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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
PALMER LAKE**

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**NOTICE:** As provided in Section 16.9 of this Declaration, each Lot Owner, by virtue of taking title to a Lot, hereby agrees that the deed of conveyance of the Lot to a third party shall specifically state that the Lot is subject to the terms of this instrument and shall state the recording book and page information for this instrument as recorded in the public records of the County. The intent of this provision is to defeat any potential argument or claim that Chapter 712, Florida Statutes, has extinguished the application of this instrument to each of the Lots.

**THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR PALMER LAKE** ("Declaration" as defined hereinafter) is made on the date hereinafter set forth by THE RYLAND GROUP, INC., a Maryland corporation authorized to do business in Florida (the "Declarant"), and its successors, assigns and designees.

**WITNESSETH:**

**WHEREAS**, Declarant is the owner of the real property described in Article II of this Declaration and desires to create thereon an exclusive residential community known as Palmer Lake (hereinafter referred to as the "Community"), within which a single family lot subdivision is contemplated to be developed over time, together with various other facilities and improvements of a residential nature, and the supporting infrastructure in accordance with respective approved site plans for all or portions of the Community; and

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

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

**WHEREAS**, Declarant has incorporated under the laws of the State of Florida, as a corporation not for profit, PALMER LAKE MASTER ASSOCIATION, INC., for the purpose of exercising the functions, responsibilities, duties and other actions contemplated herein;

**NOW, THEREFORE**, the foregoing recitals are hereby incorporated as if fully set forth hereinafter, and Declarant hereby declares that the real property described in Article II of this Declaration is and shall be held, transferred, sold, conveyed, leased, mortgaged, used and occupied and otherwise dealt with subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes collectively referred to as "covenants and restrictions") hereinafter set forth.

**Article I: Definitions and Construction**

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

1.1 "Act" means Chapter 720, Florida Statutes, as existing on the date of recordation of this Declaration.

1.2 "Alleyways" mean the public Alleyways shown on the Plat.

1.3 "ARC" means the Architectural Review Committee established pursuant to Article IV hereof.

1.4 "Articles of Incorporation" or "Articles" means the Articles of Incorporation of the Association, as may be amended from time to time. A copy of the Articles of Incorporation as filed with the Florida Department of State is attached as Exhibit B hereto. Any future amendments to the original Articles need not be recorded in the public records of the County.

1.5 "Assessment" means any assessment levied hereunder pursuant to Sections 8.2 or 8.3 hereof.

1.6 "Association" means Palmer Lake Master Association, Inc., a Florida corporation not for profit, organized or to be organized under Chapter 617, Florida Statutes, and the Act. The Association is NOT a condominium association and is not intended to be governed by Chapter 718, the Condominium Act, Florida Statutes.

1.7 "Board" or "Board of Directors" means the Association's board of directors.

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

1.9 "Common Expenses" means all expenses properly incurred by the Association in the performance of its duties pursuant to this Declaration, the Articles, the By-Laws or any rules promulgated thereunder, or any agreement properly entered into by the Association, including, but not limited to, (a) the expenses incurred in connection with the ownership, maintenance, repair, replacement, reconstruction or improvement of the Common Property and/or real property held in title by the Association, if any, as provided for pursuant to this Declaration (which expenses may, but shall not necessarily, include utilities, taxes, assessments, insurance and repairs); (b) the expenses of obtaining, repairing or replacing personal property owned by the Association; (c) the expenses incurred in the administration and management of the Association; (d) the fees associated with bulk service arrangements, if any, entered in to by the Declarant or the Association (as the case may be) for the provision of services to the Community; and (e) the expenses declared to be Common Expenses pursuant to this Declaration or the Articles or the By-Laws. Common Expenses do not necessarily apply to all Lot Owners, and Common Expenses shall be collected through the various types of assessments as contemplated hereunder.

1.10 "Common Property" or "Common Properties" mean any portion or portions of the Property now or hereafter owned by the Association or designated herein or on the plat of the Property known as Palmer Lake as recorded in Plat Book \_\_\_\_\_, Page \_\_\_\_\_, public records of the County, as from time to time may be amended (collectively, "Plat"), as either Common Property or property to be maintained by the Association (whether or not such property is part of a dedicated right-of-way or easement). "Common Property" shall include, but shall not be limited to, (a) any landscaping in any median or cul-de-sac island located in any right-of-way as shown on the Plat (whether or not these areas are indicated as Common Properties), (b) any lake areas for which the Association has maintenance responsibility and for which the costs

thereof shall be shared by the Lot Owners and/or certain owners of adjacent real property pursuant to separate agreement, (c) all portions of the Surface Water Drainage and Management System (including dedicated lake tracts, lake maintenance or drainage easements, and corresponding infrastructure) and irrigation system which serve the Community, including the private drainage easement areas designated as Tracts D-1, D-2, D-3 and D-4 on the Plat, and any other drainage areas shown on the Plat (including any easements within the boundaries of any Lot), (d) the open space and recreation areas designated as Tracts OS-1 and R-1 on the Plat, (e) the reserved right of way, public sidewalk and drainage easement area designated as Tract RW-1 on the Plat, (f) any private ingress, egress, utility or other easement areas designated on the Plat, (g) any property designated by Declarant as Common Property elsewhere in this Declaration or in any amendment or supplement to this Declaration, (h) utility easements or tracts for corresponding sewer or potable water, (i) the facilities, structures, equipment, landscaping and the like pertaining to the entrance to the Community on Palmer Boulevard, (j) all private roadways and road rights-of-way which are or shall be owned by the Association, (k) any fences constructed by Declarant or the Association within the Community, (l) any gazebo(s) and appurtenances thereto which are located on or near any lakes within the Community, and (m) easement rights granting the Association the right but not the obligation to maintain portions of a lake bank existing adjacent to the southerly border of the Community, as more particularly described in that certain Easement Agreement, dated June 18, 2012, by and between the Association and Barton Farms Association, Inc., as Instrument Number 2012078925 of the public records of the County. The Common Properties do not include any portion of a Lot. NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THE DEFINITION OF "COMMON PROPERTIES" AS SET FORTH IN THIS DECLARATION IS FOR DESCRIPTIVE PURPOSES ONLY AND SHALL IN NO WAY BIND, OBLIGATE OR LIMIT DECLARANT TO CONSTRUCT OR SUPPLY ANY SUCH ITEM AS SET FORTH IN SUCH DESCRIPTION. FURTHER, NO PARTY SHALL BE ENTITLED TO RELY UPON SUCH DESCRIPTION AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON PROPERTIES TO BE OWNED, LEASED BY OR DEDICATED TO THE COMMUNITY ASSOCIATION, EXCEPT AFTER CONSTRUCTION AND DEDICATION OR CONVEYANCE OF ANY SUCH ITEM.

1.11 "Community" means the planned community development project known as Palmer Lake.

1.12 "County" means Sarasota County, Florida.

1.13 "Declaration" means this instrument, as may be amended from time to time.

1.14 "Declarant" means The Ryland Group, Inc., a Maryland corporation authorized to do business in Florida, and its successors, assigns and designees.

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

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

1.17 "First Mortgagee" means the holder of a recorded First Mortgage encumbering a Lot and the Home thereon, if any.

1.18 "Home" means a single family detached residential housing unit or dwelling consisting of a group of rooms which are designed or intended for the exclusive use as living quarters for one Family as constructed upon a Lot.

1.19 "Littoral Shelf Provisions" applies to that certain stormwater lake Tract D-1 which contains a littoral shelf, as required by State and County regulations. The vegetation planted upon the littoral shelf filters pollutants and allows for sediment to settle, thus assuring better water quality in the lakes, streams and bays of the County. Perpetual maintenance of littoral shelf vegetation is a responsibility of the Association; therefore, no person shall impact a littoral shelf (i.e., alter and/or remove littoral shelf vegetation) without prior written consent of the Sarasota County's Conservation and Environmental Permitting Office.

1.20 "Lot" means each numbered lot as located in the Community established by the recorded Plat of the Property.

1.21 "Lot Assessment" refers to those assessments which shall be imposed upon Lots only, including the General Lot Assessment, Special Lot Assessments and Specific Lot Assessments, as more specifically described in Section 8.2 hereof.

1.22 "Lot Owner" means any person who from time to time holds record title to any Lot. If more than one person holds such title, all such persons are Lot Owners, jointly and severally. Declarant is a Lot Owner with respect to each Lot from time to time owned by such Declarant.

1.23 "Member" means a member of the Association.

1.24 "Mortgage" means any valid instrument transferring any interest in real property as security for the performance of an obligation.

1.25 "Person" means any natural person or artificial entity having legal capacity.

1.26 "Property" means the real property described in Article II of this Declaration.

1.27 "Resident" means a permanent occupant of a Home who is not a Lot Owner, but occupies pursuant to a lease or other formalized arrangement with such Lot Owner pursuant to the terms of this Declaration, including all approvals required herein.

1.28 "Rules and Regulations" means any rules and regulations pertaining to the Community as duly promulgated by the Association.

1.29 "Work" means the development of all or any portion of the Property as a residential community by Declarant's construction and installation of streets, dwellings, buildings, or other improvements and the sale or other disposition of the Property and improvements thereon in parcels or as completed Lots or Homes.

1.30 "WMD" means the Southwest Florida Water Management District, the governmental entity created to oversee certain water management requirements in connection with the Property, among others.

1.31 "WMD Permit" means Southwest Florida Water Management District Permit No. 20005283.005 (previously issued as Permit No. 20005283.003), a copy of which is contained in Exhibit D attached hereto and made a part hereof.

The term "Article" and the term "Paragraph" where used throughout this Declaration shall mean the same, unless the context requires otherwise.

The term "Section" where used throughout this Declaration shall refer to that portion of the Article indicated, unless the context requires otherwise.

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

## **Article II: Property Subject to this Declaration; General Plan of Development**

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

2.2 General Plan of Development. The Community is a residential community intended to include single family residences, together with certain recreational and other ancillary facilities. The Community is presently contemplated to contain approximately 77 single-family Lots, more or less, but the number of residential units may increase if Declarant adds additional phase(s). Declarant does not currently anticipate that any portion the Community will be submitted to the condominium form of ownership, but Declarant reserves the right to do so. Each Owner, by virtue of taking title to a portion of the Property, consents and understands that the foregoing estimate of the number of Homes within the Community is only an estimate. Declarant shall have the right, authority and power, in its sole discretion, to create more or fewer Homes in the Community from time to time.

2.3 Expansion of Community. Declarant has the right, acting in its sole discretion, but not the obligation, to expand the Community from time to time by adding additional land, or to change the number or kind of Homes, or other features of the Community.

2.4 Long Term Development. Some areas of the Community may be under development for extended periods of time. Incident to the development process, the quiet enjoyment of the Community may be unavoidably interfered with to some extent by the construction operations. From time to time, Declarant, builders and others may present to the public or display certain renderings, plans and models showing possible future development of the Community. Declarant does not warrant in any way that the schemes in these renderings, plans or models will actually be developed. Any such renderings, plans or models are primarily thematic and in no way represent a guaranteed final development plan for the Community.

### **Article III: Property Rights, Easements and Restrictions**

3.1 Appurtenances. The benefit of all rights and easements granted by this Article constitute a permanent appurtenance to, and will pass with, the title to every Lot enjoying such benefit. Whenever any such right or easement is described as non-exclusive by this Article, its benefit nevertheless is exclusive to all Lots granted such benefit by this Article unless this Article expressly grants such benefit to other persons. In no event will the benefit of any such easement extend to the general public.

3.2 Utility Easements. Declarant has identified areas for use by all utilities for the construction and maintenance of their respective facilities servicing the Property, and Declarant hereby grants to such utilities, jointly and severally, easements for such purpose. The location and extent of such easements are as shown on the Plat (recorded or to be recorded) of the Property or such other instrument defining them. In addition to the above, Declarant hereby reserves unto itself and its successors and assigns an easement over, under, across and through the Common Property as may be required to "tie in", join and attach to the existing utilities, sanitary sewer service, irrigation and drainage in the Property so as to provide access to these services to lands abutting the Property. Such utilities, as well as Declarant, and their respective agents, employees, designees and assigns shall have full rights of ingress and egress over any Lot for all activities appropriately associated with the purposes of said easements. Furthermore, Declarant hereby grants to the County and any other governmental entities having appropriate jurisdiction over the Property an easement over, under, across and through the Common Property as may be required for the construction, maintenance and operation of certain utility services.

3.3 Common Properties. Subject to the provisions of Section 3.3.1 below, every Lot Owner shall have a non-exclusive right and easement of enjoyment in and to the Common Properties, if any, and such easement shall be appurtenant to and shall pass with the title to every Home situated within the Community.

3.3.1 Extent of Members' Easement. The rights and easements of enjoyment created herein shall be subject to the following:

3.3.1.1 the right of the Association to limit the use of the Common Properties to Lot Owners, their families and guests, in accordance with the applicable provisions of this Declaration;

3.3.1.2 the right of the Association to suspend the voting and enjoyment rights of a Lot Owner for any period during which any Assessment against his or her Lot remains overdue and unpaid, or for any infraction of the Rules and Regulations;

3.3.1.3 the right of the Association to dedicate or transfer all or any part of the Common Property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Lot Owners. No such dedication or transfer shall be effective unless the Members entitled to at least 2/3 of the Class A votes and all of the Class B votes agree to such dedication or transfer, provided that this Section shall not preclude the Board of Directors from granting easements for the installation and maintenance of electrical, telephone, special purpose cable for television and other uses, water and sewer, utilities and drainage facilities upon, over, under and across the Common Property without the assent of the membership; and

3.3.1.4 the right of the Association to impose reasonable covenants and restrictions with respect to the use of the Common Properties in addition to those set forth herein.

3.3.2 Extension of Rights and Benefits. Every Lot Owner shall have the right to extend the rights and easements of enjoyment vested in him under this Article to each of his tenants and to each member of his Family who resides with him and to such other persons as may be permitted by the Association.

3.4 Boundary Wall/Fence Easement. An easement is hereby reserved to Declarant and granted to the Association for the purpose of engineering, designing, constructing and maintaining any boundary wall or fence that may be constructed by Declarant, or the Association, which the Association has the obligation to maintain. Any boundary wall or fence constructed within said easement shall be the sole property of the Association. Once a boundary wall or fence has been constructed, the location of the easement with regard thereto shall be where the boundary wall or fence exists and such area adjacent to the boundary wall or fence necessary for ingress and egress and to construct and maintain such wall or fence. The blanket easement hereby granted shall not interfere with the provisions for access to the Homes and Lots, by curb cuts, driveways and the like. No boundary wall or fence shall be placed in a public utility easement.

3.5 Development Easements Reserved to Declarant. Declarant hereby reserves unto itself, and its successors and assigns, non-exclusive easements over, under, upon and through, as well as the right to grant non-exclusive easements over, under, upon and through the Property for the purposes of ingress to and egress, constructing and maintaining improvements, and to do all other activity necessary or associated with the development of the Community and each and every parcel thereof.

3.6 Right of Entry. All policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties as well as agents or employees of Declarant or the Association shall have the right, but not the obligation, to enter into any Home or other building on the Property for emergency and safety reasons, and to abate nuisances (including, without limitation, false burglar alarms).

3.7 Multi-Media Services. Declarant may, but shall not be obligated to, coordinate and establish an agreement with one or more cable television, internet service, high speed access, satellite dish providers or other services ("Multi-Media Services") for the provision of Multi-Media Services to the Community and all Lots included therein. If such agreement is



established, the fees for the Multi-Media Services payable to the multi-media service provider shall be a Common Expense. No Lot Owner may avoid or escape liability for any portion of these Common Expenses by election not to utilize any one or all of the Multi-Media Services.

ALL PERSONS ARE HEREBY NOTIFIED THAT THE ASSOCIATION MAY BE A PARTY TO A CONTRACT FOR THE MULTI-MEDIA SERVICES SERVING THE COMMUNITY FOR A TERM WHICH EXTENDS BEYOND THE TURNOVER DATE AND THAT, IF SO PROVIDED IN SUCH CONTRACT, THE ASSESSMENTS PAYABLE AS TO EACH LOT WILL INCLUDE CHARGES PAYABLE BY THE ASSOCIATION UNDER SUCH CONTRACT, REGARDLESS OF WHETHER OR NOT THE OWNER OR MEMBERS OF SUCH LOT ELECT TO RECEIVE THE MULTI-MEDIA SERVICES.

3.8 Visual Security. Declarant may, but shall not be obligated to, coordinate and establish an agreement with one or more cable television service companies for the provision of a visual security service channel to the Community and all Lots included therein. If such agreement is established, the fees for the visual security service channel payable to the service provider shall be a Common Expense. No Lot Owner may avoid or escape liability for any portion of these Common Expenses by election not to utilize the visual security service channel.

3.9 Community Bulletin Board. Declarant may, but shall not be obligated to, coordinate and establish an agreement with one or more cable television service companies for the provision of a community bulletin board channel to the Community and all Lots included therein. If such agreement is established, the fees for the community bulletin board channel payable to the service provider shall be a Common Expense. No Lot Owner may avoid or escape liability for any portion of the Common Expenses by election not to utilize the community bulletin board channel.

3.10 General Restrictions on Use. The following covenants, restrictions and easements are hereby imposed on each Lot in the Community, and shall run with the land and be binding upon all Lot Owners, Residents, and other occupants and their respective successors and assigns:

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

3.11 Leases. Prior to leasing a Home, a Lot Owner shall notify the Association in writing that the Lot Owner intends to lease a Home and shall provide the Association with a copy of the lease prior to execution. If a Lot Owner intending to lease or rent his Home is delinquent in the payment of any Assessments, the Association shall be entitled to refuse to allow the Lot Owner to rent or lease his Home until such delinquency is made current. Upon

execution of such a lease, the Lot Owner shall provide the Association with an executed copy of the lease. The Association shall have the right to require upon notice to all Lot Owners that a substantially uniform form of lease or sub-lease be used by all Lot Owners (including Declarant) intending to rent or lease after said notice and to provide such form as a Common Expense. No lease shall be for a period of less than seven (7) consecutive months in duration, and no more than two (2) leases shall be permitted in any twelve (12) month period. Declarant shall be exempt from the provisions of this Section, and this Section shall not be amended without the express prior written consent of Declarant for so long as Declarant owns any portion of the Property. In the event that a Lot Owner is delinquent in the payment of his or her Assessments or other sums due and owing to the Association, the Lot shall not be leased until such amounts are paid in full or unless the Association consents, in writing, to any such lease. If the Lot is leased in violation of this provision, the Association may terminate the lease and evict the tenants in addition to imposing all other available remedies. In the event a Lot Owner is in default in the payment of Assessments or other sums due and owing to the Association and the Lot Owner's Lot is leased, the Association shall have the right and authority to collect the rent to be paid by the tenant to the Lot Owner directly from the tenant. In the event such tenant fails to remit said rent directly to the Association within ten (10) days (but no later than the day the next rental payment is due) from the day the Association notified such tenant in writing that the rents must be remitted directly to the Association, the Association shall have the right to terminate the lease and evict the tenant. All sums received from the tenant shall be applied to the Owner's account for the leased Lot according to the priority established in Section 720.3085, Florida Statutes, until the Owner's account is current. All leases entered into by a Lot Owner shall be deemed to automatically incorporate this provision and all the Lot Owners hereby appoint the Association its agent for such purpose. The Association may, without further approval of the Lot Owner of the leased Lot, terminate the lease for violations of the Declaration by the tenants, or the tenant's family or guests and thereafter evict the tenants from the Lot. In addition to any notice to a tenant of a Lot permitted to be given by law, a Lot Owner by acceptance of a deed to a Lot, does hereby irrevocably grant to the Association (and its officers, directors, designees, agents, and employees) and to any professional management or accounting firm providing management or accounting services to the Association, the right to notify, in writing, the tenant of the Lot of any delinquency by the Lot Owner of the Lot in payment of any monetary obligations due to the Association, including but not limited to the amount thereof. Further each Lot Owner hereby agrees and acknowledges that the disclosure of any of Lot Owner's delinquent monetary obligations due to the Association, as provided in the preceding sentence, shall not be construed or be deemed to be a violation of the Fair Debt Collection Practices Act. ("FDCPA") 15 U.S.C. Section 1692 *et seq.*

3.11.1 Division of Lands; Prohibition Against Timesharing. No Lot shall be subdivided or its boundary lines changed except by Declarant as to the Lots owned by Declarant and otherwise except with the prior written approval of the Board. The Board may permit a division in ownership of any Lot intended for a single family detached residence as shown on a plat, but solely for the purpose of increasing the size of the adjacent Lots. Declarant hereby expressly reserves the right to replat any Lots owned by Declarant. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations.

