

RETURN TO:

HARRY S. CLINE, ESQ.
Macfarlane Ferguson & McMullen
625 Court Street/Suite 200
Post Office Box 1669
Clearwater, FL 33757

DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS
FOR
TARPON RIDGE TOWNHOMES

THIS DECLARATION, is made this 11th day of MAY, 2006, by **NEW PALM HARBOR, INC., a Florida corporation**, hereinafter referred to as "Developer",

RECITALS:

A. Developer is the owner of the hereinafter described land, located in Pinellas County, Florida:

See Exhibit "A" attached hereto and made a part hereof by reference.

B. Developer desires to create on said lands an exclusive townhome development to be named TARPON RIDGE TOWNHOMES, and desires to establish certain rights and restrictions pertaining to the properties, and to provide for the maintenance of Common Areas, and other community facilities.

C. Developer will incorporate under the laws of the State of Florida as a non-profit corporation, an association to administer and enforce the terms and provisions of this said Declaration, to be named TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC.

D. Developer intends to develop TARPON RIDGE TOWNHOMES as a community of single-family attached townhomes.

E. Developer desires to subject TARPON RIDGE TOWNHOMES to the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, Developer hereby declares that TARPON RIDGE TOWNHOMES Property described on Exhibit "A" shall be held, sold and conveyed subject to the following easements, covenants, conditions and restrictions which are for the purpose of protecting the value and desirability of, and which shall run with, TARPON RIDGE TOWNHOMES Property and be binding on all parties having any right, title or interest in such property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS AND CONSTRUCTION

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

Section 1. "Association" means TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC., its successors and assigns.

Section 2. "Board" or "Board of Directors" means the Association's Board of Directors.

Section 3. "City" means the City of Palm Harbor and its departments and agencies.

Section 4. "County" means the County of Pinellas, and its departments or agencies.

Section 5. "Developer" means NEW PALM HARBOR, INC., a Florida corporation, its successors and permitted assigns.

Section 6. Documentation. The legal documentation for TARPON RIDGE TOWNHOMES consists of this Declaration, all Future Declarations, the Association's Articles of Incorporation, a copy of which is attached hereto as Exhibit "B", the Association's By-Laws, a copy of which is attached hereto as Exhibit "C" and all amendments to any of the foregoing now or hereafter made. Unless the context expressly requires otherwise, the following terms mean as follows wherever used in any of the foregoing, in any corporate resolutions and other instruments of the Association, and in any deeds, mortgages, assignments and other instruments relating to all or any portion of the Property:

(a) "Declaration" means this Declaration and all applicable Future Declarations, as from time to time amended.

(b) "Articles" means the Articles of Incorporation of the Association, and its successors, as from time to time amended.

(c) "By-Laws" means the By-Laws of the Association, and its successors, as from time to time amended.

Section 7. "First Mortgagee" shall mean and refer to an Institutional Lender who holds a first mortgage on a Lot and who has notified the Association of its holdings.

Section 8. "Future Declaration" means any declaration hereafter recorded for the purpose of extending the provisions of this Declaration to any lands other than the Property, and shall include within its definition any amendment(s) to this Declaration.

Section 9. "Institutional Lender" shall mean and refer to the owner and holder of a mortgage encumbering a Lot, commercial property, membership recreational facilities or a residential Dwelling, which owner and holder of said mortgage shall be any federally or stated chartered bank, insurance company, HUD or VA or FHA approved mortgage lending institution, FNMA, GNMA, recognized pension fund investing in mortgages, and any federally or state chartered savings and loan association or savings bank. "FHA" shall mean and refer to the Federal Housing Administration. "FNMA" shall mean and refer to the Federal National Mortgage Association. "GNMA" shall mean and refer to the Government National Mortgage Association. "HUD" shall mean and refer to the U.S. Department of Housing and Urban Development. "VA" shall mean and refer to the Veterans Administration.

Section 10. "Law" includes, without limitation, any statute, ordinance, rule, regulation or order validly created, promulgated or adopted by the United States, or any agency, officer, or instrumentality thereof, or by the State of Florida, or any agency, officer, municipality or political subdivision thereof, or by any officer, agency or instrumentality of such municipality or subdivision, in effect as of the date of recordation of this Declaration.

Section 11. "Lot" means any plot of ground shown on any recorded subdivision plat of the Property, other than the Common Property or other areas dedicated to public use, or streets or other property owned by the Association.

Section 12. "Mortgage" means any mortgage, deed of trust, or other instrument transferring any interest in a Lot as security for performance of an obligation. "First Mortgage" means any Mortgage constituting a lien prior in dignity to all other Mortgages encumbering the same property. "Mortgagee" means any person named as the obligee under any Mortgage, or the successor in interest to such person.

Section 13. "Common Property" shall mean all real property, including improvements thereto, owned by the Association, the Developer, or its assigns, for the use and benefit of the Owners or the Association, or areas of easement held in favor of the Association or administered thereto by the Association for the common use and enjoyment of the members of the Association. The Common Property may include streets, parking areas, streetlights, sidewalks, entrance and security gates, entrance signage, emergency access and gate, parking areas, landscape and irrigation areas outside the lots, swimming pool(s), cabanas, playground(s), retaining walls on common tracts, stormwater collection and conveyance facilities, walls or fencing and community structures, etc., if the same are constructed, and any and all lakes, ponds, wetlands, conservation areas, or retention areas contained in the Property. Common Area(s) may sometimes be called or referred to as Community Property.

Section 14. "Owner" means the record Owner, whether one or more persons, of the fee simple title to any Lot, including contract sellers, but excluding any other person holding such fee simple title merely as security for the performance of an obligation.

Section 15. "Person" means any natural person or artificial legal entity, unless the context expressly requires otherwise.

Section 16. "Plat" means the recorded plat of TARPON RIDGE TOWNHOMES , per Plat Book 133, Pages 30 thru 34, public records of Pinellas County, Florida.

Section 17. "Property" means the real property that is subject to this Declaration, as described herein and such additional lands to which this Declaration may be extended from time to time as provided herein.

Section 18. "Recorded" means filed for record in the public records of Pinellas County, Florida.

Section 19. "Stormwater Management Systems" means the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other service water or stormwater management capabilities as permitted by the Southwest Florida Water Management District. The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved by the Southwest Florida Water Management District.

Section 20. "The Work" means the initial construction of improvements, including dwelling units, common area amenities, landscaping and hardscaping upon all or any portion of the Property for a residential community, through completion of construction and the sale and/or leasing thereof by Developer.

Section 21. Interpretation. Unless the context expressly requires otherwise, the use of the singular includes the plural, and vice versa; the use of one gender includes all genders; and the use of the terms "including" or "include" is without limitation. Wherever any time period in this Declaration, the Articles or the By-Laws is measured in days, "days" means consecutive calendar days; and if such time period expires on a Saturday, Sunday or Legal Holiday, it shall be extended to the next succeeding calendar day that is not a Saturday, Sunday or Legal Holiday. Unless the context expressly requires otherwise, the terms "Common Property", "Lot", and "Property" include any portion applicable to the context and include any and all improvements, fixtures, trees, vegetation and other property from time to time situated thereon. This Declaration shall be construed liberally in favor of the party seeking to enforce its provisions to effectuate its purpose of protecting and enhancing the value, marketability and desirability of the Property as a residential community by providing a common plan for the development and enjoyment thereof. The headings used in this Declaration or any other document described in the preceding Sections of this Article are for indexing purposes only and are not to be used to interpret, construe or apply its substantive provisions.

ARTICLE II
PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner has a nonexclusive right and easement of enjoyment in and to the Common Property that is appurtenant to, and shall pass with, the title to every Lot, subject to the following:

(a) Suspension: Fines. Subject to notice and hearing as may be required by law, the Association's right: (i) to suspend any Owner's right to use the Common Property and [other than private streets] any such recreational or other facilities for a period not to exceed sixty (60) days for any infraction of the Association's rules and regulations; and (ii) to fine an Owner, tenant, guest or invitee of an Owner, not to exceed \$100.00 per violation of this Declaration, the Articles, By-laws or any duly adopted rule of the Association. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, except that no such fine shall exceed \$1,000.00 in the aggregate.

(b) Dedication. The Association's right to dedicate, transfer or mortgage all or any part of the Common Property to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by its members. Such dedication, transfer or mortgage shall be approved by the Association, and shall only be to an organization for the continued maintenance of the Common Property and common improvements in accordance with the requirements of the original development approval.

(c) Rules and Regulations. The Association's right to adopt, alter, amend, rescind and enforce reasonable rules and regulations governing the use of the Common Property, as hereinafter provided.

(d) Mortgage. Common Property may not be mortgaged or conveyed except upon the consent of at least eighty (80%) percent of the Lot owners, excluding the Developer. This limitation shall not restrict the Developer from granting non-exclusive easements for utilities, ingress, egress or for conservation within the common properties.

Section 2. Delegation of Use. Any Owner may delegate his right of enjoyment and other rights in the Common Property to: (i) all family or household members of such Owner; or (ii) such Owner's tenants or contract purchasers; and (iii) all family or household members of such tenants or purchasers, provided the foregoing actually reside upon such Owner's Lot. Any delegation to tenants or invitees of any of the foregoing is subject to the Association's rules and regulations.

Section 3. Right of Access and Private Streets. (i) To the extent that any Owner of any Lot lacks legal access to a dedicated public street, such Owner has an easement for pedestrian and vehicular ingress and egress over, across and through the Common Property to a dedicated public street. Such easement is exclusive as to any driveway situated in whole or in part upon the Common Property and servicing such Owner's Lot exclusively, but it otherwise is non-exclusive. The extent of such easement is that reasonably necessary to provide convenient access to and from such Owner's Lot; and (ii) All streets within the Property development shall be private streets, owned by the Association as Common Property. Maintenance, replacement and repair shall be a cost or expense of the Association, with easements and rights of use as to said private streets, existing on a non-exclusive basis for all unit owners, their guests, licenses, invitees, and other entities as otherwise set forth in this Declaration. In no event is it intended that such easements shall exist for the benefit of the general public.

Section 4. Rights of Use. Subject to appropriate governmental or regulatory approvals, the Association additionally may assign to any Lot or Lots an exclusive right of use for any postal, refuse storage and collection, and other facilities from time to time maintained by the Association upon the Common Property, for the use of any or all Owners severally. If any such facility is not available for use by all Owners, then all costs of installing, maintaining, repairing, servicing and replacing the same shall be assessed against the Lots granted such exclusive right of use as provided in Article V, Section 6, of this Declaration.

Section 5. Reciprocal Easements. There are reciprocal appurtenant easements between each Lot and such portion or portions of the Common Property adjacent thereto, and between adjacent Lots, said easements being on, above and under said Lots, for the maintenance, repair and reconstruction of any party wall or walls, as provided in this Declaration; for lateral and subjacent support; for overhanging roofs, eaves and trees, if any, installed by Developer as part of the Work, and for replacements thereof; for encroachments caused by the initial placement, settling or shifting of any improvements constructed, reconstructed or altered therein in accordance with the provisions of this Declaration; for sewer, water, gas, cable, telephone or other utilities and facilities incident thereto as the same are installed incident to original construction or as may be reasonably required from time to time for use and benefit of Lot within the said development, and for the drainage of ground and surface waters in the manner established by Developer as part of the Work. To the extent not inconsistent with this Declaration, the general rules of common law apply to the foregoing easements. The extent of such easements for drainage, lateral and subjacent support and overhangs is that reasonably necessary to effectuate their respective purposes; and such easements of encroachment extend to a distance of not more than five feet, as measured from any point on the common boundary along a line perpendicular to such boundary at such point. There is no easement for overhangs or encroachments caused by willful or intentional misconduct by any Owner, tenant or the Association.

If any portion of the Common Property by virtue of the Work performed by the Developer encroaches upon a Lot, a valid easement for the encroachment and for the maintenance of the

same, so long as it stands, shall and does exist. If any portion of a Lot by virtue of the Work performed by Developer encroaches upon the Common Property or upon an adjoining Lot or Lots, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Property or on the Lots for the purposes of marketability of title. In the event a building on the Common Property or a Lot or any portion thereof is destroyed and then rebuilt, the Owners of the Lot or Lots agree that minor encroachments of parts of the Common Property, or other Lots, because of such reconstruction shall be permitted and that an easement for such encroachment and the maintenance and repair of the same shall exist.

The foregoing permissive easements and encroachments shall not be binding upon any governmental, regulatory or permitting agency.

Section 6. All Rights and Easements Appurtenances. The benefit of all rights and easements granted by this Article, or by any Future Declaration, constitute a permanent appurtenance to, and shall pass with, the title to every Lot enjoying such benefit. Whenever any such right or easement is described as nonexclusive by this Article or by any Future Declaration, its benefit nevertheless is exclusive to all Lots granted such benefit by this Article, or by such Future Declaration, unless this Article, or such Future Declaration expressly grants such benefit to additional Persons. In no event shall the benefit of any such easement extend to the general public.

Section 7. Utility Easements: Developer hereby dedicates and establishes easements as to those portions of the Common Property or as to any Lot where utility facilities may be installed for use by all utilities including water, sewer, stormwater drainage, electricity, telephone and cable television for the construction and maintenance of their respective facilities servicing the Property; and Developer hereby grants to such utilities, jointly and severally, easements for such purpose. The location and extent of such easements is as shown on any Recorded subdivision plat of the Property or other Recorded instrument defining the same. In the absence of such express designation, such easements are located and extend seven and one-half (7 1/2) feet on either side of the centerline of each facility respectively installed by each utility within the Property as part of the Work prior to the conveyance of any such portion of the Common Property by Developer to the Association; however, no portion of the Common Property occupied by any building installed by Developer as part of the Work is included within any easement area. Subsequent to Developer's conveyance, additional easements may be granted by the Association for utility purposes only as provided in Section 1 (c) of this Article. In the event any City, County or any utility fails to repair any damage to the Common Property caused by the installation or repair of its facilities, then the Association shall make such repairs.

Section 8. Drainage Easements. Easements for drainage are hereby granted to the Association, as private easements, subject to being dedicated to the public as may be delineated on the Plat. The use of such easements is limited strictly to drainage and utility purposes or both.

No rights are granted to the general public with respect to any body of water, natural or artificial, from time to time existing within such easement areas, as all riparian rights in and to such bodies of water are hereby reserved exclusively for the private benefit of the Association and the persons entitled to make such use under the applicable provisions of this Declaration.

Section 9. Fire Sprinkler System Easements. If applicable, the Developer hereby creates and reserves for the Developer, and for the Association, a non-exclusive easement within and through each townhome unit for the installation, maintenance, repair and replacement of sprinkler facilities, if required, incident to construction by code or other governmental or regulatory codes or requirements. The line or pipe for the sprinkler system shall be placed through the trusses, running overhead in all units, and the easement is reserved 7 1/2' in any direction from said pipe(s) as actually installed to allow access to and from the line for said purposes, to include a reasonable right of entry in and through any unit to get to the line or other fire system improvements for installation, maintenance, repair and replacement of said sprinkler facilities. The easement shall likewise extend to and include easements along the exterior of each building for pipes, valves, meters or other facilities necessary to install and operate the fire sprinkler systems mandated by code or other regulatory provisions as herein above provided. Once installed, it is understood that the maintenance and operation shall be a cost and expense of the Association for all common pipes of the system excluding any such pipes serving any specific unit only, unless the system is broken or damaged by an Owner, or that Owner's guests or invitees in which case the Owner shall be responsible for reimbursement to the Association for costs incurred in installation, maintenance, repair and replacement of said sprinkler facilities.

