section 9. **Voting.**

- a. The Association has two classes of voting membership: Class A and Class B.
- b. So long as there is Class B membership, Class A Members are all Homeowners except Declarant. The Class B Member shall be Declarant. Upon termination of Class B membership, as provided by the Declaration, Class A Members are all Homeowners, including Declarant so long as such Declarant is a Homeowner.
- c. Class A Members shall be entitled to 1 vote per Lot owned, and there shall be only 1 vote per Lot. When Declarant becomes a Class A Member, Declarant shall have 1 vote for each Lot still owned or to be constructed by Declarant within the Community.
- d. The vote of a Lot may not be divided.
- e. The Class B Member shall be entitled to 9 votes for each Lot owned by the Class B Member.
- f. If more than one person owns an interest in any Lot, all such persons are Members, but there may be only one vote cast with respect to such Lot. Such vote may be exercised as the co-owners determine among themselves, but no split vote is permitted. Prior to any meeting at which a vote is to be taken, each co-owner must file the name of the voting co-owner with the secretary of the Association to be entitled to vote at such meeting, unless such co-owners have filed a general voting authority with the Secretary applicable to all votes until rescinded. Notwithstanding the foregoing, if title to any Lot is held in a tenancy by the entireties, either tenant is entitled to cast the vote for such Lot unless and until the Association is notified otherwise in writing.
- g. **Electronic Voting.** Electronic voting may occur in and for the Association, under the terms and provisions of the following:

i. In order for electronic voting to occur on any Association matter, the Board must first pass a resolution authorizing same, which resolution must:

1. provide that Members receive notice of the opportunity to vote through an online voting system;

2. establish reasonable procedures and deadlines for Members to consent, in writing, to online voting; and

3. establish reasonable procedures and deadlines for Members to opt out of online voting after giving consent.

ii. Once such a resolution has been passed, elections and other membership votes may be conducted through an internet-based online voting system if a Member consents, in writing, to online voting and if the following requirements are met:

1. The Association shall provide each Member with a method or means:

a. to authenticate the Member's identity to or within the online voting system;

b. to confirm, at least 14 days prior to the date of the vote or the voting deadline, that the Member's electronic device can successfully communicate with the online voting system; and

c. that is consistent with the election and voting procedures in these Bylaws and the other Governing Documents; and

2. The Association utilizes an online voting system that is able to:

a. authenticate the Member's identity;

b. authenticate the validity of each electronic vote to ensure that the vote is not altered in transit;

c. transmit a receipt from the online voting system to each Member who casts an electronic vote;

d. permanently separate any authentication or identifying information from the electronic election ballot, rendering it impossible to tie an election ballot to a specific Member (this provision only applies if these Bylaws provide for secret ballots for the election of Directors); and

e. store and keep electronic ballots accessible to election officials for recount, inspection, and review.

iii. A Member voting electronically pursuant to or as a result of this subsection g. shall be counted as being in attendance at the meeting for purposes of determining a quorum.

iv. A Member's consent to online voting is and shall remain valid until the Member opts out of online voting pursuant to the procedures established by the Board.

v. This subsection g. shall apply to any matter that requires a vote of the Members.

Section 10. **Presiding Officers.** At each meeting of the Members, the president, or in his absence the vice president, shall preside and the secretary, or in his absence the assistant secretary, shall be the secretary for the meeting.

Section 11. **Right to Speak.** Members and Homeowners have the right to attend all membership meetings and to speak at any meeting with reference to all items opened for discussion or included on the agenda (subject to any permissible limitations as provided herein or pursuant to the Act). Notwithstanding any provision to the contrary in the Association's governing documents or any rules adopted by the Board or by the membership, a Member or a Homeowner has the right to speak on any agenda item, provided that the Homeowner submits a written request to speak prior to the meeting (such request shall be delivered to the Association's record office and verified by the Association secretary prior to commencement of the meeting). The Association may adopt written reasonable rules governing the frequency, duration, and other manner of Homeowner statements, which rules must be consistent with the provisions of this Section.

ARTICLE IV **Directors**

Section 1. **Board of Directors.** Until Transfer of Control, the affairs of the Association shall be managed by a Board of 3 directors. A director must be a Member, except that the directors elected or appointed by the Class B Members need not be Members and may be the officers and/or employees of Declarant. Subsequent to Transfer of Control, the Board shall be comprised of not less than 3 directors and not more than 7 directors, such number to be determined by the Board from time to time. There shall be at all times a minimum of 3 directors.