No portion of the Property shall be made subject to any type of timeshare program, interval ownership, vacation club or similar program (except for hotel lodging purposes by

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

3.12 Restrictions on Use Applicable to Lots. The following covenants, restrictions and easements are hereby imposed on the Lots in the Community, and shall run with the land and be binding upon all Lot Owners, Residents, and other occupants and their respective successors and assigns:

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

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

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

3.12.1.4 Irrigation.

3.12.1.4.1 Each Lot shall be required to have an automated lawn irrigation system with automated timers (the "Lot Irrigation System"). The Association shall inspect the irrigation system monthly and unless caused by the willful misconduct of a Lot Owner, will maintain and repair the irrigation system, including replacing sprinkler heads, the cost of which shall be included as part of the General Lot Assessments. The cost to repair or replace any damage to the irrigation system caused by the willful misconduct of any Lot Owner shall be charged to such Lot Owner as a Specific Lot Assessment.

3.12.1.4.2 It shall be the responsibility of each Lot Owner at the time of construction of a building, residence or structure, to comply with the requirements, if any, of the Sarasota County Utilities Department to have the ability to connect into any system for reclaimed effluent irrigation which may be installed in the future. If a reclaimed effluent irrigation system is installed, it will be connected via one master meter, the Association shall pay the charges for reclaimed water and include the cost therefore as part of the General Lot Assessments. In no event shall the County be responsible for ownership or maintenance of the reclaimed water irrigation system downstream from the master meter. In connection therewith, if required by the Sarasota County Utilities Department, each Lot Owner shall install an effluent meter, backflow preventer, and such other equipment required for connection to the reclaimed effluent irrigation system.

3.12.1.4.3 For so long as Declarant and its successors and assigns owns any real property in or adjacent to the Community, no amendment or modification to this Section shall be effective without the express prior written consent of Declarant or its successors or assigns.

3.12.1.5 Signage and Flags.

3.12.1.5.1 In General. No sign, billboard or advertising of any kind shall be displayed to public view on any part of the Property without the prior written approval of the ARC. Any such request submitted to the ARC shall be made in writing, accompanied by a drawing or plan for one (1) discreet professionally prepared sign not to exceed twelve (12) inches in width and twelve (12) inches in height, to be placed in the front yard within three feet of a free standing mail box, or if no mail box exists then between four and ten feet inside the front Lot line and within six feet of the driveway. Such sign shall contain no other wording than "For Sale" or "For Rent", the name, address and telephone number of one (1) registered real estate broker, or a telephone number of a Lot Owner or his agent. The sign shall have a blue background with white letters. In no event shall more than one (1) sign ever be placed on any Lot in any place. Notwithstanding the foregoing provisions, the Declarant

specifically reserves the right, for itself and its agents, employees, nominees and assigns the right, privilege and easement to construct, place and maintain upon the Property such signs as it deems appropriate in connection with the development, improvement, construction, marketing and sale of any portion of the Property. Except as hereinabove provided, no signs or advertising materials displaying the names or otherwise advertising the identity of contractors, subcontractors, real estate brokers or the like employed in connection with the construction, installation, alteration or other improvement upon or the sale or leasing of the Property shall be permitted.

3.12.1.5.2 Flags. Any Lot Owner may display one portable, removable United States flag or official flag of the State of Florida in a respectful manner, and on Armed Forces Day, Memorial Day, Flag Day, Independence Day, and Veterans Day may display in a respectful manner portable, removable official flags, not larger than 4-1/2 feet by 6 feet, which represent the United States Army, Navy, Air Force, Marine Corps, or Coast Guard.

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

3.12.1.5.4 Declarant Exemption: Amendment to Provisions Concerning Signs. Declarant is specifically exempt from the provisions of this Section 3.12.1.5, and as such shall be entitled to erect such signs as it deems necessary or desirable in Declarant's sole discretion from time to time. No amendment or modification to this Section 3.12.1.5 pertaining to signs shall be effective without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

3.12.1.6 Access Ramp. Any Lot Owner may construct an access ramp on their Lot, if a resident or occupant of the Lot has a medical necessity or disability that requires a ramp for egress and ingress, under the following conditions:

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

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

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

3.12.1.7 Mailboxes. Mailboxes shall be constructed and located by Declarant in its sole discretion, unless a central mailbox is required, and in accordance with United States Postal Service requirements. A perpetual, non-exclusive easement is hereby declared across the Common Property for purposes of permitting delivery of the mail. Replacement and maintenance of mailboxes shall be the obligation of the Lot Owner, provided

that the replacement of a mailbox shall only be permitted if the replacement is of the brand and type specified by the ARC pursuant to the ARC Guidelines. If the mailbox structure contains a light fixture, the Lot Owner shall be responsible for changing the light bulb contained therein and otherwise performing maintenance, repairs and replacements of such fixture.

3.12.1.8 Satellite Dishes. Satellite dishes, aerials, antennas and all lines and equipment related thereto located wholly within the physical boundaries of a Home contained on a Lot shall be permitted without any requirement for approval from the Board of Directors.

Satellite dishes, aerials and antennas (including, but not limited to, ham radio antennas) shall not be permitted on the non-enclosed dwelling portions of a Lot except to the extent required to be permitted by applicable law (including, but not limited to, the federal Telecommunications Act of 1996). The Association shall have the right and authority, in its sole discretion and from time to time, to promulgate Rules and Regulations concerning the size and location of, and safety restrictions pertaining to, the installation of such television signal reception equipment.

Notwithstanding any provision to the contrary, (a) the Association, in its discretion and from time to time, shall have the power and ability to erect or install any satellite dish, aerial or antenna or any similar structure on the Common Property, provided that such satellite dish, aerial or antenna be solely utilized for the reception of television signals to be utilized by the residents of the Community or for security purposes, and (b) only antennae, aerials and satellite dishes which are designed to receive television signals shall be permitted (i.e., no antennae and satellite dishes which broadcast a signal shall be permitted).

3.12.1.9 Solar Collectors. The ARC must approve all solar panels and energy conservation equipment prior to installation of such equipment on a Home contained on a Lot. All solar heating apparatus must conform to the standards set forth in the HUD Intermediate Minimum Property Standards Supplement, Solar Heating, and Domestic Water Systems, or other applicable governmental regulations and/or ordinances. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed unless it is an integral and harmonious part of the architectural design of a structure, as reasonably determined by the ARC. No solar panel, vents, or other roof-mounted, mechanical equipment shall project more than one (1) foot above the surface of the roof of a Home contained on a Lot, and all such equipment, other than solar panels, shall be painted consistent with the color scheme of the portion of the Home for which such equipment is installed. This provision is not intended to prohibit the use of energy conservation devices.

3.12.1.10 Automobile Garage. No automobile garage shall be permanently enclosed and converted to other use without the substitution of another enclosed automobile storage facility upon the Lot. All Lots shall have a paved driveway of stable and permanent construction. Unless prior approval of the ARC is obtained, the driveway base shall be concrete or brick pavers. No driveway surface shall be painted, repainted, or otherwise artificially colored or recolored without the prior approval of the ARC.

3.12.1.11 Animals and Pets.

3.12.1.11.1 No more than a total of three (3) commonly accepted household pets (such as dogs and cats) may be kept on a Lot or within a Home contained on a Lot. However, under no circumstances will any dog whose breed is noted for its viciousness or ill-temper, in particular, the "Pit Bull" (as hereinafter defined), Presa Canario, or any crossbreeds of such breeds, be permitted on any portion of the Property. A "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially confirm to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds.

3.12.1.11.2 Swine, goats, horses, pigs, cattle, sheep, chickens, and the like, are hereby specifically prohibited from being kept in the Community. Animals, fowl, birds and reptiles which are deemed by the Board to be obnoxious are prohibited. The determination of what is or what may be obnoxious shall be determined by the Association in its sole discretion. No animal breeding or sales as a business shall be permitted in the Community.

3.12.1.11.3 A determination by the Board that an animal or pet kept or harbored in a Home on a Lot is a nuisance shall be conclusive and binding on all parties. No pet or animal shall be kept on the exterior of a Lot or upon the Common Property, or left unattended in a yard or on a balcony, porch, patio or lanai. All pets shall be walked on a leash and no pet shall be permitted to leave its excrement on any portion of the Property, and the owner of such pet shall immediately remove the same. No pet shall be permitted outside a Home except on a leash. When notice of removal of any pet is given by the Board, the pet shall be removed within forty-eight (48) hours of the giving of the notice.

3.12.1.11.4 Each Lot Owner, by virtue of taking title to a Lot, and each Resident shall indemnify the Association and Declarant and hold them harmless from and against any loss or liability of any kind or character whatsoever arising from such Lot Owner or Resident having any pet upon a Lot or any other portion of any property subject to this Declaration. The Association shall have the power and right to promulgate Rules and Regulations in furtherance of the provisions of this Section, including, but not limited to, weight limitations, the number of pets and breeds of pets.

3.12.1.11.5 Notwithstanding any provision herein to the contrary, Declarant, in its sole discretion and as it may deem necessary and appropriate, shall be entitled to grant a waiver to the three (3) pet requirement in connection with the initial conveyance of a Lot from the Declarant to a third party. In the event such a waiver is granted (which shall be in writing and shall specifically reference this subsection and shall be delivered to the Association for inclusion in its official records), the Lot Owner shall be permitted to maintain any such pet(s) which exceed the three (3) pet limit for the remainder of such pet(s) life, but shall not be entitled to replace any pet that dies for so long as the three (3) pet limit is exceeded. By way of example, if a waiver is granted to permit four (4) pets, when one pet dies, it cannot be replaced, but upon the death of two pets, the owner shall then be permitted to replace one of the pets so as to be in compliance with the three (3) pet limit. Any pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon

three (3) days' written notice by the Association to the Lot Owner thereof or to the owner of the Lot containing such pet.

3.12.1.12 Parking and Vehicular Restrictions.

3.12.1.12.1 No vehicle shall be parked anywhere but on paved areas intended for that purpose. Parking on lawns or landscaped areas is prohibited, unless specifically approved or designated for such purpose. Lot Owners' or Residents' automobiles shall be parked in the garage or driveway of or pertaining to a Lot, or in the roadway fronting said Lot. With regard to any roadways or alleyways which serve to divide or otherwise border one or more portions of the Community, no parking of vehicles shall be permitted in such roadways or the Alleyways so as to impede the free flow of traffic and emergency vehicles through such roadways or alleyways.

3.12.1.12.2 If access to a Lot is provided via an Alleyway, then all garages for the applicable Home shall be solely via the Alleyway.

3.12.1.12.3 No more than three (3) vehicles of any type may be parked in a driveway of a Lot or on the road in front of said Lot (or Alleyway on the rear of the Lot, as applicable) overnight without the written consent of the Association. The Association may grant temporary permits to allow additional parking, said approval not to be unreasonably withheld.

3.12.1.12.4 No unlicensed vehicle or vehicle which cannot operate on its own power shall remain in the Community for more than twelve (12) hours, except as contained within the closed confines of the garage of or pertaining to a Lot.

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

3.12.1.12.6 No "commercial vehicle" (i) shall be permitted to be parked in the Community unless such commercial vehicle is temporarily present and necessary in the actual construction, maintenance or repair of a Lot or the Home thereon or other improvements in the Community, or (ii) shall be permitted to be parked overnight or stored in the Community unless fully enclosed within a garage. For the purposes of this Declaration, "commercial vehicle" means a vehicle which is determined by the Association to be for a commercial purpose (and the Association shall take into consideration, among other factors, lettering, graphics or signage located on or affixed to the exterior of the vehicle which identifies a business or commercial enterprise, but the existence of such lettering, graphics or signage shall not be absolute). Police cars shall not be deemed commercial vehicles. Additionally, work vans which contain no lettering, graphics or advertising shall be deemed commercial vehicles.

3.12.1.12.7 No boats, jet skis, wave runners, boat trailers, trailers of any kind, campers, motor homes, mobile homes, truck campers, mopeds, all-terrain (i.e., 3-wheel or 4-wheel) vehicles, motorcycles, trucks or vans with a towing capacity of more than three-quarters (3/4) of a ton, or buses shall be permitted to be parked in the Community unless kept at all times fully enclosed within a garage or parked in an area designated by Declarant for such purposes (if any).



3.12.1.12.8 No vehicle shall be used as a domicile or residence, temporarily or permanently.

3.12.1.12.9 This Section does not apply to vehicles utilized for sales, construction or maintenance operations of or by Declarant or the Association.

3.12.1.12.10 No amendment or modification to this Section shall be effective without the prior written consent of Declarant for so long as Declarant owns any portion of the Property.

3.12.1.12.11 The Association may, but shall not be obligated to, promulgate Rules and Regulations and clarify the provisions and objectives of this Section.

3.12.1.12.12 No mobile homes or campers may be used as a residence whether on a Lot or Common Property. No recreation vehicle, including but not limited to golf carts, all terrain vehicles, mini cycles and other non street legal vehicles, may be used for any purpose on any of the Lots or Common Properties including rights of way within the Properties. Nothing in this Section shall prohibit the use of bicycles, skateboards or non-motorized scooters, on rights of way or Common Properties in accordance with the Rules and Regulations.

3.12.1.12.13 No mobile homes or campers may be used as a residence whether on a Lot or Common Area. No recreation vehicle, including but not limited to golf carts, all-terrain vehicles, mini cycles and other non street legal vehicles, may be used for any purpose on any of the Lots or Common Areas including rights of way within the Properties. Nothing in this Section shall prohibit the use of bicycles, skateboards or non-motorized scooters, on rights of way or Common Areas in accordance with the Rules and Regulations.

3.12.1.13 Firearms. The discharge of firearms within the Community is prohibited. The term "firearms" includes "B-B" guns, paintball guns, pellet guns, and other firearms of all types, regardless of size.

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

3.12.1.15 Trash: Garbage Containers. No portion of the Property shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be maintained in sanitary containers with lockable tops. All trash containers shall be kept in a clean and sanitary condition and out of plain view from the public. Lot Owners shall not discard yard waste or solid waste in to the ditch system located around the perimeter of the Community. On certain Lots, the Association may require screening of the area within which a trash receptacle may be stored, and such screening shall be subject to prior written approval of the ARC.

3.12.1.16 Sewage Disposal: Septic Tanks. No individual sewage disposal system shall be permitted on any portion of the Community unless such system is designed, located and constructed in accordance with the requirements, standards and recommendations of the ARC and all applicable governmental authorities. Prior written approval of such system as installed shall be obtained from the ARC and all applicable governmental authorities. Septic tanks are not permitted on any portion of the Property, except for sales centers, models or construction offices of Declarant or as otherwise permitted by the ARC in conjunction with temporary use.

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

3.12.1.18 Insurance Rates. Nothing shall be done or kept in the Property which will increase the rate of insurance on any property insured by the Association without the approval of the Board, nor shall anything be done or kept on any Lot or the Common Properties which would result in the cancellation of insurance on any property insured by the Association or which would be in violation of any law.

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

3.12.1.20 Utility Lines. No overhead utility lines, including, without limitation, lines for electric, telephone and cable television, shall be permitted within the Property, except for temporary lines as required during construction and lines within the Property as the same may exist on the date hereof or as are otherwise required by the utility.

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

3.12.1.22 Swimming Pools. No above-ground swimming pools shall be erected, constructed or installed on any Lot. In-ground swimming pools may be constructed or installed subject to prior written approval by the ARC. All pool equipment shall be shielded from view. All swimming pools shall be screened or otherwise enclosed (including any applicable "baby" barriers) so as to meet all applicable local and state governmental requirements for

screening and barriers, and all such screening and barriers may be constructed or installed subject to previous approval by the ARC.

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

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

3.12.1.25 Street Lights. The Association shall be responsible for paying the cost of the street lights located within the Community, the cost of which shall be included in the General Lot Assessments.

3.12.1.26 Fences, Walls and Hedges.

3.12.1.26.1 Declarant and/or a Lot Owner shall be permitted to add fences and/or walls to a Home on a Lot in order to privatize their Lot and Home, but no such fence and/or wall shall be erected without the prior written approval of the ARC. The ARC shall consider the design, location and specifications of a proposed fence and/or wall to ensure that all elements of same are consistent with the architectural styling of the Home, surrounding Homes and the Community as a whole. The ARC shall be entitled to determine the materials, height and appearance of each type of fence and wall, based upon location within the Community, the purpose of the fence and/or wall, the durability of the materials to be utilized, the impact of the resulting visual effect of the fence and/or wall, and all other matters deemed to be relevant by the ARC, with the goal being to ensure a consistent quality of placement, design and materials.

3.12.1.26.2 The location, type and design of all proposed fences and/or walls shall be approved by the ARC prior to installation. Unless otherwise approved by the ARC, all fences constructed within the Community by Lot Owners shall be made of tan polyvinyl chloride (PVC) or black aluminum. Unless otherwise installed by Declarant in connection with development of a Home on a Lot, no chain link fences shall be allowed. No barbed wire or electric strands shall be used as a fence or part of a fence. All walls, where permitted, shall be of the same or complementary material and design as the Home.

3.12.1.26.3 Where a proposed fence or wall is deemed by the ARC to be unnecessary or unsightly and detracting from the character of the Community, a landscape screen in lieu of a fence or wall may be required. In general, fences or walls are not encouraged within the Community except where integrated with the design of the Home and enhance the overall character of the Community. Hedges and/or clusters of trees and understory shrubs are preferred.

3.12.1.26.4 Fences and/or walls, where permitted, shall be high enough to provide definition and privacy, yet low enough to remain unobtrusive. Heights shall range from a minimum of three (3) feet to a maximum of six (6) feet, measured from grade. No fence or wall over six (6) feet in height shall be permitted, except as may be installed by Declarant. Notwithstanding the foregoing, no fence shall be installed along the boundary of any

Lot fronting a lake, other than an amenity fence, which is no higher than four (4) feet and which tapers down from the front to the sides. Any amenity fence shall be see-through (such as black aluminum railing or tan PVC picket type fence). No amenity fence shall be installed within any public utility easement areas.