Section 10. Use of Lots:

(a) Satellite Dishes and Antennas. No television or radio masts, towers, poles, antennas, aerials or appurtenances shall be erected, constructed, maintained or allowed to remain on any Lot in such a manner as to be visible from the exterior of such Lot if a master television and radio antenna system or cable system is available or becomes available to such Lot; provided, nevertheless, satellite or microwave antennas for television reception having a diameter not greater than eighteen (18) inches are permitted, further provided that they are completely screened from view and can not be seen from the front of the Lot, and if possible, screened so they are not visible from adjacent Homes, and further provided that they have received the written approval of the Architectural Control Committee as to their location prior to such installation. Such antennas are not to be installed on the roof or building structure itself wherever possible and to the extent approved, must be installed on the fascia, again as shall be approved by the Architectural Control Committee in writing prior to installation. All antennas not covered by the Federal Communications Commission (FCC) rules are prohibited. Installation, maintenance, and use of all antennas shall comply with restrictions adopted by the Board and shall be governed by the then current rules of the FCC.

(b) Land Use and Building Type. No Lot shall be used for any purpose other than for

residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than one single-family townhome or attached dwelling not to exceed height as authorized by zoning, governmental approvals or other regulations, applicable to said Lot. Any further additional improvements must be approved in writing by the ACC (hereafter defined) prior to commencement of construction.

(c) Commercial Use/Nuisance Prohibited. No residence or other structure on any Lot shall be used for commercial or business purposes that require the ingress and egress of the general public or excessive deliveries of vendors. Each owner shall refrain from any act or use of a Lot which could reasonably cause embarrassment, discomfort, annoyance or a nuisance to the neighborhood or any other Owner. No noxious, offensive or illegal activities shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. Firearms, fireworks or pyrotechnic devices of any kind or size, and any other similar inherently dangerous activities shall not be pursued or undertaken on any Lot or upon any Common Areas. Nothing shall be done or kept within the Common Areas, or any other portion of the Community, including a Home or Parcel which will increase the rate of insurance to be paid by the Association. No rubbish of any character whatsoever, nor any substance, thing or material shall be kept upon any Lot which would be unsightly, or which will emit foul or noxious odors, or that will cause any loud noise that will or might disturb the peace and quiet of the occupants of any surrounding Property.

(d) Temporary Structures, Outbuildings, Athletic Equipment. No temporary structure, such as but not limited to, storage shed, basketball goal (either temporary or permanent type), baseball or tennis pitching machines, trampolines, skate board equipment, nets or batting cages, trailer, tent, shack, mobile home, boat or recreational vehicle shall be permitted on any Lot at any time, or used on any Lot at any time as a residence, either temporarily or permanently, except as otherwise expressly authorized herein. With the exception of household barbecue grills containing propane tanks, no gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any residential structures built on the Property or any ancillary buildings, and except for household barbecue grills containing propane tanks, all gas tanks, gas containers and gas cylinders shall be installed underground in every instance where gas is used. Water softeners, trash containers, and other similar devices shall be properly screened from the street in a manner approved in writing by the Architectural Control Committee and shall be approved in writing prior to installation.

(e) Damage to Buildings. In the event a dwelling unit located on a Lot is damaged, through an act of God or other casualty, the Lot Owner upon which the dwelling unit is located shall promptly cause his dwelling unit to be repaired and rebuilt substantially in accordance with the original architectural plans and specifications. It shall be the duty of the Association to enforce this provision so that each Lot Owner complies with this responsibility to repair and rebuild. To accomplish the requirements of this Section, each

Owner shall insure his dwelling unit at the highest insurable value and provide the Association with proof of such insurance within the first thirty (30) days of purchase and upon each annual renewal period.

(f) Commercial Trucks, Trailers, Campers and Boats. No trucks in excess of three-quarter (3/4) ton, vehicles containing commercial lettering, vehicles including vans used for commercial purposes, campers, mobile homes, motor homes, boats, house trailers, boat trailers, or trailers of every other description shall be permitted to be parked or to be stored at any place on any Lot, except only during the periods of approved construction on said Lot. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery and other commercial services. Non-commercial vans or pick-up trucks used for personal purposes shall not be prohibited as long as there is no commercial lettering, logo or equipment contained in or on such vehicle with the exception of City, County or State law enforcement vehicles.

(g) Fences/Walls/Screens. No fence, wall, or other structure shall be erected in the front yard, back yard, or side yard setback areas, except as originally installed by Developer or its assignee. No chain link fencing of any kind shall be allowed. All screening and screened enclosures shall have the prior written approval of the Architectural Control Committee. All enclosures of balconies or patios, including addition of vinyl windows, shall be approved by the Architectural Control Committee and wood decks are prohibited.

(h) Garbage and Trash Disposal. No garbage, refuse, trash, or rubbish shall be deposited on any Lot except in areas designated for such purpose; provided, however, that the requirements from time to time of the applicable City or County for disposal or collection of same shall be complied with. All equipment for storage or disposal of such material, such as but not limited to trash containers or plastic bags, shall be kept in a clean and sanitary condition, and shall be shielded from the view of adjacent properties and streets and always be stored out of public view except after 6:00 p.m. on the evening prior to and on the day of garbage and trash pick-up days including, but not limited to, recycling pick-up items.

(i) Drying Areas. There shall be no outside drying areas for clothing, laundry, or wash so as to be visible outside the Home.

(j) Lawful Conduct. No immoral, improper, offensive or unlawful use shall be made of any Lot or other improvements. All valid Laws shall be strictly observed and any unlawful activities shall be reported to the local law enforcement department when observed.

(k) Mailboxes on Common Property. The Board of Directors, from time to time may regulate the type, or location, of individual mailboxes. To the extent there are individual mailboxes, the costs of installation, maintenance, repair and replacement shall be that of the individual Owner using the mailbox. In the event the Developer or the Association shall ever create mailbox facilities that are consolidated, and serving multiple Owners, then in such

event the cost of installation, maintenance, repair and replacement shall be that of the Association and will require the approval of a majority of the membership of the Association.

(l) Windows; Air Conditioners. Within thirty (30) days of purchase, a Lot Owner shall install tasteful drapes, curtains, blinds or other tasteful window coverings. No security bars shall be placed on the windows of any Home without prior written approval of the Architectural Control Committee. No awnings, canopies or shutters shall be affixed to the exterior of a Home without the prior written approval of the Architectural Control Committee. No reflective tinting or mirror finishes on windows shall be permitted unless approved by the Architectural Control Committee. The Lot Owner is responsible for caulking or re-caulking all windows to insure water tightness. The Lot Owner is also responsible for the maintenance of window treatments, such as but not limited to, tasteful drapes, curtains or window blinds. As used herein, the term "Window Treatment" is limited to traditional window coverings, and excludes, without limitation, sheets, toweling, newspaper, aluminum foil, cardboard or other similar temporary covering. A Lot Owner may not install window, or through-the-wall, or on the roof, air-conditioning unit(s) or exhaust fan or any other type of fan at any time without the written approval of the Architectural Control Committee, which approval can be granted or withheld in its reasonable discretion.

(m) Violations. In the event of a violation of these covenants and restrictions, or of any rule properly promulgated by the Board of Directors of the Association, the Association may, as an additional remedy, provide written notice of the violation to the Owner of record and, if the said violation shall continue for a period of seven (7) days from the receipt of the written notice, subject to notice and hearing as required by law, the Owner may be assessed an amount up to One Hundred Dollars (\$100.00) per violation or the maximum amount allowed by law, if such amount is greater. This assessment shall be considered the same as specific assessments and may be enforced in the same manner, including filing and foreclosure of lien on the property by the Association.

(n) Wells and Septic Tanks. Except as may be installed by Developer and except for irrigation wells which may be installed by the Developer, no individual wells will be permitted on any Lot and no individual septic tanks will be permitted on any Lot.

(o) Swimming and Boating. Swimming will not be permitted in any waterbody within the common areas of the Association. No boating (including but not limited to canoes, kayaks, jet skis, gas or electric boats, or sailboats) on the lakes and waterbodies within the common areas of the Association is permitted.

(p) Hurricane Shutters. Any hurricane shutters or other protective devices visible from outside a Home shall be of a type as approved in writing by the Architectural Control Committee. Panel, accordion and roll-up style hurricane shutters may not be left closed during hurricane season. Any such approved hurricane shutters may be installed or utilized

up to forty-eight (48) hours prior to the expected arrival of a hurricane and must be removed within seventy-two (72) hours after the end of a hurricane watch or warning or as the Board may determine otherwise. Except as the Board may otherwise decide, shutters may not be closed at any time other than a storm event.

(q) Holiday Lights and Other Lighting. Holiday lighting and decorations shall be permitted to be placed upon the exterior portions of the Home and upon the Lot in the manner permitted and approved in writing by the Architectural Control Committee prior to installation. The installation period shall commence on the Thanksgiving Holiday and shall end no later than January 15th of the following year. The ACC may establish standards for holiday lights and the ACC may require the removal of any lighting that creates a nuisance (e.g., unacceptable spillover to adjacent Home(s)).

(r) Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Home or Lot, unless approved in writing by the Architectural Control Committee.

(s) Garages. When each Home has its own garage, no garage shall be converted into a general living area unless specifically approved in writing by the Architectural Control Committee. Garage doors shall remain closed at all times except when vehicular or pedestrian access is required.

(t) Commercial Activity. Except for normal construction activity, sale, and re-sale of a Home, sale or re-sale of other property owned by Developer, administrative offices of Developer or Builders, no commercial or business activity shall be conducted in any Home or upon any of the Common Areas within the Community. Notwithstanding the foregoing, and subject to applicable statutes and ordinances, an Owner may maintain a home business office within a Home for such Owner's personal use; provided, however, business invitees customers, and clients shall not be permitted to meet with Owners in Homes unless the Board provides otherwise in the Rules and Regulations. No Owner may actively engage in any solicitations for commercial purposes within the Community. No solicitors of a commercial nature shall be allowed within the Community, without the prior written consent of the Association. No day care center or facility may be operated out of a Home.

(u) Minor's Use of Facilities. Parents or Guardians shall be responsible for all actions of their minor children at all times in and about the Community including, but not limited to, Common Areas. Developer and Association shall not be responsible for any use of the Association facilities or Common Areas by anyone, including minors.

(v) Roadways. The Community will contain private roads.

Section 11. Animals. No animals of any kind shall be raised, bred or kept anywhere within

the Property such as but not limited to livestock or poultry, except a maximum of one (1) dog under twenty (20) pounds, and a maximum of two (2) cats. Other customary household pets may be kept on Lots subject to rules and regulations adopted by the Association and as permitted by County ordinances, provided such animals are not kept, bred or maintained for any commercial purpose. The first Owner of a Lot may keep any domesticated dog which he/she may own at the time of purchase; however, the maximum quantity of a pre-owned dog is two (2) and a cat is two (2) and replacement of any such dog or cat and any subsequently owned dogs or cats shall not exceed twenty (20) pounds in weight and shall be limited in number as one (1) dog and two (2) cats. Notwithstanding the foregoing, pets may be kept or harbored in a Home only so long as such pets or animals do not constitute a nuisance. A determination by the Board that an animal or pet kept or harbored in a Home is a nuisance shall be conclusive and binding on all parties. All pets shall be walked on a leash. No pet shall be permitted outside a Home unless such pet is kept on a leash. No pet or animal shall be "tied out" on the exterior of the Home or in the Common Areas, or left unattended in a yard or on a balcony, porch, or patio. No dog runs or enclosures shall be permitted on any Home. All pets shall defecate only on the Owner's Home Lot or a designated dog walk area. The person walking the pet or the Owner shall clean up all matter created by the pet. Each Owner shall be responsible for the activities of its pet. Notwithstanding anything to the contrary, seeing-eye dogs shall not be governed by some of the restrictions contained in this Section when medical proof is furnished to the Association Board of Directors.

Section 12. Parking Rights, Vehicle Repairs. There shall be no parking on any grass or landscaped area, sidewalks, Common Property, or any portion of a Lot other than parking areas, driveways and/or garages constructed for such purpose. No vehicles, of any type, shall be allowed to be parked in the street overnight. No motor vehicle, motor home, boat or other equipment shall be parked, repaired, serviced, painted, dismantled, rebuilt, or constructed upon the Property, unless such activities are conducted within an enclosed garage and are completely screened from view. No vehicles displaying commercial advertising shall be parked within the public view and no vehicles bearing a "for sale" sign shall be parked within the public view anywhere within the property. For any Owner who drives an automobile issued by the County or other governmental entity, such as but not limited to police cars, such automobile shall not be deemed to be a commercial vehicle and may be parked in the parking area, garage and/or driveway of the Home. Notwithstanding any other provision in this Declaration to the contrary, the foregoing provisions shall not apply to construction vehicles in connection with the construction, improvement, installation or repair by Developer or Builders of Homes, Common Areas, or any other Association facility. While the Developer still owns Lots for sale, or under construction on the Property, Developer shall have the right to set aside areas for its exclusive use on the Property for business and customer parking. Upon the sale of the last Lot by the Developer, all guest parking spaces will be utilized for guests only.

Section 13. General Restrictions. Except as expressly provided in this Declaration or with the Association's prior written consent or in accordance with the Association's rules and regulations:

- (a) Obstructions. There shall be no obstruction of the Common Property nor shall anything be kept or stored on the Common Property.

(b) Alterations. Nothing shall be altered on, constructed upon, or removed from the Common Property.

(c) Activities. No activity shall be permitted in or upon the Common Property.

(d) Signs and Flags. No "For Sale", "For Rent" or other signage directly or indirectly identifying a property for sale, transfer, lease or conveyance or any other purpose shall be permitted on any residential property, or displayed to the public view within the property or improvements situate thereon, without the Developer's written consent while the Developer is in control of the Association, which said consent may be withheld in the Developer's sole and absolute discretion directly or through its control of the Association. It is the intent of the Developer, incident to creation of this residential community, to create a viable residential community comprised of purchasers who bought and intend to live in the premises, and accordingly it is Developer's intent that purchases for investment or immediate sale are inconsistent with the intent and purpose of this subdivision and Developer, in its discretion, shall determine whether or not any signage shall be permitted while it is in control of the Association. Subject to the Association's right to reasonably approve the form or type of signage, an Owner may install a single Lot "For Sale" sign, not to exceed 2' x 2', indicating that the property is for sale or for lease, but no other signs of any kind, or pendants, flags, or other commercial displays shall be displayed to the public view within the Property except those as may be allowed upon application to and approval of the Architectural Control Committee, or used by the Developer incident to development and sales. Notwithstanding the foregoing, any owner may display one portable, removable United States flag in a respectful manner, consistent with Title 36 U.S.C. Chapter without prior written ACC approval and further upon condition that the United States flag is well maintained at all times. Decorative flags which are no larger than 24" x 36", attached to a Home and displayed for the purpose of a holiday, shall be permitted without prior written ACC approval as long as the flag is removed no more than seven (7) days after the specific holiday for which it was displayed. Any other decorative flag must have written ACC approval prior to installation.

(e) Waterbodies. The Board of Directors from time to time may regulate and/or prohibit any and all uses and activities in, upon and about any waterbody situated in whole or in part on the Common Property.

(f) Completion and Sale of Units. No person or entity shall interfere with the completion and sale of Homes within the Community. Without limiting the foregoing, each Owner, by acceptance of a deed, agrees that picketing and posting negative signs is strictly prohibited.

