

Prepared by and on recording return to:
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Declaration of Covenants, Conditions, and Restrictions for Heritage Key Villas

This Declaration of Covenants, Conditions, and Restrictions for Heritage Key Villas ("Declaration," as further defined below) is made this ____ day of _____, 200__, by FLPRD, LLC, a Florida limited liability company, whose address is 1701 Porter SW, Suite 6, Wyoming, MI 49519 ("Developer," as further defined below).

Article I. Creation of the Community

1.1. Purpose and Intent. Developer, as the owner of the real property described in Exhibit "A," intends, by recording of this Declaration to establish a general plan of development for Heritage Key Villas, a planned community ("Community," as further defined below) located in Osceola County, Florida. This Declaration, together with the Plat (defined below) and the other Governing Documents (defined below), provides for the overall development, administration, maintenance, and preservation of the Community. An integral part of the development plan is the creation of Association (defined below) to own, operate, and maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents.

This document does not and is not intended to create a condominium under Florida law.

1.2. Binding Effect. This Declaration governs the property described in Exhibit "A," and any other property submitted to this Declaration in the future pursuant to Article IX. This Declaration shall run with the title to such property and shall bind everyone having any right, title, or interest in any portion of such property, their heirs, successors, successors-in-title, and assigns. Developer, Association, any Owner (defined below), and their respective legal representatives, heirs, successors, and assigns, may enforce this Declaration. Each Owner automatically shall be a Member (defined below) of Association.

This Declaration is intended to have perpetual duration, but shall be effective for a minimum of 30 years after the date it is recorded, subject to the right of Developer and the Members to amend it as provided in this Declaration. After the initial 30-year period, it automatically shall be extended for successive 10-year periods in perpetuity unless, in the 12-month period preceding any extension, an instrument signed by the then Owners of at least 75% of the Units (defined below) agreeing to terminate this Declaration is recorded. If any provision of this Declaration would be invalid under the Florida Uniform Statutory Rule Against Perpetuities, that provision shall expire 90 years after this Declaration is recorded. This Section does not authorize termination of any easement created in this Declaration without the consent of the holder of such easement.

1.3. Governing Documents. The following chart identifies the documents which govern the Community (as they may be amended from time to time, the "Governing Documents") and describes, in part, the purpose of each. Every Owner and occupant of a Unit, and their respective guests, occupants, visitors, and invitees, shall comply with the Governing Documents.

Declaration	→	creates obligations which are binding on Association and all present and future owners and occupants of, and others with
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Articles (filed with the Secretary of State)	→	any interest in, property in the Community establish Association as a not-for-profit corporation under Florida law
Bylaws (Board adopts)	→	govern Association's internal affairs, such as voting rights, elections, meetings, officers, etc.
Rules and Regulations	→	govern use of property and activities in the Community

Additional covenants, conditions, and restrictions may be imposed on all or any portion of the Community, in which case the more restrictive provisions will be controlling. However, no Person (defined below) shall record any additional covenants, conditions, or restrictions affecting any portion of the Community without Developer's written consent, during the Development and Sale Period (defined below), or without Board's (defined below) consent thereafter. Any instrument recorded without the necessary consent is void and of no force or effect.

If there are conflicts among Florida law, the Declaration, the Articles, and the Bylaws, Florida law, the Declaration, the Articles, and the Bylaws (in that order) shall prevail. If any court determines that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or other applications of the provision.

Article II. Definitions, Interpretation, and Exhibits

2.1. Defined Terms. Capitalized terms are defined as follows:

"Affiliate" means any Person which (either directly or indirectly, through one or more intermediaries) controls, is in common control with, or is controlled by, another Person, and any Person that is a director, trustee, officer, employee, independent contractor, shareholder, agent, co-venturer, subsidiary, personal representative, or attorney of any of the foregoing. "Control" means the direct or indirect power or authority to direct or cause the direction of an entity's management or policies, whether through the ownership of voting securities, by contract, or otherwise.

"Articles" means the Articles of Incorporation of Heritage Key Villas Association, Inc., filed with the Secretary of State for the State of Florida, as they may be amended from time to time.

"Association" means Heritage Key Association, Inc., a Florida not-for-profit corporation, its successors or assigns.

"Association Property" means any real or personal property owned by Association in connection with the maintenance and operation of any other portions of the Common Property, regardless of whether it is shown on the Plat or subject to this Declaration.

"Benefited Assessment" means Assessments charged against a particular Unit or Units for Association expenses as described in Section 8.4.

"Board" means the body responsible for the general governance and administration of Association, selected as provided in the Bylaws.

"Bylaws" means the Bylaws of Heritage Key Association, Inc., as they may be amended from time to time.

"Class "B" Control Period" means the time period during which the Class "B" Member may appoint a majority of Board members. The Class "B" Control Period shall end when any one of the following occurs:

(a) Three months after the date when 90% of the Units proposed under the Development Plan have been issued certificates of occupancy and have been deeded to Class "A" Members;

(b) 7 years after the date this Declaration is recorded; or

(c) earlier, when, in its discretion, the Class "B" Member so determines.

"Common Expenses" means the actual and estimated expenses which Association incurs, or expects to incur, for the general benefit of all Owners. Common Expenses include any reserves Board finds necessary or appropriate.

"Common Maintenance Areas" means the Common Property, together with any other area for which Association has or assumes maintenance or other responsibilities.

"Common Property" means all real and personal property, including easements, located on the Plat and subjected to this Declaration other than those areas designated as Units, and includes the following:

(a) All areas in the Villas Property, except the Units, that rationally are intended for common use or necessary to the existence, upkeep, and safety of the Villas Property;

(b) All roads, walkways, paths, trees, shrubs, other landscaping, and so forth, in the Villas Property;

(c) The swimming pool, clubhouse, and other common amenities that may be constructed in the Villas Property from time to time for the use and benefit of Owners;

(d) Any fire equipment rooms, sprinkler systems, and areas occupying same in the Villas Property;

(e) Any and all portions of the Surface Water and Stormwater Management System located on the Villas Property and permitted by the District and which have not been dedicated to the public; and

(f) Association Property.

Common Property (which includes Limited Common Property) shall be owned by Association

"Community" means the real property described in Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Article IX.

"Community-Wide Standard" means the standard of conduct, maintenance, or other activity established by Developer with the initial construction of improvements in the Community.

"County" means Osceola County, Florida.

"Declaration" means this Declaration of Covenants, Conditions, and Restrictions for Heritage Key Villas, as amended from time to time.

"Developer" means FLPRD, LLC, a Florida limited liability company, or any successor or assign as developer of all or any portion of the Community that is designated as Developer in a recorded instrument which the immediately preceding Developer executes. On all matters, Developer may act through any of its Affiliates. No person may exercise any right of Developer without the express written consent of Developer.

"Development Plan" means the land use or site plan for the Community approved by Developer, as it may be amended from time to time, which includes all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "B." Declarant is not obligated to submit property shown on the Development Plan to this Declaration. In addition, Declarant may submit property to this Declaration that is not shown on the Development Plan. Refer to Article IX to the respective rights and obligations of Owners and Developer with respect to the use and development of the Community. The present Development Plan provides that the Community will be comprised of twenty-eight (28) buildings containing one hundred and fifty-eight (158) residential dwelling units, some of which will share common walls. The residential dwelling units will either be Type A, B, or C Units. There will be fifty-six (56) Type A Units which contain 4 bedrooms, 3 1/2 bathrooms, and approximately 1,722 square feet. There will be fifty-six (56) Type B Units which contain 3 bedrooms, 2 1/2 bathrooms, and approximately 1,474 square feet. There will be forty-six (46) Type C Units which contain 3 bedrooms, 2 1/2 bathrooms, and approximately 1,370 square feet. The square footage of each Unit is calculated by measuring from the finished

surface of an exterior wall to the finished surface of the opposed exterior wall or center of the opposed demising wall, as applicable.

In addition, and as part of the Development Plan, Developer intends to construct, at its sole cost and expense, the following facilities as part of the Villas Property, which will be available for use by Owners, their guests, invitees, tenants, and renters subject to and in accordance with the Governing Documents on or before December 31, 2006:

(A) Swimming Pool. The swimming pool will be approximately 50 feet long and approximately 45 feet wide, in the shape of a rectangle, with a graduating depth of 0 feet to 5 feet, with an accompanying deck area surrounding the swimming pool. The pool will be heated.

(B) Clubhouse. The clubhouse will be a one-story structure of approximately 5,400 square feet. It will consist of approximately 9 rooms which may include a theater area, an exercise room, a game room, gathering area, maintenance area, and offices.

(C) Personal Property. Developer initially will provide personal property such as furniture, pool equipment, exercise equipment, games, and other items for use in connection with the recreational and other commonly used facilities.

When Developer completes these facilities and provides such personal property, they will be Common Property.

“Development and Sale Period” means the period of time during which Developer or its Affiliates own property subject to this Declaration or Declarant holds an unexpired right unilaterally to expand the Community pursuant to Section 9.1.

“District” means the South Florida Water Management District.

“Governmental Authority” means any federal, state, county, municipal, or other governmental or quasi-governmental department, entity, authority, agency, or instrumentality having or asserting jurisdiction over the Community or a portion thereof.

“Legal Costs” means the costs which a Person entitled to reimbursement for “Legal Costs” under any provision of the Governing Documents incurs in pursuing legal action (regardless of whether suit is filed or whether arbitration or court action is taken) to enforce the Governing Documents, including reasonable attorneys’ and paralegals’ fees, expert witness fees, and court costs at all tribunal levels, including in connection with all bankruptcy and probate proceedings.

“Limited Common Property” means a portion of the Common Property primarily benefiting one or more, but less than all, Units, as described in the Plat and Article XIII.

“Management Contract” means the contract entered into between Association and the management company whereby Association delegates the responsibilities imposed on it by this Declaration to maintain and operate the Villas Property to the management company. The Management Contract sets forth the management company’s powers, duties, and responsibilities and contains provisions for compensation of the management company and the extension or termination of the Management Contract.

“Member” means a Person subject to membership in Association, as described in Section 6.2. There initially are two membership classes-- Class “A” and Class “B.”

“Mortgage” means a mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit and held by an institutional lender. “Mortgagee” means a beneficiary or holder of a Mortgage. “Institutional Lender” shall include any bank, savings bank, mortgage company, life insurance company, federal or state savings and loan association, a credit union, real estate or realty investment trust, any agency of the Federal government, the Federal Investment Mortgage Association, the Federal Home Loan Mortgage Corporation, or similar governmental or quasi-governmental agencies.

“Owner” means the record title holder to any Unit, but excluding, in all cases, anyone holding an interest merely as security for the performance of an obligation (e.g., a Mortgagee).

“Permit” means the Environmental Resource Standard General Permit No. 49-01190-P dated July 12, 2004 issued by the District, as may be modified from time to time.

“Person” means an individual, a corporation, a partnership, a trustee, or any other legal entity.

“Plat” means The Plat of Heritage Key Villas, as recorded in Plat Book _____, Page _____, Public Records of Osceola County, Florida, or any subsequently recorded plat for all or any portion of the Community, as may be amended from time to time. As to a particular portion of the Community, the applicable Plat shall be deemed to be the Plat (or Plat amendment, revision, or similar instrument, as applicable) to which such portion of the Community is subject or which otherwise affects such portion of the Community at the time this applicable determination is to be made.

“Regular Assessment” means annual assessments levied to fund Common Expenses for the general benefit of all Units, as determined in accordance with Section 8.1(a).

“Rules and Regulations” means the Rules and Regulations of Heritage Key Villas, governing the use and activities on the Units and the Villas Property, as they may be amended from time to time.

“Special Assessment” means assessments levied against Units in accordance with Section 8.3 to cover unbudgeted expenses or expenses in excess of those budgeted.

“Supplemental Declaration” means a recorded instrument which subjects additional property to this Declaration or imposes additional or modified restrictions and obligations on the land described in such instrument.

“Surface Water and Storm Water Management System” means a drainage system consisting of swales, inlets, culverts, retention ponds, detention ponds, lakes, outfalls, storm drains, and other similar or related improvements, and all connecting pipes and easements, which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use, or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect quantity and quality of discharges from the system, as permitted pursuant to the Permit. The Surface Water and Storm Water Management System facilities include all inlets, ditches, swales, culverts, water control structures, retention and detention ponds, lakes, floodplain compensation areas, wetlands and any associated buffer areas and wetland mitigation areas, to the extent that any such facilities, areas, or conditions apply to the Community.

“Unit” means a portion of the Community, whether improved or unimproved, which may be independently owned and conveyed, and which is improved, or intended by Developer to be improved, with a dwelling. The term shall refer to the land, if any, which is part of the Unit as well as any improvements on the Unit. The boundaries of each Unit shall be shown on the Plat; however, a single building may be comprised of more than one Unit. For purposes of this Declaration, “Units” may be designated as “Lots” on the Plat.

Any Owner owning two adjoining Units may, subject to governmental approval and with the prior written approval of Developer during the Development and Sale Period, and Association thereafter, combine such Units into a single building site for the purpose of constructing one dwelling and such other improvements as are approved hereunder; however, each of the Units so combined shall continue to be treated as a separate Unit for purposes of voting and assessment. Developer or Association, as applicable, may grant or withhold their approval to any such combination in their sole discretion.

“Villas Property” has the same meaning as “Community.”

2.2. Interpretation of Certain References.

(a) Recording. All references in the Governing Documents to a “recorded” legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed, or the filing of a legal

instrument, in the public records of the County, or such other place designated as the official location for filing documents affecting title to real estate in the County in order to make them a matter of public record.

(b) Consent or Approval. All references in the Governing Documents to “consent” or “approval” shall refer to permission or approval which, unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required.

(c) Discretion and Determinations. All references in the Governing Documents to “discretion” or to the right to “determine” any matter shall refer to the sole and absolute power, right, or discretion to decide or act and, unless otherwise expressly limited in the Governing Documents, a Person entitled to exercise its discretion or make a determination may do so without regard to the reasonableness of, and without the necessity of justifying, the decision, determination, action, or inaction.

(d) Include. The term “include” and similar terms (e.g., includes, including, included, comprises, comprising, such as, e.g., and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation.

2.3. Exhibits. The exhibits referenced in this Declaration, which are attached to and incorporated in this Declaration:

<u>Exhibit “A”</u>	Land Submitted to Declaration
<u>Exhibit “B”</u>	Land Subject to Annexation
<u>Exhibit “C”</u>	Copy of Initial Plat
<u>Exhibit “D”</u>	Copy of Initial Articles
<u>Exhibit “E”</u>	Copy of Initial Bylaws
<u>Exhibit “F”</u>	Copy of Initial Management Contract
<u>Exhibit “G”</u>	Copy of Initial Rules and Regulations
<u>Exhibit “H”</u>	Copy of Initial Permit

Article III. Occupancy of Units

3.1. General. In addition to the Rules and Regulations, the Units shall be subject to the following restrictions. The restrictions in this Section may be amended only in accordance with Article XX and other applicable provisions of this Declaration.

(a) Residential and Related Uses. Use of all residential Units and the facilities of the Community by Owners is limited solely to the personal residential use of Owners, their guests, invitees, and lessees and for residential uses by corporations and other entities owning such Units. Use of residential Units or the facilities of the Community by Owners for commercial purposes or any purposes other than the personal use described in this Declaration is expressly prohibited. “Commercial purpose” includes use by an Owner that Board, in its discretion, could reasonably conclude constitutes a commercial enterprise or practice; provided, however, that “commercial purpose” does not include rental of the Unit to a transient guest or residential tenant.

By acceptance of a deed or other conveyance, each Owner acknowledges that Owner is purchasing a Unit for the personal use of Owner and Owner’s family members and guests only, to hold for an indefinite time, and with no expectation of investment potential or deriving any profit or tax advantage therefrom whether through income, appreciation, or

otherwise and with no expectation that Owner will receive any assistance from Developer in the rental of accommodations or the resale of Owner's Unit. Each Owner acknowledges that, if Owner is not a natural person, Owner is purchasing a Unit solely for the personal use of its officers, directors, principals, employees, and guests. Each Owner acknowledges that purchase and use of Units for commercial purposes is expressly prohibited.

No Unit shall be rezoned without the express written consent of Association and Developer, which either may withhold in its discretion. Notwithstanding anything in this Article to the contrary, Developer or Association may enforce this covenant by obtaining an injunction against any unapproved rezoning at the expense of the party pursuing the unapproved rezoning, in addition to and not in limitation of Developer's or Association's other rights and remedies.