3.12.1.26.5 Notwithstanding anything herein to the contrary, any Owner upon whose Lot contains approved fences and/or walls pursuant to this Section which have gate or locking mechanisms (such gate/locking mechanisms to be pre-approved via prior written approval of the ARC) shall submit a valid key/code to any such gate/locking mechanisms to the Association in order to allow the Association reasonable access to the premises for purposes of maintenance obligations of the Association, as provided herein, or in the event of other need for entry onto the enclosed premises as otherwise provided herein.

3.12.1.26.6 Fences and/or walls in the front yard areas of a Lot shall not be permitted except where such elements are integral with the architecture of the Home and, in the opinion of the ARC, enhance the character of the Community. In such instance, the maximum height of such elements shall not exceed three and one-half (3-1/2) feet in height, measured from grade. Complete enclosure of rear yards by walls and/or fencing is also discouraged, as the feeling of open space and the unity of the surrounding area is an important part of reinforcing the natural character of the Community.

3.12.1.27 Declarant has pre-established, or shall establish prior to the first closing of the sale of a Lot to a third party, certain standards for fences and/or walls which are acceptable for the Community. Such standards shall be provided to Lot Owners, and may include, as deemed appropriate, specifications pertaining to permitted materials and locational and sight criteria, as well as other specifications. The Board shall promulgate such standards as rules of the Association and the ARC shall be required to utilize such standards in consideration of a request for installation of a fence or wall by a Lot Owner. Declarant shall have the sole right and power, from time to time and without requirement for consent of or approval from any Person or party, to modify such standards for fences and walls, and the ARC shall be required to enforce and utilize all such modifications that are made from time to time.

3.12.1.27.1 Notwithstanding any provision to the contrary contained in this Declaration or in any rules promulgated by the Association, a Lot Owner shall be required to satisfy all applicable governmental requirements pertaining to fences or walls prior to installation and construction.

3.12.1.28 Yards & Trees. Any changes to a Lot's yard, landscaping, shrubbery and any flora (including the replacement or addition of flora, plantings or modification of swales) to be performed by an Owner with respect to the Owner's Lot must be approved by the Architectural Review Committee. Furthermore, no Lot Owner shall remove, damage, trim, prune or otherwise alter any tree in the Community, the trunk of which tree is eight (8) inches or more in diameter at a point twenty-four (24) inches above the adjacent ground level, except (a) with the express written consent of the Association, or (b) if the trimming, pruning or other alteration of such tree is necessary because the tree or a portion thereof creates an eminent danger to person or property and there is not sufficient time to contact the Association for its approval. Notwithstanding the foregoing limitation, a Lot Owner may perform, without the express written consent of the Association, normal and customary trimming and pruning of any

such tree, the base or trunk of which is located on said Lot Owner's Lot, provided such trimming or pruning does not substantially alter the shape or configuration of any such tree or would cause premature deterioration or shortening of the life span of any such tree.

It is the express intention of this Section 3.11.1.28 that the trees existing in the Community at the time of the recording of this Declaration, and those permitted to grow in the Community after said time, be preserved and maintained as best as possible in their natural state and condition. Accordingly, these provisions shall be construed in a manner most favorable to the preservation of that policy and intent.

Notwithstanding any provision to the contrary contained in this Declaration or in any rules promulgated by the Association, a Lot Owner shall be required to satisfy all applicable governmental requirements pertaining to the trimming, pruning or other alteration of trees contained within the Community.

3.12.1.29 Artificial Vegetation, Exterior Sculptures and Similar Items.

All artificial vegetation, exterior sculpture, fountains, and similar items must be approved by the ARC prior to installation; provided, however, that nothing herein shall prohibit the appropriate display of any flag as otherwise permitted hereunder.

3.12.1.30 On-Site Fuel Storage. No on-site storage of gasoline or other fuels shall be permitted on any Lot except that up to five (5) gallons of fuel may be stored at each Home on a Lot for emergency purposes and/or operation of lawn mowers and similar tools or equipment. Notwithstanding this provision, underground fuel tanks for storage of heating fuel for dwellings, pools, gas grills and similar equipment or for emergency use and power (through use of a generator) may be permitted on a Lot only if approved by the ARC prior to installation. Notwithstanding the foregoing to the contrary, small propane tanks which are utilized directly and solely in connection with a barbecue grill shall be permitted on any Lot, subject to applicable fire code and safety regulations. Above ground tanks may be installed on a Lot if the lot dimension prohibits the placement of an in ground tank and said tank is properly screened from view by fencing and/or landscaping and further provided the tank is permitted by local, state or federal regulations and is installed and maintained in accordance with such regulations. Prior approval for such tank must be received from the ARC. The ARC may establish rules and regulations for the installation screening and maintenance of tanks.

3.12.1.31 Outside Window Coverings. Reflective window coverings are prohibited within a Home on a Lot. No awnings, canopies or shutters shall be permanently installed on the exterior of any building unless approved by the ARC prior to installation (this provision shall not be deemed to apply to any such awnings, canopies or shutters installed in connection with the initial construction of the Home).

3.12.2 Home Business Use. No trade or business may be conducted in or from any Home on a Lot, except that a Lot Owner, Resident or occupant residing in a Home on a Lot may conduct business activities within such Home so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Home; (b) the business activity conforms to all governmental requirements; (c) the business activity does not involve persons coming onto the residential properties who do not reside in the Property or door-to-door solicitation of residents of the Property; and (d) the business activity is

consistent with the residential character of the Home and does not constitute a nuisance, or a hazardous or offensive use, or threaten the privacy or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The terms "business" and "trade", as used in this subsection, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Home shall not be considered a trade or business within the meaning of this Section.

Every person, firm or corporation purchasing a Lot recognizes that Declarant and its agents and designated assigns have and shall have the right to (i) use Lots for sales offices, field construction offices, storage facilities, general business offices, a sales/model center and (ii) maintain fluorescent lighted or spotlight furnished model homes in the Community open to the public for inspection seven (7) days per week for such hours as are deemed necessary by the Declarant. Declarant's rights under the preceding sentence shall terminate on the date that is twenty (20) years after this Declaration is recorded, or for so long as Declarant operates a sales model center within the Community; provided, however, that if Declarant determines it is appropriate to terminate such rights prior to either of the foregoing occurrences, Declarant may do so by recording its abandonment of such rights by an instrument recorded in the public records of the County. It is the express intention of this Section that the rights granted Declarant to maintain sales offices, general business offices, a sales/model center and model homes shall not be restricted or limited to Declarant's sales activity relating to the Community but shall benefit Declarant in the construction, development and sale of such other property and Lots which Declarant may own.

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

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

3.12.2.1.2 removing all removable furniture, plants and other items of personal property from the exterior of the Home; and

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

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

3.12.2.2 Storm Shutters. Subject to applicable law, storm shutters and other similar equipment shall only be permitted upon the prior written approval of the ARC in accordance with the ARC Guidelines. Storm shutters and other similar equipment shall only be permitted to be closed or otherwise put into use or activated in direct anticipation of severe weather.

3.12.2.3 Garage Sales. No Lot Owner shall be permitted to hold more than two (2) garage sales or other private sales of a similar nature within any twelve (12) month period, it being Declarant's intention to restrict and control such events from being a constant basis within the Community. A Lot Owner shall be required to provide the Board with prior written notice that a sale will be occurring, and such notice shall be delivered to the Association not less than five (5) business days prior to the date of such sale.

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

3.12.2.5 Basketball Goals. The use of portable basketball equipment shall be permitted on a Lot, provided that such equipment shall be stored inside the Home's garage when not in use and all basketball play shall occur on the Lot surface and not within or upon any roadway surface or in any Alleyway. No basketball equipment or hoops shall be affixed to the exterior portion of any Home.

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

3.12.2.7 Size of Homes on the Lots. All Homes on Lots constructed within the Community shall contain a minimum of 1,200 square feet of air-conditioned living area. For purposes of the preceding sentence, "living area" shall be deemed to exclude garage areas. All such Homes shall have at least one (1) inside bath. A "bath", for the purposes of this Declaration, shall be deemed to be a room containing at least one (1) shower or tub and a toilet and wash basin. All such Homes shall have at least a two (2) car garage attached to and made part of the Home. No such Home shall exceed two and one-half (2 ½) stories, nor forty-five (45) feet in height. All such Homes shall be constructed with concrete or brick paver driveways and grassed front, side and rear lawns. Each such Home shall have a shrubbery planting in front of the Home.

3.12.2.8 Clothes Hanging and Drying. All outdoor clothes hanging and drying activities shall be done in a manner so as not to be visible from any front street or side street or any adjacent or abutting property and are hereby restricted to the areas between the rear dwelling line and the rear yard line and, in the cases of Lots bordering a side street, to that

portion of the aforescribed area which is not between the side street and the side dwelling line. All clothes poles shall be capable of being lifted and removed by one (1) person within fifteen (15) minutes time and shall be removed by the Lot Owner when not in actual use for clothes drying purposes.

3.12.2.9 Wells. The drilling, construction, installation or use of an underground well of any kind on any Lots is strictly prohibited. This restriction shall not preclude the Declarant from developing wells in the Common Property in conformance with governmental regulations.

3.12.2.10 Front Porch and Garage. The front porch and garage of any Home shall not be enclosed with permanent or temporary screening.

3.12.2.11 Doors. No exterior front door on a Home shall have a screen door.

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

3.14 Provisions Inoperative as to Initial Construction. Nothing contained in this Declaration will be interpreted, construed or applied to prevent Declarant or with the prior written consent of Declarant so long as Declarant is an owner of any portion of the Property, and then the Association or its or their contractors, subcontractors, agents, and employees, from doing or performing on all or any part of the Property owned or controlled by Declarant as same determines to be reasonably necessary or convenient to complete the development of the Community, including, but not limited to:

3.14.1 Improvements. Erecting, constructing, and maintaining such structures and other improvements as may be reasonably necessary or convenient for the conduct of such Declarant's or other permitted Lot Owner's business of completing the development of the Community.

3.14.2 Development. Conducting thereon its business of completing the development and disposing of the same by sale, lease or otherwise. However, any and all Work described herein and proposed to be performed must be performed in accordance with the provisions of the ARC Guidelines.

3.14.3 Signs. Maintaining such signs as may be reasonably necessary or convenient in connection with the development or the sale, lease or other transfer of Homes and/or Lots.



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

3.16 Continuous Maintenance of Easements by Association. The Association shall be responsible for the continuous maintenance of the easements and rights-of-way of the drainage system located on the Property. This obligation shall run with the land as do other provisions of this Declaration, and any Lot Owner may enforce this covenant and will be entitled to costs and fees, pursuant to Section 16.1 hereof, which result from such enforcement.

3.17 Restrictions on Use of Lakes, Waterways, Wetlands, or Other Bodies of Water. With respect to any lakes, waterways, wetlands or other bodies of water located on the Property, no Lot Owner, Resident or any temporary occupant of a Home shall: (i) disturb, remove, alter or in any way disrupt vegetation thereon; (ii) construct permanent or temporary docks or seawalls; or (iii) connect to any lake, waterway, wetland or other body of water through the use of a well, pump, ditch or other system of any nature for any purpose, including, but not limited to, lawn irrigation, lawn maintenance, water features or for any other use. In addition, no Lot Owner, Resident or any temporary occupant of a Home shall dig a well on any Lot for any purpose, including but not limited to, lawn irrigation, lawn maintenance, water features or for any other use. The provisions of this Section shall not apply to Declarant. No amendment to this Section shall be effective without the express prior written consent of Declarant.

#### Article IV: Architectural Control

4.1 ARC Guidelines. The ARC has adopted, and shall adopt from time to time, restrictions and guidelines that shall apply to each and every Lot and Home now or hereafter located on a Lot within the Community, which restrictions and guidelines may change from time to time ("ARC Guidelines"). Lot Owners may contact the Association to obtain a copy of the ARC Guidelines.

#### 4.2 Approval of Plans; Architectural Review Committee.

4.2.1 For the purpose of further insuring the development of the Community as a residential area of the highest quality and standards, and in order that all improvements on each Lot and with regard to a Home (including landscaping) shall present an attractive and pleasing appearance from all side of view, the ARC, consisting of not less than three (3) nor more than five (5) members appointed by the Board, shall have the exclusive power and discretion to control and approve all of the improvements on each Lot in the manner and to the extent set forth herein.

4.2.2 Notwithstanding any provision to the contrary, Declarant shall be entitled to appoint all members of the ARC until such time as Declarant no longer owns any portion of the Property. Upon such time as Declarant no longer owns any portion of the Property, the members of the ARC shall be appointed by the Board.

4.2.3 No Home, building, fence, wall, mail box, utility yard, driveway, walkway, deck, sign (including "For Sale" signs), recreation equipment, patio, swimming pool,

spa, landscaping or other structure or improvement, regardless of size or purpose, whether attached to or detached from the Home, shall be commenced, placed, erected, or allowed to remain on any Lot, nor shall any modification, addition to, or exterior change or alteration thereto be made, unless and until a request therefor has been submitted to and approved in writing by the ARC.

4.2.4 The ARC is authorized, but shall not be obligated, to require that the applicant for such approval include together with the request therefor such plans, specifications, drawings, information and materials as the ARC may request in order to make an informed decision, which may include in the case of a request for approval of the construction of a Home the following:

4.2.4.1 Two (2) copies of a site plan showing the location of all improvements, structures, pools, enclosures, fences, walls, driveways, sidewalks, and mechanical equipment for air conditioning, pools and the like. The site plan may also include the overall dimensions of the Lot and the overall dimensions of all improvements and the distances from the Lot lines. The site plan may set forth the information pertaining to grading and drainage, including, but not limited to, finished floor elevation(s) of the Home and elevations of the pool deck, patio(s) and other exterior slabs, the elevation of all Lot corners and the directions of surface water runoff. One copy of such site plan shall be retained by the ARC as a permanent record.

4.2.4.2 Two (2) copies of complete, final building plans setting forth the foundation and floor plans, front, rear and side elevations and such cross sections as may be required for evaluation of the plans by the ARC. Such plans shall show all appropriate dimensions, roof pitches and sizes and types of exposed materials. One copy of such final building plans shall be retained by the ARC as a permanent record.

4.2.5 The ARC is authorized, but shall not be obligated to require two (2) copies of outline (summary) specifications detailing the size, kind, type and quality of materials to be utilized in the construction of the Home to be erected on the Lot. Color specifications may include accurate representations or samples of all exterior materials including, but not limited to, roofing, paints, stains, masonry and tile. One copy of such specifications and samples shall be retained by the ARC as a permanent record.

4.2.6 The ARC is authorized, but shall not be obligated to require two (2) copies of complete landscaping plans detailing the kind, quality, location and dimensions of all plants, trees, and shrubs, ground cover, decorative structures and planters, and landscape materials. The ARC may require that landscaping plans submitted for the initial construction of a Home may also include a detailed breakdown of the quantities of individual plant materials to be utilized and their respective prices in order for the ARC to evaluate the value of the landscaping as required hereunder. One copy of such landscaping plan and budget shall be retained by the ARC as a permanent record.

4.3 Review Factors. In passing upon plans and specifications, the ARC may take into consideration such factors as it deems appropriate, including, without limitation, the suitability and desirability of the proposed construction and of the materials of which the same are proposed to be built, the Lot upon which they are proposed to be installed, the quality of the

proposed workmanship and materials, the harmony of external design with the surrounding Community, and the effect and appearance of such construction as viewed from neighboring Lots and Common Properties.

4.4 Timing. The ARC shall have thirty (30) business days from submittal of a full and complete package within which to approve or reject said plans and specifications. In the event the ARC fails within said thirty (30) business days to approve or disapprove such plans and specifications, or request additional information, approval of such plans and specifications shall be deemed denied. The ARC shall have the absolute and exclusive right to refuse to approve any such building plans and specifications and Lot grading and landscaping plans which are not suitable or desirable in its opinion for any reason, including purely aesthetic reasons and reasons relating to future development plans of Declarant for the Community and adjacent properties. In the event the ARC rejects such plans and specifications as submitted, the ARC shall so inform the Lot Owner in writing (by U.S. Mail addressed to the applicant's address indicated on the submittal) stating with reasonable detail the reason(s) for disapproval and the ARC's recommendations to remedy same if, in the sole opinion of the ARC, a satisfactory remedy is possible. In the event that the applicant makes the changes requested by the ARC within ninety (90) days after approval is denied and resubmits its application in conformity with the requirements of this Declaration, the plans and specifications shall be approved by the ARC within thirty (30) business days after re-submission.

Upon the ARC's written approval, construction shall be started and pursued to completion diligently, continuously and promptly and in substantial conformity with the approval plans and specifications. Except as provided herein for construction of a Dwelling, in no event shall the construction period extend more than one year and best efforts made so that any exterior construction may be completed within six (6) months unless otherwise provided by the ARC. The ARC shall be entitled to stop any construction in violation of these restrictions, and any exterior addition to or change or alteration made without application having first been made and approval obtained as provided above, shall be deemed to be in violation of this covenant and may be required to be restored to the original approved condition at the Lot Owner's expense.

4.5 Review Fees. The ARC shall have the right (but shall not be required) to charge a fee (not to exceed \$100.00) for reviewing each application for approval of plans and specifications and an additional fee (not to exceed \$50.00) for reviewing the landscaping plans.

4.6 Published Standards. The ARC may, from time to time, publish certain restrictions, specifications, materials, and standards to be followed. The provisions of such published information promulgated by the ARC from time to time shall be deemed to be a part of this Declaration and are incorporated herein by this reference.

4.7 Restitution. Any damages to roads, ditches, natural areas, ponds, lakes or other water bodies, or other improvements on or serving the Community as a whole caused by any Lot Owner, Lot Owner's contractor or subcontractor shall be repaired (in conformity with such requirements as the Board may impose) by the Lot Owner of the Lot upon which or for whose benefit the construction activity is taking place. Should any Lot Owner, after ten (10) days notice, fail or refuse to make said repairs, the Association may make said repairs and the cost therefor shall be payable by the Lot Owner to the Association within five (5) days after demand therefor.

4.8 Liability of the ARC and the Board of Directors. Notwithstanding anything in this Article to the contrary, the ARC and the Board shall merely have the right, but not the duty, to exercise architectural control in a particular matter, and shall not be liable to any Lot Owner, the Association, or any other entity due to the exercise or non-exercise of such control, or the approval or disapproval of any improvements. Furthermore, the approval of any plans or specifications or any improvement shall not be deemed to be a determination or warranty that such plans or specifications or improvements:

4.8.1 are complete or do not contain defects; or

4.8.2 in fact meet any standards, guidelines and/or criteria of the ARC or the Board; or

4.8.3 are in fact architecturally or aesthetically appropriate; or

4.8.4 comply with any applicable governmental requirements.

Furthermore, the ARC and the Board shall not be liable for any defect or deficiency in such plans or specifications or improvements or any injury resulting therefrom.

4.9 Completion of Work Remedy. When Work on any improvement is once begun, such Work thereon must be prosecuted diligently and completed within a reasonable time. If for any reason such Work is discontinued or there is no substantial progress toward completion for a continuous sixty (60) day period, then the ARC shall have the right to notify the Lot Owner of its intentions herein, enter the Lot and take such steps as might be required to correct the undesirable appearance or existence of the Home, including, but not limited to, demolition and/or removal thereof, and/or pursuit of any of the remedies under this Declaration as the ARC determines, and charge the Lot Owner for all costs associated therewith, which shall include all costs and attorneys' fees. The reason for such correction shall be solely in the discretion of the ARC and may include, but shall not be limited to, aesthetic grounds. The ARC shall have the authority, on behalf of the Board, to enter into such contracts as may be necessary to undertake the remedial and necessary actions on the Lot, including the right to enter into a contract with Declarant to undertake such actions. In addition, any failure to undertake Work under this Section shall require the offending Lot Owner to resubmit plans and specifications to the ARC for approval prior to undertaking any new Work on the Lot.