Section 2. **Election of Directors.**

- a. Election of directors shall be held at the annual Members' meeting.
- b. The election of directors to be elected by the Class A Members shall be by ballot (unless dispensed by the unanimous vote consent of those Members eligible to vote in person or proxy) and shall be determined by a plurality of the Class A votes cast. There shall be no cumulative voting.
- c. Except as to vacancies provided by removal of directors by Members, all vacancies in the Board occurring between annual meetings of Members, including vacancies created by increasing the size of the Board, shall be filled by the vote of a majority of the remaining directors.
- d. Any directors elected by Class A Members may be removed in accordance with the provisions of the Act. If a vacancy occurs on the Board as a result of the removal of less than a majority of the directors, the vacancy shall be filled by the affirmative vote of a majority of the remaining directors. If vacancies occur on the Board as a result of the removal of a majority or more of the directors, the vacancies shall be filled in accordance with the provisions of the Act.
- e. Notwithstanding the foregoing, the Class B Members shall have the right to elect all Directors as long as there shall be Class B membership, except that Class A Members shall be entitled to elect at least one member of the Board (but not a majority of the directors until Transfer of Control has occurred) once 50% of the Lots in all phases of the Community which will ultimately be operated by the Association have been conveyed to the Class A Members.
- f. Any disputes involving the election of directors shall be resolved through the applicable provisions of the Act.

Section 3. **Term of Office.** Unless otherwise provided herein, the term of each director's service shall be one year and until his successor is duly elected and qualified or until he is removed in the manner provided elsewhere herein.

Section 4. **Composition of the Board; Eligibility.**

a. In accordance with the Articles of Incorporation, the Board appointed and named in said Articles of Incorporation (and their successors appointed by Declarant) shall serve at least until Class A Members are entitled to elect one or more of the directors.

b. Upon Transfer of Control, a simple majority of directors shall be elected for a term of office to end at the second subsequent annual meeting of the Members of the Association, and the remaining directors shall be elected for a term of office to end at the subsequent annual meeting of the Members. Following the initial election of non-Declarant Members, subsequent elections to the Board shall be for a 2 year term of office, unless otherwise provided herein. All officers of a corporation or other entity owning a Lot shall be deemed to be Members of the Association so as to qualify each to become a director hereof.

c. A Member who is delinquent in the payment of any fee, fine, or other monetary obligation to the Association for more than ninety (90) days is not eligible to be a director.

d. A Member who has been convicted of any felony in Florida or in a United States District or Territorial Court, or has been convicted of any offense in another jurisdiction which would be considered a felony if committed in Florida, is not eligible to be a director, unless such Members' civil rights have been restored for at least 5 years as of the date on which such Member seeks election to the board.

e. The validity of any action by the Board is not affected if it is later determined that a member of the Board is ineligible to be a director.

Section 5. **Notice of Board Meetings to Members.** Notices of all Board meetings must be posted in a conspicuous place in the Community at least 48 hours in advance of a meeting, except in an emergency. In the alternative, notice of the Board meeting, which shall include an agenda, shall be mailed, delivered, or sent by electronic transmission to each Member of Record listed in the membership book of the Association at the street, post office, or electronic mail address (as applicable) shown therein not less than 7 days prior to the meeting, except in an emergency. Evidence of compliance with this 7-day notice requirement shall be made by an affidavit executed by the person providing the notice and filed upon execution among the official records of the Association. A Member must consent in writing to receiving notice via electronic transmission.

Section 6. **Right of Members to Speak at Board Meetings.** Notwithstanding any provision to the contrary in the Association's governing documents or any rules adopted by the Board or by the membership, a Homeowner has the right to attend all Board meetings (subject to any permissible limitations as provided herein or pursuant to the Act) and to speak on any matter placed on the agenda, provided that the Homeowner submits a written request to speak prior to the meeting (such request shall be delivered to the Association's record office and verified by the Association secretary prior to commencement of the meeting). The Association may adopt written reasonable rules governing the frequency, duration, and other manner of Homeowner statements, which rules must be consistent with the provisions of the Act, and may include a sign-up sheet for Members wishing to speak. Notwithstanding any other law, the requirement that Board meetings and committee meetings be open to the Members is inapplicable to meetings between the Board or a committee and the Association's attorney held for the purpose of (a) discussing personnel matters, (b) proposed or pending litigation, or (c) as otherwise specifically prescribed under the Act.