Section 14. General Prohibitions and Indemnity. No activity is permitted, nor shall any object or substance be kept, stored or emitted, anywhere within the Property in violation of law. No noxious, destructive or offensive activity is permitted anywhere within the Property, nor shall

anything be done therein that may constitute an annoyance or nuisance to any Owner or to any other Person at any time lawfully residing within the Property. Each Owner shall defend, indemnify and hold the Association and all other Owners harmless against all loss from any such damage or waste caused by such Owner, or by any family or household member residing on such Owner's Lot. To the extent from time to time available, the Association's insurance must provide for waiver of subrogation by the Association's insurer against any Owner because of any unintentional act or omission for which such Owner is responsible under this Section. The indemnification provisions of this Section shall in no way be construed to make an Owner an insurer of the Association or the Common Property. The Association shall be responsible for insuring itself and the Common Property all in accordance with this Declaration.

Section 15. Rules and Regulations. No Owner or other Person residing within the Property or invitees shall violate the Association's rules and regulations for the use of the Lots or the Common Property, and all Owners and other Persons residing within the Property, and their invitees, at all times shall do all things reasonably necessary to comply with the same. Wherever any provision of this Declaration, or any Future Declaration, prohibits any activity, condition or structure within the Property except as permitted by the Association's rules and regulations, such restriction or prohibition is self-executing until the Association promulgates rules and regulations expressly permitting such activities. Without limitation, any rule or regulation shall be deemed "promulgated" when posted conspicuously at such convenient location within the Property as the Association from time to time may designate for such purpose.

Section 16. Ownership Rights Limited to those Enumerated. No transfer of title to any Lot shall pass any rights in and to the Common Property except as expressly enumerated in this Declaration or any applicable Future Declaration. No provision in any deed or other instrument of conveyance of any interest in any Lot shall be construed as passing any such right, title and interest except as expressly provided in this Declaration or applicable Future Declaration. The conveyance of the Common Property to the Association shall vest in the Association exclusively all riparian rights in and to any stream, pond, lake or other water body situated thereon, in whole or in part, notwithstanding the fact that any Lot is shown or described as abutting the same. Such conveyance additionally shall vest in the Association the underlying fee simple title or right of reverter, as the case may be, to any street, utility easement or other area dedicated to public use and situated upon, or abutting, the Common Property, notwithstanding the fact that any Lot also is shown or described as abutting the same.

Section 17. Provisions Inoperative as to the Work. Nothing contained in this Declaration shall be interpreted, construed or applied to prevent Developer, its transferees, or its or their contractors, subcontractors, agents and employees, from doing or performing on all or any part of the Property owned or controlled by the Developer, or its transferees, whatever they determine to be reasonably necessary or convenient to complete the Work, including:

- (a) Erecting, constructing and maintaining such structures as may be reasonably necessary or convenient for the conduct of Developer's business of completing the Work, establishing the

Property as a residential community, and disposing of the same in parcels by sale, lease or otherwise; or

(b) Conducting thereon its or their business of completing the Work, establishing the Property as a residential community, and disposing of the same in parcels by sale, lease or otherwise; or

(c) Maintaining such sign or signs as may be reasonably necessary or convenient in connection with the sale, lease or other transfer of the Property in parcels.

As used in this Section, the term "its transferees" specifically does not include purchasers of Lots improved as completed residences. Developer hereby reserves temporary easements over, across and through the Common Property for all uses and activities necessary or convenient for completing the Work, such easements to be exercised so as not to cause any material damage to the Common Property, or to interfere unreasonably with any use of the Common Property. Such easements shall continue so long as Developer prosecutes the Work with due diligence and until Developer no longer offers any Lot within the Property for sale or lease in the ordinary course of Developer's business.

Section 18. Access by Certain Parties. The United States Postal Service, the Association, and all other public and quasi-public agencies and utilities furnishing any service to the Association or to any Lot within the Property, are hereby granted a non-exclusive easement of vehicular and pedestrian ingress and egress for the purpose of providing such service in a reasonable manner over, across and through such portions of the Common Property that from time to time are improved or maintained for such purpose. Every public or private agency furnishing police, security, fire, ambulance and other emergency services and any public or private agency furnishing trash and/or garbage removal services to any Lot within the Property, or to any Person within the Property, is hereby granted a non-exclusive easement for pedestrian and vehicular ingress and egress over, across and through the Common Property to the extent reasonably necessary to provide such service, and shall include the right of access by meter readers, utility personnel and inspection officers.

Section 19. Access by Association; Access by the Developer. The Association has a right of entry onto the exterior of each Lot to the extent reasonably necessary to discharge its duties of exterior maintenance, if any, and into the interior of each Lot for the purpose of servicing the utility easements described in Article II, Section 7, or for any other purpose reasonably related to the Association's performance of any duty imposed, or exercise of any right granted, by this Declaration. Such right of entry shall be exercised in a reasonable manner at reasonable times and upon reasonable notice whenever circumstances permit. Entry into any improvement upon any Lot shall not be made without the consent of its Owner or occupant for any purpose, except pursuant to Court order or other authority granted by law. No Owner shall withhold consent arbitrarily to entry by the Association for the purpose of discharging any duty or right of exterior maintenance if such entry is upon reasonable notice, at a reasonable time, and in a peaceful and reasonable manner. The Association's right of entry may be exercised by its agents, employees and contractors. The Developer also hereby reserves the same rights of access afforded the Association hereunder,

including without limitation, a right of entry over the roads, common property, and over the surface areas of the individual Lots, after Developer has transferred control of the Association, to allow it to inspect, to do work, or to complete performance of any obligations hereunder, or those made by contract or otherwise affecting the Property.

Section 20. Enforcement. All of the restrictions contained herein shall be enforceable by specific performance and injunctive relief. Additionally, any commercial, recreational or other vehicle parked, stored, repaired, serviced, painted, dismantled, rebuilt, constructed or operated in violation of the restrictions provided in this Declaration or in violation of any reasonable rules and regulations adopted by the Association from time to time may be towed away or otherwise removed by or at the request of the Association, and the Owner of the Lot to whom such vehicle belongs or to whom the operation of such vehicle is a family member, guest or invitee shall reimburse the Association for any costs incurred by the Association and the Association shall have a lien right against such Lot to enforce collection of such reimbursement. Any cost or expense not incurred by, or the responsibility of, the Association but necessary to the recovery of the towed or removed vehicle shall be borne solely by the Owner or the operator of the towed or removed vehicle.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot is a member of the Association. If title to a Lot is held by more than one Person, each such Person is a member. An Owner of more than one Lot is entitled to one membership for each Lot owned. Each membership is appurtenant to the Lot upon which it is based and is transferred automatically by record conveyance of title to that Lot. No Person other than an Owner may be a member of the Association, and a membership in the Association may not be transferred except by the transfer of title to a Lot; provided, however, the foregoing shall not be construed to prohibit the assignment of membership and voting rights by an Owner who is a contract seller to his vendee in possession.

Section 2. Voting. The Association has two (2) classes of membership, Class "A" Members and Class "B" Members, as follows:

- (a) Class "A." Class A Members shall be all Owners with the exception of the Class "B" Member, if any. Class "A" Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership under Section 1 hereof; provided, however, there shall be only one (1) vote per Lot. In any situation where a Person is entitled personally to exercise the vote for his Lot and more than one (1) Person holds the interest in such Lot required for membership, the vote for such Lot shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) Person seeks to exercise it.

(b) Class "B." The Class "B" Member shall be the Developer, its successors or assigns. The Class "B" Member shall have three (3) votes for each Lot it owns until the end of the Class "B" Control Period, as hereafter defined. Thereafter, the Class "B" Member shall have one (1) vote for each Lot it owns. Other rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the By-Laws, are specified elsewhere herein and the By-Laws. The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors during the Class "B" Control Period, as hereafter defined; provided, however, in the event the Class "B" Member fails to exercise this power within thirty (30) days after a vacancy occurs on the Board for which the Class "B" Member would be entitled to appoint a successor, the Class "B" Member shall be deemed to have waived its right to appoint such a successor. In such case, the voting members representing the Class "A" Members may act to call a special meeting of the Association (in accordance with Article III of the By-Laws) for the purpose of electing a successor to serve the remainder of the unexpired term of the vacating director. Thereafter, the voting members representing the Class "A" Members shall be entitled to elect a successor to the director who filled the vacancy in accordance with the By-Laws in addition to those directors the voting members may be entitled to elect under the By-Laws.

Section 3. Definition of Class "B" Control Period. The Class "B" Control Period shall commence with the execution of this Declaration by Developer and expire upon the first to occur of the following:

- (a) Three (3) months after ninety (90%) percent of the Lots in all phases of the Property that will ultimately be operated by the Association have been conveyed to Owners other than the Developer, any builders, contractors or other parties who purchased a Lot for the purpose of constructing improvements thereon for resale;
- (b) Seven (7) years after the date this Declaration is recorded in the public records of the county where the Property is located; or
- (c) When, in its discretion, the Class "B" Member so determines.

Section 4. Amplification. The provisions of this Declaration are amplified by the Association's Articles of Incorporation and By-Laws, but no such amplification shall alter or amend substantially any of the rights or obligations of the Owners set forth in this Declaration or any Future Declaration. Developer intends that the provisions of this Declaration on the one hand, and the Articles of Incorporation and By-Laws on the other, be interpreted, construed and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Developer intends that the provisions of this Declaration or any Future Declaration control anything in the Articles of Incorporation or By-Laws to the contrary.

ARTICLE IV
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION AND OWNERS

Section 1. The Common Property. Subject to the rights of Owners set forth in this Declaration and any Future Declaration, the Association has exclusive management and control of the Common Property and all improvements thereon and all furnishings, equipment and other personal property related thereto. The Association shall keep the foregoing in good, clean, substantial, attractive, sanitary and serviceable condition, order and repair. The Association's duties with respect to the Common Property include the management, operation, maintenance, repair, servicing, replacement and renewal of all improvements, equipment and personal property installed thereon by Developer as part of the Work. The Association's duties also include the duty to repair under the circumstances outlined in this Article. Common Property shall specifically include:

- Streets and Sidewalks
- Entrance and perimeter walls and fencing
- Street Traffic Signage
- Entrance features, signage, irrigation and landscaping on common areas
- Retention areas, all stormwater conveyance, control structures and collection facilities
- Conservation areas and buffers in accordance with the conditions and restrictions of the applicable County
- Any retaining walls surrounding the development and Street Lights unless rented.

The Association shall not dissolve or dispose of any common open space or improvements except to an organization concerned or designed for the continued maintenance in accordance with the requirements of the original development approval.

Section 2. Lot Maintenance:

- (a) Responsibility of Association. The Association shall provide lawn maintenance upon each Lot and each Lot is subject to assessment for such maintenance, including but not limited to: (i) the exclusive right to conduct exterior maintenance including but not limited to the repair and maintenance of common area improvements, roofs, lawns [recurring mowing and fertilization as the Association shall determine], trees, shrubs, landscaped areas and walks beyond the Owner's Lot Line, fences, the community pool, pool furniture and equipment, and other exterior improvements installed by Declarant as part of the Work, and their replacements; (ii) the exclusive right to cleaning, painting and repair of exterior building surfaces as required. All Buildings should be painted every 5 years, or more often if deemed necessary by the Board of Directors, the initial such time period to commence from the date that the first Lot is sold to a residential Owner; (iii) the exterior of the buildings should be washed at a minimum of once per year, with the responsibility of all exterior window cleaning to be each respective Lot Owner's and small stucco or caulking cracking or shrinkage on the building exterior should be identified and corrected while performing the once per year cleaning and ; (iv) repair, replacement, and maintenance of the utility easements

located under each Lot as described in Article II, Section 7; (v) the right, if the Association so decides, to provide subterranean termite protection and/or repairs for subterranean termite damages; and (vi) the right to maintain irrigation systems within the Common Property. The Association's duty of exterior maintenance does not include: glass surfaces; doors, windows, or any trees, shrubs, lawns, walks or landscaped areas within an Owner's Lot, except that the Association will maintain and replace any hedge or other landscaping, if any, installed by Declarant as part of the Work along the boundary between any Lot boundary and the Common Property. The Association also is not responsible for any maintenance, repair or replacement resulting from any fire, wind, flood, tornado, hurricane or other casualty; and each Owner will promptly correct any and all such casualty damage to such Owner's Lot within a reasonable time as specified below. Where it is stated herein that the Association has "exclusive control", it means the Owners of Lots shall not be required, or entitled, to conduct such activities, it being the intent of the Association to control such activities for purpose of maintaining uniformity within the Property. All maintenance performed by the Association shall be at least up to the maintenance standards established in the Declaration.

(b) Responsibility of Owner. The Owner shall provide exterior maintenance as follows, the cost for which each Owner shall be individually responsible: (i) repair or replacement of all glass surfaces on his/her Lot, and maintenance and replacement of all window or glass caulking; (ii) maintenance and replacement of exterior doors; (iii) maintenance and replacement of any trees, shrubs, lawns, walks or landscaped areas within an Owner's respective Lot; (iv) maintenance, repair, or replacement resulting from any fire, wind, flood, tornado, hurricane or other casualty damage within the Lot of an Owner; (v) repair or replace any property whether upon such Owners Lot or any other Lot, or the Common Property, which repair or replacement is required because of any negligence or the willful act of such Owner or any member of such Owner's family or household, or any invitee of such Owner; (vi) the cost of labor and materials for replacement of roofs on individual Lots in excess of any reserves established for such purpose pursuant to Article V, Section 2 hereof; (vii) washing of lead walks and driveways. All maintenance performed by the Owner shall be at least up to the maintenance standards established in the Declaration.

(c) Failure of Owner to Repair. The Association may perform maintenance or make repairs and assess the costs of any required exterior maintenance or repairs to the Owner of any Lot under the following circumstances: (i) such Owner does not maintain in a reasonable condition any lawn or landscaped area on such Owner's Lot that the Association is not required to maintain; or (ii) such Owner does not when reasonably necessary replace any glass surfaces or exterior doors on such Owner's Lot; or (iii) any maintenance, repair or replacement, whether upon such Owner's Lot, or any other Lot or Common Property, is required because of any negligent or willful act of such Owner or any member of such Owner's family or household or any invitee of such Owner; or (iv) any Owner fails promptly to repair or replace, as the case may be, any casualty damage to

such Owner's Lot; and (v) such Owner has failed to undertake the necessary maintenance or replacement within a reasonable period of time following written notice from the Association. Upon the occurrence of the foregoing, and after approval by a majority vote of its Board of Directors, following notice to the affected Owner and a hearing as required by law, to fine the Owner, to suspend rights as authorized by law, or the Association, shall have the right, through its agents and employees, to enter upon said Lot and the exterior of the buildings and any other improvements erected thereon and perform such maintenance as approved by the Board. The cost of such exterior maintenance shall be added to and become part of an assessment to which such lot is subject and Owner shall be personally liable to the Association for the costs of such maintenance, and the costs, until paid, shall be a permanent charge and lien upon such lot. Entry to perform maintenance shall be only between the hours of 8:00 a.m. and 6:00 p.m. on any day except Sunday. Such entry as herein provided shall not be a trespass, nor shall the Association be liable for doing anything reasonably necessary or appropriate in connection with carrying out these provisions.

Section 3. Services. The Association may obtain and pay for the services of any person to manage its affairs to the extent it deems advisable, as well as such other personnel as the Association determines are necessary or desirable for the proper operation of the Property, whether such personnel are furnished or employed directly by the Association or by any person with whom it contracts. Without limitation, the Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Property or the enforcement of this Declaration, any Future Declaration, or its Articles, By-Laws, rules and regulations. The Association may contract with others to furnish lawn care, Common Property maintenance, and any other services or materials, or both, to all Lots, or to any group of Lots; provided, however, if such services or materials, or both, are furnished to less than all Lots, then:

(a) only those Lots enjoying the benefit thereof shall be assessed for the cost thereof, as provided in this Declaration; and

(b) provided further, each such Owners consent shall be required.