#### **Article V: Membership and Voting Rights**

5.1 Membership. Every Lot Owner that is subject to assessment under Article VIII of this Declaration shall become a Member of the Association upon the recording of the instrument of conveyance. If title to a Lot is held by more than one person, each such person is a Member. A Lot 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 conveyance of title to that Lot whether or not mention thereof is made in such conveyance of title. No person other than a Lot 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 does not prohibit the assignment of membership and voting rights by a Lot Owner who is a contract seller to such Lot Owner's vendee in possession.

5.2 Voting. The Association shall have two (2) classes of voting membership: Class A and Class B. So long as there is Class B membership, Class A Members are all Lot Owners except Declarant. The Class B Member shall be Declarant. Upon termination of Class B membership, as provided below, the Class A Members are all Lot Owners including Declarant so long as such Declarant is a Lot Owner. Subject to the provisions of Section 5.3 of this Article, all Class A Members are entitled to cast one (1) vote for each Lot owned. Prior to termination of Class B Membership and the Transfer of Control described in Section 5.4 of this Article, the Class B Member shall be entitled to three (3) votes for each Lot owned. As provided in the Articles of Incorporation, the Class B Member is entitled to appoint the Association's directors until termination of Class B membership.

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

5.4 Termination of Class B Membership; Transfer of Control. Prior to termination of Class B membership, Declarant shall be entitled to solely appoint all members of the Board. From time to time, Class B membership may cease and be converted to Class A membership, and Members other than Declarant shall be entitled to elect a majority of the members of the Board, upon the happening of the earliest of the following events:

5.4.1 Three (3) months after 90% of the Lots in all portions of the Community which are or may be ultimately subject to governance by the Association have been conveyed to third party Lot Owners; or

5.4.2 when the Declarant waives in writing its right to Class B membership, which waiver shall be evidenced by the recording of a certificate to such effect in the public records of the County; or

5.4.3 Twenty (20) years after this Declaration is recorded in the Public Records of Sarasota County, Florida.

Notwithstanding the foregoing, despite an event of transfer of control having occurred, Declarant shall be entitled to appoint at least one member to the Board, but not more members which would constitute a majority of the Board, as long as the Declarant holds for sale in the ordinary course of business at least 5% of the collective total number of Lots which are or may ultimately be contained within the Community.

#### **Article VI: Rights and Obligations of the Association**

6.1 Association. The Association shall govern, make Rules and Regulations, control and manage the Lots and Common Properties, if any, located on the Property pursuant to the terms and provisions of this Declaration and the Articles of Incorporation and By-Laws. The

Association shall at all times pay the real property ad valorem taxes on any Common Properties if said taxes are billed to the Association as differentiated from being billed to the Lot Owner and pay any governmental liens assessed against the Common Properties. The Association shall further have the obligation and responsibility for the hiring of certain personnel and purchasing and maintaining such equipment as may be necessary for maintenance, repair, upkeep and replacement of any Common Properties and facilities which may be located thereon, the performance of any of its maintenance obligations and performance of such other duties as are set forth herein, as follows:

6.1.1 Notwithstanding the foregoing, the Association may, but is not obligated to, employ community access or patrol services or personnel. If community access or patrol services or personnel are employed by the Association, the Board of Directors shall determine, in its sole discretion, the schedule and cost of expense of such access or patrol services or personnel. Declarant, while in control of the Association, does not intend to hire or pay for access or patrol services or personnel. Each Lot Owner, by virtue of taking title to a Lot, consents and agrees that Declarant is and shall be under no obligation to provide any access or patrol services or personnel within the Community, and shall hold Declarant harmless for any occurrences in such regard.

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

6.1.3 The Association shall maintain any and all landscaping islands and all landscaping and/or signage located, placed, installed or erected thereon contained within all portions of the Property.

6.1.4 In the event the Association in the future acquires any Common Properties, the Association shall obtain, maintain and pay the premiums for the hazard insurance, flood insurance, liability insurance and fidelity bond coverage as set forth below and as consistent with state and local insurance laws, and such other types of insurance as the Board may deem advisable:

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

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

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

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

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

6.1.6 The Association shall mow, blow, trim and edge the grass areas on each Lot, the cost of which shall be included as part of the General Lot Assessments. Additionally, the Association will periodically fertilize the grass and treat for weeds quarterly, and, periodically weed plant beds, and trim plant materials, the cost of which shall be part of the General Lot Assessments. The Association shall have no responsibility for and each Lot Owner is responsible for replacement of grass, plant materials, mulch and annuals. There are hereby reserved to the Association easements over the Community and its Lots as necessary to enable the Association to fulfill such responsibilities. In the event a Lot Owner elects to fence all or any part of its Lot (and installs a lock on its gate), the Lot Owner shall be required to provide unobstructed access to the fenced in areas (e.g., unlocked gates and no pets in fenced area). If any Lot Owner fails to comply with the foregoing, the Association shall be relieved of all obligation to maintain landscaping in the fenced areas and the Lot Owner shall be fully

responsible for same. No amendment to this paragraph shall be effective without the express prior written consent of Declarant.

6.1.7 If any lake or other water body is part of the Common Property, the Association shall be responsible for the maintenance of such lake or other water body, except for those lakes or other water bodies which may be specifically maintained by another entity. The Association also shall be responsible for the maintenance of the Surface Water Drainage and Management System for any portion of the Property in accordance with the WMD Permit, as more particularly described in Article XI hereof. The Association shall levy Lot Assessments for the costs and expenses associated therewith against the Lots. The Association shall have the power to contract with any other Association or entity to share the expense of maintaining any lake and associated equipment which is not located wholly on the Property but which is contiguous to any portion of the Property, and such contractual obligations shall be a valid expense of the Association.

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

6.2 Management Contracts and Leases of Common Property. The Association shall expressly have the power to contract for the management of the Association and/or the Common Property, if any, and to lease the recreation areas, further having the power to delegate to such contractor or lessee any or all of the powers and duties of the Association respecting the contract granted or property demised. Any contract for the management of the Association and/or the Common Property, if any, shall be terminable for cause upon thirty (30) days notice, be for a term not to exceed three (3) years, and be renewable only upon mutual consent of the parties thereto. The Association shall further have the power to employ administrative and other personnel to perform the services required for proper administration of the Association.

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

### 6.3 Easements.

6.3.1 Easements for installation and maintenance of utilities (including, but not limited to, those required for cable television service) and drainage facilities are reserved as shown on the Plat or as otherwise granted by Declarant. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow of



drainage channel in the easements, or which may obstruct or retard the flow of water through drainage channel in the easements, or which are or might be prohibited by the public authority to whom said easement is given.

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

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

#### **Article VII: Maintenance by Lot Owners; Failure to Maintain**

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

Except as otherwise provided in Section 6.1.6 hereof, each Owner shall maintain his or her Lot. Furthermore, notwithstanding Section 6.1.6 hereof, each Owner shall be responsible for the replacement of any portion or portions of such Owner's yard, landscaping, trees, shrubbery and any flora associated therewith which may be damaged, whether due to disease, storms, hurricane, natural disaster or other Act of God, provided that such replacement must be in accordance with this Declaration and be approved in writing by the Architectural Review Committee. Additionally, each Owner shall maintain all structures, parking areas, and other improvements comprising the Lot in a manner consistent with this Declaration and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to any supplement or amendment to this Declaration or other declaration of covenants applicable to such Lot. In addition to any other enforcement rights, if an Owner fails to properly perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Specific Lot Assessment in accordance with this Declaration.

Additionally, each Lot Owner shall care for, repair and replace all trees, grass and other landscaping which are located on lands directly adjacent to the boundary of the Lot and adjacent to the right-of-way of the road providing access to or otherwise adjacent to such Lot Owner's Lot (including as applicable the Alleyways) and through the Community (the "Right-of-Way Obligations"). If a Lot Owner does not satisfy his Right-of-Way Obligations, the Association shall have the right, but not the obligation, to repair and replace all trees, grass and other landscaping contained within such right-of-way (including as applicable the Alleyways), and the costs of such activities shall be charged to the Lot Owner of such Lot as a Specific Lot Assessment. Each Lot Owner, by virtue of taking title to a Lot, acknowledges and agrees, and shall be deemed to acknowledge and agree, that the performance of the Right-of-Way

Obligations is an essential element to the continued high standards and aesthetic qualities of the Community.

7.2 Failure to Maintain Lots. In the event a Lot Owner shall fail to maintain or repair the Lot and/or the Home in a manner required under this Declaration and as determined by the Board of Directors of the Association from time to time, within thirty (30) days' written notice of same, the Association, after approval by a majority vote of the total membership of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and/or the Home as required under this Declaration and as determined by the Association. The cost of same shall be charged to the Lot Owner as a Specific Lot Assessment, the nonpayment of which may lead to foreclosure of the lien for such Specific Lot Assessment in accordance with the provisions of Article VIII hereof.

### **Article VIII: Covenant for Assessments; Fines**

8.1 Assessments Established. The assessments levied by the Association must be used exclusively to promote the common good and welfare of the residents, to operate and manage the Association and the Common Properties, if any, and to perform such duties as may be required by this Declaration and the Articles of Incorporation and By-Laws of the Association.

In addition to the assessments established by this Article, each Lot Owner shall pay all taxes, if any, that from time to time may be imposed upon all or any portion of the assessments established by this Article.

All of the foregoing, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, are a continuing charge on the land secured by a continuing lien upon the Lot against which each assessment is made, as more particularly described in Section 8.4 hereof. Each such assessment, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, also is the personal obligation of the person or persons who was or were the owner(s) of such Lot when such assessment fell due.

#### 8.2 Lot Assessments.

8.2.1 In General. Each Lot Owner, by acceptance of a deed to such Lot, whether or not it is so expressed in such deed, is deemed to covenant to pay to the Association the various assessments contained in this Section 8.2.

8.2.2 General Lot Assessments. The Association may levy an annual, semi-annual, quarterly or monthly general lot assessment ("General Lot Assessment") to provide and be used for the operation, management and all other general activities and Common Expenses of the Association as pertaining solely to the Lots.

8.2.3 Initial General Lot Assessment. The initial General Lot Assessment shall be no more than \$1920 per year (payable in equal quarterly installments of no more than \$480 each) and will remain in effect until a different General Lot Assessment may be determined as provided in Sections 8.2.4 and 8.2.5 hereof.

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

8.2.5 Declarant Requirements for the Payment of Lot Assessments. Prior to Transfer of Control, Declarant shall be excused, in its sole discretion, from payment of its share of the Common Expenses and Lot Assessments related to the Lots owned by Declarant from time to time, provided that Declarant pays any operating expenses incurred by the Association that exceed the Lot Assessments receivable from other Lot Owners and other income of the Association, as further provided herein. Such deficit funding shall not preclude the levying of Special Lot Assessments and/or Specific Lot Assessments against the Lot Owners to defray the costs of Association expenses pertaining solely to the Lots and not contemplated under the Association's estimated operating budget for that fiscal year. In no manner shall Declarant be required to pay or fund any portion of a Lot Assessment being utilized for reserves for future repairs or replacements. Subsequent to Transfer of Control, Declarant shall be responsible for the payment of Lot Assessments only upon Lots which it owns and upon which a Home has been constructed for which a certificate of occupancy has been issued.

In furtherance of the above, Declarant guarantees to each buyer of a Lot that from the recording of this Declaration until twenty-four (24) months from the date of recording of this Declaration or turnover of control of the Association (as provided in Section 5.4 hereof), whichever occurs earlier, the total monthly assessment imposed on the Owner of a Lot pursuant to the Declaration will not exceed the amounts set forth in Exhibit "E" attached hereto and incorporated herein for the respective Lot and period set forth on said Exhibit "E."

Declarant reserves the right, but not the obligation, to unilaterally extend this guaranty for one or more additional stated periods after the expiration of the initial guaranty period on the date that is twenty-four (24) months from the date of recording of this Declaration or turnover of control of the Association, whichever occurs earlier, although the monthly guarantee amount shall be the same as the last level set forth herein.

Notwithstanding the above, to the extent permitted by law, in the event of an Extraordinary Financial Event (as hereinafter defined) the costs necessary to effect restoration shall be assessed against all Lot Owners owning Lots on the date of such Extraordinary Financial Event, and their successors and assigns, including Declarant (but only with respect to Lots owned by Declarant upon which a Home has been fully constructed, as evidenced by a final certificate of occupancy). As used in this subsection, an "Extraordinary Financial Event" shall mean Common Expenses incurred prior to the expiration of the guarantee period (as same may

be extended) resulting from a natural disaster or Act of God, which is not covered by insurance proceeds from insurance which may be maintained by the Association.

When all Lots within the Community are sold and conveyed to purchasers, neither Declarant nor its affiliates shall have further liability of any kind to the Association for the payment of Assessments, deficits or contributions. Declarant's rights under this entire Section may be assigned by it in whole or in part and on an exclusive or non-exclusive basis.

8.2.6 Special Lot Assessments. In addition to the General Lot Assessment, the Association may levy in any fiscal year a special assessment ("Special Lot Assessment") applicable to that year only for the purpose of defraying, in whole or in part, known expenses which exceeded, or when mature will exceed, the budget prepared and on which the General Lot Assessment was based, or as otherwise described in this Section 8.2. Notwithstanding the foregoing, no Special Lot Assessment against the Lot Owners shall exceed 1/12 of the total of the General Lot Assessments levied against the Lot Owners for that fiscal year without the prior approval of 75% of the voting interests in the Association that will be affected by such Special Lot Assessment, e.g., the Lot Owners.

8.2.7 Specific Lot Assessments. Any and all accrued liquidated indebtedness of any Lot Owner to the Association arising under any provision of this Declaration also may be assessed by the Association against such Lot Owner's Lot after such Lot Owner fails to pay it when due and such default continues for thirty (30) days after written notice; provided, however, that no Specific Lot Assessment shall be levied in connection with a fine levied by the Association pursuant to the Act.

8.2.8 Uniformity of Lot Assessments. The General Lot Assessment and any Special Lot Assessment must be uniform for each Lot Owner throughout the Community.

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

8.4 Lien for Assessment. All sums assessed against any Lot (as applicable), together with interest and all costs and expenses of collection, including reasonable attorneys' fees and costs and any late fees as may be imposed by the Association, are secured by a lien on such Lot in favor of the Association. Such lien is subject and inferior to the lien for all sums validly secured by any First Mortgage encumbering such Lot. Except for liens for all sums validly secured by any such First Mortgage, all other lienors acquiring liens on any Lot after this Declaration is recorded are deemed to consent that such liens are inferior to the lien established by this Article, whether or not such consent is specifically set forth in the instrument creating such lien. The recordation of this Declaration constitutes constructive notice to all subsequent purchasers and/or creditors of the existence of the Association's lien and its priority. The Association from time to time may record a Notice of Lien for the purpose of further evidencing the lien established by this Article, but neither the recording of, nor failure to record, any such notice of lien will affect the existence or priority of the Association's lien. In the event that any Lot Owner desires to sell or otherwise transfer title of his or her Lot (by sale, gift or judicial decree), the transferor shall be jointly and severally liable with the transferee for all of the

transferor's obligations to the Association which have become due and payable on or before the date of the transfer with respect to the transferred Lot, including payment of all applicable Assessments, notwithstanding the transfer of title to the Lot.

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

8.6 Remedies of the Association. Any Assessment not paid within thirty (30) days after its due date bears interest at the rate of 15% per annum or such other rate as may be from time to time determined by the Board, provided, however, that such rate shall not exceed the maximum rate allowed by law not constituting usury. The Association may bring an action at law against the Lot Owner personally obligated to pay such Assessment, or foreclose its lien against such Lot Owner's Lot. No Lot Owner may waive or otherwise escape liability for Assessments. A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing, waiving, or otherwise impairing the security of the Association's lien or its priority. The Association shall be entitled impose a late fee for costs associated with and/or incurred in connection with non-payment of any Assessment.

8.7 Foreclosure. The lien for sums assessed pursuant to this Article may be enforced by judicial foreclosure in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the Lot Owner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees. All such costs and expenses are secured by the lien foreclosed. The Lot Owner also is required to pay to the Association any Assessments against the Lot that become due during the period of foreclosure, which Assessments also are secured by the lien foreclosed and accounted on a pro rata basis and paid as of the date the Lot 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 Lot Owner for purposes of resale only. If any foreclosure sale results in a deficiency, the court having jurisdiction over the foreclosure may enter a personal judgment against the Lot Owner for such deficiency.

8.8 Subordination of Lien. Except where a notice of lien has been filed in the public records prior to the recording of a valid First Mortgage, the lien for the assessments provided in this Article is subordinate to the lien of any such First Mortgage. Sale or transfer of any Lot does not affect the assessment lien. The Association may give any encumbrancer of record thirty (30) days' notice within which to cure such delinquency before instituting foreclosure proceedings against the Lot. Any encumbrancer holding a lien on a Lot may pay, but is not required to pay, any amounts secured by the lien established by this Article; upon such payment, such encumbrancer will be subrogated to all rights of the Association with respect to such lien, including priority.

Notwithstanding anything to the contrary contained in this section, the liability of a First Mortgagee, or its successor or assignee as a subsequent holder of the first mortgage who acquires title to a Lot by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due before the First Mortgagee's acquisition of title, shall be the lesser of: (1) the Lot's

unpaid common expenses and regular periodic or special assessments that accrued or came due during the 12 months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or (2) one percent (1%) of the original mortgage debt.

The limitations on First Mortgagee liability provided by this Section 8.8 paragraph apply only if the First Mortgagee filed suit against the Owner and initially joined the Association as a defendant in the mortgagee foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location that was known to or reasonably discoverable by the First Mortgagee.

8.9 Application of Payments Received from a Lot Owner. Any payments received by the Association from a delinquent Lot Owner shall be applied first to any interest accrued as provided in this Article VIII, then to any administrative late fee, then to any fines levied by the Association pursuant to the applicable provisions of this Declaration, the By-Laws, and the Act, then to costs and reasonable attorneys' fees incurred in collection as provided in this Article VIII, and then finally to any delinquent and/or accelerated Association assessments. The foregoing application of funds received shall be applicable despite any restrictive endorsement, designation or instruction placed on or accompanying a payment.

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

8.11 Reserves. At the commencement of the Community, the Association shall not collect reserves for future or deferred maintenance, and there is and shall be no requirement for the collection of any reserves for such maintenance. From time to time, the Association, through the Board, may elect to collect reserves, in which event such amounts shall be a Common Expense. If the Board determines that reserves are to be collected, (a) the Board shall determine the appropriate level of the reserves based on a periodic review of the useful life of the improvements to the Common Properties and equipment owned by the Association, as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Properties, the purchase of equipment to be used by the Association in connection with its duties hereunder, and/or performance of required maintenance of Homes pursuant to this Declaration, and (b) the Association's budget shall disclose the exact monies collected and the reserve categories involved.

8.12 Working Capital Contributions.

8.12.1 At the time the initial sale of each Lot is closed, the purchaser of the Lot shall pay to the Association an "Initial Working Capital Contribution" in the amount of \$350. This sum shall be used and applied for start-up costs and as a working capital contribution in connection with all initial and ongoing operating expenses for the Association. This payment shall not be refundable or applied as a credit against the Lot Owner's payment of Assessments.