This Section shall not apply to restrict Developer's, or Developer's Affiliates', activities, nor shall it restrict the activities of Persons Developer approves with respect to the marketing, development, construction, sale, lease, or rental of property in the Community. This Section shall not apply to Association activities related to the provision of services or to operating and maintaining the Community, including the Community's recreational and other amenities.

(b) Leasing and Rental. The right of an Owner to lease or rent Owner's Unit shall not be subject to the approval of Association; however, any lease or other occupancy arrangement will be deemed to be an acknowledgment and consent on the part of the occupant to use, occupy, and possess such Unit in conformance and compliance with the Governing Documents. Owner shall be responsible for providing a copy of the Governing Documents to the occupant of Owner's Unit prior to execution of the lease or prior to any other occupancy arrangement. All lease and other occupancy arrangements also shall be deemed to contain a provision requiring that any sums due to Association as assessments must be deducted from the gross rentals and paid directly to Association.

No Owner may assign or otherwise transfer Owner's obligations under this Declaration to any occupant. Association shall have the right to enforce the Governing Documents against Owner, occupant, or any member of occupant's household, individually or collectively. Association shall not be bound by any provision in the lease or other occupancy arrangement between Owner and Owner's occupant, including those requiring prior notice or imposing other conditions on the rights of Association.

Association shall be deemed a third party beneficiary of all leases and other occupancy arrangements for Units, and shall have the right, but not the obligation, to enforce such leases and rental arrangements against the occupant or Owner. Notwithstanding the foregoing, Association's failure to object to any term or condition of a lease or other occupancy arrangement shall not be deemed to be consent or approval of any term or condition of the lease or other occupancy arrangement, nor shall Association have any obligation whatsoever for the performance of any obligation of Owner or occupant in the lease, other occupancy arrangement, or otherwise.

After closing, each Owner may have the option, but not the obligation, to enter into a rental management agreement with any rental agent of Owner's choosing, for the right to rent a Unit as a transient accommodation. The terms and conditions of any rental management agreement will be agreed on between each individual Owner and the Person with whom the Owner contracts. It is not known how many Units will be subjected to rental management agreements. Please also refer to other provisions of the Governing Documents, which contain certain provisions regarding an Owner's ability to lease or rent Owner's unit.

The rental of Units is permitted under this Declaration. Do not buy a Unit without an expectation of transient occupancy that may include nightly rentals.

Developer makes no representations whatsoever regarding short term rentals, rental rates, or the ability to rent the Units. The purchase of a Unit should be based on its value to the

purchaser, and not considered for purposes of acquiring an appreciating or income-producing investment or with an expectation that the Unit may be rented or resold.

Developer makes no representations whatsoever as to whether (i) any modifications to any Unit or other portions of the Community are required before any Unit may be placed into a rental program; or (ii) whether other legal requirements, including Title III of the Americans with Disabilities Act of 1990, 42 U.S.C. 12181, et. seq., and the Florida Americans with Disabilities Accessibility Implementation Act, Sections 553.501—553.513, *Florida Statutes*, apply to the renting of Units. Each Owner should perform Owner's own investigations in that regard. Developer will not be responsible in any event for any modifications or improvements which must be made in order for the Units to be rented.

(c) Occupants Bound. Every Owner shall cause anyone occupying or visiting Owner's Unit to comply with the Governing Documents and shall be responsible for all violations of the Governing Documents and any damage such Persons cause to the Common Maintenance Areas, notwithstanding the fact that such Persons also are personally responsible for complying and may be sanctioned for any violation.

(d) Subdivision of a Unit. Units may not be subdivided or their boundary lines changed except with Developer's or Board's prior written approval. Developer may subdivide, change the boundary lines of, and replat any Unit it owns without Board approval. In addition, during the Development and Sale Period, Developer or any Developer Affiliate may convert Units it owns into Common Property.

(e) Parking. Vehicular parking is only permitted on those areas designated on the Plat or as otherwise provided in this Declaration. There shall be no other parking on the roadways or in other locations in the Community.

3.2. Amendment of Rules and Regulations.

(a) Developer, through its control of Board, may change (i.e., modify, cancel, limit, create exceptions to, or add to) the Rules and Regulations during the Class "B" Control Period. Thereafter, the Rules and Regulations may be changed in accordance with this Declaration. Notwithstanding anything to the contrary in this Declaration, the Rules and Regulations, or any other rules or regulations that regulate the use of property in the Community, may not be adopted, amended, or revoked at a Board meeting unless a written meeting notice is provided to all Members at least fourteen (14) days before the meeting. Such notice must be mailed, delivered, or electronically transmitted to the Member and posted conspicuously on the property or broadcast on closed-circuit cable television. The notice must include a statement that changes to the rules regulating the use of the property will be considered at the meeting. Members shall have a reasonable opportunity to be heard at such meeting.

(b) Any change in the Rules and Regulations shall be recorded. Board shall send a copy of the new or changed use restriction to each Owner. The change shall become effective on recording in the public records of the County. Association shall provide to any requesting Member or Mortgagee, at no charge, a copy of the Rules and Regulations then in effect.

(c) In the event of a conflict between the Rules and Regulations and any provision in this Declaration (exclusive of the Rules and Regulations), the Declaration provision shall control.

(d) The procedures in this Section are not intended to apply to reasonable rules and regulations that do not affect the use of property in the Community, which Board may adopt by resolution, or other administrative rules, unless Board chooses, in its discretion, to submit to such procedures; provided all such rules and regulations shall be subject to Developer's written consent during the Development and Sale Period.

(e) Except as may be set forth in this Declaration (either initially or by amendment) or in the Rules and Regulations, Association's actions with respect to Rules and Regulations and rules must comply with the following:

(i) Signs and Displays. Except as otherwise may be provided in the Governing Documents, no sign, notice, other display, or advertising may be posted, displayed, maintained, inscribed, painted, or affixed on any part of the Villas Property without the prior written approval of Board. Provided further that signs, regardless of size, used by Developer, its successors and assigns, for advertising and marketing during the construction, sale, leasing, and rental of the Community shall be exempt from this restriction.

(ii) Activities in Dwellings. Association shall not interfere with activities carried on in a dwelling, except that it may prohibit activities not normally associated with residential property, and it may restrict or prohibit activities that create monetary costs for Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, that create undesirable odors noticeable to persons outside the dwelling, that are an unreasonable source of annoyance, or that violates a provision of the Governing Documents.

(iii) Alienation. Association shall not prohibit leasing or transfer of any Unit. Association may impose a reasonable review or administrative fee on the transfer of any Unit. Leasing and rental of the Units is addressed elsewhere in this Declaration.

(iv) Abridging Existing Rights. Association may not require an Owner to remove or dispose of personal property that was in or on a Unit in compliance with previous rules. This exemption shall apply only during the period of such Owner's ownership of the Unit and shall not apply to subsequent Owners who take title to the Unit after adoption of the rule.

(v) Right to Develop. Association may not impede Developer's right to develop, market, sell, lease, or rent the Villas Property.

The limitations in paragraphs (i) through (iii) of this subsection (e) shall not apply to amendments to this Declaration adopted in accordance with Article XX.

3.3. Owners' Acknowledgment and Notice to Purchasers. Each Owner, by accepting a deed, acknowledges and agrees that the use, enjoyment, and marketability of Owner's Unit is limited and affected by the Governing Documents, including the Rules and Regulations and Board rules, which may change from time to time. Copies of the current Rules and Regulations and Board rules may be obtained from Association.

Article IV. Architecture and Landscaping

4.1. General. Except for work done by or on behalf of Developer or any Developer Affiliate, no structure or thing shall be placed, erected, or installed on any Unit, and no improvements of any kind or other work (including staking, clearing, excavation, grading and other site work, exterior alterations or additions, or planting or removal of landscaping) shall take place in the Community, except with the prior consent of Board.

No Owner may cause anything to be affixed or attached to, hung, displayed, or placed on the exterior walls, doors, balconies, terraces, or windows of Owner's Unit or any other building in the Community (including awnings, signs, storm shutters, screens, window tinting, furniture, fixtures and equipment), without the prior written consent of Board. No ceiling fans may be installed on the front balcony or terrace of any Unit. Notwithstanding the foregoing, any Owner may maintain patio-type furniture, plants, and folding chairs on terraces and balconies.

No Owner may make any change to Owner's Unit that would affect the structural integrity of the Unit or the building in which the Unit is contained. Any Owner may remodel, paint, or redecorate the interior of any structure in the interior of Owner's Unit without approval of Board. However, modifications to the interior of screened porches, patios, and any other portions of a Unit or structure visible from outside a structure must first receive the written approval of Board.

Owners shall be responsible for obtaining all permits and approvals from the County and other governmental agencies for any work performed in their respective Units permitted by this Article.

Association shall maintain the Common Property and all other areas for which it has maintenance responsibility in conformance with the Community-Wide Standard. All repairs made by Association shall be made using comparable standards and design to that provided by Developer with the initial construction of the Community. Variances in the look or materials of the exterior of any improvement are prohibited. This paragraph may only be amended by a vote of seventy-five percent (75%) of Owners.

Each Owner releases Developer, Developer's Affiliates, Association, its officers, Board, Association's managing agent, any committee, or any member of any of the foregoing for the approval of, disapproval of, or failure to approve or disapprove any plans; soil conditions, drainage, or other general site work related to approved work; any defects in plans revised or approved under this Declaration; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any owner or their contractor or their subcontractors, employees, or agents; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction or activities on or modifications to any Unit. In all such matters or claims related therefrom, Association shall defend, indemnify, and hold harmless Developer, Developer's affiliates, Board, the members of each, and Association officers as provided in the Articles.

This Article does not apply to Developer's, or its Affiliates', activities, nor to Association's activities during the Class "B" Control Period.

4.2. Enforcement. Any construction, alteration, improvement, or other work done in violation of this Article is subject to enforcement action pursuant to Section 7.4. Any act of any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed to be an act done by or on behalf of such Owner.

Article V. Maintenance and Repair

5.1. Maintenance of Units.

(a) Each Owner must maintain Owner's Unit, including all structures, party walls, and other improvements comprising the Unit, in a manner consistent with the Governing Documents, the Community-Wide Standard, and any other applicable covenants, except to the extent that such maintenance responsibility is assigned to or assumed by Association pursuant to this Declaration, any Supplemental Declaration, or additional covenants applicable to such Unit.

(b) Association shall be responsible for:

(i) maintenance (including mowing, fertilizing, watering, pruning, and replacing, and controlling disease and insects), of all lawns and landscaping installed in the Unit as part of the initial construction on the Units, specifically excluding landscaping in any enclosed courtyard, patio, or fenced or other area not readily accessible from outside the dwelling;

(ii) ordinary maintenance and repair (including painting of all painted portions) of the exterior portions of any improvements located on the Units (e.g., the exteriors of all the buildings), including any exterior doors, shutters, fascia on the dwelling, and any fence erected along the Unit boundaries as part of the original construction on the Units or any replacement thereof ("Boundary Fences"), and all other components of the Villas Property constructed or to be constructed on the Villas Property, rationally intended for common use or necessary to the existence, upkeep, and safety of the Villas Property.

(iii) caulking of the exterior portions of all windows and doors;

(iv) repair and replacement of the roofs (including shingles and roof decking, but not roof trusses) of dwellings;

(v) pressure cleaning of front sidewalks, exterior front steps, roofs, and the exterior walls of all dwellings;

(vi) repair and replacement of any Boundary Fences originally installed by Developer;

(vii) operation, maintenance, repair, and replacement of any irrigation equipment (including any sprinklers, pumps, wells, water lines and time clocks, wherever located) serving the Units, except that Association shall have no responsibility for any sprinklers or other irrigation equipment installed by the Owner or occupant of any Unit and that each Owner shall be responsible for the payment of all electric, water, sewer, and other utility charged incurred by the Owner or occupant of Owner's Unit;

(viii) termite treatment of all exterior walls and foundations of dwellings provided that Association shall not be liable if such treatment proves to be ineffective; and

(ix) repair or replacement of any damaged exterior door hardware; provided, however, the cost of such repair/replacement shall be assessed against the Owner of the Unit as a Benefited Assessment.

Association shall not be responsible for any maintenance or repairs to any glass surfaces, any screening, anything in any dwelling, courtyard, improvements, or modifications added or made to any Unit after the conveyance of the Unit by Developer, except as may be provided in this Declaration.

The respective Owners shall be responsible for maintenance, repair, and replacement, as necessary, of, without limitation, all pipes, lines, wires, conduits, or other apparatus which serve only the Unit, whether located in or outside the Unit's boundaries (including all utility lines and courtyard drain and associated pipes serving only the Unit).

(c) Developer or a builder may have constructed or installed drainage swales, drainage lines, or other equipment on a Unit for the purpose of managing or containing the flow of surface water, if any, found on such Unit from time to time. Except to the extent that such responsibility is assigned to or assumed by Association pursuant to this Declaration or any Supplemental Declaration, each Owner shall be responsible for the maintenance, operation, and repair of such drainage swale(s), drainage lines, and other equipment on Owner's Unit. Maintenance, operation, and repair shall mean and include the exercise of practices, such as mowing and erosion repair, which allow the drainage swales, drainage lines, and other equipment to provide drainage, water storage, conveyance, or other storm water management capabilities as permitted by the District. Filling, excavation, construction of fences, or otherwise obstructing the surface water flow in or into the drainage swales, drainage lines, and other equipment is prohibited. No alteration of a drainage swale, drainage lines, and other equipment shall be authorized and any damage to any drainage swale, drainage lines, and other equipment, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale, drainage lines and other equipment returned to its former condition as soon as possible by the Owner(s) of the Unit on which the drainage swale, drainage lines, and other equipment is located.

(d) Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance includes responsibility for repair and replacement. The maintenance, repair, replacement, and other obligations of Association and Owner specified in this Declaration shall be performed as and when Board determines it necessary to maintain the property to a level consistent with the Community-Wide Standard.

5.2. Insurance on Units; Casualty Losses. Each Owner shall maintain homeowners property and casualty insurance providing fire and extended coverage at full replacement cost, less a reasonable deductible, on all insurable improvements located on such Owner's Unit, to the extent such responsibility is not assigned to or assumed by Association pursuant to this Declaration or any applicable Supplemental Declaration. Such property insurance shall include the exterior of any improvement constructed on an Owner's Unit, notwithstanding Association's obligation to maintain such exterior as provided in Section 5.1. In addition, every Owner shall be obligated to obtain and maintain at all times insurance covering consequential damages to any other Unit or the Common Property due to occurrences originating in the Owner's Unit caused by the negligence of the Owner, the failure of the Owner to maintain the Unit, and any other casualty in the Unit which causes damage to the Units or the Common Property, to the extent such coverage is not provided by policies maintained by Association or to the extent insurable losses may result in the Owner's liability for payment of deductibles under Association's policies. Such insurance policy or policies shall name Association as an additional insured.

Each Owner shall provide a certificate evidencing such insurance to Association within 10 days after any written request from Board. In addition, if Board so requests, each Owner shall file with Association a copy of the individual policy or policies covering Owner's Unit. Each Owner promptly shall notify Board in writing if such policy on Owner's Unit is canceled. If an Owner fails to obtain any insurance which Owner is required to obtain under this Declaration, or permits such insurance to lapse, Association may, but shall not be obligated to, obtain such insurance on behalf of Owner and assess the costs thereof to Owner and Owner's Unit as a Benefited Assessment.

On Board resolution and at least 60 days' prior written notice to each Owner of an affected Unit, Association may elect, but shall have no obligation, to obtain a blanket insurance policy providing property insurance for all structures on all Units. Inclusion in the budget provided to Owner shall be adequate notice. In such event, Owners shall be relieved of their insurance responsibility only to the extent such responsibility is assumed by Association. The costs of such insurance shall be a Common Expense if provided on all Units. Any such policy obtained by Association may exclude fixtures, finishes, contents, and improvements to the interior of the structures on the Unit and any exterior improvements made by an Owner or occupant of the Unit. Following such an assumption of insurance responsibility, Association may, at any time, on not less than 30 days' written notice to each Owner, discontinue such blanket insurance coverage and in such event each Owner immediately shall obtain in Owner's own name and at Owner's own expense the insurance coverage for such Owner's Unit and structures thereon.