Section 4. Personal Property. The Association may acquire, hold and dispose of tangible and intangible personal property, subject to such restrictions as from time to time may be contained in the Association's By-Laws.

Section 5. Rules and Regulations. The Association from time to time may adopt, alter, amend, rescind and enforce reasonable rules and regulations governing the use of the Lots, the Common Property, or any combination thereof, which rules and regulations shall be consistent with the rights and duties established by this Declaration, and any applicable Future Declaration. The validity of the Association's rules and regulations, and their enforcement, shall be determined by a standard of reasonableness for the purpose of protecting the value and desirability of the Property as a residential community. All rules and regulations initially may be

promulgated by the Board of Directors, subject to amendment or rescission by a majority of both classes of membership present and voting at any regular or special meeting convened for such purposes. The Association's procedures for enforcing its rules and regulations at all times shall provide the affected Owner with reasonable prior notice and a reasonable opportunity to be heard, in person and through representatives of such Owners choosing.

Section 6. Implied Rights. The Association may exercise any other right, power or privilege given to it expressly by this Declaration, any Future Declaration, its Articles or By-Laws, and every other right, power or privilege reasonably to be implied from the existence of any right, power or privilege so granted or reasonably necessary to effectuate the exercise of any right, power or privilege so granted.

Section 7. Restriction on Capital Improvements. Except for replacement or repair of items installed by Developer as part of the Work, and except for personal property related to the Common Property, the Association may not authorize capital improvements to the Common Property without Developer's consent until termination of the Class "B" Control Period as described in Article III. At all times hereafter, all capital improvements to the Common Property, except for replacement or repair of those items installed by Developer as part of the Work and except for personal property related to the Common Property shall be approved by eighty (80%) percent of each class of members who are present in person or by proxy and voting at a meeting duly convened for such purpose, as provided in this Declaration.

Section 8. Dispute Resolution. In the event of any dispute or disagreement [Dispute] arising relative to the enforcement of the terms and provisions of the Declaration and other related documents for matters pertaining to the creation, development or operation of the Property, including without limitation, any improvements thereon, the Common Property, compliance with the terms and provisions of this Declaration or rules of the Association, if not resolved by mutual agreement, the same shall be submitted to mediation by an independent professional mediator selected by the party first demanding mediation. This mediation shall take place at a mutually agreed location, and absent agreement shall take place at a site or location selected by the mediator. Mediation shall be a precondition of any arbitration. The expense of mediation shall be borne by the party first demanding mediation. In the event any Dispute is not resolved by mediation, said Dispute, including but not limited to those arising from or relating to any aspect of this Declaration, Articles of Incorporation, or By-Laws, all as the same may be amended from time to time, or the enforcement thereof, or the creation, development or operation thereof, or the Association, and including disputes pertaining to the applicability or enforceability of this arbitration provision will be submitted to final and binding arbitration in accordance with then existing rules of the American Arbitration Association [AAA], or its successors. The parties agree that any such arbitration shall begin no later than sixty (60) days after a party makes demand therefore, and shall be completed no later than five (5) days thereafter, except for cause as determined solely and exclusively by the arbitrator. The arbitrator shall issue a decision within ten (10) days of the completion of the arbitration hearing. The parties shall originally split evenly the cost of the arbitrator, but upon determination of thought or liability by the arbitrator,

the non-prevailing party shall be liable for reimbursement to the prevailing party upon demand for all costs paid to the arbitrator, and in addition all costs and fees incurred by the prevailing party incident to the arbitration. The arbitrator's decision shall be final and binding, and shall also be fully enforceable and subject to an entry of judgment by a court of competent jurisdiction.

The arbitrator shall have the authority to award reasonable attorney fees and expenses to the prevailing party as herein above provided. Notwithstanding the foregoing, nothing herein shall preclude the parties from seeking injunctive relief from a court of competent jurisdiction for matters specifically envisioning injunction, nor shall the same apply to: (a) actions brought by the Association to foreclose liens, actions brought by the Association for imposition and collection of assessments, proceedings involving challenges to ad valorem taxation, or counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the Developer while the Developer is in control of the Association, and thereafter shall not be amended except by an affirmative vote of eighty (80%) percent of each class of members. The Board of Directors for the Association may not, without the prior approval of eighty (80%) percent of the Association, utilize any reserves or accrued surplus for legal fees incident to mediation, arbitration, or any litigation, other than matters (a) relating to assessments or collection of assessments; or (b) enforcement of the rules and regulations of the Association. Anything herein to the contrary notwithstanding, it is further understood that applicable Florida law provides that homeowners' association documentation cannot preclude the homeowners association from instituting litigation against any developer, but the parties agree, to the extent such litigation is issued, that either party may, at any time after filing in a court of competent jurisdiction, the same will be submitted to the court for an order for mediation or arbitration as the court shall determine.

Section 9. Surface Water/Stormwater Management System.

(a) The Association shall operate, maintain and manage the surface water or stormwater management system(s) in a manner consistent with the Southwest Florida Water Management District Permit requirements and applicable District rules, and shall assist in the enforcement of the restrictions and covenants contained herein. Maintenance of the surface water or stormwater management system(s) shall mean exercise of practices which allow the systems to provide drainage, water storage, treatment, conveyance or other surface water or stormwater management capabilities as permitted by the Southwest Florida Water Management District. The Association shall be responsible for such maintenance and operation of the surface water management system facilities, including all inlets, ditches, sales, culverts, water control structures, retention and detention areas, ponds, lakes, flood plain compensation areas, wetlands and any associated buffer areas, and wetland mitigation areas. The Association may contract for services to provide for operation and maintenance of the surface water management system facilities if the Association contemplates employing maintenance company. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted, or if modified, as approved by the Southwest Florida Water Management District.

(b) No structure of any kind shall be constructed or erected within, nor shall an Owner in any way change, alter, impede, revise or otherwise interfere with the flow and the volume of water in any portion of any drainage areas or the surface Water/Stormwater Management System, nor shall any grading, alteration, or other modifications to these areas be made without the prior written permission of the Association, any governmental entity having jurisdiction and the Southwest Florida Water Management District.

(c) No Owner shall in any way deny or prevent ingress and egress by the Developer, the Association, the County and/or City as appropriate, or the Southwest Florida Water Management District to any drainage areas or the Surface Water/Stormwater Management System for maintenance or landscape purposes. The right of ingress and egress, and easements therefor are hereby specifically reserved and created in favor of the Developer, the Association, the appropriate governmental permitting agency, Southwest Florida Water Management District, or any appropriate governmental or quasi-governmental agency that may reasonably require such ingress and egress.

(d) No Lot shall be increased in size by filling in any drainage areas or other portion of the Surface Water/Stormwater Management Systems. No Owner shall fill, dike, rip-rap, block, divert or change the established drainage areas or the Surface Water/Stormwater Management System without the prior written consent of the Association, the appropriate governmental permitting agency, and the Southwest Florida Water Management District.

(e) Any wall, fence, paving, planting or other improvement which is placed by an Owner within a drainage area, drainage easement, or the Surface Water/Stormwater Management System including, but not limited to, easements for maintenance or ingress and egress access, shall be removed, if required by the Association or the Southwest Florida Water Management District, the cost of which shall be paid for by such Owner as a Special Assessment.

(f) The Southwest Florida Water Management District and any governmental entity having jurisdiction shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, and repair of the Surface Water/Stormwater Management System.

(g) No Owner of property within the Property may construct or maintain any building, dwelling unit, or structure, or perform any activity in the wetlands, buffer areas, and upland conservation areas described in the approved Permit and Recorded plat of the subdivision, unless prior approval is received from the Southwest Florida Water Management District and the appropriate governmental permitting agency, pursuant to Ch. 40, Fla.Adm.Code.

(h) Lot owners shall not remove native vegetation (including cattails) that becomes established within the wet detention/retention ponds abutting their property. Removal

includes dredging, the application of herbicide, cutting, and the introduction of grass carp. Lot owners shall address any questions regarding authorized activities within the wet detention/retention ponds to the Southwest Florida Water Management District, Tampa Service Office, Surface Water Regulation Manager.

(i) The District has the right to take enforcement measures, including a civil action for injunction and/or penalties against the Association to compel it to correct any outstanding problems with the surface water management system facilities. Any amendment of the Declaration of protective covenants, deed restrictions or declaration of condominium affecting the surface water management system facilities shall have the prior written approval of the District. If the Association ceases to exist, all of the lot owners, parcel owners or unit owners shall be jointly and severally responsible for operation and maintenance of the surface water management system facilities in accordance with the requirements of the Environmental Resource Permit, unless and until an alternate entity assumes responsibility as explained in subsection 2.6.2.2.4.h.

(j) For projects which have on-site wetland mitigation as defined in Section 1.4.24 which requires ongoing monitoring and maintenance, the declaration of protective covenants, deed restrictions or declaration of condominium shall include a provision requiring the Association to allocate sufficient funds in its budget for monitoring and maintenance of the wetland mitigation area(s) each year until the District determines that the area(s) is successful in accordance with the Environmental Resource Permit.

ARTICLE V COVENANT FOR ASSESSMENTS

Section 1. Assessments Established. For each Lot owned within the Property, Developer hereby covenants, and each Owner of any Lot by acceptance of a deed thereto, whether or not it is so expressed in such deed, is deemed to covenant and agree to pay the following dues, assessments and charges to the Association: an Annual General Assessment, as defined in Section 2 of this Article; Special Assessments for Capital Improvements, as defined in Section 5 of this Article; Special Assessments for property taxes levied and assessed against the Common Property as defined in Section 4 of this Article; Specific Assessments against any particular Lot that are established pursuant to any provision of this Declaration or applicable Future Declaration as provided in Section 6 of this Article; assessments for the cost of maintenance and operation of the Surface Water or Stormwater Management system, as set forth herein, and as specifically provided for in Article IV above, and all excise taxes, if any, that from time to time may be imposed upon all or any portion of the assessments established by this Article, and any and all assessments due or payable under any Community Development District or Master Association pertaining to the said Property.

All of the foregoing, together with interest at eighteen (18%) percent per annum as

computed from the date the delinquency first occurs and all costs and expenses of collection, including reasonable attorney fees, are a continuing charge on the land secured by a continuing lien upon the Lot against which each assessment is made; provided, however, in no event shall this interest rate exceed the maximum allowable by law. Each such assessment, together with interest and all costs and expenses of collection, including reasonable attorney fees, also is the personal obligation of the Person who was the Owner of such Lot when such assessment arose. Such personal obligation for delinquent assessments shall not pass to an Owner's successors in title who are not affiliated with the Owner or related to the Owner by marriage, blood, or adoption, unless assumed expressly in writing; however, the above referred to lien shall continue to be enforceable against the Lot. No First Mortgagee who obtains title to a Lot pursuant to the remedies provided in the First Mortgagee's mortgage shall be liable for unpaid assessments due the Association which accrued prior to such acquisition of title.

Section 2. Purpose of Assessments: Annual Budget. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents within the Property and for the operation, management, maintenance, repair, servicing, renewal, replacement and improvement of the Common Property and for the operation of the Association and to fulfill the terms and provisions of this Declaration, the Articles of Incorporation and the By-laws, as from time to time amended. Each Lot shall be assessed for this purpose by an "Annual Assessment" composed of the Annual General Assessment and which shall be based upon the annual costs necessary to provide the service for which the assessment is made.

The Association shall prepare an annual budget, which must reflect the estimated revenues and expenses for that year and the Year End Financial Report shall be prepared by a Certified Public Accountant and reflect the estimated surplus or deficit as of the end of the current year. The budget may contain reserves for capital improvements and large maintenance items. The budget must set out separately all fees or charges for recreational amenities, whether owned by the Association, the Developer, or another party. The Association shall provide each Owner with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the Owner. The copy must be provided within ten (10) days after receipt of written request.

Assessments shall be in an equal amount for each Lot, with the exception of any Special Assessments, which may be specific to the Lot being assessed. The Annual General Assessment shall be made on a calendar year basis, collected quarterly unless the Board shall determine otherwise as provided in Section 3 below.

To effectuate the foregoing, the Association shall levy the Annual Assessment composed of the following:

- (a) Annual General Assessment. An Annual General Assessment to provide and be used for the operation, management, maintenance, painting, repair and servicing of the

property, services and facilities related to the use and enjoyment of the Common Property, including the payment of taxes and insurance on the Common Property and the cost of labor, equipment, materials, management and supervision thereof, and all other general activities and expenses of the Association (including reserves for any and all of the foregoing).

(b) Special Assessments. To the extent the Annual General Assessment fails to provide sufficient funds for the purposes set forth above, Special Assessments may be adopted upon approval of eighty (80%) percent of each Class of Members.

Section 3. Maximum Annual General Assessment. The amount of the Annual General Assessment, as determined generally in accordance with the foregoing Section 2, shall be fixed by the Board of Directors at least thirty (30) days in advance of each annual assessment period, which period shall be the calendar year. Written notice of the assessment shall be given to every Owner. The Annual General Assessment shall be payable annually in advance on the 1st business day of each January, unless the date is otherwise established by the Board of Directors from time to time. The Board of Directors of the Association may in its own discretion amend the manner in which assessments are collected to quarterly, semi-annually, annually, or any other manner as may be required to fit the needs of the Association. If any Owner defaults in payment of any installment for a period of thirty (30) days, the Association, at the option of it Board of Directors, may declare the unpaid balance immediately due and payable.

The Board of Directors may fix the Annual General Assessment at an amount not in excess of the maximum. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment may not be increased above twenty (20%) percent absent a vote of eighty (80%) percent of the entire membership of each class, at a meeting duly convened for this purpose excluding any increases in utility charges, bulk cable TV and/or Association Insurance Premiums.

Section 4. Property Taxes. Because the interest of each Owner in the Common Property is an interest in real property appurtenant to each Lot, and because no person other than an Owner has the right to the beneficial use and enjoyment of the Common Property, Developer intends that the value of the interest of each Owner in the Common Property entitled to its use be included in the assessment of each such Lot for local property tax purposes. Developer further intends that any assessment for such purposes against the Common Property shall be for a nominal amount only, reflecting that the full value thereof is included in the several assessments of the various Lots. If the local taxing authorities refuse to so assess the Common Property with the result that local real property taxes in any given year are assessed to the Association with respect to the Common Property in excess of Five Hundred Dollars (\$500.00), then the amount of such excess may be specially assessed by the Board of Directors, in its discretion, in the following manner: the amount of such excess with respect to the Common Property shall be divided by the number of Lots within the Property, and the quotient shall be the amount of such special assessment against each Lot. In the Board's discretion, such special assessment may be

payable in a lump sum within thirty (30) days after notice or may be amortized without interest over such number of months as the Board deems advisable. Each year the Board shall determine whether such assessment shall be levied, and its amount, within forty-five (45) days after receiving notice of the amount of taxes due. Such special assessment is not an increase in the Annual Assessment subject to the limitations of the preceding section of this Article.

Section 5. Special Assessments for Capital Improvements. In addition to the Annual Assessment, the Association may levy in any assessment year a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, renewal, repair, or replacement of a capital improvement upon the Common Property, including related fixtures and personal property, provided that any such assessment with respect to the Common Property is approved by eighty (80%) percent of the entire membership of each class of members who are present in person or by proxy and voting at a meeting duly convened for such purpose, and further provided that after the assessment is approved, the funds thereunder shall not be expended, nor shall contracts be entered into for such work, until funds are collected under the Special Assessment, up to a minimum of one hundred ten (110%) percent of the anticipated capital expense, to insure that the Association does not incur liabilities prior to funding, and to further insure that the Owners have made the payment(s).