Section 7. **Annual Meetings.** The annual meeting of the Board may be held at such time and place as shall be determined by the directors, except that such annual directors' meeting shall be held as soon as practicable following the annual Members' meeting. If held at any time other than immediately following the annual Members' meeting, there shall be 3 days' notice given by the President personally or by mail, telephone or electronic communication, which notice shall state the time and place of the meeting.

Section 8. **Meeting to Determine Assessments.** The General Assessment and any Special Assessment may not be levied at a Board meeting unless a written notice of the meeting is provided to all Members of Record at least 14 days before the meeting, which notice shall include a

statement that Assessments will be considered at the meeting and the nature of the Assessments. Written notice of any meeting at which Special Assessments will be considered must be mailed, delivered, or electronically transmitted to the Homeowners and posted conspicuously on the Common Property or broadcast on closed-circuit cable television not less than 14 days before the meeting.

Section 9. **Meeting to Determine Rules and Regulations.** Written notice of any meeting at which rules that regulate the use of Homes and Lots in the Community may be adopted, amended, or revoked must be mailed, delivered, or electronically transmitted to the Homeowners, and posted conspicuously on the Common Property or broadcast on closed-circuit cable television, not less than 14 days before the meeting. A written notice concerning changes to the rules that regulate the use of Homes and Lots in the Community must include a statement that changes to the rules regarding the use of Homes and Lots will be considered at the meeting.

Section 10. **Special Meetings.** Special meetings of the directors may be called by the president and must be called by the secretary at the written request of 2/3 of the directors. Not less than 3 days' notice of the meeting shall be given personally or by mail, telephone, telegraph or electronically transmitted, which notice shall state the time, place and purpose of the meeting.

Section 11. **Waiver of Notice.** Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance at a meeting shall constitute a waiver of notice.

Section 12. **Quorum and Voting.** A quorum at directors' meetings shall consist of a majority of the entire Board. The acts approved by a majority of directors shall constitute the acts of the Board except when approval by a greater number of directors is required by the Declaration, the Articles of Incorporation, these By-Laws, or the laws of the State of Florida.

Section 13. **Adjourned Meetings.** If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. **Joinder in Meeting by Approval of Minutes.** The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.

Section 15. **Petition by Members to Board to Address an Item of Business.** If 20% of the total voting interests in the Association petition the Board to address an item of business, the Board shall, at its next regular Board meeting or at a special meeting, but not later than 60 days after the receipt of the petition, consider the petitioned item. Written notice of the meeting shall be provided to all Members of Record at least 14 days before the meeting. Such notice shall include an agenda of items to be considered. Other than addressing the petitioned item at the meeting, the Board is not obligated to take any other action requested by the petition.

Section 16. **Presiding Officer and Secretary for Meetings.** The presiding officer of the directors' meetings shall be the chairman of the Board if such an officer has been elected; and if none, the president shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside. The secretary of the Association shall be the secretary for meetings of the directors, unless absent, in which case the directors shall designate one of their members to act as secretary for the meeting.

Section 17. **Compensation.** No director, officer or committee member shall receive compensation for any service rendered to the Association in such capacity, nor may such person benefit financially in any way from service to the Association as defined by the Act. However, any director, officer or committee member may be reimbursed for actual expenses incurred in the performance of Association duties, and this provision shall not preclude a person who is also a director, officer or committee member to receive compensation in exchange for other services rendered to or on behalf of the Association in a capacity other than as a director, officer or committee member.

Section 18. **Committees.** The Board may from time to time appoint such committees and delegate such duties and powers thereto as it may deem advisable.

Section 19. **Attendance by Telephone.** Any member or members of the Board shall be deemed present and voting at a meeting of such Board if said member or members participate in the meeting by means of a conference telephone or similar communications equipment or device enabling all persons participating in the meeting to hear each other.

Section 20. **Action Without Meeting.** Any action required or permitted to be taken at any meeting may be taken without a meeting if written consent to the action signed by all the members of the Board is filed with the minutes of the proceedings of the Board.