8.12.2 Subsequent to the initial sale of a Lot, upon the conveyance of a Lot from Lot Owner to another, the purchaser of the Lot may be required to pay to the Association a "Resale Capital Contribution." This sum shall be used and applied to offset administrative and other costs and expenses associated with the transfer of ownership of the Lot, and shall not be refundable or applied as a credit against the Lot Owner's payment of Assessments.

8.13 Fines. The Association shall have the power, but not the duty, to impose reasonable fines against a Lot Owner tenant, guest or invitee for the failure of the Lot Owner, or its occupant, licensee, or invitee to comply with any provision of this Declaration, the Bylaws, or the Rules and Regulations. A fine may be levied for each day of a continuing violation, with a single notice and opportunity for hearing as provided below, and there shall be no aggregate ceiling on the total fine which may be imposed for a recurring violation for each and any violation of the provisions of this Declaration, the Articles, the By-Laws and/or the Rules and Regulations; provided, however, that any such fine shall only be levied in accordance with the applicable provisions of the Act. The maximum fine to be levied against a Lot Owner shall not exceed the lesser of \$100.00 per violation per day or the maximum amount permitted under the Act. A fine may also be levied against a Lot Owner for violations committed by any tenant, guest, licensee or invitee of such Lot Owner. Additional provisions pertaining to fines may be contained in the By-Laws for purposes of amplification.

#### **Article IX: Miscellaneous Provisions Respecting Mortgages**

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

9.1 Notices of Overdue Assessments; Foreclosure. Upon request in writing to the Association identifying the name and address of the First Mortgagee or the insurer or guarantor of a recorded First Mortgage on a Lot ("Insurer or Guarantor") and the Lot number, the Association shall furnish each First Mortgagee, Insurer or Guarantor a written notice of such Lot Owner's obligations under this Declaration which is not cured within sixty (60) days. Except in the case of a notice of lien having been filed in the public records prior to the recording of a First Mortgage (and in such event, subject to Section 8.8 herein), any First Mortgagee of a Lot who comes into possession of the said Lot pursuant to the remedies provided in the Mortgage, foreclosure or a deed in lieu of foreclosure shall, to the extent permitted by law, take such property free of any claims for unpaid Assessments or charges in favor of the Association against the mortgaged Lot which become due prior to (i) the date of the transfer of title, or (ii) the date on which the holder comes into possession of the Home, whichever occurs first.

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

9.2.1 to examine current copies of this Declaration, the By-Laws, all Rules and Regulations, and the books and records of the Association during normal business hours;

9.2.2 to receive, without charge and within a reasonable time after such request, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Lot Owners at the end of each of its respective fiscal years; provided,

however, that in the event an audited financial statement is not available, any First Mortgagee shall be entitled to have such an audited statement prepared at its expense;

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

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

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

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

9.3 Distribution of Proceeds. No provision of this Declaration or the Articles of Incorporation or any similar instrument pertaining to the Property or the Lots therein shall be deemed to give a Lot Owner or any other party priority over the rights of the First Mortgagees pursuant to their mortgages in the case of distribution to Lot Owners of insurance proceeds or condemnation awards for losses to or a taking of the Lots, and/or the Common Property, or any portion thereof or interest therein. In such event, the First Mortgagees, Insurers or Guarantors of the Lots affected shall be entitled, upon specific written request, to timely written notice of any such loss.

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

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

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

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

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



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

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

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

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

#### **Article X: Damage, Destruction, Condemnation and Restoration of Improvements**

10.1 Damage, Destruction and Restoration. In the event the improvements forming a part of the Common Property, or any portion thereof, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, plus reserves (if any), shall be sufficient to pay the cost of repair or restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds and the reserves (if any), shall be applied by the Board or the payee of such insurance proceeds in payment therefore; provided, however, that in the event, within 180 days after said damage or destruction, the Lot Owners shall elect to withdraw the Property from the provisions of this Declaration, or if the insurance proceeds and the reserves (if any) are insufficient to reconstruct the damaged or destroyed improvements to the Common Property and the Lot Owners and all other parties in interest do not voluntarily make provision for reconstruction within 180 days from the date of damage or destruction, then such repair, restoration, or reconstruction shall not be undertaken. In the event such repair, restoration, or reconstruction is not undertaken, the net proceeds of insurance policies shall be divided by the Board or the payee of such insurance proceeds among all Lot Owners, after first paying from the share of each Lot Owner the amount of any unpaid liens on his Lot, in the order of the priority of such liens.

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

equal share for each Lot. Upon the withdrawal of any Lot or portion thereof, the responsibility for the payment of Assessments on such Lot or portion thereof by the Lot Owner shall cease.

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

**Article XI: Surface Water Drainage and Management System;**  
**Wetland Conservation and Wetland Mitigation Areas**

11.1 Owner Acknowledgment. All Owners acknowledge that the Property is located within the boundaries of the WMD. Due to groundwater elevations underneath the Property, priorities established by governmental authorities and other causes outside of the reasonable control of Declarant, and the Association, water levels may fluctuate at certain times during the year and such fluctuations may be material. Neither Declarant nor the Association shall have any liability for aesthetic conditions, damage to plantings or direct or consequential damages of any nature caused by the fluctuation of water levels. Each Lot Owner, by acceptance of a deed or other conveyance thereto, whether or not it shall be so expressed in such deed or conveyance is deemed to acknowledge and accept that any fluctuation in the availability of water to irrigate Lots is outside of the Declarant's control and will hold the Declarant harmless with respect thereto.

11.2 System Defined. The "Surface Water Drainage and Management System" shall be the portions of the Property including improvements thereon which are designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water or prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise effect the quantity and quality of discharges from such system as contemplated or provided in the applicable permits, development orders or other authorizations pertaining to the development of the Property. The Surface Water Drainage and Management System shall be governed by the WMD Permit.

11.3 Maintenance by the Association. The Surface Water Drainage and Management System shall be owned and maintained by the Association in compliance with all approvals, codes and regulations of governmental authorities and the WMD. Maintenance of the Surface Water Drainage and Management System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or

stormwater management capabilities as permitted by the WMD and shall specifically include, but not be limited to, maintenance of aquatic vegetation, lake beds, lake banks, lake liners, littoral planting and lake maintenance easements which, pursuant to the terms of this Declaration, plat or agreement, are not the responsibility of others, as well as water quality and wetland monitoring or testing. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted by the WMD. Notwithstanding anything herein to the contrary, if the Association shall cease to exist, for whatever reason, all of the Lot Owners shall be jointly and severally responsible for the operation and maintenance of the Surface Water Drainage and Management System in accordance with the environmental resource permit issued for the Surface Water Drainage and Management System, unless and until an alternate entity assumes the responsibilities for the operation and maintenance of the Surface Water Drainage and Management System. In the event the Association, or any successor organization, shall fail to adequately maintain the Surface Water Drainage and Management System in accordance with Sarasota County standards, Sarasota County shall have the right, but not the obligation, to enter the Community for the purpose of maintaining the Surface Water Drainage and Management System. All expenses incurred by Sarasota County in maintaining the Surface Water Drainage and Management System shall be assessed pro rata against the Lot and shall be payable by the Lot Owners of the Lot within sixty (60) days after receipt of a statement therefore. If any Lot Owner fails to pay such assessment within such sixty (60) day period, the assessment shall become a lien on such Lot Owner's Lot, which may be foreclosed by Sarasota County. The rights of Sarasota County contained in this restriction shall be in addition to any other rights Sarasota County may have in regulating the operation and development of the Community.

11.4 Prohibited Actions. Neither the Association nor any Lot Owner shall take any action which modifies the Surface Water Drainage and Management System in a manner which changes the flow of drainage of surface water, except to the extent the same is approved by the requisite governmental or quasi-governmental authorities, Declarant so long as Declarant owns any portion of the Property, and the party who has the obligation to maintain the Surface Water Drainage and Management System. In addition to the foregoing, neither the Association nor any Lot Owner may construct or maintain any Home or other structure or improvement, or undertake or perform any activity in the wetlands, wetland mitigation areas, wetland conservation areas, buffer areas, upland conservation areas and drainage easements described in the WMD Permit and on the Plat, unless prior approval is received from the Sarasota Service Office of the WMD.

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

11.6 Conveyance by Declarant. Declarant may convey its ownership interest in the lakes within the Property to the Association, together with easements for maintenance and other drainage improvements, such as by way of example and without limitation, weirs and underground pipes.

11.7 Amendments Impacting the Surface Water Drainage and Management System. Any amendment of this Declaration which would affect the Surface Water Drainage and Management System or the responsibility of the Association to maintain or cause to be maintained the Surface Water Drainage and Management System must be approved by the WMD. If the WMD determines that an amendment to the WMD Permit is required in order for an amendment to this Declaration to be effective, the WMD Permit shall be amended first. Additionally, any amendment of this Declaration which would affect the Surface Water Drainage and Management System must have the prior written approval of the Sarasota County Engineer or his authorized designee and no portion of the Surface Water Drainage and Management System shall be altered without the prior written approval of the Sarasota County Engineer or his authorized designee.

11.8 Enforcement. Declarant, the WMD, the Association, and each Lot Owner shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, monitoring, repair and replacement of the Surface Water Drainage and Management System and maintenance of all easements and rights-of-way. Further, the WMD has the right to take enforcement action, including actions at law or in equity, which may include claims for penalties, against the Association in order to compel the Association to correct any outstanding problems with the Surface Water Drainage and Management System or in mitigation or conservation areas under the responsibility or control of the Association.

11.9 Wetland Conservation and Wetland Mitigation Areas. Certain portions of the Property may contain or are adjacent to wetland preservation, conservation or mitigation areas and upland buffers that are or may be designated as conservation areas on the plats for the Property or pursuant to separate written instruments ("Conservation Areas"), and any such Conservation Areas will be protected by and be subject to conservation easements in favor of the County, the WMD and/or the U.S. Army Corps of Engineers, as and to the extent applicable ("Conservation Easements"). If so applicable, the terms of the Conservation Easements shall provide that the Conservation Areas shall be maintained and managed in perpetuity by the Association, its successors and assigns, and the Association shall enforce the terms and conditions of the Conservation Easements. In accordance with the terms of the Conservation Easements, the Association shall be responsible for the installation and perpetual maintenance of permanent physical signs/markers designating the Conservation Areas as required by the WMD.

The Property may consist of wetland conservation and/or mitigations areas which will contain special wetlands vegetation, and such areas shall be maintained and managed in perpetuity by the Association and its successors and assigns. No wetland or upland buffer areas may be altered from their natural or permitted condition, with the exception of exotic or nuisance vegetation removal, or restoration in accordance with the restoration plan included in the Conservation Easements. Exotic vegetation may include, but shall not be limited to, Melaleuca, Brazilian pepper, Australian pine and Japanese climbing fern, or any other species currently listed by the Florida Exotic Pest Control Council. Nuisance vegetation may include, but shall not be limited to, cattails, primrose willow and grape vine.

THE CONSERVATION AREAS ARE HEREBY DEDICATED AS COMMON PROPERTY, SHALL BE THE PERPETUAL RESPONSIBILITY OF THE ASSOCIATION, AND MAY IN NO WAY BE ALTERED FROM THEIR NATURAL OR PERMITTED

STATE. ACTIVITIES PROHIBITED WITHIN THE CONSERVATION AREAS INCLUDE, BUT ARE NOT LIMITED TO, CONSTRUCTION OR PLACING OF BUILDINGS ON OR ABOVE THE GROUND; DUMPING OR PLACING SOIL OR OTHER SUBSTANCES SUCH AS TRASH; REMOVAL OR DESTRUCTION OF TREES, SHRUBS OR OTHER VEGETATION, WITH THE EXCEPTION OF EXOTIC/NUISANCE VEGETATION REMOVAL; EXCAVATION, DREDGING OR REMOVAL OF SOIL MATERIAL; DIKING; OR ANY OTHER ACTIVITIES DETRIMENTAL TO DRAINAGE, FLOOD CONTROL, WATER CONSERVATION, EROSION CONTROL, OR FISH AND WILDLIFE HABITAT CONSERVATION OR PRESERVATION.

If Declarant enters into any agreement for the maintenance of any conservation and/or wetlands areas relating to the Property, Declarant shall have the right to assign its duties and obligations with respect to such wetlands areas to the Association, and the Association will be obligated to accept such assignment. The Association shall indemnify, defend and hold Declarant harmless from and against any liability that Declarant may have as a result of the Association's failure to properly maintain any wetlands areas, as herein provided.

If and to the extent there are any conservation areas within the Property, the following activities shall be prohibited upon the lands of such conservation areas: (a) construction or placing of buildings, signs, billboards or other advertising, utilities or other structures on or above the ground; (b) dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste or unsightly or offensive materials; (c) removal or destruction of trees, shrubs or other vegetation, except for the removal of exotic vegetation in accordance with a WMD-approved maintenance plan; (d) excavation, dredging or removal of loam, peat, gravel, soil, rock or other material substance in such manner as to affect the surface; (e) surface use, except for purposes that permit the land or water area to remain in its natural condition; (f) activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation, including, but not limited to, ditching, diking and fencing; (g) construction or placing of utilities on, below or above the ground without appropriate local, state and federal permits or other authorization; (h) application of herbicides, pesticides or fertilizers; (i) acts or uses detrimental to such aforementioned retention of land or water areas; and (j) acts or uses which are detrimental to the preservation of any features or aspects of the Property having historical or archaeological significance.

11.10 Maintenance of WMD Permit. Copies of the WMD Permit and any future WMD permit actions shall be maintained by the Association's registered agent for their benefit.

11.11 Construction Compliance with WMD Permit. At the time of construction of a building, residence, or structure, each Owner shall comply with the construction plans for the Surface Water Drainage and Management System approved and on file with the WMD.

## **Article XII: Intentionally Omitted**

## **Article XIII: Termination of the Community**

At a meeting called for such purpose and attended by all Lot Owners, the Lot Owners, by affirmative vote of 90% of the Lot Owners, may elect to terminate the legal status of the

Community and sell the Common Property as a whole. Within ten (10) days after the date of the meeting at which such sale was approved, the Board shall give written notice of such action to all First Mortgagees, Insurers and Guarantors entitled to notice under Article IX of this Declaration, and the termination shall only be effective upon the affirmative vote required under Section 9.4 hereof. Such action shall be binding upon all Lot Owners, and it shall thereupon become the duty of every Lot Owner to execute and deliver such instruments and to perform all acts in manner and form as may be necessary to effect such termination and sale. The Association shall represent the Lot Owners in any negotiations, settlements and agreements in connection with termination of the Community and sale of the Common Property. Any proceeds from the sale of the Common Property shall be first used to pay all expenses and outstanding obligations of the Association in connection with such portion of the Common Property, and thereafter shall be divided among all Lot Owners on the basis of an equal share for each Lot.

#### **Article XIV: Operation**

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

#### **Article XV: Disclosures**

15.1 Mildew. Given the climate and humid conditions in Florida, molds, mildew, toxins and fungi may exist and/or develop within the Home and/or the Property. Each Lot Owner is hereby advised that certain molds, mildew, toxins and/or fungi may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By acquiring title to a Lot, each Lot Owner shall be deemed to have assumed the risks associated with molds, mildew, toxins and/or fungi and to have released the Declarant from any and all liability resulting from same.

15.2 Mitigation of Dampness and Humidity. No Lot Owner, excluding Declarant, shall install, within his or her Lot, or upon the Common Properties, non-breathable wall-coverings or low-permeance paints. Additionally, any and all built-in casework, furniture, and or shelving in a Lot must be installed over floor coverings to allow air space and air movement and shall not be installed with backboards flush against any gypsum board wall. Additionally, all Lot Owners, whether or not occupying the Lot, shall periodically run the air conditioning system to maintain the Lot temperature, whether or not occupied, at 78°F, to minimize humidity in the Lot. While the foregoing are intended to minimize the potential development of molds, fungi, mildew and other mycotoxins, each Lot Owner understands and agrees that there is no method for completely eliminating the development of molds or mycotoxins. The Declarant does not make any representations or warranties regarding the existence or development of molds or mycotoxins and each Lot Owner shall be deemed to waive and expressly release any such warranty and claim for loss or damages resulting from the existence and/or development of same. In furtherance of the rights of the Association as set forth in this Declaration, in the event that the Association reasonably believes that the provisions of this Section are not being complied with, then, the Association shall have the right (but not the obligation) to enter the Lot (without requiring the consent of the Lot Owner or any other party) to turn on the air conditioning in an effort to cause the temperature of the Lot to be maintained as required hereby (with all utility consumption costs to be paid and assumed by the Lot Owner).

To the extent that electric service is not then available to the Lot, the Association shall have the further right, but not the obligation (without requiring the consent of the Lot Owner or any other party) to connect electric service to the Lot (with the costs thereof to be borne by the Lot Owner, or if advanced by the Association, to be promptly reimbursed by the Lot Owner to the Association, with all such costs to be deemed charges hereunder).

15.3 Warranty Disclosure. To the maximum extent lawful, Declarant hereby disclaims any and all and each and every express or implied warranties, whether established by statutory, common, case law or otherwise, as to the design, construction, sound and/or odor transmission, existence and/or development of molds, mildew, toxins or fungi, furnishing and equipping of the Property, including, without limitation, any implied warranties of habitability, fitness for a particular purpose or merchantability, compliance with plans, all warranties imposed by statute and all other express and implied warranties of any kind or character. Declarant has not given and the Lot Owner has not relied on or bargained for any such warranties. Each Lot Owner, by accepting deed to a Lot, or other conveyance thereof, shall be deemed to represent and warrant to Declarant that in deciding to acquire the Lot, the Lot Owner relied solely on such Lot Owner's independent inspection of the Lot. The Lot Owner has neither received nor relied on any warranties and/or representations from Declarant of any kind, other than as expressly provided herein. All Lot Owners, by virtue of their acceptance of title to their respective Lots (whether from the Declarant or another party) shall be deemed to have automatically waived all of the aforesaid disclaimed warranties and incidental and consequential damages. The foregoing shall also apply to any party claiming by, through or under a Lot Owner, including a tenant thereof. Buyer acknowledges and agrees that Declarant does not guarantee, warrant or otherwise assure, and expressly disclaims, any right to view and/or natural light.

15.4 Lot Measurements. Each Lot Owner, by acceptance of a deed or other conveyance of a Lot, understands and agrees that there are various methods for calculating the square footage of a Lot, and that depending on the method of calculation, the quoted square footage of the Lot may vary by more than a nominal amount. Additionally, as a result of in the field construction, other permitted changes to the Lot, and settling and shifting of improvements, actual square footage of a Lot may also be affected. By accepting title to a Lot, the applicable Lot Owner(s) shall be deemed to have conclusively agreed to accept the size and dimensions of the Lot, regardless of any variances in the square footage from that which may have been disclosed at any time prior to closing, whether included as part of Declarant's promotional materials or otherwise. Without limiting the generality of this Section, Declarant does not make any representation or warranty as to the actual size, dimensions or square footage of any Lot, and each Lot Owner shall be deemed to have fully waived and released any such warranty and claims for losses or damages resulting from any variances between any represented or otherwise disclosed square footage and the actual square footage of the Lot.