Section 6. Specific Assessments. Any cost or expense required to be paid by an Owner related solely to such Owner or its Lot, and any and all other accrued, liquidated indebtedness of any Owner to the Association arising under any provision of this Declaration or any applicable Future Declaration, including any indemnity contained herein, or by contract express or implied, or because of any act or omission of any Owner or of any Owner's family, household members or invitees, also shall be assessed by the Association against such Owner's Lot after such Owner fails to pay the same when due and such default continues for thirty (30) days after written notice.

Section 7. Uniformity of Assessments. The Annual Assessment and any Special Assessment for Capital Improvements shall be uniform throughout the Property.

Section 8. Developer's Assessment. Notwithstanding the foregoing requirement of uniformity, or any other provision of this Declaration, or of the Association's Articles of Incorporation or By-Laws, to the contrary, the Developer shall be excused from the payment of its share of operating expenses and assessments (including, without limitation, the assessments described in Article V, Section 1 hereof) during the Class "B" Control Period, provided that Developer shall pay any operating expenses incurred by the Association that exceed the assessments receivable from other Owners and other income of the Association. Upon transfer of title of a Developer-owned Lot, such Lot shall be assessed in the applicable amount established against Lots owned by the Class "A" members of the Association, prorated as of, and commencing with, the date of transfer of title. Notwithstanding the foregoing, those Lots from which Developer derives any rental income, or holds an interest as Mortgagee or contract seller, shall be assessed at the same amount from time to time established for similar Lots owned by Class "A" members of the Association, prorated as of, and commencing with, the date of

execution of the rental agreement or Mortgage, or the contract purchaser's entry into possession, as the case may be.

Section 9. Commencement of Annual Assessment. The Annual Assessment commences as to all Lots on day of closing, the transfer of title by Developer of a Lot to an Owner other than Developer. The first Annual Assessment against any Lot shall be due and payable and prorated as of the closing date. Regardless of when the Annual Assessment commences as to any Lot, such Lot shall be deemed "subject to assessment" within the provisions of this Declaration, the Association's Articles of Incorporation and By-Laws, from and after the date this Declaration has been Recorded. Upon demand, and for a reasonable charge, the Association shall furnish to any interested Person a certificate setting forth whether the Annual Assessment against a specific Lot has been paid and, if not, its unpaid balance. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

In addition to prorating annual assessments, upon the date of closing as herein above provided, there shall be due and payable at closing, in addition to prorating of the Annual Assessment, an initial, one (1) time assessment (the "Initial Assessment"), which shall be paid to the Association and may be used for normal operation purposes or as the Association may from time to time determine in an amount to be determined initially by the Declarant.

Section 10. Lien for Assessment. The Association shall have a lien for all unpaid assessments or other costs or charges hereunder for which a lien is authorized. Upon recording of a notice of lien on any Lot, there shall exist a perfected lien for unpaid assessments, together with interest and all costs and expenses of collection, including reasonable attorneys' fees for negotiation, trial and appellate representation, which lien shall be prior and superior to all other liens, except (i) all taxes, bonds, assessments, and other levies which by law would be superior thereto, (ii) the lien or charge of any First Mortgage of record (meaning any Recorded Mortgage with first priority over all liens and Mortgages) made in good faith and for value and (iii) any lien permitted pursuant to the Declaration.

Section 11. Remedies of the Association. Any assessment not paid within thirty (30) days after its due date bears interest at the rate of eighteen (18%) percent per annum from the due date; provided, however, in no event shall this interest rate exceed the maximum allowable by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose its lien against such Owner's Lot. No Owner may waive or otherwise escape liability for the Association's assessments by non-use of the Common Property or by abandonment of such Owner's Lot. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing, waiving or otherwise impairing the security of the Association's lien, or its priority.

Section 12. Foreclosure. The lien for sums assessed pursuant to this Declaration may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on

real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the Owner is required to pay all costs and expenses of foreclosure, including reasonable attorney fees for negotiation, trial and appellate representation. All such costs and expenses are secured by the lien foreclosed. The Owner also is required to pay to the Association any assessments against the Lot that become due during the period of foreclosure, which also are secured by the lien foreclosed and shall be accounted and paid as of the date the Owner's title is divested by foreclosure. The Association has the right and power to bid at the foreclosure or other legal sale to acquire the Lot foreclosed, or to acquire such Lot by deed or other proceeding in lieu of foreclosure, and thereafter to hold, convey, lease, rent, encumber, use and otherwise deal with such Lot as its owner for purposes of resale only. During the period in which a Lot is owned by the Association following foreclosure:

- (a) no right to vote shall be exercised on its behalf;
- (b) no assessment shall be levied on it; and
- (c) each other Lot shall be charged, in addition to its usual assessment, its pro-rata share of the assessment that would have been charged to such Lot had it not been acquired by the Association as a result of foreclosure. If any foreclosure sale results in a deficiency, the Court having jurisdiction of the foreclosure may enter a personal judgment against the Owner for such deficiency.

Section 13. Homesteads. By acceptance of a deed thereto, the Owner of each Lot is deemed to acknowledge conclusively that the Annual Assessment established by this Article is for the improving and maintenance of any homestead thereon and that the Association's lien has priority over any such homestead as provided in Article X, Section 4, of the Constitution of the State of Florida or any successor provision.

Section 14. Subordination of Lien. The lien for the assessments provided in this Article is subordinate to the lien of any First Mortgage to municipal utility, code enforcement and any assessment lien arising pursuant to the Declaration. Sale or transfer of any Lot does not affect the assessment lien, except that the sale or transfer of any Lot pursuant to foreclosure of any First Mortgage, or any proceeding in lieu thereof, extinguishes the assessment lien as to payments that became due prior to such sale or transfer. No such sale or transfer relieves such Lot from liability for assessments thereafter becoming due, or from the lien thereof, nor does it relieve the Owner who incurred the liability of any personal liability therefrom. The Association shall report to any holder of an encumbrance on a Lot any assessments remaining unpaid for more than thirty (30) days and shall give such party thirty (30) days in which to cure such delinquency before instituting foreclosure proceedings against the Lot; provided such encumbrancer first shall furnish the Association with written notice of the encumbrance, designating the Lot encumbered by a proper legal description and stating the address to which notices shall be given. Any encumbrances holding a lien on a Lot may pay, but is not required to pay, any amounts secured by the lien created by this Article; and, upon such payment, such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

ARTICLE VI
ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee. The Board of Directors shall appoint as a standing committee an Architectural Control Committee (sometimes referred to herein as the "Committee" or "ACC"), composed of three (3) or more persons appointed by the Board, or, in the Board's discretion, the Board from time to time may constitute itself the Architectural Control Committee. No member of the Committee shall be entitled to compensation for services performed; but the Board may employ independent professional advisors to the Committee and allow reasonable compensation to such advisors from Association funds. Committee members need not be Owners but cannot be family related.

Section 2. Committee Authority. (a) The Committee has full authority to regulate the use and appearance of the exterior of the Property to: (i) assure harmony of external design and location in relation to surrounding buildings and topography; and (ii) to protect and conserve the value and desirability of the Property as a residential community. The power to regulate includes the power to prohibit those exterior uses or activities inconsistent with the provisions of this Declaration or any Future Declaration or contrary to the best interests of other Owners in maintaining the value and desirability of the Property as a residential community. The Committee may adopt, promulgate, rescind, amend and revise reasonable rules and regulations in connection with the foregoing; provided, however, such rules and regulations are: (i) consistent with the provisions of this Declaration and any applicable Future Declaration; and (ii) if the Board has not constituted itself as the Committee, approved by the Board prior to taking effect. Violations of the Committee's rules and regulations shall be enforced by the Board in the name of the Association. Notwithstanding the foregoing, any architectural control review required by the Declaration shall be undertaken by the Owner in connection with any improvements and approval of any action by the Committee hereunder shall not be deemed approval under the Declaration. (b) No changes, alterations, additions, reconstruction, attachments or color change of any nature may be made to the exterior of any Lot, including that portion of any Lot not actually occupied by its improvements, except for replacement of items installed by Declarant as part of the Work; unless approved in writing by the Architectural Control Committee. The Committee's approval is not required for any changes, alterations or additions within an enclosed rear entry patio, or entry area and screened from view; provided, however, any trees or shrubs capable of attaining a height in excess of the walls, fencing or shrubbery as the case may be, not installed by Declarant as part of the Work are subject to Committee approval. No Owner may undertake any exterior maintenance of his/her Lot that is the duty of the Association, as provided by this Declaration, without the Committee's prior written approval. No exterior door or glass surface may be replaced by any Owner without the Committee's prior written approval unless the replacement is identical to that utilized by Declarant as part of the Work. Nothing may be kept, placed, stored or maintained upon the exterior of any Lot, including any portion of any Lot not enclosed by its improvements thereon without the Committee's prior written approval unless it is within a fully enclosed rear entry patio, or entry area and screened from view. Notwithstanding

any provision of this Declaration to the contrary, the Committee's approval is not required for any structure, use or activity expressly permitted by the Committee's promulgated rules and regulations.

Section 3. Procedure. All applications to the Committee for approval of any structure, use, activity, alteration, addition or color change required by the preceding section must be accompanied by detailed plans and specifications showing its nature, kind, shape, height, materials, location, color, approximate cost and estimated maintenance cost, together with such other drawings, documentation, models and information as the Committee reasonably may require. The Committee shall approve or disapprove the documents properly submitted to it in writing within sixty (60) days of such submission; provided, however, that failure to so act within said period shall not be deemed to be approval of the request submitted. The Committee's approval or disapproval must be in writing. If no application has been made to the Committee, an appropriate proceeding may be instituted at any time to enjoin or remove any structure, use, activity, alteration, addition or color change in violation of the prohibitions contained in the preceding section of this Article. The Association or any Owner additionally may resort immediately to any other lawful remedy for such violation. The Committee may deny any application upon the ground that the proposed structure, use, activity, alteration, addition, or attachment will create an unreasonable maintenance burden upon the Association or, such being the case, may condition its approval upon the Owner's assuming responsibility for its repair, maintenance and replacement. The Committee additionally may condition the approval of any application upon the Owner's providing reasonable security that the contemplated work will be completed substantially in accordance with the plans and specifications submitted to the Committee. At the request of any Owner, the Association from time to time will issue without charge a written certification that the improvement and other exterior items situated upon such Owner's Lot have been approved by the Committee, if such is the case. The Committee from time to time may adopt, promulgate, rescind, amend and review rules and regulations governing procedure in all matters within its jurisdiction. If the Board of Directors does not constitute itself the Architectural Control Committee, then provision must be made for review by the Board of decisions of the Architectural Control Committee, or any subcommittee, at the request of the affected Owner, subject to such reasonable limitations and procedures as the Board deems advisable. The Board of Directors, or Architectural Control Committee, may appoint one or more persons to make preliminary review of all applications to the Committee and report such applications to the Committee with such person's recommendation for Committee action thereon. Such preliminary review shall be subject to such regulations and limitations as the Board of Directors or the Architectural Control Committee deems advisable. In all events, the Association's procedures for review and enforcement of the architectural control provisions of this Declaration at all times shall provide any affected Owner with reasonable prior notice and a reasonable opportunity to be heard in Person and by a representative of such Owner's choosing.

Section 4. Standards. All actions by the Board of Directors or Architectural Control Committee with respect to architectural control shall: (i) assure harmony of external design, materials, and location in relation to surrounding buildings and topography within the Property;

and (ii) protect and conserve the value and desirability of the Property as a residential community; and (iii) be consistent with the provisions of this Declaration; and (iv) be in the best interests of all Owners in maintaining the value and desirability of the Property as a residential community.

Section 5. Developer Consent and Reserved Rights. So long as Developer is a Class "B" Member of the Association, all actions of the Architectural Control Committee require Developer's written approval. The Developer is specifically exempt from the restrictions set forth in this Article VI and the Developer may approve construction plans as to any Lot.

ARTICLE VII PARTY WALLS, ROOFS, AND UTILITY CONNECTIONS

Section 1. General Rules of Law to Apply. Any wall built as a part of the Work upon the Property and placed on the dividing line between Lots is considered to be a party wall; and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage caused by negligence or willful acts or commissions apply to the ownership, maintenance and use of such walls.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair, maintenance and replacement of a party wall or roof, shall be shared by the Owners who make use of the wall and roof in proportion to such use. The Association may include a reserve for roof replacement in the Annual Maintenance Assessment. In the event this reserve is insufficient to replace a roof on a unit, the Owner of the unit will be assessed for the shortfall, subject to any applicable prorating as provided in the preceding sentence.

Section 3. Destruction by Fire or Other Casualty. If a party wall or roof is destroyed or damaged by fire or other casualty and is not covered by insurance, any Owner who has used the wall or roof may restore it or have it restored, but in either event, only in conformity with all applicable codes and subject to approvals by the Architectural Control Committee; and, if other Owners thereafter make use of the wall or roof, they shall contribute to the cost of restoration in proportion to their use, all without prejudice to the right of any such Owner to call for larger contribution from the others under any rule of law regarding liability for negligence or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligence or willful act causes any party wall or roof to be exposed to the elements, or to infestation by termites or other injurious agencies, shall bear the whole cost of furnishing the necessary protection against such elements or agencies and of repairing all resulting damage.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article is appurtenant to the Lot affected and shall pass to and

bind each such Owner's successors in title.

Section 6. Number of Dwellings. No portion of the Property may be combined or re-subdivided in any manner so as to increase the number of dwellings on the Property from those established by the Plat of the Property.

ARTICLE VIII OPERATION AND EXTENSION

Section 1. Effect Upon Platted Property. From and after the date this Declaration is Recorded, all of the Property shall be held, sold and conveyed subject to the provisions of this Declaration, which are for the purpose of protecting the value and desirability of, and which shall run with, the Property and be binding upon all parties having any right, title or interest therein, or any part thereof, their respective heirs, successors, and assigns, and shall inure to the benefit of the Association and each Owner.

Section 2. Acquisition of Additional Common Property. Developer may convey to the Association additional real property, improved or unimproved, located within the Property which, upon conveyance or dedication to the Association, shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all of the Owners.

Section 3. Withdrawal of Property. Developer reserves the right to amend this Declaration unilaterally at any time so long as it holds an unexpired right to unilaterally annex additional lands as provided in this Article, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Property then owned by Developer or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or to remove certain portions of the Property then owned by the Developer or its affiliates, but not property owned by the Association, as a result of any changes whatsoever in the plans for the Property desired to be effected by the Developer, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Property, and so long as such withdrawal is not contrary to the conditions of the original development order issued by the City or the County, and not contrary to the requirement that all common improvements are maintained in accordance with the original development approval.

Section 4. Amendment. This Article shall not be amended without the prior written consent of Developer, so long as the Developer owns any of the Property.

ARTICLE IX INSURANCE AND CASUALTY LOSSES; CONDEMNATION

Section 1. Insurance. Insurance, other than title insurance, which shall be carried upon the Common Property, shall be covered by the following provisions.

(a) Authority to Purchase. All insurance policies upon the Common Property shall be purchased by the Association for the benefit of the Association. It shall not be the responsibility or the duty of the Association to obtain insurance coverage upon the personal liability, personal dwelling unit, personal property or living expenses of any Owner but the Owner may obtain such insurance at his/her own expense provided such insurance may not be of a nature to affect policies purchased by the Association. The Association shall insure common area property only, and shall not be required to insure buildings for individual Lots after Title has been transferred.