Regardless of whether the insurance required under this Declaration is obtained by Association or Owners, in the event of a casualty loss, Association shall be entitled to file a claim against such insurance for the cost of any repair or reconstruction to the Unit and improvements thereon which is Association's responsibility, and Owner shall pay the amount of any deductible and shall be responsible for any deficiency in the insurance proceeds. Association shall be entitled to adjust with the insurance provider the amount of any proceeds payable to Association and Owner thereunder, based on the amount necessary to enable Owner and Association each to repair and replace those portions of the Unit and improvements thereon which are their respective responsibilities.

If Owner is required to obtain insurance under this Declaration and such insurance is insufficient, Association shall be relieved of any obligation to maintain, repair, and replace damaged or destroyed portions of Owner's Unit, to the extent of such insufficiency. Alternatively, Association may perform required repairs, whether the responsibility of Association or Owner, and assess all costs to Owner and Owner's Unit as a Benefited Assessment pursuant to Section 8.4.

In the event of damage to or destruction of a structure on a Unit, Owner, or Owners, as applicable, promptly shall repair or reconstruct the structure in a manner consistent with the original construction.

Article VI. Association and Members

6.1. Function of Association. Association is the entity responsible for management, maintenance, operation, and control of the Common Property and Common Maintenance Areas. Association also has primary responsibility for administering and enforcing the Governing Documents. Association shall perform its functions in accordance with the Governing Documents and Florida law. Board shall be responsible for management of Association and may contract with a management company for such purposes. Board is appointed or elected as provided in the Bylaws. Membership in Association is appurtenant to and may not be severed from the Unit. The rights and obligations of a Member may not be assigned or delegated except as provided in this Declaration, the Articles, or Bylaws, and automatically shall pass to the successor-in-interest of any Owner on conveyance of such Owner's interest in the Unit.

6.2. Membership. Association initially shall have two classes of membership, Class "A" and Class "B." Class "A" Members are all Owners except the Class "B" Member. The sole Class "B" Member shall be Developer. The Class "B" membership shall terminate on the earlier of (i) three months after conveyance of 90% of Units to Owners other than Developer to Class "A" Members; (ii) seven (7) years after the date of recording the Declaration; or (iii) earlier, in its discretion, if the Class "B" Member so determines.

Notwithstanding the above, there shall be only one Class "A" membership per Unit. If a Unit is owned by more than one Person, each co-Owner shares the privileges of the membership, subject to reasonable Board regulation and

the voting restrictions in Section 6.3(a) and the Bylaws. Co-Owners are jointly and severally obligated to perform the responsibilities of an Owner. Membership rights of an Owner that is not an individual (e.g., a corporation) may be exercised by any officer, director, partner, or trustee, or by an individual Owner designates from time to time in a written instrument provided to Association's Secretary.

6.3. Voting.

(a) Class "A." Class "A" Members have one equal vote for each Unit they own, except that there is only one vote per Unit. No vote shall be exercised for any property which is exempt from assessment under Section 8.8.

If there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

(b) Class "B." The Class "B" Member shall not have any specific number of votes, but may appoint a majority of Board members during the Class "B" Control Period, as specified in the Bylaws, and may exercise the additional rights specified throughout the Governing Documents.

On termination of the Class "B" membership, Developer shall be a Class "A" Member entitled to one Class "A" vote for each Unit Developer owns.

Article VII. Association Powers and Responsibilities

7.1. Acceptance and Control of Common Properties.

(a) Association may acquire, hold, mortgage, or otherwise encumber, lease (as landlord or tenant), rent, operate, and dispose of tangible and intangible personal property and real property. Association may enter into leases, other occupancy arrangements, licenses, operating agreements, for payment or no payment, as Board deems appropriate, permitting use of portions of the Common Property by others.

(b) Developer or its designees may, from time to time, transfer to Association, and Association shall accept, personal property or fee title or other property interests in any improved or unimproved real property included in the property described in Exhibit "A." On Developer's request, Association shall transfer back to Developer or its designees, without any payment by Developer or such designee, any real property which has not been improved by a structure intended for residential occupancy, whether or not such property has been improved by landscaping, decorative walls, signs, irrigation, utilities, or other improvements, if originally conveyed to Association for no or nominal payment.

(c) Association is responsible for management, operation, and control of the Common Property, subject to any covenants, easements, or restrictions in the deed or other instrument transferring the property to Association. Board may, from time to time, adopt such reasonable rules regulating use of the Common Property as it deems appropriate provided such rules shall be subject to Developer's written approval during the Development and Sale Period. Association may enter into a property management agreement with any Person, including Developer or any Developer Affiliate.

(d) Developer may elect to construct or install certain improvements or facilities on portions of the Common Property, but, except for those recreational facilities which Developer has committed to add as described in the definition of "Development Plan" in this Declaration, Developer is not obligated to do so and may elect to leave portions of the Common Property in their natural unimproved state. Developer shall have the absolute right and power to determine what other improvements or facilities, if any, will be located on the Common Property during the Development and Sale Period. **Developer reserves the right to add additional recreational facilities without the consent of Owners or Association.**

(e) Developer hereby reserves the right, at all times after conveyance of the Common Property to Association, to enter the Common Property, without prior notice, and to inspect the condition thereof and the

improvements and facilities thereon, if any. If Developer determines, in its sole judgment, that Association has failed to maintain any portion of the Common Property in a manner consistent with the Community-Wide Standard, it may so notify Association, in writing, and Association promptly shall perform the required maintenance or repairs. Failure of Association to maintain the Common Property in a manner consistent with the Community-Wide Standard shall relieve Developer of any liability to Association or to any Member for any condition of the Common Property. Developer shall have the right to make a record of its inspections by any means available, including photographing or videotaping the Common Property, and shall have the right to perform tests or examinations to determine the condition of the Common Property. Notwithstanding the foregoing, Developer shall have no obligation to perform inspections of the Common Property owned by Association, and Association shall not be relieved of its obligation to maintain the Common Property because of the election of Developer to inspect or not to inspect or report to Association the condition of the Common Property.

7.2. Maintenance of Common Maintenance Areas. Association shall maintain the Common Maintenance Areas in accordance with the Community-Wide Standard. The Common Maintenance Areas shall include (a) the Common Property, including landscaping, structures, and other improvements located on the Common Property, as well as any private streets and entry gates serving the Community; (b) landscaping in public rights-of-way in or abutting the Community, or wetlands if not the obligation of owners; (c) such portions of Units as are specifically identified as Association's responsibility under Section 5.1 or any Supplemental Declaration; (d) such portions of any additional property as may be dictated by Developer, this Declaration, any Supplemental Declaration, the Plat, or any contract, covenant, or agreement for maintenance entered into by, or for the benefit of, Association; (e) all ponds, streams, ditches, culverts, and wetlands located in the Community which serve as part of the Surface Water and Storm Water Management System, other than those portions located on a Unit and to be maintained by the Owner of such Unit in accordance with Section 5.1, including associated improvements and equipment, any other wetland (whether located in Common Property or a Unit), but not including any such areas, improvements, or equipment maintained by the County, a community development district, or any other governmental or quasi-governmental body or dedicated to the public.

Association shall maintain the littoral shelf, if any, of all culverts, ditches, or waterways serving as part of the Surface Water and Storm Water Management system, which maintenance may include appropriate landscaping and plantings. Association also shall be responsible for successfully completing any wetland mitigation monitoring that may be required, including meeting all conditions associated with mitigation, maintenance, and monitoring as may be described in any surface water management permit.

Association may maintain other property that it does not own, including property dedicated to the public, if Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard and the owner of such other property consents. Association shall not be liable for any damage or injury occurring on or arising out of the condition of property which it does not own except to the extent that it has been grossly negligent in performing its maintenance responsibilities.

Association shall maintain the facilities and equipment in the Common Maintenance Areas in continuous operation, except for any periods necessary, as Board may determine in its discretion, to perform required maintenance, repairs, or replacement, unless Members representing at least 75% of the Class "A" votes agree in writing to discontinue such operation (which may include closing or demolishing such facilities or equipment). Notwithstanding the above, the Common Maintenance Areas may not be reduced, nor shall operation of its facilities and equipment be discontinued, without Developer's prior written approval during the Development and Sale Period.

Unless otherwise provided in this Declaration or any Supplemental Declaration, the costs associated with maintenance, repair, and replacement of the Common Maintenance Areas shall be a Common Expense. However, Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Common Maintenance Areas pursuant to this Declaration, any Supplemental Declaration, or other recorded covenants or agreements.

Unless Developer expressly agrees in writing with Association to pay the costs of maintaining any portion of the Common Maintenance Areas, Developer shall have no such obligation, regardless of any inferences which may be drawn from promotional or other materials.

7.3. Insurance on the Common Property. Association shall keep all improvements, facilities, and fixtures located in the Common Property insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs, and similar matters) and may obtain insurance against such other hazards and casualties as Association may deem desirable.

(a) Coverages. Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect any or all of the following types of insurance, as deemed necessary or advisable in Board's business judgment and as may be reasonably available: (i) blanket property and casualty insurance covering all insurable improvements in the Common Property to the extent that Association has responsibility for repair or reconstruction in the event of a casualty, or assumes such responsibility pursuant to Section 5.2, regardless of ownership with full replacement cost coverage; (ii) commercial general liability insurance on the Common Maintenance Areas insuring against liability for bodily injury, death, and property damage arising from the activities of Association or with regard to Common Maintenance Areas, including, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and Association and vice versa; (iii) directors and officers liability coverage; (iv) commercial crime insurance, including fidelity insurance, covering all Persons responsible for handling Association funds in an amount at least equal to three months of Regular Assessments, plus all reserve funds; (v) to the extent any insurable improvements to Common Maintenance Areas are in an "A" flood zone, flood insurance in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) in the Common Maintenance Areas or the maximum amount of coverage available under the National Flood Insurance Program; and (vi) such additional insurance as Board, in its business judgment, determines advisable.

Unless otherwise provided in this Declaration, premiums for Common Maintenance Area insurance shall be a Common Expense.

(b) Policy Requirements. Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons. All Association policies shall provide for a certificate of insurance to be furnished to Association and, on request, to each Member insured.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by Association may contain provisions, or be accompanied by endorsements, for agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction. All insurance policies shall contain standard mortgagee clauses, if applicable.

The policies may contain a reasonable deductible which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, tenants, or other occupants, then Board may assess the full amount of such deductible against such Owner(s) and their Units as a Benefited Assessment.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Property or other property for which Association maintains insurance coverage, Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Damaged improvements on the Common Property shall be repaired or reconstructed unless Members representing at least 80% of the total Class "A" votes in Association, if general Common Property, or 80% of the Class "A" votes of Units to which the Limited Common Property is assigned, if Limited Common Property, and Developer during the Development and Sale Period, decide, within 90 days after the loss, not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to Association in such 90-day period, then the period may be extended until 90 days after such funds or information are available. No Mortgagees shall have the

right to participate in the determination of whether the damage or destruction to the Common Property shall be repaired or reconstructed (unless required by FNMA, FHA or VA).

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized by Members representing at least 80% of the total Class "A" votes in Association, if general Common Property, or 80% of the Class "A" votes of Units to which the Limited Common Property is assigned, if Limited Common Property, and Developer during the Development and Sale Period, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by Association in a neat and attractive condition consistent with the Community-Wide Standard. Association shall deposit any insurance proceeds remaining after paying the costs of repair or reconstruction, or after an agreed-on settlement, in a capital improvements account for the benefit of the Members. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

(d) Waiver of Subrogation. As to each policy of insurance maintained by Association which will not be voided or impaired thereby, Association hereby waives and releases all claims against Board, the Members, Developer, and the directors, trustees, officers, shareholders, attorneys, agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said Persons, but only to the extent that insurance proceeds are received in compensation for such loss.

7.4. Enforcement.

(a) Association, acting through Board, may impose sanctions for violation of the Governing Documents, subject to the notice and hearing procedures set forth in the Bylaws, as applicable. Such sanctions may include:

(i) imposing monetary fines, up to the maximum, if any, permitted by applicable laws, which may accrue from the date of notice and which shall constitute a lien on the violator's Unit (in the event that any occupant, guest or invitee of a Unit violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; however, if the fine is not paid by the violator in the time period set by Board, the Owner shall pay the fine on notice from Board); and

(ii) suspending the vote attributable to the violating Owner's Unit if permitted and then in accordance with applicable law; and

(iii) suspending the violator's and any guest or invitee of the violator's right to use any recreational facilities in the Common Maintenance Area; and

(iv) suspending any services which Association provides to an Owner or the Owner's Unit if the Owner is delinquent in paying any assessment or other charge owed to Association for longer than 30 days; and

(v) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with Article IV from continuing or performing any further activities in the Community; and

(vi) levying Benefited Assessments pursuant to Section 8.4 to cover costs which Association incurs to bring a Unit into compliance with the Governing Documents, including Legal Costs, or costs incurred as a consequence of the conduct of an Owner or occupant of a Unit, their guests or invitees.

(b) In addition, but without limitation of Association's other rights and remedies, Association, acting through Board or its designee, may take the following action to enforce the Governing Documents without, to the extent permitted by applicable law, the necessity of compliance with the notice and hearing procedures in the Bylaws:

(i) requiring an Owner, at its own expense, to perform maintenance on such Owner's Unit, to complete any construction or modification approved pursuant to Article IV, or to remove any structure, item, or

improvement on such Owner's Unit in violation of the Governing Documents and to restore the Unit to its previous condition; or

(ii) entering the property pursuant to the easement granted in Section 11.5 and exercising self-help to remove or cure a violating condition, or to complete any construction or modification approved pursuant to Article IV which was begun and not completed in the required time period, on failure of an Owner to take action as required pursuant to subsection (i) above within 10 days after Board's mailing of written notice to do so, and any such entry shall not be deemed a trespass; or

(iii) exercising self-help in any situation (specifically including the towing of vehicles that are in violation of parking rules and regulations); or

(iv) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both, subject to Article XV, if applicable.

(c) All remedies in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents whether brought by Association, Developer, or Owner, the prevailing party shall be entitled to recover all Legal Costs incurred in any such action.

(d) Association's decision to pursue enforcement action in any particular case shall be left to Board's discretion, except that Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, Board may determine that, under the circumstances of a particular case:

(i) Association's position is not strong enough to justify taking any or further action; or

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending Association's resources; or

(iv) it is not in Association's best interests, considering, among other things, hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the right of Association to enforce such provision at a later time under the same or other circumstances or preclude Association from enforcing any other covenant, restriction, or rule.

(e) Association, by contract or other agreement, may enforce applicable governmental regulations and permit a Governmental Authority to enforce ordinances, rules, statutes, or laws in the Community for the benefit of Association and Members.

(f) The District and Association shall have the right to enforce, by a proceeding at law or in equity, the provisions in this Declaration that relate to the maintenance, operation, and repair of the Surface Water or Storm Water Management System. The District's rights in this regard include the right to pursue a civil action for an injunction and penalties against Association to compel it to correct any outstanding problems with the Surface Water or Storm Water Management System facilities or in mitigation or conservation areas under the responsibility or control of Association.

(g) Developer shall be entitled to exercise all of the rights and powers granted to Association under Sections 7.4(a), 7.4(b), and 7.4(c), and shall be entitled to recover all costs that it incurs in so doing from the responsible Owner.

(h) Enforcement of these covenants, conditions, and restrictions shall be by any proceeding at law or in equity and may be instituted as provided in the Governing Documents by Developer, its successors and assigns, Association, its successors or assigns, or any Owner, against any person or persons violating or attempting to violate

or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by Association or any Owner or Developer to enforce any covenant, condition, or restriction in this Declaration for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. Further, Association shall have the right of self-help to cure any violations that remain uncured after any required notice is given.

7.5. Implied Rights; Board Authority. Association may exercise any right or privilege given to it expressly or by reasonable implication from the Governing Documents, and may take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents or by law, all of Association's rights and powers may be exercised by Board without a vote of the membership.

Board may institute, defend, settle, or intervene on Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Maintenance Areas, enforcement of the Governing Documents, or any other civil claim or action. However, Board has no legal duty to institute litigation on behalf of or in the name of Association or the Members. In exercising Association's rights and powers, making decisions on Association's behalf, including deciding whether to file a lawsuit under any circumstances, and conducting Association's affairs, Board members and Association's officers are subject to, and their actions shall be judged in accordance with, the standards in the Bylaws.