15.5 Building Area. Lots adjacent to water bodies within the Community may actually contain less building area than reflected on the Plat, and no Lot Owner shall have any claim(s), cause(s) of action or basis for any demand(s) against Declarant and/or the Association as a result thereof or in relation thereto.

15.6 Security. The Association will strive to maintain the Community as a safe, secure residential environment. HOWEVER, NEITHER THE ASSOCIATION NOR THE DECLARANT SHALL IN ANY WAY BE CONSIDERED GUARANTORS OF SECURITY

WITHIN THE COMMUNITY, NEITHER THE ASSOCIATION NOR THE DECLARANT SHALL HAVE ANY OBLIGATION TO AFFIRMATIVELY TAKE ANY ACTION IN ORDER TO MAINTAIN THE COMMUNITY AS A SAFE, SECURE RESIDENTIAL ENVIRONMENT, AND NEITHER THE ASSOCIATION NOR THE DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL LOT OWNERS, TENANTS, GUESTS AND INVITEES OF ANY LOT OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD, THE DECLARANT AND COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES, ARE NOT GUARANTORS AND THAT EACH LOT OWNER, TENANT, GUEST AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, LOTS, LOTS AND TO THE CONTENTS OF LOTS AND FURTHER ACKNOWLEDGE THE ASSOCIATION, ITS BOARD, THE DECLARANT AND COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY LOT OWNER, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN.

15.7 Notices and Disclaimers as to Multi-Media Services. Declarant, its affiliated entity, the Association, their successors or assigns may enter into contracts for the provision of security services through any Multi-Media Services. DECLARANT, ITS AFFILIATED ENTITY, THE ASSOCIATION, THEIR SUCCESSORS OR ASSIGNS DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH SECURITY SYSTEM OR SERVICES, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, NOTIFY AUTHORITIES OF FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME; AND EVERY LOT OWNER OR OCCUPANT OF PROPERTY RECEIVING SECURITY SERVICES THROUGH THE MULTI-MEDIA SERVICES ACKNOWLEDGES THAT DECLARANT, ITS AFFILIATED ENTITY, THE ASSOCIATION, ANY SUCCESSOR OR ASSIGN ARE NOT INSURERS OF THE LOT OWNER OR OCCUPANT'S PROPERTY OR OF THE PROPERTY OF OTHERS LOCATED ON THE LOT, DO NOT HAVE ANY OBLIGATION TO AFFIRMATIVELY TAKE ANY ACTION TO PREVENT SUCH OCCURRENCES, AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. It is extremely difficult and impractical to determine the actual damages, if any, which may proximately result from a failure on the party of a security service provider to perform any of its obligations with respect to security services and, therefore, every Lot Owner or occupant of property receiving security services through the Multi-Media Services agrees that Declarant, its affiliated entity, the Association, any successor or assign assumes no liability for loss or damage to property or for personal injury or death to persons due to any reason, including, without limitation, failure in transmission of an alarm, interruption of security service or failure to respond to an alarm because of (a) any failure of the Lot Owner's security system, (b) any defective or damaged equipment, device, line or circuit, (c) negligence, active or otherwise, of the security service provider or its officers, agents or employees, or (d) fire, flood, riot, war, act of God or other similar causes which are beyond the



control of the security service provider. Every Lot Owner or occupant of a Lot obtaining security services through the Multi-Media Services further agrees for himself, his grantees, tenants, guests, invitees, licensees and family members that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, or from negligence, active or otherwise, of the security service provider or its officers, agents, or employees, the liability, if any, of the Declarant, its affiliated entity, the Association, their successors or assigns for loss, damage, injury or death shall be limited to a sum not exceeding Two Hundred Fifty U.S. Dollars (\$250.00), which limitation shall apply irrespective of the cause or origin of the loss or damage and notwithstanding that the loss or damage results directly or indirectly from negligent performance, active or otherwise, or non-performance by an officer, agent or employee of Declarant, its affiliated entity, the Association, their successor or assign of any of same. Further, in no event will Declarant, its affiliated entity, the Association, their successors or assigns be liable for consequential damages, wrongful death, personal injury or commercial loss.

In recognition of the fact that interruptions in cable television and other Multi-Media Services will occur from time to time, no person or entity described above shall in any manner be liable, and no user of any Multi-Media Services shall be entitled to any refund, rebate, discount or offset in applicable fees, for any interruption in Multi-Media Services, regardless of whether or not same is caused by reasons within the control of the then-provider of such services.

15.8 Notices and Disclaimers as to Water Bodies. NEITHER DECLARANT, THE ASSOCIATION, NOR ANY OF THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN THE COMMUNITY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. THERE IS NO GUARANTY BY THE LISTED PARTIES THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME. FURTHER, ALL LOT OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES SHALL, FROM TIME TO TIME, EXCAVATE, CONSTRUCT AND MAINTAIN WATER BODIES WITHIN PROXIMITY TO THE PROPERTY. NOTWITHSTANDING THE FOREGOING, EXCAVATION OR CONSTRUCTION OF WATER BODIES SHALL BE PROHIBITED UNLESS OTHERWISE AUTHORIZED BY THE PERMITS. IN THE EVENT THAT THE EXCAVATION OR CONSTRUCTION OF WATER BODIES IS NOT AUTHORIZED BY SAID PERMITS, SUCH EXCAVATION OR CONSTRUCTION MAY ONLY TAKE PLACE IF A PERMIT MODIFICATION IS OBTAINED. BY THE ACCEPTANCE OF HIS OR HER DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER

INTEREST, AND BY USING ANY PORTION OF THE PROPERTY, EACH SUCH LOT OWNER, OCCUPANT OR USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES: (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES HEREUNDER OR AT LAW GENERALLY; (ii) NOT TO ENTER UPON, OR ALLOW CHILDREN, GUESTS OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY WATER BODY WITHIN THE PROPERTY EXCEPT AS SPECIFICALLY PERMITTED BY THIS DECLARATION OR THE RULES AND REGULATIONS ADOPTED BY THE ASSOCIATION; (iii) DECLARANT, THE ASSOCIATION, AND THE OTHER LISTED PARTIES SHALL NOT BE LIABLE BUT, RATHER, SHALL BE HELD HARMLESS FROM ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES; (iv) ANY PURCHASE OR USE OF ANY PORTION OF THE PROPERTY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING; AND (v) THIS ACKNOWLEDGEMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT TO SELL, CONVEY AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE PROPERTY.

FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY HABITAT OR ENTER INTO WATER BODIES WITHIN OR NEARBY THE COMMUNITY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

NEITHER DECLARANT NOR THE ASSOCIATION SHALL BE OBLIGATED TO ERECT FENCES, GATES OR WALLS AROUND OR ADJACENT TO ANY WATER BODY WITHIN THE COMMUNITY.

#### **Article XVI: General Provisions**

16.1 Enforcement. Unless expressly provided otherwise, the Association, or any Lot Owner, has the right to enforce, by any appropriate proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, charges, rules, and regulations now or hereafter imposed by, or pursuant to, the provisions of this Declaration. If the Association or any person entitled to enforce any of the provisions of this Declaration is the prevailing party in any litigation involving this Declaration or any rule or regulation, such party may recover from the losing party all costs and expenses incurred, including reasonable attorneys' fees for all trial and appellate proceedings, if any. If the Association is the losing party against any Lot Owner, such costs and expenses, including reasonable attorneys' fees, payable to the prevailing party and those incurred by the Association itself, may be assessed against such Lot Owner's Lot, as provided in Article VIII of this Declaration. Failure by the

Association or by any Lot Owner to enforce any covenant, restriction, rule, or regulation will not constitute a waiver of the right to do so at any time.

16.2 Amendment. Except as may be otherwise provided herein, Declarant may amend this Declaration by an instrument executed with the formalities of a deed without the approval or joinder of any other party at any time prior to the date on which Declarant shall have conveyed 90% of the Lots on the Property. Except as may be otherwise provided herein, commencing on the date that Declarant shall have conveyed 90% of the Lots on the Property, this Declaration may be amended by the affirmative vote of not less than two-thirds (2/3) of a majority of the total voting interests in the Association who are present in person or by proxy at a duly-called and noticed meeting of the Association membership. In lieu of a vote taken at a meeting, the instrument executed by each of the owners agreeing to an amendment shall be deemed effective, provided that (i) each owner executes the amendment instrument with the formalities of a deed, and (ii) the Association, through its president, certifies the proper approval of the amendment. No amendment is effective until recorded, and the Association's proper execution will entitle it to public record. Notwithstanding the foregoing, (a) no instrument of amendment, rescission or termination shall be effective while there are Class B memberships unless 100% of the Class B Members shall approve and join in such instrument, and (b) no amendment which will affect any aspect of the surface water management system located on the Property shall be effective without the prior written approval of the WMD. For purposes of this Section, a Lot shall be considered conveyed when the deed is duly recorded. Notwithstanding any provision herein to the contrary, based upon the specific language contained in Section 720.306(1)(c) of the Act, Declarant reserves the right, for so long as Declarant has the right to unilaterally amend the Declaration pursuant to this Section 16.2, to amend or modify the provisions in this Declaration pertaining to the proportionate voting interests appurtenant to a Lot or the proportion or percentage by which a Lot shares in the Common Expenses of the Association, without requirement for consent of any party.

16.3 Special Amendment. Anything herein to the contrary notwithstanding, and subject to the requirement of First Mortgagee approval set forth herein where applicable, Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration, at any time and from time to time, which amends this Declaration and any provision therein: (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities; (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Homes; (iii) to correct clerical or typographical errors in this Declaration; (iv) to bring this Declaration into compliance with applicable laws, ordinances or governmental regulations; or (v) to minimize any federal or state income tax liability of the Association. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Lot Owner and the Association. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Home and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant to make, execute and record Special Amendments. The right and power of Declarant to make Special Amendments hereunder shall

terminate on December 31, 2030, or on the date of the conveyance of all Lots in the Community by the Declarant to third parties, whichever occurs last. Notwithstanding any provision herein to the contrary, based upon the specific language contained in Section 720.306(1)(c) of the Act, Declarant reserves the right, for so long as Declarant has the right to unilaterally amend the Declaration pursuant to this Section 16.3, to amend or modify the provisions in this Declaration pertaining to the proportionate voting interests appurtenant to a Lot or the proportion or percentage by which a Lot shares in the Common Expenses of the Association, without requirement for consent of any party.

#### 16.4 Additions to the Property.

16.4.1 Additional land may be made subject to all the terms hereof and brought within the jurisdiction and control of the Association in the manner specified in this Section, provided such is done within thirty (30) years from the date this Declaration is recorded. Notwithstanding the foregoing, however, under no circumstances shall Declarant be required to make such additions, and until such time as such additions are made to the Property in the manner hereinafter set forth, no other real property owned by Declarant or any other person or party whomsoever, other than within the Property, shall in any way be affected by or become subject to this Declaration. All additional land which, pursuant to this Section, is brought within the jurisdiction and control of the Association and made subject to the Declaration shall thereupon and thereafter be included within the term "Property" as used in this Declaration. Notwithstanding anything contained in this Section, Declarant neither commits to, nor warrants or represents, that any such additional land will be made subject to and brought within the jurisdiction and control of the Association.

16.4.2 Procedure for Making Additions to the Property. Additions to the Property may be made by the following procedure:

16.4.2.1 Declarant shall have the right from time to time, in its discretion and without need for consent or approval by either the Association, any Lot Owner, Resident or other Person to make additional land owned by Declarant subject to the scheme of this Declaration and to bring such land within the jurisdiction and control of the Association; provided, however, in the event any portion of such additional land is encumbered by one or more mortgages, Declarant must obtain the consent and approval of each holder of such mortgage(s).

16.4.2.2 The addition shall be accomplished by Declarant filing of record in the public records a supplement to this Declaration with respect to the additional land extending the terms of the covenants and restrictions of this Declaration to such land as specifically and legally described. Such supplement need only be executed by Declarant and shall be accompanied by the consent(s) and joinder(s) of any holder(s) of mortgage(s) on such additional land. No joinder or consent of the Association, any Lot Owner, Resident or other Person shall be required. Such supplement may contain such additional provisions and/or modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added land or permitted uses thereof.

16.4.2.3 Nothing contained in this Section shall obligate Declarant to make additions to the Property.

16.5 Warranties. Declarant makes no warranties, express or implies, as to the improvements located in, on or under the Common Property. Each Lot Owner, by acceptance of a deed or other conveyance thereto, whether or not it shall be so expressed in such deed or conveyance, is deemed to acknowledge and agree that there are no merchantability, fitness or otherwise, either express or implies, made or given, with respect to the improvements in, on or under the Common Property, all such warranties being specifically excluded.

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

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

16.8 Covenant Running with the Property. Except as otherwise provided herein, the covenants, conditions and restrictions of this Declaration shall run with and be binding upon the Property, and shall remain in force and be enforced by the Board of Directors and the Lot Owners, their heirs, successors and assigns, for a term of thirty (30) years after the date this Declaration is recorded in the public records of the County, and shall be automatically renewed for successive periods of ten (10) years, unless the Lot Owners, upon the affirmative vote of the holders of 70% of the total voting interests in the Association decide within six (6) months of such renewal date not to renew these covenants, conditions and restrictions, and a certificate executed by the president or the vice-president and secretary of the Association certifying to such vote is recorded in the public records of the County.

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

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

16.10 Lot Owner Cooperation. No person shall use the Property, or any part thereof, in any manner contrary to or not in accordance with the Rules and Regulations and any provisions set forth in the By-Laws. The Lot Owners shall not permit or suffer anything to be done or kept in a Home or upon a Lot which will increase the rate of any insurance purchased by the Association for the Property or any portion thereof, or which will obstruct or interfere with the rights of other Lot Owners, or annoy them by unreasonable noises, or otherwise, nor shall the Lot Owners commit or permit any nuisance, immoral or illegal acts in or about the Property.

16.11 Existing Power Lines. Each Lot Owner, by virtue of taking title to a Lot acknowledges and agrees, and shall be deemed to have acknowledged and agreed, that there are existing overhead power lines within and adjacent to portions of the Community.

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

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

16.14 Access Control and Systems.

16.14.1 Declarant and the Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to make the Community more secure than they otherwise might be. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of privacy or safety within the Community or upon the Property, and in no manner shall the Association or Declarant be held liable for any loss or damage by reason of failure to provide adequate privacy or ineffectiveness of privacy or safety measures undertaken.

16.14.2 Each Lot Owner, occupant of a Home, family members, residents, tenants, guests and invitees of any Lot Owner, as applicable, acknowledge and agree, and shall be deemed to have acknowledged and agreed, that:

16.14.2.1 Declarant and the Association, and the officers, directors and supervisors of each of them, do not represent or warrant that any fire protection system, electronic monitoring system or other privacy system designated by or installed according to guidelines established by Declarant or the ARC may not be compromised or circumvented, that any fire protection or electronic monitoring systems or other privacy systems will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise, and that fire protection or electronic monitoring systems or other privacy systems will in all cases provide the detection or protection for which the system is designed or intended.

16.14.2.2 Each Lot Owner, occupant of a Home, a Lot Owner's family members, and residents, tenants, guests and invitees of any Lot Owner, as applicable, assumes any and all risks for loss or damage to persons, to Homes and the contents thereof; and

16.14.2.3 The Association and Declarant have made no representations or warranties, nor has any Lot Owner, occupant of a Home, a Lot Owner's family members, or residents, tenants, guests and invitees of any Lot Owner, as applicable, relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire and/or electronic monitoring systems or other privacy systems recommended or installed or any privacy measures undertaken within the Community and upon the Property.

16.15 Common Property Improvements. Declarant makes no warranties, expressed or implied, as to the improvements located in, on or under the Common Property. Each owner of a Lot, other than Declarant, by acceptance of a deed or other conveyance thereto, whether or not it shall be so expressed in such deed or conveyance, is deemed to acknowledge and agree that there are no warranties of merchantability, fitness or otherwise, either expressed or implied, made or given, with respect to the improvements in, on or under the Common Property, all such warranties being specifically excluded.

IN WITNESS WHEREOF, Declarant has duly executed this instrument on this 2<sup>nd</sup> day of July, 2012.

WITNESSES:

THE RYLAND GROUP, INC., a Maryland corporation authorized to do business in Florida

[Signature]  
Name: JOHNATHAN R WOODMAN

By: [Signature]  
Print Name: Kevin D Huff  
Title: Assistant VP

[Signature]  
Name: Denise J. Paxson

(SEAL)

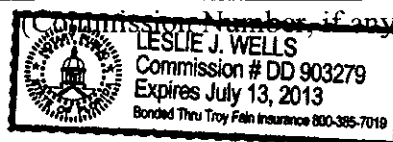
STATE OF FLORIDA  
COUNTY OF Hillsborough

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of July, 2012, by Kevin D. Huff, as Assistant Vice President of The Ryland Group, Inc., a Maryland corporation authorized to do business in Florida, on behalf of such entity, as Declarant hereunder. He  is personally known to me or  has produced \_\_\_\_\_ as identification.

My Commission Expires:

(AFFIX NOTARY SEAL)

[Signature]  
(Signature)  
Name: Leslie J. Wells  
(Legibly Printed)  
Notary Public, State of Florida





**EXHIBIT "A" TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR PALMER LAKE**

**Legal Description of the Property**

DESCRIPTION:

A PARCEL OF LAND PREVIOUSLY DESCRIBED IN OFFICIAL RECORDS INSTRUMENT # 2011145081, PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA, BEING TRACK 1, TRACK 2, A PORTION OF TRACT 3, IN BLOCK 23 AND A PORTION OF THE FORMER MAIN TRACT OF THE TAMPA SOUTHERN RAILROAD, PALMER FARMS THIRD UNIT, AS RECORDED IN PLAT BOOK 3, PAGE 39, OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

POINT OF BEGINNING BEING AT THE NORTHEAST CORNER OF SAID TRACT 3, ALSO BEING THE NORTHWEST CORNER OF BARTON FARMS, UNIT II, AS RECORDED IN PLAT BOOK 42, PAGES 45, 45A THROUGH 45C, OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA; THENCE N 70°38'00" W, ALONG THE SOUTH RIGHT OF WAY LINE OF PALMER BOULEVARD, PREVIOUSLY RINGLING BOULEVARD, A DISTANCE OF 1,806.48 FEET TO THE NORTHWEST CORNER OF SAID TRACT 1 AS MONUMENTED; THENCE ALONG THE WEST LINE OF SAID TRACT 1 AND ITS SOUTHERLY EXTENSION OF, S 19°25'52" W, A DISTANCE OF 551.24 FEET TO THE CENTERLINE OF THE ROADBED OF THE FORMER MAIN TRACT OF THE TAMPA SOUTHERN RAILROAD; THENCE S 33°04'26" W A DISTANCE OF 65.00 FEET TO THE SOUTH LINE OF SAID ROADBED OF THE FORMER MAIN TRACT OF THE TAMPA SOUTHERN RAILROAD; THENCE S 57°05'55" E ALONG SAID SOUTH LINE OF TAMPA SOUTHERN RAILROAD, ALSO BEING THE NORTH LINE OF TRACK "K", BARTON FARMS, UNIT 4A, AS RECORDED IN PLAT BOOK 44, PAGES 42, 42A THROUGH 42F AND THE NORTH LINE OF TRACK "K", BARTON FARMS, UNIT 3, RECORDED IN PLAT BOOK 43, PAGES 40, 40A THROUGH 40E, ALL OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA, A DISTANCE OF 1066.21 FEET TO THE NORTHEASTERLY CORNER OF TRACK 1, BLOCK 7, A RE-SUBDIVISION OF PART OF THE THIRD UNIT OF PALMER FARMS AS RECORDED IN PLAT BOOK 3, PAGE 58, OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA; THENCE N 23°09'28" E ALONG THE NORTHEASTERLY EXTENSION OF THE EASTERLY LINE OF SAID TRACK 1, BLOCK 7, A DISTANCE OF 65.95 FEET TO THE CENTERLINE OF SAID ROADBED OF THE FORMER MAIN TRACT OF THE TAMPA SOUTHERN RAILROAD; THENCE S 57°05'55" E ALONG SAID CENTERLINE, ALSO BEING THE NORTH LINE OF SAID BARTON FARMS UNIT 3, A DISTANCE OF 570.68 FEET TO THE WESTERLY LINE OF BARTON FARMS UNIT I, RECORDED IN PLAT BOOK 38, PAGES 46, 46A THROUGH 46I, PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA, SAME BEING THE SOUTHEASTERLY CORNER OF SAID TRACT 3; THENCE N 33°02'35" E ALONG SAID WESTERLY LINE OF BARTON FARMS, UNIT I AND THE WESTERLY LINE OF SAID BARTON FARMS, UNIT II, ALSO BEING THE EASTERLY LINE OF SAID TRACK 3, A DISTANCE OF 505.59 FEET TO A POINT ON A CURVE CONCAVED SOUTHEASTERLY, HAVING A RADIUS OF 6.00 FEET (RADIAL BEARING N.33°02'35"E.), A DELTA ANGLE OF 180°00'00", A CHORD BEARING OF N.33°02'35"E., A CHORD DISTANCE OF 12.00 FEET; THENCE ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 18.85 FEET TO THE END OF SAID CURVE; THENCE N.33°02'35" E, ALONG SAID WESTERLY LINE OF BARTON FARMS, UNIT II, ALSO BEING THE EASTERLY LINE OF SAID TRACK 3, A DISTANCE OF 441.28 FEET TO THE POINT OF BEGINNING

PARCEL CONTAINS 30.903 ACRES MORE OR LESS.