(b) Coverage:

(i) Casualty. All buildings and improvements in the Common Property and all personal property included in the Common Property shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors of the Association. Such coverage shall afford protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and

(2) Such other risks as from time to time shall be customarily covered with respect to building similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief. Further, the Association shall maintain the following insurance coverage:

(i) Directors and Officers Liability Insurance. Each member of the board shall be covered by directors and officers liability insurance in such amounts and with such provisions as approved by the Board.

(ii) Liability Insurance. In such amounts and such coverage as may be required by the Board of Directors of the Association.

(iii) Worker's Compensation Policy. If necessary, to meet the requirements of law.

(iv) Other. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

(c) Premiums. Premiums for the described insurance shall be a common expense, collected from Owners as part of the Annual General Assessment. Premiums shall be paid by the Association.

(d) Proceeds. All insurance policies purchased by the Association shall be for the benefit

of the Association and its mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association.

(e) Distribution of Proceeds. Proceeds of insurance policies received by the Association shall be distributed and used by the Association as the Board of Directors may determine.

Section 2. Reconstruction or Repair After Casualty. The Board of Directors, in its sole discretion, shall determine whether or not any damaged portion of the Common Property shall be repaired or replaced.

Section 3. Condemnation. In the event that any portion of the Common Property shall be made the subject of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, the taking of any portion of the Common Property by condemnation shall be deemed to be a casualty, and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty and shall be deposited with the Association and shall be distributed to the Association and to any Owner who is directly, adversely affected by the condemnation, as their respective interests may appear.

Section 4. Insurance on Lots. Each Owner of a Lot shall be required to obtain and maintain adequate insurance coverage upon the Lot insuring the dwelling unit located thereon in an amount equal to the maximum insurable replacement value excluding foundation and excavation costs. Such coverage shall afford protection against:

- (a) Loss or damage by fire, hurricane, tornado, windstorm, and other hazards covered by a standard extended coverage endorsement; and
- (b) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief. The Owner shall furnish proof of such insurance to the Association at the time of purchase of a Lot and shall furnish proof of renewal of such insurance to the Association on each anniversary date thereof. If an Owner shall fail to provide such insurance the Association may obtain such insurance and shall assess the Owner for the cost of same in accordance with Article V, Section 6, of this Declaration.

ARTICLE X LEASES

In order to insure a community of congenial residents and occupants of the Lots and to protect the value of the Lots and further continuous harmonious development of the Property, the leasing of a Lot by any Owner other than the Developer shall be subject to the following provisions:

Section 1. Leases. A Lot shall not be rented for a period of time of less than one year, nor to more than one family pursuant to any single lease. Leases shall not be assignable except at the end of any one year term. A Lot shall not be rented without prior written approval by the Association, which approval shall not be unreasonably withheld. The Association shall have the right to require that a uniform form of lease be used by all Owners. The approval of any lease shall not release the Owner from any obligations under this Declaration. All lessees shall be fully bound by all of the terms and conditions of this Declaration and the Owner of such Lot shall bear full responsibility for any lessee(s).

Section 2. Transfer or Lease to Corporate Entity. If the purchaser, transferee or lessee of a Lot is a corporation, partnership, or other legal entity, approval of the sale, transfer or lease may be conditioned upon the approval by the Association of the proposed occupants of the Lot.

Section 3. Unauthorized Lease Void. Any lease not authorized pursuant to this Article shall be void, unless subsequently approved by the Association.

Section 4. Association Held Harmless. The Association and its agents or employees, shall not be liable to any person whomsoever for the approving or disapproving of any person pursuant to this Article, or for the method or manner of conducting the investigation. The Association and its agents or employees shall not be required to specify any reason for disapproval.

Section 5. Application Fee. The Association may charge a reasonable fee for the review of any application for a lease, in an amount which may be established from time to time by the Association and which shall be related solely to the cost of reviewing such application. No charge shall be made in connection with the extension or renewal of an existing lease to the same lessee.

Section 6. Conveyance by Mortgagee or Developer. The provisions of this Article shall not apply to any sale, transfer, or lease of a Lot by:

- (a) the Association;
- (b) a transfer to or purchase by a Mortgagee, and/or its assignee or nominee, that acquires its title as a result of owning a mortgage upon the Lot concerned, whether the title is acquired by deed from the mortgagor, mortgagor's successor or assigns, or through foreclosure proceedings;
- (c) to a transfer, sale or lease by a Mortgagee, and/or its assignee or nominee; or
- (d) by the Developer, transferees or assigns, which are builders of individual homes or residences, including without limitation, ROTTLUND HOMES OF FLORIDA, INC.

In all such events, the Association, Mortgagee, Developer and/or its assignee or nominee shall be

allowed to freely sell or lease its Lot without the necessity of approval by the Association or the payment of any application fees.

ARTICLE XI
GENERAL PROVISIONS

Section 1. Enforcement; Dispute Resolution. In the event of any dispute or disagreement arising relative to the enforcement of the terms and provisions of the Declaration and other related documents for matters pertaining to the creation, development or operation of the Association, if not resolved by mutual agreement, the same shall be submitted to mediation by an independent professional mediator selected by the party first demanding mediation. This mediation shall take place at a mutually agreed location, and absent agreement shall take place at a site or location selected by the mediator. Mediation shall be a precondition of any arbitration. The expense of mediation shall be borne by the party first demanding mediation. In the event any Dispute is not resolved by mediation, said Dispute, including but not limited to those arising from or relating to any aspect of this Declaration, Articles of Incorporation, or By-Laws, all as the same may be amended from time to time, or the enforcement thereof, or the creation, development or operation of the Association, and including disputes pertaining to the applicability or enforceability of this arbitration provision will be submitted to final and binding arbitration in accordance with then existing rules of the American Arbitration Association (AAA), or its successors. The parties agree that any such arbitration shall begin no later than sixty (60) days after a party makes demand therefore, and shall be completed no later than five (5) days thereafter, except for cause as determined solely and exclusively by the arbitrator. The arbitrator shall issue a decision within ten (10) days of the completion of the arbitration hearing. The parties shall originally split evenly the cost of the arbitrator, but upon determination of fault or liability by the arbitrator, the non-prevailing party shall be liable for reimbursement to the prevailing party upon demand for all costs paid to the arbitrator, and in addition all costs and fees incurred by the prevailing party incident to the arbitration. The arbitrator's decision shall be final and binding, and shall also be fully enforceable and subject to an entry of judgment by a court of competent jurisdiction. The arbitrator shall have the authority to award reasonable attorneys' fees and expenses to the prevailing party as hereinabove provided. Notwithstanding the foregoing, nothing herein shall preclude the parties from seeking injunctive relief from a court of competent jurisdiction for matters specifically envisioning injunction, nor shall the same apply to: (a) actions brought by the Association to foreclose liens, actions brought by the Association for imposition and collection of assessments, proceedings involving challenges to ad-valorem taxation, or counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the Developer while the Developer is in control of the Association, and thereafter shall not be amended except by an affirmative vote of eighty (80%) percent of each class of members. The Board of Directors for the Association may not, without the prior approval of eighty (80%) percent of the Association, utilize any reserves or accrued surplus for legal fees incident to mediation, arbitration, or any litigation, other than matters (a) relating to assessments or collection of assessments; or (b) enforcement of the rules and regulations of the Association. Anything herein to the contrary notwithstanding, it is further understood that applicable Florida law provides that the

Association documentation cannot preclude the Association from instituting litigation against any developer, but the parties agree, to the extent such litigation is issued, that either party may, at any time after filing in a court of competent jurisdiction, submit the same to the court for an order for mediation or arbitration as the court shall determine.

Section 2. Provisions Run with the Land. The provisions of this Declaration shall run with and bind the Property and all other lands to which it is extended, and shall inure to the benefit of and be enforceable by the Association or any Owner, their respective heirs, successors and assigns, until the fiftieth (50th) anniversary of the date hereof, whereupon they automatically shall be extended for successive periods of twenty-five (25) years each; provided, however, if in the sole event the foregoing is construed by a Court of competent jurisdiction to render the provisions of this Declaration unenforceable after such fiftieth (50th) anniversary date, then, in such event only, the provisions of this Declaration shall run with and bind all lands now or hereafter subject to its provisions for a period of ninety-nine (99) years from the date this Declaration is Recorded, whereupon it shall cease and expire and be without further legal force and effect unless prior thereto a majority of the members present in person or by proxy and voting at a meeting duly convened for such purpose elect to re-impose its provisions.

Section 3. Meeting Requirement. Wherever any provision of this Declaration requires any action to be approved by the membership at a meeting duly convened for such purpose, written notice of such meeting must be given to all members not less than fifteen (15) days, nor more than thirty (30) days, in advance of such meeting, setting forth its purpose. At such meeting, the presence of members or proxies entitled to cast at least thirty (30%) percent of the votes of each class of membership constitutes a quorum, if the action must be approved by both classes of membership, or of the Class "A" Members, if it must be approved by the Class "A" Members only, or of the affected Owners, if it must be approved by the affected Owners only. If the required quorum is not forthcoming, another meeting may be called subject to the same notice requirement; and the required quorum at any such subsequent meeting will be reduced to one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. The Developer shall be entitled to receive written notice of all Board of Director meetings and Association meetings for so long as the Developer holds ownership in any of the Property or Lots, and for a period of three (3) years following the sale or transfer of the last ownership interest held by the Developer in the Property or any Lots.

Section 4. Severability. Invalidation of any particular provision of this Declaration, or any Future Declaration, by judgment or court order shall not affect any other provision, all of which shall remain in full force and effect.

ARTICLE XII AMENDMENTS

Section 1. Prior to the conveyance of the first Lot to an Owner other than Developer, Developer may unilaterally amend this Declaration. After such conveyance, Developer may

unilaterally amend this Declaration at any time and from time to time if such amendment is:

- (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, variances or special exceptions granted by any government or agency as to the development, or judicial determination;
- (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Lot;
- (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, the Veterans Administration, or the Department of Housing and Urban Development, to enable such lender or purchaser to make, guaranty or purchase mortgage loans on the Lot; or
- (d) necessary to enable any governmental agency or reputable title insurance company to insure mortgage loans on the Lot; provided, however, any such amendment shall not adversely affect the title to any Lot unless the Owner shall consent thereto in writing. Until the expiration of the Class "B" Control Period, Developer may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner, in which event the joinder of the affected Owner(s) is required.

Section 2. At any time the Developer reserves the right, in its sole discretion, to make amendments to the Declaration, the Articles and the By-Laws, to conform to FHA/VA, HUD or other requirements, for lending purposes.

Section 3. Hereafter and otherwise, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, by at least eighty (80%) percent of the total Class "A" Members in the Association in addition to the Developer's approval, and the consent of the Class "B" Member, so long as such membership exists. 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. Any amendment to be effective must be Recorded in the public records of the County where the Property is situated.

Section 4. If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such 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.

Section 5. No amendment may remove, revoke, or modify any right or privilege of Developer without the written consent of Developer or the assignee of such right or privilege.

ARTICLE XIII
DEVELOPER'S RIGHTS

Section 1. Any or all of the special rights and obligations of Developer set forth in this Declaration or the By-Laws may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation or enlarge a right beyond that contained herein or in the By-Laws, as applicable, and provided further no such transfer shall be effective unless it is in a written instrument signed by Developer and duly Recorded in the public records of the county where the Property is situated.

Section 2. Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction of improvements to and sale of Lots by Developer (or its assignee) shall continue, it shall be expressly permissible for Developer to maintain and carry on upon portions of the Common Property such facilities and activities as, in the sole opinion of Developer, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model units, and sales offices, and Developer shall have an easement for access to and use of such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to use Lots owned by Developer and any clubhouse or community center which may be owned by the Association, as models and sales offices, respectively.

Section 3. So long as Developer continues to have rights under this Article, no person shall record any Declaration of Covenants, Conditions, and Restrictions or similar instrument affecting any portion of the Property without Developer's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such Declaration of Covenants, Conditions, and Restrictions or similar instrument being void and of no force and effect unless subsequently approved by Recorded consent signed by Developer.

Section 4. Anything in this Declaration, the Articles of Incorporation or the By-Laws to the contrary notwithstanding,, none of the said documents may be amended to remove any reserved rights of the Developer, without the express written consent of the Developer; provided, however, rights contained in this Article or otherwise reserved in this Declaration, the Articles of Incorporation or the By-Laws, shall terminate five (5) years after the Class (B) control period.

Section 5. The Developer has the right to install a master water meter with individual meters for each Lot to include monitoring devices for allocation of fees and costs for water and sewer to be secured individually from Owners of each respective Lot. Should any Owner become delinquent in the payment of any such water or sewer fees charged to the Owner's respective Lot, the Association has the right to secure payment of such delinquent fees through a lien upon the Lot against which each delinquent charge is made and such lien will continue until all charges and costs are paid in full.

ARTICLE XIV
LIABILITY

NEITHER DEVELOPER, NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR INVITEES IN CONNECTION WITH THE RETENTION AND DETENTION LAKES AND DRAINAGE EASEMENTS OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM LOCATED ON THE PROPERTY. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, AND INVITEES, RELEASES DEVELOPER, AND THE ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH.

NEITHER DEVELOPER, NOR THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE LISTED PARTIES) SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AND DETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

NEITHER DEVELOPER, NOR THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY THE LISTED PARTIES), SHALL BE LIABLE OR RESPONSIBLE FOR HAVING DESIGNED AND INSTALLED WATER, SEWER OR OTHER UTILITY SYSTEMS, TO THE EXTENT THE DESIGN AND INSTALLATION WAS APPROVED BY, AND IS CONSISTENT WITH, GOVERNMENTAL AND REGULATORY APPROVALS AS AND WHEN COMPLETED.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES CONTAINED WITHIN OR ADJACENT TO THE PROPERTY 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 AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

ALL PERSONS ARE HEREBY NOTIFIED THAT LAKE BANKS AND SLOPES WITHIN CERTAIN AREAS OF THE PROPERTY MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY THEIR ACCEPTANCE OF A DEED TO, OR USE OF, ANY LOT WITHIN THE PROPERTY, ALL OWNERS OR USERS OF SUCH PROPERTY SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION, OR TOPOGRAPHY OF ANY LAKE BANKS, SLOPES OR BOTTOMS.

BALANCE OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, Developer has caused this Declaration to be duly executed the date stated above.

Signed, sealed and delivered
in the presence of: May 11, 2006

[Signature]
Print Name _____

[Signature]
Print Name Ben Haughey


NEW PALM HARBOR, INC., a Florida
corporation, or its successors or assigns

By: [Signature]
Douglas S. Maise, President

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH Seminole

I HEREBY CERTIFY, that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, by DOUBLAS S. MAISE, as President of New Palm Harbor, Inc., a Florida corporation, he is personally known to me to be the individual described in, or who produced KRON as identification, and who executed the foregoing instrument as said officer, and he acknowledged before me that he executed the same for the purposes therein expressed on behalf of the corporation.

WITNESS my hand and official seal at Tampa, said County and State, this 11th day of May, 2006.

 Patricia Jakubisin
My Commission DD272818
Expires December 07 2007

[Signature]
Notary Public
Print Name Patricia Jakubisin
My Commission Expires: Dec 7, 2007

JOINDER AND CONSENT OF MORTGAGEE

The undersigned hereby certifies that it is the holder of a Mortgage upon the Property (as that term is defined in the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for TARPON RIDGE TOWNHOMES , and that the undersigned hereby joins in and consents to the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for TARPON RIDGE TOWNHOMES .