7.6. Provision of Services to Units. Association may provide, or provide for, services and facilities for all or any of the Members and their Units, and may enter into contracts or agreements with other entities, including Developer or its Affiliates, to provide such services and facilities. Board may charge use or service fees for any such services and facilities, or may include the costs in Association's budget as a Common Expense and assess it as part of the Regular Assessment, if provided to, or determined by Board to be a benefit to, all Units. By way of example, such services and facilities might include landscape maintenance, pest control service, cable television service, telephone, internet access, security monitoring, caretaker, transportation, fire protection, utilities, trash collection and recycling, and other services and facilities.

Nothing in this Section shall be construed as a representation by Developer or Association as to what, if any, services or facilities shall be provided. In addition, subject to the contract terms, Board may modify or cancel existing contracts for services in its discretion, unless the services are otherwise required by the Governing Documents. Non-use of services or facilities provided to Owners or Units as a Common Expense shall not exempt any Owner from the obligation to pay assessments for such services or facilities.

7.7. Municipal Service Taxing Units. In order to perform the services contemplated by this Declaration, Association or Developer, in conjunction with the County, may seek the formation of special purpose municipal service taxing units ("MSTUs"). The MSTUs will have responsibilities defined in their enabling resolutions which may include maintaining roadways, roadway informational signs, traffic control signs, benches, trash receptacles, and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage canals, ponds, and structures, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefiting the Community. If such MSTUs are formed, the Community will be subject to assessment for the cost of services performed in the MSTU and personnel working for or under contract with the County shall have the right to enter on lands in the Community to affect the services contemplated. Each Owner, by acquiring lands in the Community, agrees to pay each and every MSTU assessment imposed on Owners and Units in a timely manner, failing which such assessments and special charges shall be a lien on the Units. Association retains the right to contract with the County to provide the services funded by the MSTUs. Services actually performed by an MSTU that otherwise would be performed by Association and for which the MSTU imposes assessments on Owners shall be removed from Association's budget and Board shall reduce the Common Expenses accordingly. Further, each Owner agrees that Owner fully shall cooperate with Developer or Association (including joining in any applications for MSTUs) in connection with any efforts of Developer or Association to include the Community in any MSTUs, and to execute any documents or instruments that may be required to do so.

7.8. Relationships with Other Properties. Association may enter into contractual agreements or covenants to share costs with any neighboring properties to contribute funds for, among other things, shared or mutually beneficial property or services or a higher level of maintenance of Common Maintenance Areas.

7.9. Responsibilities Under Governmental Permits. Developer shall have the absolute and unconditional right in its sole discretion to assign, delegate, or otherwise transfer to Association any of its continuing obligations or responsibilities under governmental permits and approvals with respect to the Community, including its obligations, if any, with respect to the Surface Water and Storm Water Management System under the Permit. Association shall accept and assume such obligations and responsibilities without condition or consideration. Such assignment, delegation, or transfer and assumption shall be effective without the consent of, or any further action by Association, but on Developer's request, Association promptly shall execute any documents which Developer requests to evidence the assignment, delegation, or transfer and assumption of such obligations or responsibilities. Association shall comply in all respects with the terms of, and shall not undertake any activity inconsistent with, such permits and approvals. Association shall indemnify, defend, and hold Developer harmless from any claims or losses arising out of the violation or failure to comply with any permit(s), or out of the operation, maintenance, or use of any improvement or facility authorized by the permit(s), provided such claim or loss first occurs after the effective date of the assignment, delegation, transfer (or tender of the assignment, delegation, or transfer, if wrongfully refused by Association).

7.10. Waterways; Water Level and Use. With respect to any waterways now existing or which may hereafter be contained in or adjoining the Community, only Developer (and after termination of the Class "B" Control Period, Association) shall have the right to pump or otherwise remove any water from such waterways for the purposes of irrigation or other use or to place any matter or object in such waterways. No docks, moorings, pilings, boat shelters, or other structure shall be erected on or over the waterways, except as may be erected or approved in writing by Developer, the District if applicable, (and following the termination of the Class "B" Control Period, Association). Subject to this Declaration and applicable law, Association shall have the right and, to the extent required by Section 7.11 or any applicable governmental permit or ordinance, the obligation, to control the growth and eradication of plants, fowl, reptiles, animals, fish, fungi, and other growth in, on, and around such waterways.

7.11. Surface Water and Storm Water Management System.

(a) Maintenance and Operation. Association shall be responsible for ensuring the maintenance, operation, repair, and replacement of the Surface Water and Storm Water Management System. Maintenance of the Surface Water and Storm Water Management System(s) means the exercise of practices which allow the systems to provide drainage, water storage, conveyance, or other surface water or storm water management capabilities as permitted by the District. Any repair or reconstruction of the Surface Water and Storm Water Management System shall be as permitted or, if modified, as approved by the District. Association shall operate, maintain, and manage the Surface Water and Storm Water Management System in a manner consistent with the applicable Permit (an initial copy of which is attached to the Declaration as Exhibit "H") requirements and applicable District rules, and shall assist in the enforcement of this Declaration relating to the Surface Water and Storm Water Management System. Association shall adopt standards of maintenance and operation for the Surface Water and Storm Water Management System required by this Declaration. Association is responsible for assessing and collecting fees for the operation, maintenance, and, if necessary, replacement of the Surface Water and Storm Water Management System. Such fees shall be assessed and collected as Common Expenses.

Ensuring the monitoring and maintenance of any and all mitigation areas, described in the Permit, shall be the responsibility of Association. Association must successfully complete the mitigation and satisfy Permit conditions. The success criteria are described in the Permit. Copies of the Permit and any future Permit actions of the District shall be maintained by an authorized officer or agent of Association for the benefit of Association.

Notwithstanding anything in this Declaration to the contrary, Association may maintain embankments so that grass, planting, or other lateral support shall prevent erosion of the embankment. The height, grade, and contour of such embankments shall not be changed without the prior written consent of the District or Developer.

(b) Shared Facilities. Certain portions of the Surface Water and Storm Water Management System may serve the drainage needs of adjacent lands not owned by Developer and not in the Community. Developer reserves the right to grant such drainage or use such easements and rights as Developer may deem necessary or appropriate for accomplishing the drainage needs of the Community or lands owned by others, provided that such

agreements shall not unreasonably interfere with the use of the system by the Owners or unreasonably increase the cost of maintenance of the system by Association.

Article VIII. Association Finances

8.1. Budgeting and Allocating Common Expenses.

(a) Calculation of Regular Assessments. Before the beginning of each fiscal year, Board shall prepare a budget of the estimated Common Expenses which it expects to incur for the coming year, including any contributions to be made to reserves pursuant to Section 8.2 for periodic major maintenance, repair, and replacement of items that Association maintains as a Common Expense. The budget shall include, as a separate line item in the operating expense portion of the budget, the estimated cost of routine maintenance of the Surface Water and Storm Water Management System and, as a separate line item in the reserve portion of the budget, a contribution to a reserve fund for periodic major maintenance, repair, and replacements to the Common Maintenance Areas as provided in Section 8.2, including contributions to reserves for the private roads and Surface Water and Storm Water Management System. The budget separately shall reflect the anticipated sources and estimated amounts of funds to cover the Common Expenses, including any surplus or deficit to be applied from prior years, assessment income, any fees charged for use of recreational amenities, and any other non-assessment income.

Association is authorized to levy Regular Assessments to fund the Common Expenses against all Units subject to assessment under Section 8.5, in the proportions described in Section 8.5. In determining the Regular Assessment rate, Board may consider any assessment income expected to be generated from any property anticipated to become subject to assessment during the fiscal year.

Developer may, but shall not be obligated to, reduce the Regular Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Developer under Section 8.6(b)) which may be either a contribution, an advance against future assessments due from Developer, or a loan, in Developer's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate Developer to continue paying a subsidy in future years, unless otherwise provided in a written agreement between Association and Developer.

Board may revise the budget and adjust the Regular Assessment from time to time during the year, subject to the notice requirements set forth above and applicable law.

(b) Notice and Adoption of Proposed Budget. Assessments may not be levied at a Board meeting unless a written notice of the meeting is provided to all members of Association at least 14 days before the meeting. Accordingly, Board shall send to all Owners a summary of the proposed budget and notice of Board meeting at which Board will consider the approval of the budget at least 14 days before the scheduled Board meeting. Such notice must be mailed, delivered, or electronically transmitted to the Member and posted conspicuously on the property or broadcast on closed-circuit cable television. The notice must include a statement that assessments will be considered at the meeting and the nature of the assessment and the meeting.

If any proposed budget is disapproved, or if Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

8.2. Budgeting for Reserves. Board shall prepare and periodically review separate reserve budgets for the Common Maintenance Area, which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of capital items under each budget. Board shall include in the Common Expense budget adopted pursuant to Section 8.1(a), a capital contribution to fund reserves in an amount which Board, in the exercise of its business judgment, deems sufficient to meet the projected needs under each budget with respect to both amount and timing by annual contributions over the budget period.

Reserve funds shall be held in a separate account or accounts from the operating and other funds of Association.

The reserve funds held in each account may be expended only for major maintenance, repair, or replacement of those assets covered by the reserve budget pursuant to which they were collected. Subject to such limitation, Board

may adopt resolutions regarding the expenditure of any reserve funds including policies designating the nature of assets for which reserve funds may be expended. Neither Association membership nor Board shall adopt, modify, limit, or expand such policies without Developer's prior written consent during the Development and Sale Period.

8.3. Special Assessments. In addition to other authorized assessments, Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of a majority of Board, and the affirmative vote or written consent of Developer, during the Development and Sale Period. Special Assessments shall be payable in such manner and at such times as determined by Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4. Benefited Assessments. Association may levy Benefited Assessments against one or more particular Units as follows:

(a) to cover the costs, including overhead and administrative costs, of providing services to a Unit on request of the Owner pursuant to any menu of special services which Association may offer (which might include the items identified in Section 7.6 or Section 8.9) or pursuant to a Supplemental Declaration. Benefited Assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing a Unit into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests, including Legal Costs, subject to the limitations of Section 7.4, as applicable.

8.5. Assessment Rate; Commencement of Assessments; Time of Payment. The obligation to pay assessments commences as to each Unit on the first day of the month following: (a) the month in which the Unit is made subject to this Declaration, or (b) the month in which Board first determines a budget and levies assessments pursuant to this Article, whichever is later. Regular and Special Assessments for Common Expenses shall be allocated equally among all Units subject to assessment. The first annual Regular Assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

Owners shall pay assessments in the manner and on the dates Board establishes. Board may require advance payment of assessments at closing of the transfer of title to a Unit and may impose special requirements for Owners who have failed to pay, on a timely basis, two or more payments, in any 12 month period, of any nature, due under the Governing Documents. If Board so elects, assessments may be paid in quarterly or monthly installments. Unless Board otherwise provides, the Regular Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on Owner's Unit, Board may require that the outstanding balance on all assessments be paid in full immediately.

8.6. Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a recorded contract of sale for any Unit, covenants and agrees to pay all assessments levied in accordance with the Governing Documents for each Unit owned. All assessments, together with interest (computed from the assessment's due date at a rate of 18% per annum or the maximum rate permitted by law, whichever is less), late charges as determined by Board resolution, and Legal Costs, shall be the personal obligation of each Owner and a lien on each Unit until paid in full. On a transfer of title to a Unit, the grantee shall be jointly and severally liable with the grantor for any assessments and other charges due with respect to that Unit at the time of conveyance.

Board's failure to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Regular Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time Association may retroactively assess any shortfalls in collections.

No Owner is exempted from liability for assessments by non-use of Common Maintenance Area, abandonment of Owner's Unit, or any other means. The obligation to pay assessments is a separate and independent covenant by each Owner. No reduction or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of Association or Board to take some action or perform some required function, or for inconvenience or discomfort arising from making repairs or improvements, or for any other reason.

Following a written request, Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Developer's Option to Fund Budget Deficits. In accordance with this subsection, Developer guarantees to each Owner that through December 31, 2006, the total monthly assessment for Common Expenses imposed on Owners will not exceed one hundred ninety-seven dollars and seventy-eight cents (\$197.78) per Unit. In consideration of this guaranty, Developer is excused from the payment of its share of the Common Expenses which otherwise would have been assessed against its unsold Units during the term of the guaranty. The actual amount to be paid by Developer under this guaranty will be equal to the amount necessary to pay the difference between the actual Common Expenses incurred by Association at any given time less the amount of operating assessments collected by Association from all Owners of Units at that time, such that the bills of Association are paid in full on a thirty-day current basis. As a consequence of this exemption, Developer will pay any amount of Common Expenses incurred each Estimated Budget year which exceed the total revenues of Association for so long as the guaranty remains in effect. However, this guaranty does not cover shortfalls in capital reserves or any Common Expenses incurred during the guarantee period resulting from a natural disaster or an act of God; any such Common Expenses that are not covered by insurance proceeds from the insurance maintained by Association will be assessed against all Owners owning Units on the date of such natural disaster or act of God, including Developer. Developer reserves the right, but not the obligation, to unilaterally extend and increase the amount of this guaranty for one or more periods of one year each after the expiration of the initial guaranty period on December 31, 2006.

(c) Developer's Right to Loan or Advance Funds. Developer may (but is not obligated to) loan, advance or otherwise make payments to Association to assist Association in meeting its financial obligations, in addition to Developer's obligation to pay assessments or fund the deficit under Section 8.5 or 8.6(b). Notwithstanding anything to the contrary in this Article, if Developer loans, advances, or otherwise pays assessments in excess of its obligations under Sections 8.5 or 8.6(b) then any such sums shall be repaid to Developer prior to the termination of the Class B Control Period.

8.7. Lien for Assessments. Association may record a lien against any Unit, including Developer's Units, to secure payment of assessments that remain unpaid for a period of 30 days or longer after becoming due. For purposes of this Section, assessments shall include interest, late charges (subject to Florida law), and Legal Costs. Such lien shall be superior to all other liens, except (a) the lien or charge of any recorded first Mortgage (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value, and (b) other liens or encumbrances which by law would be superior. Association's lien may be enforced by suit, judgment, or judicial or nonjudicial foreclosure, unless prohibited by applicable law.

Notwithstanding the above, and subject to applicable law, Board may designate assessments or charges levied solely for the purpose of funding Common Expenses related to acquisition, development, or construction of infrastructure or capital improvements serving the Community (or to pay the cost to underwrite, service, and repay any debt incurred to finance any such acquisition, development, or construction) as a "Capital Improvement Assessment", and the lien therefor shall be superior to (a) Association's lien for other Common Expenses, and (b) all other liens except those deemed superior under federal or Florida law and which may not be made subordinate by this provision.

At a foreclosure sale, Association may bid for the Unit and acquire, hold, lease, rent, mortgage, and convey the Unit. Association may sue for unpaid assessments and other charges without foreclosing or waiving its assessment lien.

Sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure by the first Mortgagee (or pursuant to

a deed in lieu of foreclosure to a first mortgage) extinguishes the lien relating to any amounts due prior to the Mortgagee's foreclosure or the deed in lieu of foreclosure. The purchaser of such foreclosed Unit shall not be personally liable for assessments on such Unit due prior to the foreclosure sale. Such unpaid assessments shall be a Common Expense collectible from Owners of all Units subject to assessment under Section 8.5, including such purchaser, its successors and assigns.

Notwithstanding the above, while Association owns a Unit: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by Association.

8.8. Exempt Property. The following property shall be exempt from payment of Regular Assessments and Special Assessments:

- (a) All Common Property and other portions of the Community which are not Units; and
- (b) Any property dedicated to and accepted by any governmental authority or public utility.

8.9. Use and Consumption Fees; Licenses and Royalties. Board may charge use and consumption fees to any Person using Association services or facilities and may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (e.g., Owners and non-Owners). Any such fees charged to Owners shall be considered a Benefited Assessment against the Units of such Owners under Section 8.4(a).

As set forth in Section 10.7, Association may enter into license agreements with Developer or other parties to permit Association's use of trade names or service marks (e.g., use of the name "Heritage Key Villas"). To the extent permitted by such license agreements, Board may enter into sub-license agreements, under negotiated terms, which permit others in the Community to use such trade names or service marks. Association may charge fees and collect royalties in connection with such sub-license agreements; provided, Developer and any Developer Affiliate shall retain the absolute right to use such trade names and service marks without payment of any license fees. Any such fees and royalties shall be considered a Benefited Assessment under Section 8.4(a).

Article IX. Expansion of the Community

9.1. Annexation by Developer. Developer may, from time to time, subject to this Declaration all or any portion of the property described in Exhibit "B" or other property not subject to the Development Plan by recording a Supplemental Declaration describing the property being subjected. A Supplemental Declaration recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Developer.