Section 21. **Powers.** The Board shall have the powers set forth in the Declaration and the Florida Not-For-Profit Corporation Act, including but not limited to the power to:

a. adopt and promulgate rules and regulations governing the Community or contemplated by the Declaration, and to establish penalties for the infraction thereof (a rule shall be deemed promulgated when a copy thereof is furnished to each Member in person or mailed to each such Member at the address on the records of the Association);

b. suspend the voting rights and other rights of a Member during any period in which such Member shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of promulgated rules and regulations;

c. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration, including the establishment of the Assessments provided for in the Declaration; and

d. employ a manager, or such other independent contractors or employees as they deem necessary, and to prescribe their duties.

Section 22. **Duties.** It shall be the duty of the Board to:

a. cause to be kept a complete record of all its acts and corporate affairs and to present an oral or written statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by $\frac{1}{4}$ of the Class A Members who are entitled to vote;

b. supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

c. as more fully provided in the Declaration, to:

i. fix the amount of the Assessments against each Lot;

ii. exercise the duties of the Board as set forth in the Declaration and enforce the restrictions and covenants contained therein; and

iii. take appropriate and timely action against Members whose Assessments are in default;

d. issue, or to cause an appropriate officer to issue, upon demand by a Member, First Mortgagee, or his or her designee, a certificate setting forth whether or not any Assessment any other moneys owed to the Association have been paid with respect to the Lot in accordance with the requirements of the Act. A reasonable charge may be made by the Board for the issuance of these certificates. The Association may charge a fee for the preparation of such a certificate and the amount of

such fee must be stated on the certificate. If a certificate states an Assessment or other monetary obligation has been paid, such certificate shall be conclusive evidence of such payment;

e. cause all officers or employees having fiscal responsibilities to be bonded, if such bonding may be deemed appropriate; and

f. perform such other acts as may be required of a board of directors under the Florida Not-For-Profit Corporation Act.

Section 23. **Certification by Directors.** Each director shall be required to provide the certification required under Section 720.3033 of the Act.

ARTICLE V **Officers**

Section 1. **First Officers.** In accordance with the Articles of Incorporation, the first officers of the Association named and appointed in such Articles of Incorporation shall serve until their qualified successors are elected by the Board.

Section 2. **Executive Officers.** The executive officers of the Association shall be a president, who shall be a director, a vice president, who shall be a director, a treasurer-secretary and other officers as shall be elected by the Board. Except as provided in Section 1 of this Article, such officers shall be elected annually by the Board. Officers need not be Homeowners and the officers and employees of Declarant may be officers of the Association. The Board from time to time may elect such assistant or other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association. Each officer shall serve until a qualified successor is elected by the Board. The Board, by a $\frac{2}{3}$ affirmative vote, from time to time may remove an officer with or without cause and fill such vacancy so created.

Section 3. **President.** The president shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an Association, including but not limited to the power to appoint committees from among the Members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.

Section 4. **Vice-President.** The vice-president, in the absence or disability of the president, shall exercise the powers and perform the duties of the president. He also shall assist the president generally and exercise such other powers and perform such other duties as shall be prescribed by the directors.

Section 5. **Secretary.** The secretary shall keep the minutes of all proceedings of the directors and Members. He shall attend to the giving and serving of all notices to the Members and directors and others that are required by law. He shall have custody of the seal of the Association and affix it to any instruments requiring a seal when duly signed. He shall keep the records of the Association including the membership book, except those of the treasurer unless the secretary is also the treasurer of the Association. The secretary shall perform all other duties incident to the office of secretary of a corporation and as may be required by the Board or the President. Any assistant secretary elected shall perform the duties of the secretary when the secretary is absent.

Section 6. **Treasurer.** The treasurer shall have custody of all property of the Association including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices, and he shall perform all other duties usually incident to the office of treasurer.

Section 7. **Compensation.** No officer shall receive any compensation by reason of his office; provided, however, that nothing herein shall preclude the Board from employing an officer as an employee of the Association or preclude the contracting with an officer for management services.

Section 8. **Proviso.** Notwithstanding any provisions to the contrary in these By-Laws, the Association shall maintain separate accounting records for each Association account, shall keep such records according to good accounting practices, and shall open such records for inspection by Homeowners or their authorized representatives. The records of the Association (other than those records noted in the Act as not accessible) are available to be inspected by a Homeowner or their authorized representatives during normal business hours, and upon reasonable notice and in a reasonable manner, to inspect the books, records, and papers of the Association. The Association may adopt reasonable written rules governing the frequency, time, location, notice, records to be inspected, and manner of inspections in accordance with the Act. In the event the Board designates a management firm to operate the Association, said management firm shall be required to follow the aforesaid provisions.