DATED this 25th day of October, 2006.

Signed, sealed and delivered
In the Presence of:

Kerri Mauch
Print Name: Kerri Mauchin

Janet M. Clegg
Print Name: Janet Clegg

WACHOVIA BANK, National Association

By: Christine L. Roess (SEAL)
Christine L. Roess
Vice President

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 25th day of October, 2006, by Christine L. Roess, as Vice President of WACHOVIA BANK, National Association, on behalf of the bank. She is personally known to me or has produced _____ as identification.

NOTARY PUBLIC-STATE OF FLORIDA
Janet M. Clegg
Commission # DD429929
Expires: JULY 01, 2009
Bonded Thru Atlantic Bonding Co., Inc.

Janet M. Clegg
Notary Public
Print Name Janet Clegg
My Commission Expires: 7-01-2009

JOINDER AND CONSENT OF MORTGAGEE

The undersigned hereby certifies that it is the holder of a Mortgage upon the Property (as that term is defined in the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for TARPON RIDGE TOWNHOMES , and that the undersigned hereby joins in and consents to the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for TARPON RIDGE TOWNHOMES .

DATED this 21 day of April, 2006.

Signed, sealed and delivered

ROTTLUND HOMES OF FLORIDA, INC.,
a Minnesota corporation

In the Presence of:

Juanne Arroyo
Print Name: Juanne Arroyo

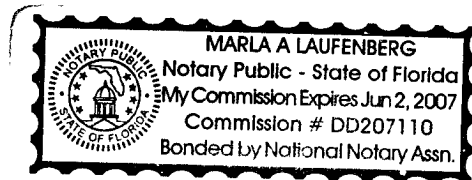
By: [Signature] (SEAL)
Michael A. Willenbacher, President

Jessica Ellis
Print Name: Jessica Ellis

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this 21 day of April, 2006, by MICHAEL A. WILLENBACHER, as President of ROTTLUND HOMES OF FLORIDA, INC., a Minnesota corporation, on behalf of the corporation. He is personally known to me or has produced _____ as identification.

Marla A. Laufenberg
Notary Public
Print Name MARLA A. LAUFENBERG
My Commission Expires:



JOINDER AND CONSENT OF ASSOCIATION

The TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC., hereby joins in and consents to the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for TARPON RIDGE TOWNHOMES (the "Declaration"), accepts the obligations imposed upon it by the Declaration, and agrees to be bound by the terms and conditions thereof.

DATED this 17th day of APRIL, 2006.

Signed, Sealed and Delivered
in the Presence of:

TARPON RIDGE TOWNHOMES
PROPERTY OWNERS ASSOCIATION,
INC., a Florida not-for-profit
corporation

Jessica Ellis
Print Name: Jessica Ellis

By: G. E. Flowers (SEAL)
G. E. Flowers, President

Juonne Arayo
Print Name: Juonne Arayo

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this 17th day of April, 2006, by G. E. FLOWERS, as President of TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation. She is personally known to me or has produced _____ as identification.

Marla A. Laufenberg
Notary Public
Print Name MARLA A. LAUFENBERG
My Commission Expires:



DESCRIPTION

PARCEL 1:

A TRACT MEASURING 150 FEET x 150 FEET IN THE SOUTHWEST CORNER OF LOT NO. 8, "MARTIN SUBDIVISION", AS RECORDED IN PLAT BOOK 31, PAGE 32 OF THE PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS COMMENCING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF RITA LANE AND THE EAST RIGHT-OF-WAY LINE OF U.S. HIGHWAY 19, AND FROM SAID POINT OF BEGINNING RUNNING NORTH ALONG THE RIGHT-OF-WAY LINE OF U.S. HIGHWAY 19 A DISTANCE OF 150 FEET, THENCE EAST 150 FEET, THENCE SOUTH 150 FEET, MORE OR LESS, TO THE NORTH RIGHT-OF-WAY LINE OF RITA LANE, THENCE WEST 150 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

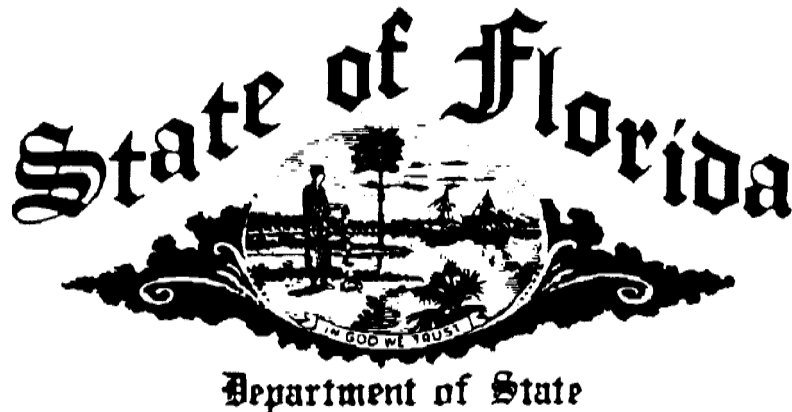
THE WEST 660 FEET OF LOT 8, "MARTIN SUBDIVISION", ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 31, PAGE 32, PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA, LESS AND EXCEPT THAT PART DESCRIBED IN AGREEMENT FOR DEED AS RECORDED IN O.R. BOOK 4166, PAGE 417 AS ASSIGNED IN O.R. 5242, PAGE 1474, BOTH OF THE PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA.

PARCEL 3:

THAT PART OF LOT 7, MAP OR PLAT ENTITLED "LAKE HIGHLAND SUBDIVISION", AS RECORDED IN PLAT BOOK 22, PAGE 124 OF THE PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA, DESCRIBED AS FOLLOWS: FROM THE NORTHWEST CORNER OF SAID LOT 7, RUN THENCE S.00'39'12"E., 443.0 FEET FOR THE POINT OF BEGINNING; THENCE S.89'30'33"E., 530.35 FEET; THENCE S.00'39'12"E., ALONG THE EAST LINE OF SAID LOT 7, 194.0 FEET; THENCE N.89'30'33"W., ALONG THE SOUTH LINE OF SAID LOT 7, 530.35 FEET; THENCE N.00'39'12"W., ALONG THE WEST LINE OF SAID LOT 7, 194.0 FEET TO THE POINT OF BEGINNING.

ALL BEING DESCRIBED AS: BEGIN AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF RITA LANE AND THE EAST RIGHT-OF-WAY LINE OF U.S. HIGHWAY 19, THENCE N.00'39'12"W., ALONG THE RIGHT-OF-WAY LINE OF U.S. HIGHWAY 19, 923.67 FEET; THENCE S.89'30'33"E., PARALLEL WITH AND 194 FEET NORTH OF THE SOUTH LINE OF LOT 7 OF "LAKE HIGHLAND SUBDIVISION", AS RECORDED IN PLAT BOOK 22, PAGE 124 OF THE PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA, 530.35 FEET TO THE EAST LINE OF AFORESAID LOT 7; THENCE S.00'39'12"E., ALONG SAID EAST LINE, 194.00 FEET TO THE SOUTHEAST CORNER OF LOT 7; THENCE S.89'30'33"E., ALONG THE SOUTH LINE OF LOT 1 OF LAKE HIGHLAND SUBDIVISION, ALSO BEING THE NORTH LINE OF LOT 8 OF "MARTIN SUBDIVISION" AS RECORDED IN PLAT BOOK 31, PAGE 32 OF THE PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA, 129.78 FEET; THENCE S.00'39'12"E., PARALLEL WITH AND 660 FEET EAST OF THE WEST LINE OF SAID LOT 8, 731.40 FEET TO THE NORTH RIGHT-OF-WAY OF RITA LANE; THENCE N.89'21'33"W., ALONG SAID RIGHT-OF-WAY LINE, 660.17 FEET TO THE POINT OF BEGINNING. CONTAINING 13.43 ACRES, MORE OR LESS.





State of Florida
Department of State

I certify from the records of this office that TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on May 13, 2006.

The document number of this corporation is N06000005177.

I further certify that said corporation has paid all fees due this office through December 31, 2006, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 306A00033712-051206-N06000005177-1/1, noted below.

Authentication Code: 306A00033712-051206-N06000005177-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twelfth day of May, 2006



EXHIBIT

"B"

Sue M. Cobb
Sue M. Cobb
Secretary of State

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Prepared by:
Harry S. Cline, Esq.
Post Office Box 1669
Clearwater, FL 33757
(727) 441-8966
Florida Bar #0133526

ARTICLES OF INCORPORATION
OF
TARPON RIDGE TOWNHOMES
PROPERTY OWNERS ASSOCIATION, INC.

The undersigned incorporator, a resident of the State of Florida and of full age, hereby makes, subscribes, acknowledges and files with the Department of the State of Florida these Articles of Incorporation for the purpose of forming a corporation not for profit under the laws of the State of Florida.

ARTICLE I
NAME

The name of this corporation is TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation not for profit (hereinafter called the "Association" in these Articles).

ARTICLE II
OFFICE AND REGISTERED AGENT

The Association's registered office is: 2637 McCormick Drive, Clearwater, FL 33759. The Association's registered agent is G. E.

A PORTION OF THE LANDS LYING WITHIN TARPON RIDGE TOWNHOMES
ACCORDING TO PLAT THEREOF RECORDED OR TO BE RECORDED IN THE
PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA.

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Flowers, who maintains a business office at: 2637 McCormick Drive, Clearwater, FL 33759. Both the Association's registered office and registered agent may be changed from time to time by the Board of Directors as provided by law.

ARTICLE III
PURPOSE

This Association does not contemplate pecuniary gain or profit to its members and the specific purposes for which it is formed are to provide for the maintenance, preservation and architectural control of all common areas and residential lots within that certain tract of property (hereinafter called the "Property") in Pinellas County, Florida, and more particularly described as:

ARTICLE I
POWERS

This Association is empowered to:

(a) Declaration. Exercise all rights, powers, privileges, and perform all duties, of this Association set forth in that certain Declaration of Covenants, Conditions, Restrictions and Easements for TARPON RIDGE TOWNHOMES (hereinafter called the "Declaration") applicable to the Property and recorded or to be recorded in the above-referenced county, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth in full;

(b) Property. In any lawful manner, acquire, own, hold, improve, manage, operate, maintain, repair, replace, operate, convey, sell, lease, transfer, assign, and otherwise dispose of property of any nature whatsoever, real, personal, or mixed, tangible or intangible, in connection with this Association's affairs;

(c) Assessments. Fix, levy, collect, and enforce by any

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lawful means all charges or assessments established by, or pursuant to, the Declaration; and to use and expend the proceeds of assessments in the exercise of its powers and duties hereunder;

(d) Costs. Pay all costs, expenses, and obligations lawfully incurred in connection with this Association's affairs including, without limitation, all licenses, taxes, or other governmental charges levied or imposed against this Association's property;

(e) Borrowing. Borrow money and, with the approval of eighty (80%) percent of each class of members, mortgage, pledge, deed in trust, hypothecate, assign, grant security interests in, or otherwise transfer any or all of its property as security for money borrowed, debts incurred, or any of its other obligations;

(f) Dedications. With the approval of eighty (80%) percent of each class of members, dedicate, sell or transfer all or any part of its property to any public agency, authority, or utility for such purposes, and subject to such conditions, as eighty (80%) percent of each class of members determine;

(g) Mergers. With the approval of eighty (80%) percent of each class of members, participate in mergers and consolidations with other non-profit corporations organized for similar purposes;

(h) Rules. From time to time adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of the Lots and Common Property (as those terms are defined in the Declaration) consistent with the rights and duties established by the Declaration and these Articles;

(i) Levy/Collect Assessments. To levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management systems, including but not limited to, work within retention areas, drainage structures, and drainage easements.

(j) Operate/Maintain. To operation, maintain, and manage conservation areas and the surface water and stormwater management system, including all lakes, retention areas, culverts, and related appurtenances, in a manner consistent with the Southwest Florida Water Management District permit requirements and applicable District rules, and assist in the enforcement of the restrictions

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and covenants contained therein.

(k) General. Have and exercise all common law rights, powers, and privileges and those that a corporation not for profit may now or hereafter have or exercise under the laws of the State of Florida, together with all other rights, powers, and privileges reasonably to be implied from the existence of any right, power, or privilege so granted, or granted by the Declaration or these Articles, or reasonably necessary to effectuate the exercise of any right, power, or privilege so granted;

(l) Enforcement. To enforce by legal means the obligations of the members of this Association and the provisions of the Declaration;

(m) Litigation. To sue or be sued; provided, however, that this Association's right to sue any third party is limited in the manner described in the Declaration;

(n) Other. Engage in all lawful acts permitted or authorized by Section 617.0302, Fla. Stat.;

(o) The SouthWest Florida Water Management District [the "District"] has the right to take enforcement measures, including a civil action for injunction and/or penalties against the Association to compel it to correct any outstanding problems with the surface water management system facilities;

(p) Any amendment of the Declaration of protective covenants, deed restrictions or declaration of condominium affecting the surface water management system facilities shall have the prior written approval of the District;

(q) If the Association ceases to exist, all of the lot owners, parcel owners or unit owners shall be jointly and severally responsible for operation and maintenance of the surface water management system facilities in accordance with the requirements of the Environmental Resource Permit, unless and until an alternate entity assumes responsibility as explained in subsection 2.6.2.2.4.h.; and

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(r) For projects which have on-site wetland mitigation as defined in Section 1.4.24 which requires ongoing monitoring and maintenance, the declaration of protective covenants, deed restrictions or declaration of condominium shall include a provision requiring the Association to allocate sufficient funds in its budget for monitoring and maintenance of the wetland mitigation area(s) each year until the District determines that the area(s) is successful in accordance with the Environmental Resource Permit.

ARTICLE V
MEMBERSHIP

Every person who from time to time holds the record fee simple title to, or any undivided fee simple interest in, any Lot that is subject to the provisions of the Declaration is a member of this Association, including contract sellers, but excluding all other persons who hold any interest in any Lot merely as security for the performance of an obligation. An Owner of more than one Lot is entitled to one membership for each Lot owned. Membership is appurtenant to, and may not be separated from, ownership of at least one Lot that is subject to the provisions of the Declaration, and membership may not be transferred other than by transfer of title to such Lot. Each membership is transferred automatically by record conveyance or other transfer of title of a Lot.

ARTICLE VI
VOTING RIGHTS

This Association shall have two classes of voting membership:

Class "A" Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership under Article V hereof; provided, however, there shall be only one (1) vote per Lot. In any situation where a person is entitled personally to exercise the vote for his Lot and more than one (1) person holds the interest in such Lot required for membership, the vote for such Lot shall be exercised as those persons determine among themselves and advise the Secretary of this Association in

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writing prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended if more than one (1) person seeks to exercise it.

The Class "B" Member shall be the Developer (as defined in the Declaration). The Class "B" Member shall have three (3) votes for each Lot which it owns until the end of the Class "B" Control Period, as hereafter defined.

Thereafter, the Class "B" Member shall have one (1) vote for each Lot which it owns. Other rights of the Class "B" Member, including the right to approve actions taken under the Declaration and this Association's By-Laws, are specified in the Declaration and the By-Laws.

The Class "B" Member shall be entitled to appoint a majority of the members of the Board of Directors of this Association during the Class "B" Control Period, as hereafter defined; provided, however, in the event the Class "B" Member fails to exercise this power within thirty (30) days after a vacancy occurs on the Board for which the Class "B" Member would be entitled to appoint a successor, the Class "B" Member shall be deemed to have waived its right to appoint such a successor. In such case, the voting members representing the Class "A" Members may act to call a special meeting of this Association (in accordance with Article III of the By-Laws) for the purpose of electing a successor to serve the remainder of the unexpired term of the vacating director. Thereafter, the voting members representing the Class "A" Members shall be entitled to elect a successor to the director who filled the vacancy in accordance with the By-Laws in addition to those directors the voting members may be entitled to elect under Article IV of the By-Laws.