**EXHIBIT "B" TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR PALMER LAKE**

**Articles of Incorporation of the Association**

# State of Florida



## Department of State

I certify from the records of this office that PALMER LAKE MASTER ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on April 11, 2012.

The document number of this corporation is N12000003795.

I further certify that said corporation has paid all fees due this office through December 31, 2012, 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, 012A00011623-041212-N12000003795-1/1, noted below.

Authentication Code: 012A00011623-041212-N12000003795-1/1

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
Twelfth day of April, 2012



*Ken Detzner*  
Ken Detzner  
Secretary of State



April 12, 2012

FLORIDA DEPARTMENT OF STATE  
Division of Corporations

PALMER LAKE MASTER ASSOCIATION, INC.  
9426 CAMDEN FIELD PKWY  
RIVERVIEW, FL 33578

The Articles of Incorporation for PALMER LAKE MASTER ASSOCIATION, INC. were filed on April 11, 2012, and assigned document number N12000003795. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H12000095717.

To maintain "active" status with the Division of Corporations, an annual report must be filed yearly between January 1st and May 1st beginning in the year following the file date or effective date indicated above. It is your responsibility to remember to file your annual report in a timely manner.

A Federal Emplo\_Identification Number (FEI/EIN) will be required when this report is filed. Contact the IRS at 1-800-829-4933 for an SS-4 form or go to [www.irs.gov](http://www.irs.gov).

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have questions regarding corporations, please contact this office at (850) 245-6052.

Tim Burch  
Regulatory Specialist II  
New Filings Section  
Division of Corporations

Letter Number: 012A00011623

# State of Florida



## Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of PALMER LAKE MASTER ASSOCIATION, INC., a Florida corporation, filed on April 11, 2012, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H12000095717. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N12000003795.

Authentication Code: 012A00011623-041212-N12000003795-1/1

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
Twelfth day of April, 2012



*Ken Detzner*  
Ken Detzner  
Secretary of State

**ARTICLES OF INCORPORATION  
OF  
PALMER LAKE MASTER ASSOCIATION, INC.**

THE UNDERSIGNED, in accordance with the provisions of Chapter 617, *Florida Statutes*, hereby make, subscribe and acknowledge these Articles of Incorporation for the purpose of forming a nonprofit Florida corporation.

**ARTICLE I**

The name of the corporation is Palmer Lake Master Association, Inc., and its mailing address and principal office address is c/o The Ryland Group, Inc., 9426 Camden Field Parkway, Riverview, Florida 33578.

**ARTICLE II**

All undefined terms appearing in initial capital letters herein shall have the meaning ascribed to them in that certain Declaration of Covenants, Conditions and Restrictions for Palmer Lake (the "Declaration"), as it may be amended from time to time.

**ARTICLE III**

This corporation does not contemplate pecuniary gain or profit, direct or indirect to its members, and its primary purposes are:

Section 1. To promote the health, safety and, social welfare of the owners of all Lots located within Palmer Lake, a planned community within Sarasota County, Florida (the "Community");

Section 2. To maintain all portions of the Community and improvements thereon for which the obligation to maintain and repair has been delegated to the corporation by the Declaration which is to be recorded in the public records of Sarasota County, Florida;

Section 3. To contract for the operation and maintenance of the Common Properties or Surface Water Drainage and Management System and to delegate any powers and duties of the Association in connection therewith, except such as specifically required by the Declaration to be exercised by the Board of Directors or the membership of the Association;

Section 4. To operate and maintain the Surface Water Drainage and Management System, including all inlets, ditches, swales, culverts, water control structures, retention and detention areas, ponds, lakes, flood plan compensation areas, wetlands and any associated buffer areas, and wetland mitigation areas. Moreover, the Association shall operate, maintain, and manage the Surface Water Drainage and Management System in a manner consistent with the WMD Permit requirements and applicable WMD rules and regulations, and the terms and conditions of the Declaration (including enforcement provisions) which relate to the Surface Water Drainage and Management System. Additionally, the Association shall levy and collect adequate Assessments against Members for the cost of maintenance and operation of the Surface Water Drainage and Management System;

Section 5. To exercise all rights and powers of a non-profit corporation permitted by Chapter 617, *Florida Statutes*; and

Section 6. To exercise any other powers necessary and proper for the governance and operation of the Association, including those powers set forth in the Declaration.

ARTICLE IV

The term for which the corporation is to exist is perpetual unless the corporation is dissolved pursuant to any applicable provision of the *Florida Statutes*. Any dissolution of the corporation shall comply with the Declaration. In the event of dissolution, the control or right of access to any portion of the Common Properties containing the Surface Water Drainage and Management System shall be conveyed or dedicated to an appropriate governmental unit or public utility. If the Surface Water Drainage and Management System are not accepted by governmental or public utility, then they shall be conveyed to a non-profit corporation similar to the Association.

ARTICLE V

The name and address of the subscriber of these Articles is:

c/o The Ryland Group, Inc.  
9426 Camden Field Parkway  
Riverview, Florida 33578

ARTICLE VI

The corporation shall be governed by a Board of Directors consisting of not less than three (3) nor more than seven (7) persons. The members of the Board of Directors shall be elected in accordance with the provisions of Article IV of the Bylaws of the corporation. The initial Board of Directors shall consist of three (3) persons whose names and addresses are:

- |                |   |
|----------------|---|
| Kevin D. Huff  | c/o The Ryland Group, Inc.<br>9426 Camden Field Parkway<br>Riverview, Florida 33578 |
| Robert Sipple  | c/o The Ryland Group, Inc.<br>9426 Camden Field Parkway<br>Riverview, Florida 33578 |
| Robert Gibbons | c/o The Ryland Group, Inc.<br>9426 Camden Field Parkway<br>Riverview, Florida 33578 |

In the event of a vacancy on the Board of Directors, the vacancy shall be filled by the majority vote of the remaining Directors.



## ARTICLE VII

The affairs of the corporation are to be managed by a President, a Vice President, a Secretary, a Treasurer and such other Officers as the Bylaws of the corporation may provide for from time to time. All Officers shall be elected by the Board at the first meeting of the Board of Directors following the annual meeting of the corporation and shall hold office until the next succeeding annual election of Officers or until their successors are elected and qualify.

The names of the Officers who are to serve until the first meeting of the Board following the annual meeting of the corporation are:

Kevin D. Huff	President
Robert Gibbons	Vice President
Robert Sipple	Secretary/Treasurer

In the event of a vacancy in any office, the vacancy shall be filled by a majority vote of the Board of Directors.

## ARTICLE VIII

Each Lot Owner within the Community shall be entitled to one (1) vote for each owned Unit or as otherwise more fully set forth in the Declaration.

## ARTICLE IX

Voting Rights. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". So long as there is a Class "B" Member, Class "A" Members shall be all Lot Owners, with the exception of the Declarant. Class "A" Members shall be entitled to one (1) equal vote for each Lot owned in the Community. When more than one (1) person holds an ownership interest in any Lot, all such persons shall be Members, provided that only one vote may be cast on behalf of all such Members holding an ownership interest in any one Lot. The vote for such Lot shall be exercised as those Owners themselves determine and advise the Secretary prior to any meeting. In the absence of such advice, the Lot's vote shall be suspended in the event more than one (1) person seeks to exercise it.

(b) Class "B". The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve or withhold approval of actions proposed under this Declaration and the Bylaws, are specified elsewhere in the Declaration and the Bylaws. The Class "B" Member may appoint a majority of the members of the Board prior to the Turnover Date. Following the Turnover Date, the Declarant shall have a right to disapprove actions of the Board and committees as provided in the Bylaws. Additionally, prior to the Turnover Date, the Class "B" Member shall be entitled to three (3) votes for each Lot owned. After the Turnover Date, the Declarant shall be entitled to one (1) vote for each Lot owned, and shall be entitled to all rights and privileges associated with Class "A" membership in addition to all rights reserved to the Declarant as enumerated in the Declaration, these Articles of Incorporation, and the Bylaws.

The Class "B" Member shall terminate upon the earlier of:

- (i) Three (3) months after ninety percent (90%) of the Lots in the Community that will ultimately be operated by the Association have been conveyed to Lot Owners other than Declarant, as provided in the Declaration.
- (ii) Twenty (20) years after the date on which the Declaration is recorded in the public records of Sarasota County, Florida; or
- (iii) When, in its discretion, the Declarant so determines and declares in a recorded instrument.

#### ARTICLE X

Thirty percent (30%) of the total vote that could be cast at any annual or special meeting, represented in person or by proxy, shall constitute a quorum at any meeting of the Members. If a quorum cannot be reached at any meeting of the membership, the meeting may be adjourned and reconvened without notice other than announcement at the meeting. Adjourned and reconvened meetings shall be at least three (3) days apart and, if a quorum is reached, any business may be transacted which might have been transacted at the adjourned meeting.

#### ARTICLE XI

This corporation shall never have nor issue any shares of stock, nor shall this corporation distribute any part of the income of this corporation, if any, to its Members, Directors or Officers. However, the corporation shall not be prohibited from reasonably compensating its Members, Directors, or Officers for services rendered, nor shall the corporation be prohibited from making any payments or distributions to members of benefits, monies or properties permitted by Chapter 617, *Florida Statutes*.

#### ARTICLE XII

The corporation shall have all the powers set forth and described in Chapter 617, *Florida Statutes*, as presently existing or as may be amended from time to time, together with those powers conferred by the Declaration, these Articles of Incorporation and the Bylaws of the corporation, including, but not limited to, assess members for all expenses incurred in connection with maintaining and operating the Surface Water Drainage and Management System and the right to enforce that assessment pursuant to the imposition of liens.

#### ARTICLE XIII

The corporation shall indemnify all persons who may serve or who have served at any time as Director or Officers, and their respective heirs, administrators, successors and assigns against any and all expenses, including amounts paid upon judgments, counsel fees, and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred in connection with the defense or settlement of any claim, action, suit or proceeding in which they or any of them are made a party, or which may be asserted against any of them, by reason of having been a Director or Officer of the corporation, except in such cases where the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties.

Such indemnification shall be in addition to any rights to which such Director or Officer may otherwise be entitled.

#### ARTICLE XIV

In the absence of fraud, no contract or other transaction between this corporation or any other person, firm, association, corporation or partnership shall be affected or invalidated by the fact that any Director or Officer of this corporation is pecuniarily or otherwise interested in, or is a director, member or officer of any such firm, association, corporation or partnership. Any director may vote and be counted in determining the existence of a quorum at any meeting of the Board of Directors for the purpose of authorizing contract or transaction with like force and effect as if he were not so interested, or not a director, member or officer of such other firm, association, corporation or partnership.

#### ARTICLE XV

The Bylaws of this corporation are to be made and adopted by a majority vote of the Directors and said Bylaws may not be altered, amended, rescinded or added to except as provided in the Bylaws.

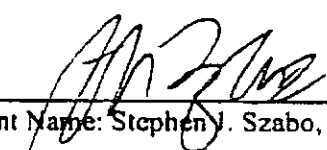
#### ARTICLE XVI

These Articles of Incorporation may be amended, altered, rescinded, or added to by appropriate resolution approved by a two-thirds (2/3) vote of the voting interest of the Members present at any duly convened membership meeting or, alternatively, by appropriate resolution adopted by a two-thirds (2/3) vote of the Board of Directors at any duly convened meeting of the Board and accepted by a two-thirds (2/3) vote of the voting interest of the Members present at any duly convened membership meeting. Any Member of this corporation may propose an amendment to the Articles of Incorporation to the Board or the membership, as the case may be. Notwithstanding the foregoing, until termination of the Class B Membership, any changes in the Articles of Incorporation may be made by a majority vote of the Board of Directors. Any proposed amendment to these Articles, which would affect the Surface Water Drainage and Management System (including environmental conservation areas and the water management portions of the Common Properties), must be submitted to the WMD or its successors for a determination of whether the amendment necessitates a modification of the applicable permit.

#### ARTICLE XVII

To the extent any provisions contained herein conflict with the Declaration, the provisions contained in the Declaration shall supersede such conflicting provisions contained herein.

IN WITNESS WHEREOF, the undersigned subscriber has executed these Articles of incorporation, this 10<sup>th</sup> day of April, 2012.

  
 \_\_\_\_\_  
 Print Name: Stephen J. Szabo, III

**DESIGNATION OF REGISTERED AGENT  
AND REGISTERED OFFICE**

The initial registered agent of this corporation shall be F & L Corp. The initial registered office of this corporation shall be One Independent Drive, Suite 1300, Jacksonville, Florida 32202.

**ACCEPTANCE**

Having been named registered agent to accept service of process for the above-named corporation, the undersigned hereby accepts to act in this capacity and agrees to comply with the provisions of Section 48.091, *Florida Statutes*.

F & L Corp

By:           *Randolph J. Wolfe*          

Print Name: Randolph J. Wolfe

Title: Vice President

**EXHIBIT "C" TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR PALMER LAKE**

**By-Laws of the Association**

**BY-LAWS  
OF  
PALMER LAKE MASTER ASSOCIATION, INC.  
(A Corporation Not for Profit)**

**ARTICLE I  
Name and Location**

The name of the corporation is PALMER LAKE MASTER ASSOCIATION, INC. (hereinafter referred to as the "Association"), and its initial office for the transaction of its affairs shall be 9426 Camden Field Parkway, Riverview, Florida 33578. Meetings of Members and directors may be held at such places within the State of Florida as may be designated by the Board of Directors (hereinafter referred to as the "Board").

**ARTICLE II  
Definitions**

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

**ARTICLE III  
Meeting of Members**

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

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

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

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

Section 5. **Quorum.** Members present in person or represented by proxy, entitled to cast at least 10% of the total voting interests in the Association, shall constitute a quorum.

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

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

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

Section 9. **Voting.** The Association shall have two (2) classes of voting membership: Class A, and Class B. So long as there is Class B membership, Class A Members are all Lot Owners except Declarant. The Class B Member shall be Declarant. Upon termination of Class B membership, as provided below, the Class A Members are all Lot Owners including Declarant so long as such Declarant is a Lot Owner. All Class A Members are entitled to cast one (1) vote for each Lot owned. Prior to termination of Class B Membership and the Transfer of Control described in Section 5.4 of the Declaration, the Class B Member shall be entitled to three (3) votes for each Lot owned. As provided in the Articles of Incorporation, the Class B Member is entitled to appoint the Association's directors until termination of Class B membership.

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

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

Section 11. **Right to Speak.** Members and Lot Owners have the right to attend all membership meetings and to speak at any meeting with reference to all items opened for discussion or included on the agenda (subject to any permissible limitations as provided herein or pursuant to the Act). Notwithstanding any provision to the contrary in the Association's governing documents or any rules adopted by the Board or by the membership, a Member or a Lot Owner have the right to speak for at least three (3) minutes on any item, provided that the Lot Owner submits a written request to speak prior to the meeting (such request shall be delivered to the Association's record office and verified by the Association secretary prior to commencement of the meeting). The Association may adopt written reasonable rules governing the frequency, duration, and other manner of Lot Owner statements, which rules must be consistent with the provisions of this Section.

#### **ARTICLE IV** **Directors**

Section 1. **Board of Directors.** Until transfer of control of the Association from the Declarant to the non-Declarant owners, the affairs of the Association shall be managed by a Board of three (3) directors. A director must be a Member except that the directors elected by the Class B Members need not be Members and may be the officers and/or employees of Declarant. There shall be at all times a minimum of three (3) directors.

Section 2. **Election of Directors.**

- (a) Election of directors shall be held at the annual Members' meeting.
- (b) The election of directors to be elected by the Class A Members shall be by ballot (unless dispensed by the unanimous vote consent of those Members eligible to vote in person or proxy) and shall be determined by a plurality of the Class A votes cast. There shall be no cumulative voting.
- (c) Except as to vacancies provided by removal of directors by Members, all vacancies in the Board occurring between annual meetings of Members, including vacancies created by increasing the size of the Board, shall be filled by the vote of a majority of the remaining directors.



(d) Any directors elected by Class A Members may be removed in accordance with the provisions of the Act. If a vacancy occurs on the Board as a result of the removal of less than a majority of the directors, the vacancy shall be filled by the affirmative vote of a majority of the remaining directors. If vacancies occur on the Board as a result of the removal of a majority or more of the directors, the vacancies shall be filled in accordance with the provisions of the Act.

(e) Notwithstanding the foregoing, the Board shall be elected solely by Class B Members as long as there are Class B Members, with the exception that in the sole discretion of the Class B Members, one director may be elected by the Class A Members after 50% of the Lots have been conveyed to Class A Members.

(f) Any disputes involving the election of directors shall be resolved through the applicable provisions of the Act.

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

Section 4. **Composition of the Board of Directors.** In accordance with the Articles of Incorporation, the Board appointed and named in said Articles of Incorporation (and their successors appointed by the Declarant) shall serve at least until Class A Members are entitled to elect one or more of the directors.

At the meeting of the Members at which transfer of control of the Association to the non-Declarant Members occurs, three (3) directors shall be elected. The director receiving the highest number of votes shall be elected to a three (3) year term, the director receiving the next highest number of votes shall be elected to a two (2) year term, and the third director shall be elected to a one (1) year term. A term of office shall be deemed to be concluded at the annual meeting of the Members of the Association following or in connection with expiration of the specific term of years. Following the initial election of non-Declarant Members as provided above, subsequent elections to the Board shall be for a two (2) year term of office, unless otherwise provided herein. All officers of a corporation owning a Lot shall be deemed to be Members of the Association so as to qualify each to become a director hereof.