Developer's right to annex property pursuant to this Section expires when all property described in Exhibit "B" has been subjected to this Declaration or fifteen (15) years after this Declaration is recorded, whichever is earlier. Until then, Developer may transfer or assign this right, in whole or in part, to any Person who is the developer of at least a portion of the real property described in Exhibit "A" or "B." Any such transfer shall be memorialized in a recorded instrument executed by Developer.

Nothing in this Declaration shall require Developer or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibit "B" in any manner whatsoever.

Developer intends to develop the Community in accordance with the Development Plan, but hereby reserves the right to modify the Development Plan and the Plat from time to time in its discretion and at its option. Developer shall not be required to follow any predetermined order of improvement and development in the Plat or Community; and it may annex additional lands and develop them before completing the development of the Community.

9.2. Annexation by Association. Association also may subject property to this Declaration by recording a Supplemental Declaration describing the additional property. Annexation by Association shall require the affirmative vote or written consent of Members representing more than 50% of the Class "A" votes and the consent of the property owner. In addition, during the Development and Sale Period, Developer's written consent is

required. The Supplemental Declaration shall be signed by the President and Secretary of Association, by the owner of the property, and by Developer, if Developer's consent is required.

9.3. Additional Covenants and Easements. By Supplemental Declaration, Developer may impose additional covenants, restrictions, and easements on portions of the Community, including covenants obligating Association to maintain and insure specific property and authorizing Association to recover its costs through Benefited Assessments. If someone other than Developer owns the property, then such owner's consent and execution of the Supplemental Declaration is required. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4. Effect of Filing Supplemental Declaration. A Supplemental Declaration shall be effective on recording. Unless otherwise specified in the Supplemental Declaration, the Units subjected to this Declaration by such Supplemental Declaration shall have equal voting rights in Association and equal pro rata liability for Common Expenses with all other Units.

Article X. Additional Rights Reserved to Developer

10.1. Withdrawal of Property. Developer reserves the right to amend this Declaration, until termination of the Development and Sale Period, to remove from the coverage of this Declaration any property which has not been improved by a structure intended for occupancy, whether or not such property has been improved by landscaping, decorative walls, signs, irrigation, utilities, or other improvements. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not Developer. Except as provided in Section 7.1(b), if the property is Common Property, Association's consent is required for such withdrawal.

10.2. Marketing and Sales Activities. Notwithstanding anything in the Governing Documents to the contrary, Developer, its Affiliates, and their assigns and builders authorized by Developer may construct, maintain, and operate on portions of the Common Property and property they own, such facilities, activities, and things as Developer, in its discretion, may deem to be required, convenient, or incidental to the construction, sale, or leasing of Units in this Community and in any other Community developed by Developer. Such permitted facilities, activities, and things shall include business offices, signs, flags (whether hung from flag poles or attached to a structure), model homes, sales or leasing offices, holding or sponsoring special events, and exterior lighting features or displays. In addition, if reasonably required, convenient, or incidental to construction or sales activities, Developer, Developer's Affiliates, and their assigns, and authorized builders may park vehicles in areas other than driveways, including on streets.

10.3. Right to Develop. Developer and its Affiliates, and their respective employees, agents, and designees, shall have a right of access and use, and an easement over, on, and under, all of the Common Property for the purpose of making, constructing, and installing such improvements to the Common Property and the Villas Property.

Each Owner acknowledges that the development of the Community may extend over a number of years, and agrees and consents to all changes in (a) uses or density of Units or dwellings in the Community, or (b) the Development Plan.

Notwithstanding anything in any written letter, document or materials, or oral statement received by any Owner, each Owner acknowledges and agrees that the Development Plan may change and that such Owner has not relied on any representation, warranty, or assurance by any Person (a) that any Units, or other property or facilities, will be added, modified, or eliminated in the Community; or (b) as to the financial or other impact of such action on any Owner. Except as may be contained in the purchase contract between Developer and Owner, each Owner acknowledges and agrees that it is not entitled to rely on and has not received or relied on any representations, warranties, or guarantees whatsoever as to the current or future: (a) design, construction, completion, development, use, benefits, or value of property in the Community; (b) number, types, sizes, prices, or designs of any residential or non-residential structures or improvements built or to be built in any part of the Community; or (c) use or development of any property adjacent to or in the vicinity of the Community.

10.4. Right to Approve Changes in the Community-Wide Standards and Rules and Regulations. No amendment to or modification of any Rules and Regulations or the Community-Wide Standards during the Development and Sale Period shall be effective without prior notice to and the written approval of Developer.

10.5. Right to Transfer or Assign Developer Rights. Any or all of Developer's rights and obligations in this Declaration or the Bylaws may, except to the extent restricted by Florida law, be transferred, in whole or in part, from time to time, to other Persons. No such transfer or assignment shall be effective unless it is in a recorded instrument signed by Developer. Developer may allow other Persons to exercise, on a one-time or limited basis, any Developer right without transferring the entire right. In such case, a recorded instrument is not required.

10.6. Community Systems and Services. Except as may be required by law, Developer reserves for itself, its successors and assignees, and grants to Association (after Developer no longer owns any property described on Exhibit "A" or at such earlier time as Developer elects in writing) the exclusive and perpetual right to provide and operate, or to permit others to provide and operate, in the Community, such telecommunication systems (including cable television, community intranet, internet, and other systems for receiving, distributing, and transmitting electronic data, signals, and audio or visual communications), security systems and services, utilities, trash collection, and other systems and services, including conduits, wires, amplifiers, towers, antennae, and other apparatus and equipment for the operation or provision thereof (collectively, "Community Systems and Services") as Developer, in its discretion, deems appropriate. Such right shall include the right to select and contract with companies licensed, if applicable, to provide such services in the vicinity of the Community, and to charge individual users a 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. Developer may receive, and shall be entitled to retain, any rebate, credit, fee, or incentive relating to the installation, operation, or provision of any Community Systems and Services.

During the Development and Sale Period, Developer may require that Association enter into agreements for the provision of Community Systems and Services to all Units as a Common Expense. If particular services or benefits are provided to particular Owners or Units at their request, the benefited Owner(s) shall pay the service provider directly for such services, or Association may assess the costs as a Benefited Assessment.

10.7. Rights To Use Names; License Agreements. The name, "Heritage Key Villas" and such other name or names as Developer shall designate for all or any portion of the Community, and all similar or derivative names, along with all logos associated therewith, are the proprietary trade names and service marks of Developer, or its Affiliates. No Person shall use such trade names or service marks for advertising or any other purpose in any promotional material, whether printed, audio, video, or otherwise, in any signage, or in any logo or depiction or in any other fashion or manner without the prior written consent of the Person who owns such mark in each instance. In addition, due to the integrated nature of the Community as a planned community, and the public identification of the Units with the Community, any name or "logo" to be used in connection with or displayed on any Unit, and any sales, leasing, or other materials or documentation related to the use of the Unit, shall be subject to Developer's prior written consent in each instance. Such approval may be given or withheld in Developer's discretion and may be subject to such terms and conditions as Developer deems appropriate in Developer's discretion.

Notwithstanding the above, Owners may use the name "Heritage Key Villas" when such term is used solely to specify that their particular Unit is located in the Community (subject, however, to such terms and conditions as Developer may impose in order to protect any registered trade names and service marks).

The mark or trademark owner may condition such use of the mark by Association or any Owner on the signing of one or more license agreement(s) which are intended to protect the trade names and service marks from unauthorized use by others. Such license agreement(s) shall be non-exclusive, non-transferable, in form and substance acceptable to the owner of the mark.

10.8. Easement to Inspect and Right to Correct. Developer reserves for itself and others it may designate, from time to time, the right to inspect, monitor, test, redesign, modify, and correct any structure, improvement, or condition which may exist on any portion of the Community, including Units, and a nonexclusive easement of access throughout the Community to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Unit shall be only after reasonable notice to the Owner and no entry into a dwelling or other structure on a

Unit shall be permitted without the Owner's consent, which consent shall not unreasonably be withheld, conditioned, or delayed. The failure or refusal to permit reasonable access to the Unit for the purposes contemplated under this Section shall excuse Developer or its designee from responsibility for repairs or damages. The Person exercising this easement shall promptly repair, and pay for, any resulting damage. This Section does not impose any obligation on Developer or any other Person to perform any such inspection, monitoring, testing, redesigning, modification, or correction.

10.9. Right to Notice of Design or Construction Claims. No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements in the Community in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless Developer has been first notified in writing and given an opportunity to meet with the Owner and conduct an inspection.

10.10. Termination of Rights. Rights granted Developer under this Article (other than the rights granted in Sections 10.6 and 10.7) shall terminate on the earlier of (a) the period specified in the particular Section, if any; or (b) 25 years after the date this Declaration is recorded. Notwithstanding the above, Developer reserves for itself and its Affiliates a perpetual, non-exclusive easement of access to and use of the Common Property in connection with the marketing, sale, and leasing of other properties in order to show the Community as an example of Developer's projects. This Article shall not be amended without Developer's prior written consent.

10.11. Exclusion of Developer's Other Properties. By accepting a deed to a Unit, each Owner specifically acknowledges that nothing in this Declaration shall, in any way, either expressly or by implication, restrict, limit, or otherwise affect the use or disposition by Developer or any Developer Affiliate of any property either of them owns, whether contained in or contiguous to the Community. Developer and its Affiliates shall have full, free, and unrestricted use of its and their other lands, notwithstanding any incompatibility of such use with restrictions this Declaration imposes on the Units. By accepting a deed to a Unit, each Owner, specifically and expressly disclaims any reciprocal negative easement in any property Developer owns.

Article XI. Easements

11.1. Easements in Common Property. Subject to the provisions below, every Owner shall have a right to use and an easement of enjoyment in and to the Common Property or Limited Common Property, as applicable, which shall be appurtenant to and shall pass with the title to the Unit owned by such Owner. Developer grants to each Owner a right and easement of use, access, and enjoyment in and to the Common Property, subject to:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying the property to Association;
- (c) Board's right to:
 - (i) adopt rules regulating Common Property use, including rules limiting the number of guests who may use the Common Property, and charge use fees for such use;
 - (ii) suspend the right of an Owner and its guests and invitees to use any Common Maintenance Area amenity (A) for any period during which any assessment or other charge against the Owner's Unit remains delinquent, and (B) for a period not to exceed 30 days for a single violation, or for a longer period in the case of any continuing violation, of the Governing Documents;
 - (iii) dedicate or transfer all or any part of the Common Property, subject to any approval requirements in this Declaration;
 - (iv) rent any portion of the Common Property on an exclusive or non-exclusive basis to any Person;

(v) permit use by the general public, which use may, but need not, be subject to admission charges, membership fees, or other user fees established in Board's discretion (except to the extent inconsistent with any easement agreement relating thereto); and

(vi) mortgage, pledge, or hypothecate any or all of the Common Property as security for money borrowed or debts incurred.

(d) The rights of certain Owners to the exclusive use of those portions of the Common Property designated "Limited Common Property", if any, as described in Article XIII.

Any Owner may extend Owner's right to use the Common Property to the members of Owner's family, tenants, occupants, and social invitees, as applicable, subject to reasonable Board regulation. An Owner who leases or enters into any other occupancy arrangements for Owner's Unit shall be deemed to have assigned all such rights to the occupants of such Unit for the term of the occupancy arrangement and shall not have any right to use the Common Property during such term, except as necessary to access the Unit.

Each Owner has a perpetual, non-exclusive ingress and egress easement to Owner's Unit over the Common Property roadways.

11.2. Easements of Encroachment. Developer grants easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Property and between adjacent Units. Such easement shall permit encroachment only by a structure, improvement, or fixture which has been constructed by Developer or approved in accordance with Article IV and which is constructed on another's property without the actual intention of encroaching on such property. An encroachment easement shall not exist if the encroachment results from willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3. Easements for Utilities, Etc.

(a) Installation and Maintenance. Developer reserves for itself, its duly authorized agents, successors, and assigns, so long as Developer or any Developer Affiliate owns any property described in Exhibit "A" and grants to Association, subject to Developer's rights under Section 10.6, perpetual, non-exclusive easements throughout the Community (but not through a structure) to: (i) install utilities and infrastructure to serve the Community, including water, sewer, telephone, electric, gas, irrigation, cable, and other systems for sending and receiving data or other electronic signals, drainage structures, facilities, and systems, and security and similar systems and other Community Systems and Services; (ii) install walkways, pathways, trails, curb cuts, driveways, paved areas, street lights, and signage on property which Developer or Association owns or in public rights-of-way or easements reserved for such purpose (or for the installation of landscaping or utilities) on the Plat; (iii) inspect, maintain, repair, and replace the utilities, infrastructure, and other improvements described above; (iv) access and read utility meters; and (v) for any other purpose in Developer's sole discretion. The right, license, or easement granted to a utility supplier shall include the non-exclusive right to ingress and egress over any streets in the Community for access and maintenance of its equipment and facilities.

Developer reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) Specific Easements. Developer also reserves for itself the non-exclusive right and power to record such specific easements anywhere in the Community (except through a structure) as may be necessary or appropriate, in Developer's sole discretion, to assist in the development and operation of the Community.

(c) Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize, to the extent reasonably practicable, interference with the use and enjoyment of the property burdened by the easement. On completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably practicable, to the condition existing prior to the work. The exercise of these easements shall not extend to permitting entry into the structures on

any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

11.4. Easements to Serve Additional Property. Developer reserves for itself and its duly authorized agents, successors, assigns, and Mortgagees, an easement over the Common Property and Units for enjoyment, use, access, and development of the property described in Exhibit "B," whether or not such property is made subject to this Declaration. This easement includes a right of ingress and egress over the Common Property and Units for construction of roads and for connecting and installing utilities. If this easement is exercised for permanent access to any property which is not submitted to this Declaration, Developer, or its successors or assigns, shall enter into an agreement with Association to share the cost of maintenance that Association provides for the benefit of the easement holder, except to the extent such easement was created prior to the recordation of this Declaration.

11.5. Easements for Maintenance, Emergency, and Enforcement. Developer grants to Association easements over the Community as necessary for Association to fulfill its maintenance responsibilities under this Declaration and any Supplemental Declaration. Association shall also have an easement and the right, but not the obligation, to enter on any Unit for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforcing the Governing Documents. Such easement and right may be exercised by Association through its officers, directors, committee members, employees, contractors, or agents in their capacities as such and by all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

Developer grants to Association, subject to any required notice, an easement and right to enter a Unit to abate a Governing Document violation or to remove any structure, thing, or condition that violates the Governing Documents. Any costs incurred, including Legal Costs, shall be assessed against the Owner as a Benefited Assessment.

11.6. Easements for Maintenance of Bodies of Water and Flooding. Developer reserves for itself, Association, the District, and their successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter on bodies of water and wetlands in the Common Maintenance Areas and the Community to (a) install, operate, maintain, repair, and replace pumps and other equipment to supply irrigation water to the Common Maintenance Areas; (b) construct, maintain, repair, and replace structures and equipment used for retaining, detaining, and otherwise controlling water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard and applicable legal requirements. Developer, Association, the District, and their successors, assigns, and designees shall have an access easement over and across any portion of the Community to the extent reasonably necessary to exercise their rights under this Section.

Developer further reserves for itself, Association, and their successors, assigns, and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Maintenance Area and Units (but not inside a structure) adjacent to or within 50 feet of bodies of water and wetlands in the Community, in order to (a) temporarily flood and back water on and maintain water over such portions of the Community; (b) alter in any manner and generally maintain the bodies of water and wetlands in the Common Maintenance Areas; and (c) maintain and landscape the slopes and banks pertaining to such areas. Anyone exercising these easements shall use reasonable care in, and repair any damage resulting from, their intentional exercise of the easements. Nothing in this Declaration shall be construed to make Developer or any other Person liable for damage resulting from flooding due to natural occurrences or for other occurrences not reasonably foreseeable or under the control of Developer or such other Person.

11.7. Drainage Easements. All portions of the Community shall be burdened with easements for drainage of stormwater runoff from other portions of the Community; however, no Person other than Association or Developer shall alter the drainage flow on any Unit to increase materially the drainage of stormwater onto adjacent portions of the Community, or obstruct or divert drainage flow, without the consent of the Owner(s) of the affected property, Board, the District, if applicable, and Developer during the Development and Sale Period.