The Class "B" Control Period shall commence with the execution of the Declaration by Developer and expire upon the first to occur of the following:

- (a) within three (3) months after ninety (90%) percent of the Lots in all phases of TARPON RIDGE TOWNHOMES that will ultimately be operated by the Association have been conveyed to Owners other than the Developer, any builders, contractors

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or other parties who purchased a Lot for the purpose of constructing improvements thereon for resale.

(b) seven (7) years after the date the Declaration is recorded in the public records in the county where the Property is situated; or

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

ARTICLE VII
BOARD OF DIRECTORS

Section 1. This Association's affairs are managed by a Board of Directors initially composed of three Directors. The number of Directors from time to time may be changed by amendment to this Association's By-Laws, but at all times it must be either three (3) members or five (5) members. The initial Directors named below shall serve until this Association's Turnover meeting. The term of office for all Directors is one year. Before any such annual meeting occurring after the Class "B" Control Period expires, all vacancies occurring on the Board of Directors, if any, will be filled by majority vote of the remaining Directors, even if less than a quorum. Any Director may succeed himself or herself in office. All Directors will be elected by majority membership vote by written ballot with the exception of the initial Board of Directors and the first Board of Directors appointed by the Developer at Turnover of Association Control. Each member may vote for each vacancy; however, cumulative voting is not permitted. Directors need not be Association members for the initial Board of Directors only. Thereafter, Directors must be Association Members.

Section 2. The names and addresses of the persons who will serve as Officers and Directors until their successors have been duly appointed or elected and qualify, unless they sooner die, resign, or are removed, are:

Names:	(1) G. E. Flowers	President/Director
	(2) Larry Miller	Vice Pres/Director

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(3) Jessica Ellis Sec/Treas/Director

Address: 2637 McCormick Drive
Clearwater, FL 33759

ARTICLE VIII
INCORPORATOR

The name and business office of the incorporator is:

Name: G. E. FLOWERS
Address: 2637 McCormick Drive
Clearwater, FL 33759

ARTICLE IX
DISSOLUTION

This Association may be dissolved in the manner from time to time provided by the laws of the State of Florida and with the assent given in writing and signed by not less than eighty (80%) percent of each class of members. Upon dissolution of this Association in any manner other than incident to a merger or consolidation, all of this Association's assets must be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. If dedication is refused, such assets must be granted, conveyed, and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes. In no event, however, may any assets inure to the benefit of any member or other private individual.

In the event of termination, dissolution, or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water and stormwater management system must be transferred to and accepted by an entity which would comply with Section 40, Fla.Adm.Code, and be approved by the Southwest Florida Water Management District prior to such termination,

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dissolution or liquidation.

ARTICLE X
DURATION

This Association exists perpetually.

ARTICLE XI
BY-LAWS

This Association's By-Laws initially will be adopted by the Board of Directors. Thereafter, the By-Laws may be altered amended, or rescinded with the approval of the majority of the Board of Directors, except as to those provisions for amendment to the By-Laws which are provided in the Declaration or any future supplemental declaration in which case those provisions shall control such amendment.

ARTICLE XII
AMENDMENTS

Amendments to these Articles may be proposed and adopted in the manner from time to time provided by the laws of the State of Florida, provided that each such amendment must have the approval in writing of eighty (80%) percent of the entire membership, except as to those provisions for amendment to these Articles which are provided in the Declaration or any supplemental declaration in which case those provisions shall control such Amendments, or if the provision to be amended requires a higher percentage for a specified action, such provisions may not be amended except by the percentage vote specified therein.

ARTICLE XIII
INTERPRETATION

Express reference is made to the Declaration where necessary to interpret, construe, and clarify the provisions of these Articles. Without limitation, all terms defined in the Declaration have the same meaning where used in these Articles. By subscribing

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and filing these Articles, the incorporator intends for its provisions to be consistent with the provisions of the Declaration and to be interpreted, construed, and applied with those of the Declaration to avoid inconsistencies or conflicting results.

ARTICLE XIV
INDEMNIFICATION

The corporation shall indemnify any individual who was or is a party to any proceeding (other than an action by, or in the right of, the corporation), by reason of the fact that such individual is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against liability incurred in connection with such proceedings, including any appeal thereof, including gross negligence, to the full extent as authorized by law, said indemnity to include but not be limited to expenses and amounts paid in settlement, expenses of liabilities incurred as a result of such individual serving as a director, officer, employee or agent as hereinabove provided, or as otherwise contemplated and included within applicable law. Indemnification and advancement of expenses as provided herein shall continue as to an individual who has ceased to be a director, officer, employee or agent, and shall enure to the benefit of the heirs, executors and administrators of such an individual, and any amendment or changes to this indemnification provision shall be prospective only and as to individuals who shall serve as a director, officer, employee or agent after the effective date of such amendment, and such amendment shall not otherwise affect the rights of indemnification for any individual who has theretofore served as a director, officer, employee or agent.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation, this ____ day of _____, 2006.

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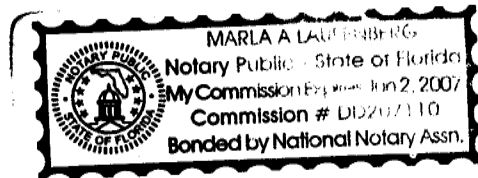
G. E. Flowers
G. E. FLOWERS, INCORPORATOR

STATE OF FLORIDA
COUNTY OF PINELLAS

I HEREBY CERTIFY, that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, G. E. FLOWERS, to me personally known or who has produced _____ as identification, and known to me to be the individual described in and who executed the foregoing instrument and she acknowledged before me that she executed the same for the purposes therein expressed.

WITNESS my hand and official seal at Clearwater, said County and State, this 21st day of April, 2006.

Marla A. Laufenberg
Notary Public
Print Name MARLA A. LAUFENBERG
My Commission Expires:



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CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE
SERVICE OF PROCESS WITHIN THE STATE OF FLORIDA AND NAMING THE
REGISTERED AGENT UPON WHOM PROCESS MAY BE SERVED

TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC., desiring to organize under the laws of the State of Florida, as a corporation not for profit with its principal office, as indicated in its Articles of Incorporation, at: 2637 McCormick Drive, Clearwater, FL 33759, has named G. E. FLOWERS, whose business office is: 2637 McCormick Drive, Clearwater, FL 33759, as its registered agent to accept service of process within Florida.

ACCEPTANCE

Having been named to accept service of process for the foregoing corporation at the place designated in this certificate, I hereby agree to act in this capacity, and I further agree to comply with the provisions of all statutes, including the duties and obligations imposed by Section 617.0503, Fla. Stat., relative to the proper and complete performance of my duties.

Date: 4-17-06

G. E. Flowers
G. E. FLOWERS

BY-LAWS
OF
TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is **TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation, hereinafter referred to as the "Association". The principal office of the corporation shall be located at: 2637 McCormick Drive, Clearwater, FL 33759, or such other place as is designated by the Board of Directors, but meetings of Members and directors may be held at such places within Pinellas or Hillsborough County, Florida, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

The definitions as set out in the Declaration of Covenants, Conditions and Restrictions of TARPON RIDGE TOWNHOMES ("Declaration") are hereby incorporated by reference.

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at such time as the Board of Directors shall determine. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held on the first day following which is not a legal holiday. All Membership and Board meetings should be conducted pursuant to Roberts Rules of Order and according to Florida Statue as may be amended from time to time.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who



are entitled to vote one-half (1/2) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Written notice shall likewise be given to the Developer or the Developer's assigns, of any meetings of the Board of Directors, for a period of five (5) years following termination of the Class "B" Control Period, and the Developer or the Developer's representatives shall be entitled to attend any and all meetings of the Members.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of limited or general proxies entitled to cast, thirty percent (30%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Unless otherwise provided in these By-Laws, the Articles of Incorporation or the Declaration, decisions shall be made by a majority of the voting interests represented at a meeting at which a quorum is present.

Section 5. Proxies. At all meetings of Members, each member may vote in person or by limited proxy. All proxies shall be in writing and filed with the secretary prior to its use. Every proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meeting thereof. A proxy is not valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. A proxy is revocable at any time at the pleasure of the Member who executes it. Limited proxies may also be used for votes taken to

amend the Declaration, Articles of Incorporation or By-Laws or for any matter that requires or permits a vote of the Members.

ARTICLE IV
BOARD OF DIRECTORS; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by an initial Board of three (3) directors. Thereafter the Board of Directors shall consist of either three (3) members or five (5) members, as may be determined by the Board of Directors.

Section 2. Term of Office. The term of office for all directors is one year. The initial directors of the Association set forth in the Articles of Incorporation shall hold office until the Association Turnover meeting and will appoint the First Board of Directors to take effect directly after the Association Turnover Meeting. Thereafter, election of directors shall take place at each annual meeting.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association with the exception of the initial Board of Directors of the Association as set forth in the Articles of Incorporation. In the event of death, resignation or removal of a director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee except for the initial Board of Directors. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such

appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members only.

Section 2. Election. Election to the Board of Directors shall be by written ballot. At such election the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Use of Proxy. For election of members of the Board of Directors, Members shall vote by written proxy or in person at a meeting of the Members by a ballot that the Member personally casts.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Meetings. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and their personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and rights to use of the Common Areas of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association or to the extent required by law, appoint committees to give notice and hold hearings to fine or suspend. Such rights may also be suspended after notice and hearing for infractions of published rules and regulations of the Association;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other Provisions of these By-laws, the Articles of Incorporation, or the Declaration, including the power to adopt annual budgets as set forth therein;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) to the extent funded under an approved budget, employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Association, by and through its Board of Directors, to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-half (1/2) of the Class A Members who are entitled to vote, at least ten (10) days prior to the meeting or special meeting; all such records to be retained for at least seven (7) years;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Parcel at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same; and

(4) collect at first closing on the Parcel the

balance of the assessment owing for the remaining portion of the year.

(d) issue or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. Reasonable charges may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained; and

(h) establish prior to the beginning of the fiscal year and prior to setting the assessments of the coming year, an annual budget for the Association, including maintenance of the Common Area, and the established reserve accounts for replacement of those parts of the common elements which have a limited useful life span. Any accrued surplus at fiscal year end may be allocated or committed to reserve accounts and may not be used or carried forward for operating or other expenses of the Association. After the funds have been allocated to reserve accounts they shall be expended only for specific matters for which those funds are reserved, absent eighty (80%) percent approval of the entire Association membership, except that the Board of Directors may utilize such funds to enforce matters: (1) relating to assessments or collection of assessments; or (2) enforcement of the rules and regulations of the Association; or (3) common area maintenance emergencies.

Section 3. Meetings. A meeting of the Board of Directors occurs whenever a quorum of the Board gathers to conduct Association Business. A quorum for Board meetings shall be a majority of the then serving members of the Board. All meetings of the Board are open to all Members, except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Members will have the

ability to speak for three minutes at a Board Meeting only after submitting a written request to the President of the Board of Directors a minimum of seven (7) business days prior to the specific Board Meeting at which the specific Agenda Item is to be addressed by the Member. The Member's written request should briefly explain points of discussion regarding the specific Agenda Item to be addressed. Notices of all Board meetings must be posted in a conspicuous place on the Property at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place on the Property, notice of each Board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. An assessment may not be levied at a Board meeting unless the notice of the meeting includes a statement that assessments will be considered and the nature of the assessments. Written notice shall likewise be given to the Developer or the Developer's assigns, of any meetings of the Board of Directors, for a period of five (5) years following termination of the Class "B" Control Period, and the Developer or the Developer's representatives shall be entitled to attend any and all meetings of the Board of Directors.

Directors may not vote by proxy or by secret written ballot at Board Meetings, except that secret written ballots may be used in the election of officers for the Board of Directors.

ARTICLE VII
OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, or a combination of secretary/treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors immediately following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such

other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer they replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, contracts and other written instruments and shall sign all checks and promissory notes.

VICE-PRESIDENT

(b) The vice-president shall act in the place and stead of the president in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of them by the Board.

SECRETARY

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of

the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; may cause an annual audit or review of the Association books to be made by a Certified Public Accountant (CPA), at the completion of each fiscal year; and shall prepare or have prepared an annual budget and make a copy available to the Members or as specified by current State of Florida Statute(s).

ARTICLE VIII COMMITTEES

The Association shall appoint an Architectural Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE IX BOOKS AND RECORDS

Section 1. The official books, records and papers of the Association, as defined by current State of Florida Statute(s), shall at all times during reasonable business hours with prior scheduled appointment requested in writing by the member, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association with prior scheduled appointment requested in writing. Copies may be purchased by any member at reasonable cost.

Section 2. Adopted Minutes of all meetings of Members and of the Board of Directors shall be kept in a businesslike manner and shall be available for inspection by Members, or their authorized representatives, and Board members at reasonable times subsequent to transfer of control of the Association to owners other than the Developer with prior scheduled appointment requested in writing, the Association shall retain these minutes for at least seven (7) years.

Section 3. The Association shall maintain each of the following items, when applicable, which shall constitute the official records of the Association:

(a) A copy of the plans, specifications, permits, and warranties for the improvements to the Common Area, but not including the construction drawings of the individual homes and/or lots.

(b) A copy of the By-Laws of this Association and of each amendment to the By-Laws.

(c) A copy of the Articles of Incorporation of the Association, or other documents creating the Association, and of each amendment thereto.

(d) A copy of the Declaration and each amendment thereto.

(e) A copy of the current rules of the Association if any other than the Declaration.

(f) The adopted minutes of all meetings of the Association, of the Board of Directors and of Members, which minutes shall be retained for at least seven(7)years.

(g) A current roster of all Members and their mailing addresses and Parcel identifications.

(h) All current insurance policies of the Association or a copy thereof, which policies must be retained for at least seven (7) years.

(i) A current copy of all contracts to which the Association is a party, including any management agreement,

lease, or other contract to which the Association is a party or under which the Association has an obligation or responsibility. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one (1) year.

(j) Accounting records for the Association and separate accounting records for each Parcel, according to generally accepted accounting principles, all accounting records shall be maintained for at least seven (7) years. The accounting records shall be open to inspection by Members or their authorized representative at reasonable times with a prior scheduled appointment requested in writing by the member. The accounting records shall include, but are not limited to:

- (1) Accurate, itemized, and detailed records of all receipt and expenditures.
- (2) A current account and a periodic statement of the account for each member of the Association, designating the name of the member, the due date and amount of each assessment, the amount paid upon the account, and the balance due.
- (3) All tax returns, financial statements, and financial reports of the Association.
- (4) Any other records that identify, measure, record, or communicate financial information.

ARTICLE X ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association all assessments as listed in the Declaration which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest at the maximum rate allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against

the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment; provided, however, in no event shall this interest rate exceed the maximum by law. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his/her Parcel or any dispute with the Association.

ARTICLE XI
CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: TARPON RIDGE TOWNHOMES PROPERTY OWNERS ASSOCIATION, INC., and within the center the word "Florida".

ARTICLE XII
AMENDMENTS

Section 1. These By-Laws may only be amended, at a regular or special meeting of the Board of Directors, by a majority vote of the Board of Directors.

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

ARTICLE XIII
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ADOPTED pursuant to official recording in the County of Pinellas in the State of Florida this 17th day of APRIL, 2006.