ARTICLE VI **Fiscal Management**

Section 1. **Depositories.** All funds of the Association shall be deposited in the name of the Corporation in such bank, banks or other financial institutions as the Board may from time to time designate, and shall be drawn out on checks, drafts or other orders signed on behalf of the Association by such person or persons as the Board may from time to time designate.

Section 2. **Contracts, Etc.** Except as otherwise specifically provided by these By-Laws, all contracts, agreements, deeds, bonds, mortgages and other obligations and the instruments shall be signed on behalf of the Association by the president or by such other officer, officers, agent or agents as the Board may from time to time by resolution provide, and shall be entered into in accordance with the Act.

Section 3. **Budget.** The Board shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the Association expenses and to provide and maintain funds for the appropriate accounts according to good accounting practices. Such budget shall be adopted prior to, and a copy shall be distributed at, the annual Members' meeting next preceding the fiscal year for which the budget shall apply.

Section 4. **Assessments.** As more fully provided in the Declaration, each Member is obligated to pay the Assessments against the Lot.

Section 5. **General Assessment.** The Board shall adopt the General Assessment as provided for in the Declaration. The initial level of the General Assessment until changed by action of the Board shall be _____ and ____/100 Dollars (\$_____) per Lot per quarter. The adoption of these By-Laws is action of the Board to fix and establish the General Assessment at _____ and ____/100 Dollars (\$_____) per Lot per quarter.

Section 6. **Special Assessments.** As contemplated by the Declaration, Special Assessments may be adopted by the Association to meet expenses which exceed the budget adopted by the Board. Such Special Assessments shall be adopted and levied upon approval of a majority of the votes cast by the Members present at a special meeting called for that purpose.

Section 7. **Specific Assessments.** Specific Assessments shall be levied against a Lot in accordance with the applicable provisions of the Declaration.

Section 8. **Financial Report.** The Treasurer of the Association shall report the financial status of the Association to the Members 90 days following the end of the fiscal year in accordance with the financial reporting requirements of the Act.

Section 9. **Suspensions and Fines.** Suspension of use rights and the levying of fines by the Association shall occur in accordance with the applicable provisions of the Declaration.

ARTICLE VII
Amendments

Prior to Transfer of Control, amendments to these Bylaws shall be adopted by the Board of Directors without any requirement or necessity for a vote of the Association membership or for consent by any party, except as may be otherwise specifically required herein. Subsequent to Transfer of Control, these Bylaws may be altered, amended or added to at any duly called meeting of the Members, provided:

(A) Notice of the meeting shall contain a statement of the proposed amendment.

(B) If the amendment has received the unanimous approval of the full Board of Directors, then it shall be approved upon the affirmative vote of two-thirds (2/3) of the votes cast at a meeting called for such purpose.

(C) If the amendment has not been approved by the unanimous vote of the Board of Directors, then the amendment shall be approved by the affirmative vote of three-fourths (3/4) of the votes cast at a meeting called for such purpose.

(D) No amendment to these Bylaws shall be made which affects any of the rights and privileges provided to Declarant under the Governing Documents without the written consent of Declarant for so long as Declarant owns any portion of the Property.

(E) Notwithstanding the foregoing, no amendment to these Bylaws which will affect any aspect of the Surface Water Drainage and Management System located on the Property shall be effective without the prior written approval of the WMD.

ARTICLE VIII
Miscellaneous

Section 1. The fiscal year of the Association shall be the calendar year.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 3. All issues or disputes which are recognized by the Act or by administrative rules promulgated under the Act as being appropriate or required for dispute resolution shall be submitted to such dispute resolution procedures contained in the Act prior to institution of civil litigation.

**EXHIBIT "D" TO DECLARATION OF COVENANTS AND RESTRICTIONS
FOR SOUTHGATE AT LAKE COUNTY**

Water Management District Permit

**EXHIBIT "E" TO DECLARATION OF COVENANTS AND RESTRICTIONS
FOR SOUTHGATE AT LAKE COUNTY**

Initial Architectural Control Committee Guidelines