Association or Developer may, but shall not be required to, cut drainways for surface water wherever and whenever such action may appear to Association or Developer to be necessary to maintain reasonable standards of health, safety, and appearance; Association's rights in this regard shall be subject to the consent of Developer during the

Development and Sale Period. The rights reserved under this Section shall extend to reasonable use of drainways on a Unit. These rights include the right to cut any trees, bushes, or shrubbery, make any gradings of the soil, or to take any other action reasonably necessary to install utilities and to maintain reasonable standards of health and appearance but shall not include the right to disturb any improvements erected in the Community that are not located in the specific easement areas designated on the Plat.

Association and Developer shall have the sole control over elevations and slopes in drainage easements and no Owner or other Person may alter any such elevations except on the prior written consent of Board, the County and District, if applicable, and Developer during the Development and Sale Period; Association's rights in this regard shall be subject to the consent of Developer during the Development and Sale Period.

11.8. Rights to Stormwater Runoff, Effluent, and Water Reclamation. Developer reserves for itself and its designees all rights to ground water, surface water, stormwater runoff, and effluent located or produced in the Community, and each Owner agrees, by acceptance of a deed to a Unit, that Developer shall retain all such rights. Such rights shall include the reservation of an easement over the Community for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. This Section may not be amended without Developer's consent, and the rights created in this Section shall survive termination of this Declaration.

11.9. Easement for Maintenance of Surface Water and Storm Water Management System. Developer and Association shall have a perpetual, non-exclusive easement over all portions of the Surface Water and Storm Water Management System for access to operate, maintain, repair, or replace the system, and to ensure the foregoing. By this easement, Developer and Association shall have the right to enter on any portion of any Unit which is a part of or adjacent to the Surface Water and Storm Water Management System, at a reasonable time and in a reasonable manner, to operate, maintain, repair, or replace the system as the County or any governmental agency or quasi-governmental body requires or permits. Additionally, Developer and Association shall have a perpetual, non-exclusive easement for drainage over the entire Surface Water and Storm Water Management System, and the owner of the pumps, pipes, and other apparatus comprising the system shall have an easement of access and maintenance as necessary for the operation, maintenance, repair, and replacement of such equipment and to ensure the foregoing. No Person other than Developer shall alter the drainage flow of or over the Surface Water and Storm Water Management System, including buffer areas or swales, without Association's prior written approval, and, during the Development and Sale Period, Developer's prior written consent.

11.10. Entry, Sign, and Landscape Easement. Developer reserves for itself and Association an easement ("Entry, Sign, and Landscape Easement") over, on, and across all areas designated as "Landscape Tract," "Signage Tract," "Landscape Area," "Entryway Feature Easement Area or Tract," "Open Space," or identified by similar designation, on the Plat, for erection, installation, operation, maintenance, repair, and replacement of Community signs, walls, monuments, fencing, decorative improvements, and other entry features, together with landscaping, lighting, utility, and irrigation facilities. No Owner shall obstruct access to the Entry, Sign, and Landscape Easement, or install or remove any plant or other improvement or installation placed in the Entry, Sign, and Landscape Easement by the beneficiaries thereof, or obstruct the view of the Entry, Sign, and Landscape Easement from the adjacent street right-of-way. All signs, walls, monuments, entry features, landscaping, utility, irrigation, and other permanent improvements installed in the Entry, Sign, and Landscape Easement by Developer shall become Common Property on conveyance from Developer to Association, and Association shall maintain such Entry, Sign, and Landscape Easement and the improvements therein as part of the Common Property. In addition, Developer and any designee of Developer shall have the right, without the prior approval of Association or any Owner, in the Entry, Sign, and Landscape Easement, erect, change, move, remove, repaint, maintain, and otherwise exercise complete and unfettered control over marketing signs at all times prior to the sale of the last Unit owned by Developer or any designee of Developer in the Community, and all such marketing signs shall be and remain the exclusive property of Developer (or such designee of Developer) and shall not be deemed part of the Common Property.

11.11. Easement for Irrigation Equipment. If there is a master irrigation system for the Community, Developer and Association shall have a perpetual, non-exclusive easement over, under and through all exterior portions of each Unit, except any area on which buildings have been erected by Developer or otherwise in accordance with Article IV, for the purpose of installing, maintaining, repairing, replacing, and operating all irrigation equipment, systems,

and lines serving all or any portion of the Units or Common Property. The foregoing easement shall not impose any obligation on Association or Developer to install any such improvements.

11.12. Private Roadways.

(a) The private roadways, if any, in the Community ("Roadways"), as depicted on the Plat, shall be Common Property and shall not be dedicated to the County or to public use by recordation of the Plat. Use of such Roadways shall be subject to and in accordance with any rights and easements shown on the Plat and such reasonable Rules and Regulations and rules as Association may adopt from time to time consistent with this Declaration, the Plat, and any law, ordinance, or regulation governing the Community.

(b) Developer hereby reserves unto itself, its agents, employees, successors, and assigns an easement over the Roadways for the purpose of constructing, maintaining, repairing, or rebuilding any subdivision improvements installed or to be installed in the Community and for performing any other work in the Community (including Units) which Developer deems reasonably necessary, in its discretion, or which Developer is required to perform pursuant to a contract with any Owner or pursuant to the requirements of any government agency having jurisdiction over the Community. With regard to construction on any of the Units by Owners, the contractors, subcontractors, laborers, materialmen, and other Persons providing construction services and materials to any such Units shall have access to such Units over the Roadways subject to such rules as Association may adopt; however, during the Class "B" Control Period, Developer shall have the right to prohibit the use of the Roadways by such Persons and to designate alternate access easements for such Persons.

(c) Developer hereby creates a perpetual, nonexclusive easement for access, ingress, and egress over the Roadways for Owners, law enforcement, fire fighting, paramedic, rescue, and other emergency vehicles, equipment, and personnel; for school buses; for U.S. Postal Service delivery vehicles and personnel; and for vehicles, equipment, and personnel providing garbage collection service to the Community provided that such easement shall not authorize any such Persons to enter the Community except while acting in their official capacities.

The existence of this easement shall not preclude Association from maintaining gates or other devices or systems designed to limit general vehicular access to the Community, provided that Association at all times maintains systems or procedures to permit the uncontested entry of Persons authorized to exercise the easements granted in this subsection without unreasonable interference or delay.

11.13. General Development Easements. Developer reserves for itself, its successors or assigns, a blanket easement throughout the entire Community, to allow it to take whatever action it determines is necessary or beneficial to the development or operation of the Community. This blanket easement is to allow Developer to construct all of its improvements in the Community, whether on Common Property or on Units, in the manner that it deems necessary. This means that Developer has access and use of any Unit or Common Property as is necessary to construct any improvement in the Community. It also is reserved for the purpose of allowing Developer, if it deems necessary, to repair, relocated, construct, or maintain any of the improvements installed in the Community.

11.14. Additional Sign and Landscape Easement. Developer or Association may enter into an easement for Developer and Association ("Additional Sign and Landscape Easement") over, on, and across certain property adjoining the Community for erection, installation, operation, maintenance, repair, and replacement of Community signs, walls, monuments, fencing, decorative improvements, and other features, together with landscaping, lighting, utility, and irrigation facilities. All of Developer's rights to the signs, walls, monuments, features, landscaping, utility, irrigation, and other permanent improvements installed in the Additional Sign and Landscape Easement by Developer may become Association Property on conveyance from Developer to Association of Developer's rights in and to such improvements, and on such conveyance, Association shall maintain such Additional Sign and Landscape Easement and the improvements therein as part of the Association Property.

11.15. Office Easement. Developer reserves for itself, its duly authorized agents, successors, and assigns, a perpetual, exclusive easement to establish and operate a $\pm 1,000$ square foot of office space in the Clubhouse as depicted on the Plat for purposes of management of the Community or for marketing, sales, resales, leases, and

rentals of any improvements in the Community. Developer may allow Owners to market their Units for sale, resale, lease, or rental through agents or representatives in such office.

Article XII. Natural Conditions

12.1. Natural Conditions.

(a) The Community may contain a number of manmade, natural, and environmentally sensitive areas (“Natural Areas”) that may serve as habitats for a variety of native plants and wildlife, including insects, venomous and non-venomous snakes and other reptiles, alligators, and other animals, some of which may pose hazards to persons or pets coming in contact with them. Each Owner and occupant of any Unit, and every Person entering the Community (i) acknowledges that such plants and wildlife are indigenous to the area and are not restrained or restricted in their movements in or through the Community; and (ii) assumes all risk of personal injury arising from the presence of such plants and wildlife in the Community. Neither Association, Developer, any builder, nor the members, partners, affiliates, officers, directors, shareholders, attorneys, agents, or employees of any of the foregoing, shall have any duty to take action to control, remove, or eradicate any plant or wildlife in the Community, nor shall they have any liability for any injury resulting from the presence, movement, or propagation of any plant or wildlife in or through the Community.

(b) The natural areas described in subsection (a) above may also contain creeks, ponds, or intermittent pools of water, muddy areas, and underbrush, among other things, all of which are important to the ecological balance and maintenance of the area as a wildlife habitat. No Owner or occupant of a Unit shall enter on, or permit their guests or any other person acting on their behalf to enter on, or disturb such areas in any way without Association’s or Developer’s prior written approval.

BECAUSE CERTAIN NATURAL AREAS ARE TO BE RETAINED IN THEIR NATURAL STATE, SUCH AREAS SHOULD BE CONSIDERED HAZARDOUS FOR RECREATIONAL ACTIVITIES.

NEITHER ASSOCIATION, NOR DEVELOPER, NOR ANY OF THEIR AFFILIATES, HAS ANY OBLIGATION TO PROVIDE SECURITY OR SUPERVISION FOR ANY PERSON USING A NATURAL AREA, AND ALL PERSONS USING A NATURAL AREA DO SO AT THEIR OWN RISK.

INSECTS, SNAKES, AND ANIMALS THAT MAY BE DANGEROUS TO HUMANS MAY INHABIT THE NATURAL AREAS.

OWNERS SHOULD NOT ALLOW CHILDREN OR PETS TO ENTER NATURAL AREAS WITHOUT ADULT SUPERVISION.

NEITHER ASSOCIATION NOR DEVELOPER NOR ANY OF THEIR AFFILIATES SHALL HAVE ANY LIABILITY WHATSOEVER FOR ANY CONDITION OF A NATURAL AREA OR ANY INJURY OR DEATH OCCURRING THEREON.

ASSOCIATION SHALL HAVE THE RIGHT TO IMPOSE ADDITIONAL RULES AND REGULATIONS GOVERNING THE USE OF THE NATURAL AREAS.

IF THE NATURAL AREAS, OR THE TREES OR VEGETATION THEREON, ARE DAMAGED OR DESTROYED BY FIRE, WINDSTORM, FLOOD, DISEASE, OR OTHER NATURAL OR MANMADE EVENT, NEITHER ASSOCIATION, NOR DEVELOPER, NOR ANY OF DEVELOPER’S AFFILIATES, SHALL HAVE ANY OBLIGATION TO REPAIR OR RESTORE THE DAMAGE OR DESTRUCTION, OR TO REMOVE ANY DEAD OR DAMAGED TREES OR OTHER VEGETATION.

Article XIII. Limited Common Property

13.1. Purpose. Certain portions of the Common Property may be designated as Limited Common Property and reserved for the exclusive use or primary benefit of Owners and occupants of one or more, but less than all, Units. By way of illustration and not limitation, Limited Common Property may include driveways, entry features,

recreational facilities, landscaped medians and cul-de-sacs, private roads, lakes, and other portions of the Common Property primarily serving a limited area. All costs associated with ownership, maintenance, repair, replacement, management, operation, and insurance of a Limited Common Property shall be a Common Expense allocated in accordance with Section 8.1 among all Owners.

13.2. Designation. Initially, any Limited Common Property shall be designated as such in the deed conveying such area to Association or on the Plat; however, any such assignment shall not preclude Developer from later assigning use of the same Limited Common Property to additional Units during the Development and Sale Period.

Thereafter, a portion of the Common Property may be assigned as Limited Common Property on approval by each of (a) Board, (b) Members representing a majority of the total Class "A" votes in Association, and (c) the Owner(s) of the Unit(s) to which the Limited Common Property is proposed to be assigned or reassigned. During the Development and Sale Period, any such assignment or reassignment also shall require Developer's written consent.

Article XIV. Party Walls and Other Shared Structures

14.1. General Rules of Law to Apply. Each wall or similar structure built as a part of the original construction on the Units that serves any two adjoining Units shall constitute a party structure. To the extent not inconsistent with this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to party structures.

14.2. Maintenance; Damage, and Destruction. Unless otherwise specifically provided in additional covenants relating to such Units, Owners sharing the party structure shall share equally in the cost of necessary or appropriate party structure repairs and maintenance; however, painting and other aesthetic modifications visible only to one side of the structure shall be the responsibility of the Owner with such visibility.

If a party structure is destroyed or damaged by fire or other casualty, then, to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any Owner sharing the structure may restore it and be entitled to contribution for the restoration cost in equal proportions from other sharing Owners. However, such contribution will not prejudice the right to call for a larger contribution from the other users under any rule of law regarding liability for negligent or willful acts or omissions. Each Owner is granted an easement for the benefit of the Owner's Unit over the adjacent Unit as necessary to make repairs and restore the Unit.

The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

No Owner may penetrate through, or otherwise damages the structural capability of a party structure. Unless the same Owner owns the Units on both sides of a party structure, the party structure may not be materially altered or removed. An Owner that owns the Units on both sides of a party structure may materially alter or remove such structure on obtaining all necessary County and other governmental permits; provided, however, such party structure shall be reconstructed (on obtaining all necessary County and other governmental permits) prior to the conveyance of one or both of the Units unless both Units will be conveyed to a person or entity that will continue to own both affected Units.

Article XV. Initiation of Litigation by Association

After the Class "B" Control Period, Association shall not initiate any judicial or administrative proceeding which is reasonably expected to cost \$25,000 or more in legal fees to prosecute to completion unless first approved by Board on the specific recommendation of the Dispute Resolution Committee (if created as provided in the Bylaws), or a majority of the Class "A" votes in Association. The Dispute Resolution Committee's recommendation must be in writing and must be accompanied by a feasibility analysis including an explanation of the issues, a budget for legal and related expenses, the amount in controversy, the expectation of success, and a copy of bids from a minimum of three qualified law firms.

Article XVI. Mortgagee Provisions

This Article is for the benefit of holders, insurers, and guarantors of first Mortgages on Units. This Article applies to both this Declaration and to the Bylaws, notwithstanding any other provisions in such Governing Documents.

16.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an “Eligible Holder”), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed Association for a Unit subject to the Mortgage of such Eligible Holder, when such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Unit or the Owner or occupant which is not cured in 60 days;

(c) Any lapse, cancellation, or material modification of any Association insurance policy;

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders; or

(e) If the U.S. Department of Housing and Urban Development is insuring or the U.S. Department of Veterans Affairs is guaranteeing the Mortgage on any Unit, material amendment to the Governing Documents or extraordinary action of Association, as defined under VA Pamphlet 26-7, as it may be amended or superceded.

Otherwise, no consent from Eligible Holders shall be necessary to enable Association to accomplish any of its operational duties and responsibilities or to exercise any of its rights.

16.2. Special FHLMC Provision. To the extent required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least 67% of the first Mortgagees or Class “A” Members representing at least 67% of the total Association vote consent, Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Property which Association owns, directly or indirectly (the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Property shall not be deemed a transfer in this subsection);

(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (any decision or action in accordance with this Declaration or any Supplemental Declaration shall not be subject to this provision);

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Units and the Common Property (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment in the meaning of this provision);

(d) Fail to maintain insurance, as required by this Declaration; or

(e) Use hazard insurance proceeds for any Common Property losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage on the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from Association.

16.4. Construction of Article. Nothing in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, the Bylaws, or Florida law for any of the acts set out in this Article.

16.5. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

16.6. Notice to Association. On request, each Owner shall be obligated to furnish to Association the name and address of the holder of any Mortgage encumbering Owner's Unit.

16.7. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from Board to respond to or consent to any action, shall conclusively be deemed irrevocably to have approved such action if Association does not receive a written response from Mortgagee within thirty (30) days after the date of Association's request, provided such request is delivered to Mortgagee by certified mail, return receipt requested; or overnight delivery by a nationally recognized courier that provides tracking and receipt services; or personal delivery.

Article XVII. Disclosures and Waivers.

17.1. No Liability For Third Party Acts. **Owners and occupants of Units, and their respective guests and invitees, are responsible for their own personal safety and for their property in the Community. Association may, but is not obligated to, maintain or support certain activities in the Community which are intended to promote or enhance safety or security in the Community. However, Association and Developer shall not in any way be considered insurers or guarantors of safety or security in the Community, nor shall they be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.**

No representation or warranty is made that any systems or measures, including fire protection, burglar alarm, or other security monitoring systems, (or if there is any gate or other mechanism or system for limiting access to the Community), cannot be compromised or circumvented, nor that any such systems or measures undertaken will prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing Owner's tenants and all occupants and invitees of Owner's Unit that Association, Board and its committees, and Developer are not insurers or guarantors of security or safety and that each Person in the Community assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties. Any gate or other mechanism or system for limiting access to the Community may, at Developer's discretion, be left open or unattended, from time to time or at any time to facilitate access by contractors, subcontractors, inspectors, brokers, salespersons, leasing or rental agents, and others to any sales, leasing, or rental office or Units that are under construction or for sale, lease, or rent.

Developer may, but shall not be obligated to, retain, at Developer's sole cost and expense, a Person or Persons to staff a gate or gatehouse located at the entrance to the Community and perform such functions on behalf of Developer as Developer, in its sole discretion, deems appropriate, including facilitating access by contractors, subcontractors, inspectors, brokers, salespersons, leasing agents, and others to any sales or leasing office or Units that are under construction or for sale, lease, or rent. Any such Person retained by Developer shall under no circumstances be responsible for the security or safety of any persons or property in the Community, nor shall Association or any Owner or occupant of the Community be authorized to direct or request favors of any such person. Neither Developer nor Association shall have any obligation to staff the gatehouse or gate, if any.

17.2. View Impairment. **Neither Developer nor Association guarantee or represent that any view over and across the Units or any open space or any other portion of the Community will be preserved without impairment. Neither Developer nor Association shall be obligated to relocate, prune, or thin trees or other landscaping. Association and Developer have the right to relocate, prune, thin, or add trees and other landscaping from time to time subject to applicable law. Any express or implied easements for view purposes or for the passage of light and air expressly are disclaimed.**

17.3. Notices and Disclaimers as to Community Systems and Services. In recognition of the fact that interruptions in cable television and other Community Systems and Services may occur from time to time, neither Developer nor any of Developer's successors or assigns (and their Affiliates) shall in any manner be liable for, and no Community System and Service user shall be entitled to refund, rebate, discount, or offset in applicable fees, for any interruption in Community Systems and Services, regardless of whether such interruption is caused by reasons in the service provider's control. Developer shall be entitled to retain any rebate, discount, or other compensation received from the provider of any Community Systems and Services in connection with the installation or operation of such system.

17.4. Construction Activities. All Owners, occupants, and users of Units are placed on notice that Developer, any Developer Affiliate, and their agents, contractors, subcontractors, licensees, and other designees, successors, or assigns, shall continue, from time to time, to conduct construction activities in the Community. By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest, or by using any portion of a Unit or the Community, Owners, occupants, and users of Units 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 on, or allow their children or other Persons under their control or direction to enter on (regardless of whether such entry is a trespass or otherwise), any property in or in proximity to the Unit or any other portion of the Community where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (c) that Developer, any Developer Affiliate, and all of their 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 or relating to any breach of this covenant; (d) that any purchase or use of any portion of a Unit has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a material inducement to Developer or its Affiliates to sell, convey, lease, rent, or allow the use of Units.

17.5. Water Management. Each Owner acknowledges and agrees that some or all of the water features, if any, or wetlands in or adjacent to the Community are designed as water management areas and are not designed solely as aesthetic features. Due to fluctuations in water elevations in the immediate area, water levels will rise and fall. Each Owner further acknowledges and agrees that Developer does not have, or is not obligated to exert, control over such elevations. Therefore, each Owner agrees to, and does by purchase of a Unit, release and discharge Developer and Developer Affiliates from and against any and all losses, claims, demands, damages, and expenses of whatever nature or kind, including Legal Costs, related to or arising out of any claim relating to such fluctuations in water elevations. Owners shall not alter, modify, expand, or fill any water features or wetlands located in or in the vicinity of the Community without the prior written approval of Developer and any local, state, or federal regulatory or permitting authorities as may have jurisdiction over such matters.

DEVELOPER AND ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING LIFEGUARDS, FOR THE WATERWAYS. ANY INDIVIDUAL USING THE WATERWAYS SHALL DO SO AT HIS/HER OWN RISK AND HEREBY HOLDS DEVELOPER AND ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS ARISING FROM SUCH USE.

EACH OWNER, BY THE ACCEPTANCE OF TITLE TO A UNIT, ACKNOWLEDGES THAT THE WATERWAYS MAY BE DEEP AND ARE DANGEROUS. NEITHER DEVELOPER, ASSOCIATION NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY, OR WATER LEVEL OF ANY WATERWAY IN OR ADJACENT TO THE COMMUNITY, EXCEPT AS SUCH RESPONSIBILITY MAY SPECIFICALLY BE IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY, OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK. ALL OWNERS AND USERS OF ANY PORTION OF THE COMMUNITY SHALL

BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE NOTIFIED THAT FROM TIME TO TIME WILDLIFE MAY HABITATE OR ENTER INTO WATER BODIES IN OR ADJACENT TO THE COMMUNITY AND MAY POSE A THREAT TO PERSONS, PETS, AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY, OR DAMAGE CAUSED BY SUCH WILDLIFE.

17.6. Liability for Association Operations. Association shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Developer (including Developer's Affiliates, successors, and assigns) from and against any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including Legal Costs), which relate to or arise out of Association management and operations, including improvement, maintenance, and operation of amenities and other portions of the Common Maintenance Areas and the collection of assessments.

Article XVIII. Changes in Ownership of Units

Any Owner, other than Developer or any Developer Affiliate, desiring to sell or otherwise transfer title to Owner's Unit shall give Board at least 14 days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as Board may reasonably require. Owner or Owner's successor in title also shall furnish Board with a copy of the recorded deed transferring title. Notwithstanding the transfer of title, the transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the prior Owner, including assessment obligations, until the date on which Board receives a copy of such recorded deed, after which the prior Owner shall be released from the obligation to pay assessments levied after the date such notice is received.

Article XIX. Changes in Common Property

19.1. Condemnation. Whenever any part of the Common Property is taken or conveyed under threat of condemnation by any authority having the power of eminent domain, Board shall determine, in the exercise of its business judgment and on advice of counsel, whether each Owner is entitled to notice. The award made for such taking shall be payable to Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Property on which improvements have been constructed, Association shall restore or replace such improvements on the remaining land included in the Common Property to the extent practicable, unless, within 60 days after such taking, Members entitled to cast at least 80% of the total Class "A" votes and Developer, during the Class "B" Control Period, shall otherwise agree. Any such construction shall be in accordance with plans Board approves. Section 7.3 regarding funds for the repair of damage or destruction shall apply.

If the taking does not involve any Common Property improvements, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to Association and used for such purposes as Board shall determine.

19.2. Partition. The Common Property shall remain undivided, and no Person shall bring any action for partition of any portion of the Common Property without the written consent of all Owners and Mortgagees. This Section shall not prohibit Board from acquiring and disposing of Association Property.

19.3. Transfer or Dedication of Common Property. Association may convey, dedicate, or otherwise transfer portions of the Common Property to the County or to any other local, state, or federal governmental or quasi-governmental entity, with the consent of at least two-thirds of Owners.

Article XX. Amendment of Declaration

20.1. By Developer. In addition to specific amendment rights granted elsewhere in this Declaration, until the termination of the Class “B” Control Period, Developer unilaterally may amend this Declaration for any purpose, subject to the approval requirements in Article XVI, if applicable.

Thereafter and until termination of the Class “B” Control Period, Developer unilaterally may amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial or regulatory determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans to make, purchase, insure, or guarantee mortgage loans on the Units; (d) to satisfy the requirements of any local, state, or federal governmental agency; or (e) for any other purpose which does not materially adversely affect title to any Unit, unless the Owner of such Unit consents to such amendment.

20.2. By the Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least 67% of Association’s total Class “A” votes. In addition, during the Development and Sale Period, Developer’s written consent is required for any amendment. The approval requirements in Article XVI also shall be met, if applicable. No amendment to this Declaration or any of the other Governing Documents which adversely would affect the ability of an Owner to lease or rent Owner’s Unit may be made without the approval of all Owners.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

20.3. Approval by the District. Notwithstanding Sections 20.1 and 20.2, any amendment to the Declaration that alters any provision relating to the Surface Water and Storm Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Property, or amendment to this Section 20.3, must have the prior approval of the District.

20.4. Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of Developer or the Class “B” Member without the written consent of Developer or the Class “B” Member, respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment, if required by applicable laws, permits, or approvals.

Any amendment shall become effective on the earliest of (a) actual notice; (b) recording; or (c) later effective date specified in the amendment. In no event shall a change of conditions or circumstances operate to amend this Declaration.

[Signature pages follow; remainder of page intentionally left blank.]

Developer:

Witnesses:

Signature

Print Name: _____

Print Name

Date: _____

Print Name

)

)

Print Name _____

Serial Number, if any: _____

My Commission Expires: _____

Exhibit "A"

Land Submitted to Declaration

LEGAL DESCRIPTION – PHASE ONE

A parcel of land being Lot 3, Block 14 and a portion of Lots 4, 5, 6, 7, 8, 20, 21, 22, 23, 24 and 25, Block 14, THE FLORIDA DRAINED LAND COMPANY'S SUBDIVISION No.1, according to the plat thereof, as recorded in Plat Book "B", Pages 65 and 66 of the Public Records of Osceola County, Florida, and being more particularly described as follows:

Commence at the East $\frac{1}{4}$ corner of Section 25, Township 25 South, Range 29 East, Osceola County, Florida; thence run N 00°05'55" W along the East line of the Northeast $\frac{1}{4}$ of said Section 25, a distance of 856.83 feet to the Point of Beginning, said point being the Northeast corner of NEPTUNE POINTE, according to the plat thereof, as recorded in Plat Book 16, Pages 15 and 16 of the Public Records of Osceola County, Florida; thence along the Westerly line of said plat of NEPTUNE POINTE the following ten (10) courses and distances; thence run S 61°18'15" W, a distance of 152.56 feet; thence run S 43°06'46" W, a distance of 135.89 feet; thence run S 49°59'50" W, a distance of 79.13 feet; thence run S 65°50'38" W, a distance of 101.10 feet; thence run S 60°08'28" W, a distance of 254.55 feet; thence run S 66°29'16" W, a distance of 201.09 feet; thence run S 62°50'57" W, a distance of 98.05 feet; thence run S 65°01'17" W, a distance of 135.49 feet; thence run S 52°52'27" W, a distance of 142.48 feet; thence run S 43°10'25" W, a distance of 75.30 feet; thence departing said Westerly line of NEPTUNE POINTE, run N 53°23'08" W, a distance of 605.48 feet; thence run N 53°38'06" W, a distance of 42.99 feet; thence run N 41°28'00" E, a distance of 101.90 feet; thence run N 14°17'54" E, a distance of 46.61 feet; thence run S 78°01'08" E, a distance of 129.16 feet; thence run N 01°32'10" E, a distance of 93.37 feet; thence run N 03°54'01" E, a distance of 52.01 feet; thence run N 04°20'09" W, a distance of 127.67 feet; thence run N 28°26'38" E, a distance of 267.33 feet; thence run N 18°38'04" E, a distance of 127.51 feet; thence run N 00°17'33" E, a distance of 131.24 feet; thence run N 08°39'21" W, a distance of 148.19 feet; thence run N 04°52'11" E, a distance of 132.17 feet; thence run N 03°25'59" E, a distance of 51.65 feet; thence run N 03°26'44" E, a distance of 69.56 feet; thence run N 09°30'09" E, a distance of 70.00 feet; thence run S 80°29'51" E, a distance of 80.51 feet; thence run N 02°11'25" E, a distance of 149.63 feet to the North line of said Lot 25; thence run S 89°38'02" E along the North line of said Lots 25 and 3, a distance of 1,215.18 feet to a point on the East line of the Northeast $\frac{1}{4}$ of said Section 25; thence run S 00°05'55" E along said East line, a distance of 434.79 feet; thence run S 61°47'52" W, a distance of 87.65 feet; thence run S 66°00'12" W, a distance of 94.65 feet; thence run S 18°29'32" W, a distance of 94.71 feet; thence run S 66°00'12" W, a distance of 86.05 feet; thence run N 66°29'09" W, a distance of 86.57 feet; thence run S 66°00'12" W, a distance of 81.81 feet; thence run S 00°00'00" E, a distance of 94.45 feet; thence run S 90°00'00" W, a distance of 117.00 feet; thence run S 64°57'32" W, a distance of 92.98 feet; thence run S 03°13'56" W, a distance of 162.39 feet; thence run S 17°28'36" W, a distance of 149.99 feet; thence run S 25°40'44" W, a distance of 85.89 feet; thence run S 69°05'26" E, a distance of 103.62 feet; thence run S 67°27'36" E, a distance of 80.94 feet; thence run S 76°43'56" E, a distance of 55.57 feet; thence run S 75°20'15" E, a distance of 36.79 feet to a point on the boundary of a Department of Transportation Retention Pond tract; thence along said Retention Pond tract the follow eight (8) courses and distances; thence run S 70°12'49" E, a distance of 163.98 feet; thence run N 42°38'49" E, a distance of 68.90 feet; thence run S 47°21'11" E, a distance of 42.65 feet; thence run N 42°38'49" E, a distance of 25.00 feet; thence run N 47°21'11" W, a distance of 42.65 feet; thence run N 42°38'49" E, a distance of 53.53 feet; thence run N 54°58'34" E, a distance of 189.10 feet; thence run N 00°05'55" W, a distance of 117.53 feet; thence run N 89°54'05" E, a distance of 50.01 feet to a point on aforesaid East line of Section 25; thence run S 00°05'55" E along said East line, a distance of 159.47 feet to the Point of Beginning.

LESS THE FOLLOWING:

Commence at the East $\frac{1}{4}$ corner of Section 25, Township 25 South, Range 29 East, Osceola County, Florida; thence run N 00°05'55" W along the East line of the Northeast $\frac{1}{4}$ of said Section 25, a distance of 856.83 feet to the Point of Beginning, said point being the Northeast corner of NEPTUNE POINTE, according to the plat thereof, as recorded in Plat Book 16, Pages 15 and 16 of the Public Records of Osceola County, Florida; thence along the Westerly line of said plat of NEPTUNE POINTE the following ten (10) courses and distances; thence run S 61°18'15" W, a distance of 152.56 feet; thence run S 43°06'46" W, a distance of 135.89 feet; thence run

S 49°59'50" W, a distance of 79.13 feet; thence run S 65°50'38" W, a distance of 101.10 feet; thence run S 60°08'28" W, a distance of 254.55 feet; thence run S 66°29'16" W, a distance of 201.09 feet; thence run S 62°50'57" W, a distance of 98.05 feet; thence run S 65°01'17" W, a distance of 135.49 feet; thence run S 52°52'27" W, a distance of 142.48 feet; thence run S 43°10'25" W, a distance of 75.30 feet; thence departing said Westerly line of NEPTUNE POINTE, run N 53°23'08" W, a distance of 605.48 feet; thence run N 53°38'06" W, a distance of 42.99 feet; thence run N 41°28'00" E, a distance of 101.90 feet; thence run N 14°17'54" E, a distance of 46.61 feet; thence run S 78°01'08" E, a distance of 129.16 feet; thence run N 01°32'10" E, a distance of 93.37 feet; thence run N 03°54'01" E, a distance of 52.01 feet; thence run N 04°20'09" W, a distance of 127.67 feet; thence run N 28°26'38" E, a distance of 267.33 feet; thence run N 18°38'04" E, a distance of 127.51 feet; thence run N 00°17'33" E, a distance of 131.24 feet; thence run N 80°47'57" E, a distance of 68.00 feet; to the Point of Curvature of a Curve concave to the West, having a Radius of 465.00 feet and a Central Angle of 12°57'06", thence run Southerly along the Arc of said Curve, a distance of 105.11 feet to a point; thence run S 86°00'10" E, a distance of 70.03 feet; thence run S 89°45'13" E, a distance of 120.09 feet; to the Point of Curvature of a Curve concave Southerly, having a Radius of 715.00 feet and a Central Angle of 14°27'13", thence run Southeasterly along the Arc of said Curve, a distance of 180.37 feet to the Point of Tangency; thence run S 75°18'00" E, a distance of 80.04 feet; thence run S 75°23'27" E, a distance of 72.69 feet; thence run S 86°46'04" E, a distance of 109.04 feet; thence run S 64°57'32" W, a distance of 19.35 feet; thence run S 03°13'56" W, a distance of 162.39 feet; thence run S 17°28'36" W, a distance of 149.99 feet; thence run S 25°40'44" W, a distance of 85.89 feet; thence run S 69°05'26" E, a distance of 103.62 feet; thence run S 67°27'36" E, a distance of 80.94 feet; thence run S 76°43'56" E, a distance of 55.57 feet; thence run S 75°20'15" E, a distance of 36.79 feet to a point on the boundary of a Department of Transportation Retention Pond tract; thence along said Retention Pond tract the follow eight (8) courses and distances; thence run S 70°12'49" E, a distance of 163.98 feet; thence run N 42°38'49" E, a distance of 68.90 feet; thence run S 47°21'11" E, a distance of 42.65 feet; thence run N 42°38'49" E, a distance of 25.00 feet; thence run N 47°21'11" W, a distance of 42.65 feet; thence run N 42°38'49" E, a distance of 53.53 feet; thence run N 54°58'34" E, a distance of 189.10 feet; thence run N 00°05'55" W, a distance of 117.53 feet; thence run N 89°54'05" E, a distance of 50.01 feet to a point on aforesaid East line of Section 25; thence run S 00°05'55" E along said East line, a distance of 159.47 feet to the Point of Beginning.

Exhibit "B"

Land Subject to Annexation

PARCEL I

A parcel of land being Lots 3, 24 and 25, Block 14 and a portion of Lots 4, 5, 6, 7, 8, 20, 21, 22 and 23, Block 14, THE FLORIDA DRAINED LAND COMPANY'S SUBDIVISION No.1, according to the plat thereof, as recorded in Plat Book "B", Pages 65 and 66 of the Public Records of Osceola County, Florida, and being more particularly described as follows:

Commence at the East ¼ corner of Section 25, Township 25 South, Range 29 East, Osceola County, Florida; thence run N 00°05'55" W along the East line of the Northeast 1/4 of said Section 25, a distance of 856.83 feet to the Point of Beginning, said point being the Northeast corner of NEPTUNE POINTE, according to the plat thereof, as recorded in Plat Book 16, Pages 15 and 16 of the Public Records of Osceola County, Florida; thence along the Westerly line of said plat of NEPTUNE POINTE the following ten (10) courses and distances; thence run S 61°18'15" W, a distance of 152.56 feet; thence run S 43°06'46" W, a distance of 135.89 feet; thence run S 49°59'50" W, a distance of 79.13 feet; thence run S 65°50'38" W, a distance of 101.10 feet; thence run S 60°08'28" W, a distance of 254.55 feet; thence run S 66°29'16" W, a distance of 201.09 feet; thence run S 62°50'57" W, a distance of 98.05 feet; thence run S 65°01'17" W, a distance of 135.49 feet; thence run S 52°52'27" W, a distance of 142.48 feet; thence run S 43°10'25" W, a distance of 75.30 feet; thence departing said Westerly line of NEPTUNE POINTE, run N 53°23'08" W, a distance of 605.48 feet; thence run N 53°38'06" W, a distance of 518.98 feet; thence run N 55°38'45" W, a distance of 274.09 feet; thence run N 66°02'58" W, a distance of 237.08 feet to the West line of aforesaid Lot 23, said point being N 00°05'51" W, a distance of 383.63 feet from the Northwest corner of Lot 13, THE MANOR AT SHAWNDA LANE, according to the plat thereof, as recorded in Plat Book 7, Page 112 of the Public Records of Osceola County, Florida; thence run N 00°05'51" W along the West line of aforesaid Lots 23, 24 and 25, a distance of 935.92 feet to the Northwest corner of said Lot 25; thence run S 89°38'02" E along the North line of said Lots 25 and 3, a distance of 2,506.45 feet to a point on the East line of the Northeast 1/4 of said Section 25; thence run S 00°05'55" E along said East line, a distance of 434.79 feet; thence run S 61°47'52" W, a distance of 87.65 feet; thence run S 66°00'12" W, a distance of 94.65 feet; thence run S 18°29'32" W, a distance of 94.71 feet; thence run S 66°00'12" W, a distance of 86.05 feet; thence run N 66°29'09" W, a distance of 86.57 feet; thence run S 66°00'12" W, a distance of 81.81 feet; thence run S 00°00'00" E, a distance of 94.45 feet; thence run S 90°00'00" W, a distance of 117.00 feet; thence run S 64°57'32" W, a distance of 92.98 feet; thence run S 03°13'56" W, a distance of 162.39 feet; thence run S 17°28'36" W, a distance of 149.99 feet; thence run S 25°40'44" W, a distance of 85.89 feet; thence run S 69°05'26" E, a distance of 103.62 feet; thence run S 67°27'36" E, a distance of 80.94 feet; thence run S 76°43'56" E, a distance of 55.57 feet; thence run S 75°20'15" E, a distance of 36.79 feet to a point on the boundary of a Department of Transportation Retention Pond tract; thence along said Retention Pond tract the following eight (8) courses and distances; thence run S 70°12'49" E, a distance of 163.98 feet; thence run N 42°38'49" E, a distance of 68.90 feet; thence run S 47°21'11" E, a distance of 42.65 feet; thence run N 42°38'49" E, a distance of 25.00 feet; thence run N 47°21'11" W, a distance of 42.65 feet; thence run N 42°38'49" E, a distance of 53.53 feet; thence run N 54°58'34" E, a distance of 189.10 feet; thence run N 00°05'55" W, a distance of 117.53 feet; thence run N 89°54'05" E, a distance of 50.01 feet to a point on aforesaid East line of Section 25; thence run S 00°05'55" E along said East line, a distance of 159.47 feet to the Point of Beginning.

Less and except the following:

LEGAL DESCRIPTION – PHASE ONE

A parcel of land being Lot 3, Block 14 and a portion of Lots 4, 5, 6, 7, 8, 20, 21, 22, 23, 24 and 25, Block 14, THE FLORIDA DRAINED LAND COMPANY'S SUBDIVISION No.1, according to the plat thereof, as recorded in Plat

Book "B", Pages 65 and 66 of the Public Records of Osceola County, Florida, and being more particularly described as follows:

Commence at the East $\frac{1}{4}$ corner of Section 25, Township 25 South, Range 29 East, Osceola County, Florida; thence run N $00^{\circ}05'55''$ W along the East line of the Northeast $\frac{1}{4}$ of said Section 25, a distance of 856.83 feet to the Point of Beginning, said point being the Northeast corner of NEPTUNE POINTE, according to the plat thereof, as recorded in Plat Book 16, Pages 15 and 16 of the Public Records of Osceola County, Florida; thence along the Westerly line of said plat of NEPTUNE POINTE the following ten (10) courses and distances;

thence run S $61^{\circ}18'15''$ W, a distance of 152.56 feet; thence run S $43^{\circ}06'46''$ W, a distance of 135.89 feet; thence run S $49^{\circ}59'50''$ W, a distance of 79.13 feet; thence run S $65^{\circ}50'38''$ W, a distance of 101.10 feet; thence run S $60^{\circ}08'28''$ W, a distance of 254.55 feet; thence run S $66^{\circ}29'16''$ W, a distance of 201.09 feet; thence run S $62^{\circ}50'57''$ W, a distance of 98.05 feet; thence run S $65^{\circ}01'17''$ W, a distance of 135.49 feet; thence run S $52^{\circ}52'27''$ W, a distance of 142.48 feet; thence run S $43^{\circ}10'25''$ W, a distance of 75.30 feet; thence departing said Westerly line of NEPTUNE POINTE, run N $53^{\circ}23'08''$ W, a distance of 605.48 feet; thence run N $53^{\circ}38'06''$ W, a distance of 42.99 feet; thence run N $41^{\circ}28'00''$ E, a distance of 101.90 feet; thence run N $14^{\circ}17'54''$ E, a distance of 46.61 feet; thence run S $78^{\circ}01'08''$ E, a distance of 129.16 feet; thence run N $01^{\circ}32'10''$ E, a distance of 93.37 feet; thence run N $03^{\circ}54'01''$ E, a distance of 52.01 feet; thence run N $04^{\circ}20'09''$ W, a distance of 127.67 feet; thence run N $28^{\circ}26'38''$ E, a distance of 267.33 feet; thence run N $18^{\circ}38'04''$ E, a distance of 127.51 feet; thence run N $00^{\circ}17'33''$ E, a distance of 131.24 feet; thence run N $08^{\circ}39'21''$ W, a distance of 148.19 feet; thence run N $04^{\circ}52'11''$ E, a distance of 132.17 feet; thence run N $03^{\circ}25'59''$ E, a distance of 51.65 feet; thence run N $03^{\circ}26'44''$ E, a distance of 69.56 feet; thence run N $09^{\circ}30'09''$ E, a distance of 70.00 feet; thence run S $80^{\circ}29'51''$ E, a distance of 80.51 feet; thence run N $02^{\circ}11'25''$ E, a distance of 149.63 feet to the North line of said Lot 25; thence run S $89^{\circ}38'02''$ E along the North line of said Lots 25 and 3, a distance of 1,215.18 feet to a point on the East line of the Northeast $\frac{1}{4}$ of said Section 25; thence run S $00^{\circ}05'55''$ E along said East line, a distance of 434.79 feet; thence run S $61^{\circ}47'52''$ W, a distance of 87.65 feet; thence run S $66^{\circ}00'12''$ W, a distance of 94.65 feet; thence run S $18^{\circ}29'32''$ W, a distance of 94.71 feet; thence run S $66^{\circ}00'12''$ W, a distance of 86.05 feet; thence run N $66^{\circ}29'09''$ W, a distance of 86.57 feet; thence run S $66^{\circ}00'12''$ W, a distance of 81.81 feet; thence run S $00^{\circ}00'00''$ E, a distance of 94.45 feet; thence run S $90^{\circ}00'00''$ W, a distance of 117.00 feet; thence run S $64^{\circ}57'32''$ W, a distance of 92.98 feet; thence run S $03^{\circ}13'56''$ W, a distance of 162.39 feet; thence run S $17^{\circ}28'36''$ W, a distance of 149.99 feet; thence run S $25^{\circ}40'44''$ W, a distance of 85.89 feet; thence run S $69^{\circ}05'26''$ E, a distance of 103.62 feet; thence run S $67^{\circ}27'36''$ E, a distance of 80.94 feet; thence run S $76^{\circ}43'56''$ E, a distance of 55.57 feet; thence run S $75^{\circ}20'15''$ E, a distance of 36.79 feet to a point on the boundary of a Department of Transportation Retention Pond tract; thence along said Retention Pond tract the follow eight (8) courses and distances; thence run S $70^{\circ}12'49''$ E, a distance of 163.98 feet; thence run N $42^{\circ}38'49''$ E, a distance of 68.90 feet; thence run S $47^{\circ}21'11''$ E, a distance of 42.65 feet; thence run N $42^{\circ}38'49''$ E, a distance of 25.00 feet; thence run N $47^{\circ}21'11''$ W, a distance of 42.65 feet; thence run N $42^{\circ}38'49''$ E, a distance of 53.53 feet; thence run N $54^{\circ}58'34''$ E, a distance of 189.10 feet; thence run N $00^{\circ}05'55''$ W, a distance of 117.53 feet; thence run N $89^{\circ}54'05''$ E, a distance of 50.01 feet to a point on aforesaid East line of Section 25; thence run S $00^{\circ}05'55''$ E along said East line, a distance of 159.47 feet to the Point of Beginning.

LESS THE FOLLOWING:

Commence at the East $\frac{1}{4}$ corner of Section 25, Township 25 South, Range 29 East, Osceola County, Florida; thence run N $00^{\circ}05'55''$ W along the East line of the Northeast $\frac{1}{4}$ of said Section 25, a distance of 856.83 feet to the Point of Beginning, said point being the Northeast corner of NEPTUNE POINTE, according to the plat thereof, as recorded in Plat Book 16, Pages 15 and 16 of the Public Records of Osceola County, Florida; thence along the Westerly line of said plat of NEPTUNE POINTE the following ten (10) courses and distances; thence run S $61^{\circ}18'15''$ W, a distance of 152.56 feet; thence run S $43^{\circ}06'46''$ W, a distance of 135.89 feet; thence run S $49^{\circ}59'50''$ W, a distance of 79.13 feet; thence run S $65^{\circ}50'38''$ W, a distance of 101.10 feet; thence run S $60^{\circ}08'28''$ W, a distance of 254.55 feet; thence run S $66^{\circ}29'16''$ W, a distance of 201.09 feet; thence run S $62^{\circ}50'57''$ W, a distance of 98.05 feet; thence run S $65^{\circ}01'17''$ W, a distance of 135.49 feet; thence run S $52^{\circ}52'27''$ W, a distance of 142.48 feet; thence run S $43^{\circ}10'25''$ W, a distance of 75.30 feet; thence departing said Westerly line of NEPTUNE POINTE, run N $53^{\circ}23'08''$ W, a distance of 605.48 feet; thence run N $53^{\circ}38'06''$ W, a distance of 42.99 feet; thence run N $41^{\circ}28'00''$ E, a distance of 101.90 feet; thence run N $14^{\circ}17'54''$ E, a distance of 46.61 feet; thence run S $78^{\circ}01'08''$ E, a distance of 129.16 feet; thence run N $01^{\circ}32'10''$ E, a distance of 93.37 feet; thence run N $03^{\circ}54'01''$ E, a distance of 52.01 feet; thence run N $04^{\circ}20'09''$ W, a distance of 127.67 feet; thence run

N 28°26'38" E, a distance of 267.33 feet; thence run N 18°38'04" E, a distance of 127.51 feet; thence run N 00°17'33" E, a distance of 131.24 feet; thence run N 80°47'57" E, a distance of 68.00 feet; to the Point of Curvature of a Curve concave to the West, having a Radius of 465.00 feet and a Central Angle of 12°57'06", thence run Southerly along the Arc of said Curve, a distance of 105.11 feet to a point; thence run S 86°00'10" E, a distance of 70.03 feet; thence run S 89°45'13" E, a distance of 120.09 feet; to the Point of Curvature of a Curve concave Southerly, having a Radius of 715.00 feet and a Central Angle of 14°27'13"; thence run Southeasterly along the Arc of said Curve, a distance of 180.37 feet to the Point of Tangency; thence run S 75°18'00" E, a distance of 80.04 feet; thence run S 75°23'27" E, a distance of 72.69 feet; thence run S 86°46'04" E, a distance of 109.04 feet; thence run S 64°57'32" W, a distance of 19.35 feet; thence run S 03°13'56" W, a distance of 162.39 feet; thence run S 17°28'36" W, a distance of 149.99 feet; thence run S 25°40'44" W, a distance of 85.89 feet; thence run S 69°05'26" E, a distance of 103.62 feet; thence run S 67°27'36" E, a distance of 80.94 feet; thence run S 76°43'56" E, a distance of 55.57 feet; thence run S 75°20'15" E, a distance of 36.79 feet to a point on the boundary of a Department of Transportation Retention Pond tract; thence along said Retention Pond tract the follow eight (8) courses and distances; thence run S 70°12'49" E, a distance of 163.98 feet; thence run N 42°38'49" E, a distance of 68.90 feet; thence run S 47°21'11" E, a distance of 42.65 feet; thence run N 42°38'49" E, a distance of 25.00 feet; thence run N 47°21'11" W, a distance of 42.65 feet; thence run N 42°38'49" E, a distance of 53.53 feet; thence run N 54°58'34" E, a distance of 189.10 feet; thence run N 00°05'55" W, a distance of 117.53 feet; thence run N 89°54'05" E, a distance of 50.01 feet to a point on aforesaid East line of Section 25; thence run S 00°05'55" E along said East line, a distance of 159.47 feet to the Point of Beginning.

Exhibit "C"

Copy of Initial Plat

Exhibit “D”

Copy of Initial Articles

Exhibit “E”

Copy of Initial Bylaws

Exhibit “F”

Copy of Initial Management Contract

Exhibit “G”

Copy of Initial Rules and Regulations

Exhibit “H”

Copy of Initial Permit

SOLICITORS, 77248, 00001, 101043353.7, Declaration