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

Section 6. **Right of Members to Speak at Board Meetings.** Notwithstanding any provision to the contrary in the Association's governing documents or any rules adopted by the

Board or by the membership, a Member has the right to attend all Board meetings and to speak on any matter placed on the agenda by petition of the voting interests for at least three (3) minutes. The Association may adopt written reasonable rules governing the frequency, duration, and other manner of Member statements, which rules must be consistent with the provisions of the Act, and may include a sign-up sheet for Members wishing to speak. Notwithstanding any other law, the requirement that Board meetings and committee meetings be open to the Members is inapplicable to meetings between the Board or a committee and the Association's attorney (a) held for the purpose of discussing personnel matters, or (b) as otherwise specifically prescribed under the Act.

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

Section 8. **Meeting to Determine Assessments.** An assessment may not be levied at a Board meeting unless a written notice of the meeting is provided to all Members of Record at least fourteen (14) days before the meeting, which notice shall include a statement that assessments will be considered at the meeting and the nature of the assessments. Written notice of any meeting at which special assessments will be considered must be mailed, delivered, or electronically transmitted to the Lot Owners and posted conspicuously on the Common Property or broadcast on closed-circuit cable television not less than fourteen (14) days before the meeting.

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

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

Section 11. **Petition by Members to Board to Address an Item of Business.** If ten percent (10%) of the total voting interests in the Association petition the Board to address an item of business, the Board shall, at its next regular Board meeting or at a special meeting, but not later than sixty (60) days after the receipt of the petition, consider the petitioned item. Written notice of the meeting shall be provided to all Members of Record at least fourteen (14) days before the meeting. Such notice shall include an agenda of items to be considered. Other than addressing the petitioned item at the meeting, the Board is not obligated to take any other action requested by the petition.

Section 12. **Waiver of Notice.** Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance at a meeting shall constitute a waiver of notice.

Section 13. **Quorum and Voting.** A quorum at directors' meetings shall consist of a majority of the entire Board. The acts approved by a majority of directors shall constitute the acts of the Board except when approval by a greater number of directors is required by the Declaration, the Articles of Incorporation, these By-Laws, or the laws of the State of Florida.

Section 14. **Adjourned Meetings.** If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 15. **Joinder in Meeting by Approval of Minutes.** The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such director for the purpose of determining a quorum.

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

Section 17. **Compensation.** No director shall receive compensation for any service he may render to the Association as director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties, and this provision shall not preclude a person who is also a director to receive compensation in exchange for other services rendered to or on behalf of the Association in a capacity other than director.

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

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

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

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

(a) adopt and promulgate Rules and Regulations governing the Community or contemplated by the Declaration, and to establish penalties for the infraction

thereof (a rule shall be deemed promulgated when a copy thereof is furnished to each Member in person or mailed to each such Member at the address on the records of the Association);

(b) The Board of Directors may suspend, for a reasonable period of time, the right of a Member, or a Member's tenant, guest, or invitee, to use the Common Properties and/or facilities for the failure of the Lot Owner or its occupant, licensee or invitee to comply with any provision of the Declaration, the Bylaws, or the Rules and Regulations of the Association, provided that the Association must provide notice and an opportunity for a hearing. If Lot Owner is delinquent for more than ninety (90) days in paying a monetary obligation due to the Association, the Association may suspend, until such monetary obligation is paid in full, the rights of any Lot Owner, tenant, guest or invitee to use any Common Properties and/or facilities. The notice and hearing requirements do not apply to a suspension of use rights due to a monetary delinquency. Notwithstanding any other provision to the contrary, but only as to this subsection, if Chapter 720, Florida Statutes, is ever amended to provide that the Association shall have the right to exercise the suspension rights (for either use of Common Properties/facilities and/or voting rights) enumerated in this subsection for a monetary delinquency of less than ninety (90) days, or in the event that Chapter 720, Florida Statutes, is ever amended to provide that the Association shall have the right to exercise the suspension rights (for either use of Common Properties/facilities and/or voting rights) enumerated in this subsection for other types of violations, then such rights shall automatically be bestowed upon the Association without need for amending this Declaration or providing any notice;

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

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

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

(a) cause to be kept a complete record of all its acts and corporate affairs;

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

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

(1) fix the amount of the Assessments against each Lot;

(2) exercise the duties of the Board as set forth in the Declaration and enforce the restrictions and covenants contained therein; and

(3) take appropriate and timely action against Members whose assessments are in default;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge 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) cause all officers or employees having fiscal responsibilities to be bonded, if such bonding may be deemed appropriate; and

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

## **ARTICLE V**

### **Officers**

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

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

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

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

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

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

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

## **ARTICLE VI** **Fiscal Management**

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

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

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

Section 4. **Assessments.** As more fully provided in the Declaration, each Member is obligated to pay to the Association certain Assessments 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 from the date of delinquency at the rate of 15% per annum, or such other rate as may be, from time to time, established by the Board; provided, however, that such rate shall not exceed the maximum rate allowed by the law not constituting usury. The Association may bring an action at law against the Lot Owner personally obligated to pay the same or foreclose the lien against the property, and interest, late fees, costs and reasonable attorneys' fees of any such action shall be added to the amount of such Assessment. No Lot Owner may waive or otherwise escape liability for the Assessments provided for herein.

Section 5. **Setting of Initial General Assessments.**

(a) **General Lot Assessment.** The Board shall adopt the General Lot Assessment as provided for in the Declaration. The initial level of the General Lot Assessment until changed by action of the Board shall be no more than \$1,920.00 per Lot per year (payable in equal quarterly installments of no more than \$480.00 each for a Lot).

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

Section 7. **Specific Lot Assessments.** As contemplated by the Declaration, Specific Lot Assessments may be levied by the Association.

Section 8. **Financial Report.** The Treasurer of the Association shall report the financial status of the Association to the Members sixty (60) days following the end of the fiscal year in accordance with the financial reporting requirements of the Act.

Section 9. **Fines.** The Association shall have the power to suspend, for a reasonable period of time, the rights of a Member and/or such Member's tenants, guests or invitees to use the Common Property, and to levy reasonable fines against same not to exceed the greater of \$100.00 per violation or the maximum amount allowed under the Act for activities which violate the provisions of the Declaration, these By-Laws or any Rules and Regulations. No fine or suspension may be imposed except upon fourteen (14) days prior written notice to the person sought to be suspended or fined, and such person having an opportunity for a hearing before a committee of at least three (3) Members of the Association. Such committee shall be appointed by the Board and shall not be composed of any officers, directors or employees of the Association, nor any spouse, parent, child, brother or sister of any officer, director or employee. A written decision of the committee shall be submitted to the Owner not later than twenty-one (21) days after the meeting. The committee must approve, by a majority vote, the proposed fine, prior to it being imposed. No fine or suspension may be imposed except upon majority approval of the Members of such committee. Suspension of rights to use the Common Property shall not include any right to restrict vehicles and pedestrians' ingress and egress to and from such offending person's Lot. The voting rights of a Member may be suspended by the Association as provided in the By-Laws or the Declaration.

## **ARTICLE VII** **Books and Records**

The books, records and papers of the Association shall be available for inspection and copying by Members of their authorized agents during reasonable business hours within ten (10) business days after receipt of a written request for access. These records shall be available at the Association's principal office, where copies may be purchased for a reasonable cost.

## **ARTICLE XIV** **Amendments**

These By-Laws may be altered, amended, or rescinded by (i) the affirmative vote of a majority of a majority of the total Class A voting interests and Class B voting interests entitled to vote, and (ii) the affirmative vote of 100% of the Class B Members, if any. Notwithstanding the foregoing, (a) no amendment to the By-Laws shall be valid which affects any of the rights and privileges provided to the Declarant without the written consent of the Declarant as long as Declarant shall own any Lots in the Community, and (b) no amendment which will affect any

aspect of the surface water management system located on the Property shall be effective without the prior written approval of the Southwest Florida Water Management District.

**ARTICLE VIII**  
**Miscellaneous**

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

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

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



**EXHIBIT "D" TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR PALMER LAKE**

**WMD Permit**



An Equal  
Opportunity  
Employer

# Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899

(352) 796-7211 or 1-800-423-1476 (FL only)

TDD only: 1-800-231-6103 (FL only)

On the Internet at [WaterMatters.org](http://WaterMatters.org)

**Bartow Service Office**  
170 Century Boulevard  
Bartow, Florida 33830-7700  
(863) 534-1448 or  
1-800-492-7862 (FL only)

**Sarasota Service Office**  
6750 Fruitville Road  
Sarasota, Florida 34240-9711  
(941) 377-3722 or  
1-800-320-3503 (FL only)

**Tampa Service Office**  
7601 Highway 301 North  
Tampa, Florida 33637-6759  
(813) 985-7481 or  
1-800-836-0797 (FL only)

January 27, 2012

The Ryland Group, Inc.  
Jason Besse  
9426 Camden Field Parkway  
Riverview, FL 33578

Subject: Transfer of Water Use Permit No. 20005283.005

Reference: Chapter 40D-2.351, Florida Administrative Code

Dear Mr. Besse:

Your Water Use Permit Transfer has been approved. As the new Permittee, please note that this Transfer only allows continuance of the existing permitted activities, and a modification application must be submitted and approved prior to any desired changes in water use or withdrawals. Please be advised that you as the Permittee are responsible for compliance with all terms of the permit including the attached permit conditions and the Standard Conditions listed in Exhibit A. All existing permit conditions remain in effect, and you are responsible for reviewing the permit for any reporting requirements such as pumpage reporting, etc., and continued compliance with such requirements. Conditions of your permit require water conservation to be practiced at all times, among other items. In the event a water shortage is declared the District may modify your permit. Additionally, if the District adopts new rules, this permit may become subject to them.

If you have any questions or concerns regarding your permit or any other information, please contact Heather LaRocco, at extension 6542, in the Sarasota Regulation Department.

Sincerely,

Heather A. LaRocco  
Field Technician  
Sarasota Regulation Department

HAL:HAL

Enclosures: Copy of Transferred Permit  
cc: Cheryl A. Johnson, Southwest Florida Water Management District  
Claire E. Muirhead P.G., Southwest Florida Water Management District

**SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT  
WATER USE  
GENERAL  
PERMIT NO. 20005283.003**

**EXPIRATION DATE: January 16, 2017**

**PERMIT ISSUE DATE: January 16, 2007**

The Permittee is responsible for submitting an application to renew this permit no sooner than one year prior to the expiration date, and no later than the end of the last business day before the expiration date, whether or not the Permittee receives prior notification by mail. Failure to submit a renewal application prior to the expiration date and continuing to withdraw water after the expiration date is a violation of Chapter 373, Florida Statutes, and Chapter 40D-2, Florida Administrative Code, and may result in a monetary penalty and/or loss of the right to use the water. Issuance of a renewal of this permit is contingent upon District approval.

**TYPE OF APPLICATION:** Renewal **TRANSFERRED ON JANUARY 27, 2012**  
**GRANTED TO:** Garrett, LLC, A FL LLC **TO: THE RYLAND GROUP, INC.**  
Post Office Box 579 **9426 CAMDEN FIELD PARKWAY**  
Sarasota, FL 34230-0579 **RIVERVIEW, FL 33578**  
**PROJECT NAME:** Not Specified  
**WATER USE CAUTION AREA:** Most Impacted Area - Southern

**TOTAL QUANTITIES AUTHORIZED UNDER THIS PERMIT (in gpd)**

STANDARD ANNUAL AVERAGE	63,000 gpd
DROUGHT ANNUAL AVERAGE <sup>1</sup>	63,400 gpd
PEAK MONTH <sup>2</sup>	168,200 gpd

<sup>1</sup> Annual average limit when less than historical average rainfall if sufficient Water Conserving Credits exist in the Permittee's account.

<sup>2</sup> Average daily use during the highest water use month.

**PROPERTY LOCATION:** 35 owned acres in Sarasota County, approximately 6 miles east of the city of Sarasota on Palmer Road.

**ABSTRACT:** This is a renewal of an existing agricultural water use permit for irrigation of 29.5 acres of row crops. The irrigation quantities are allocated based on the District's agricultural water use calculation program AGMOD. Information regarding the water use and special conditions is contained within the tables and comments below.

**WATER USE TABLE (in gallons per day)**

<u>Use</u>	<u>Standard Annual Average</u>	<u>Drought Annual Average</u>	<u>Peak Month</u>
Agriculture:	63,000	63,400	168,200

*SJK*  
JAN 09 2007

IRRIGATION ALLOCATION RATE TABLE

<u>CROP/USE TYPE</u>	<u>IRRIGATED ACRES</u>	<u>IRRIGATION METHOD</u>	<u>STANDARD IRRIGATION RATE</u>	<u>DROUGHT IRRIGATION RATE</u>
Fall Tomatoes/Row Crop	25.0	Drip with mulch/seepage	30.4"/yr.	30.4"/yr.
Spring Vegetables/Row Crop	4.5	Drip without mulch/seepage	19.4"/yr.	20.7"/yr.

WITHDRAWAL POINT QUANTITY TABLE

Water use from these withdrawal points are restricted to the quantities given below:

<u>I.D. NO.</u> <u>PERMITTEE/ DISTRICT</u>	<u>DIAM.</u> <u>(IN.)</u>	<u>DEPTH</u> <u>TTL./CSD.FT.</u> <u>(feet bls)</u>	<u>USE</u>	<u>GALLONS PER DAY</u>		
				<u>AVERAGE</u>	<u>PEAK MONTH</u>	
1/1	8	600 / UNK	IR	14,700	168,200	Standby
2/2	8	N / A	IR	63,000	168,200	Rotonda Canal

IR = Irrigation

WITHDRAWAL POINT LOCATION TABLE

<u>DISTRICT</u> <u>I.D. NO.</u>	<u>LATITUDE/LONGITUDE</u>	<u>SECTION/TOWNSHIP/RANGE</u>
1	271849.03/822356.72	27/36/19
2	271845.38/822356.06	34/36/19

SPECIAL CONDITIONS:

- All reports required by the permit shall be submitted to the District on or before the tenth day of the month following data collection and shall be addressed to:  
  
Permit Data Section, Regulation Performance Management Department  
Southwest Florida Water Management District  
2379 Broad Street  
Brooksville, Florida 34604-6899  
  
Unless otherwise indicated, three copies of each plan or report, with the exception of pumpage, rainfall, evapotranspiration, water level or water quality data which require one copy, are required by the permit.
- The Permittee shall investigate the feasibility of using reclaimed water as a water source and submit a report describing the feasibility to the Permit Data Section, Regulation Performance Management Department, by **October 1, 2011**. The report shall contain an analysis of reclaimed water sources for the area, including the relative location of these sources to the Permittee's property, the quantity of reclaimed water available, the projected date of availability, costs associated with obtaining the reclaimed water, and an implementation schedule for reuse, if feasible. Infeasibility shall be supported with a detailed explanation.
- Any wells not in use, and in which pumping equipment is not installed shall be capped or valved in

a water tight manner in accordance with Subsection 62-532.500(3)(a)(4), F.A.C.

4. The Permittee shall report connection to reclaimed water to the Permit Data Section, Regulation Performance Management Department, within 30 days of connection to the reuse source. The Permittee shall list the source name, location, and monthly reclaimed quantities obtained in gallons, for each source, and submit this information to the Permit Data Section by the 10th day of the following month, in conjunction with the monthly pumpage report.
5. Within 90 days of the replacement of any or all withdrawal quantities from ground water or surface water bodies with an Alternative Water Supply, the Permittee shall apply to modify this permit to reflect incorporation of the alternative source of water to replace permitted quantities in equal amounts. The replaced water shall be put on standby and may be used in the event that some or all of the alternative source is not available.
6. The Permittee shall:
  - A. Incorporate best water management practices, specifically including but not limited to irrigation practices, as recommended for the permitted activities in reports and publications by the IFAS.
  - B. Limit daytime irrigation to the greatest extent practicable to reduce losses from evaporation. Daytime irrigation for purposes of system maintenance, control of heat stress, crop protection, plant establishment, or for other reasons which require daytime irrigation are permissible; but should be limited to the minimum amount necessary as indicated by best management practices.
  - C. Implement a leak detection and repair program as an element of an ongoing system maintenance program. This program shall include a system-wide inspection at least once per year.
  - D. Evaluate the feasibility of improving the efficiency of the current irrigation system or converting to a more efficient system. This condition includes implementation of the improvements or conversion when determined to be operationally and economically feasible.
7. The Permittee shall not exceed the quantity determined by multiplying the total irrigated acres by the total allocated acre-inches per irrigated acre per season for each crop type. For all crops except citrus, an irrigated acre, hereafter referred to as "acre," is defined as the gross acreage under cultivation, including areas used for water conveyance such as ditches, but excluding uncultivated areas such as wetlands, retention ponds, and perimeter drainage ditches. For citrus, an irrigated acre is based on 74% shaded area, equivalent to 89.4% of the gross acreage minus uncultivated areas such as wetlands, retention ponds, and perimeter drainage ditches.

An Applicant or Permittee within the Southern Water Use Caution Area may obtain the total allocated acre-inches per acre per season for their crops, plants, soil types, planting dates, and length of growing season by completing the "Irrigation Water Allotment Form" and submitting it to the District. The District will complete and return the form with the calculated total allocated acre-inches and water conserving credit per acre per season per crop, if applicable, based on the information provided. The "Irrigation Water Allotment Form" is available upon request.

**STANDARD CONDITIONS:**

1. The Permittee shall comply with the Standard Conditions attached hereto, incorporated herein by reference as Exhibit "A" and made a part hereof.

  
\_\_\_\_\_  
Authorized Signature  
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

This permit, issued under the provision of Chapter 373, Florida Statutes and Florida Administrative Code 40D-2, authorizes the Permittee to withdraw the quantities outlined above, and may require various activities to be performed by the Permittee as described in the permit, including the Special Conditions. This permit does not convey to the Permittee any property rights or privileges other than those specified herein, nor relieve the Permittee from complying with any applicable local government, state, or federal law, rule, or ordinance.

40D-2  
Exhibit "A"  
**WATER USE PERMIT CONDITIONS**

**STANDARD CONDITIONS**

1. If any of the statements in the application and in the supporting data are found to be untrue and inaccurate, or if the Permittee fails to comply with all of the provisions of Chapter 373, F.S., Chapter 40D, or the conditions set forth herein, the Governing Board shall revoke this permit in accordance with Rule 40D-2.341, following notice and hearing.
2. This permit is issued based on information provided by the Permittee demonstrating that the use of water is reasonable and beneficial, consistent with the public interest, and will not interfere with any existing legal use of water. If, during the term of the permit, it is determined by the District that the use is not reasonable and beneficial, in the public interest, or does impact an existing legal use of water, the Governing Board shall modify this permit or shall revoke this permit following notice and hearing.
3. The Permittee shall not deviate from any of the terms or conditions of this permit without written approval by the District.
4. In the event the District declares that a Water Shortage exists pursuant to Chapter 40D-21, the District shall alter, modify, or declare inactive all or parts of this permit as necessary to address the water shortage.
5. The District shall collect water samples from any withdrawal point listed in the permit or shall require the Permittee to submit water samples when the District determines there is a potential for adverse impacts to water quality.
6. The Permittee shall provide access to an authorized District representative to enter the property at any reasonable time to inspect the facility and make environmental or hydrologic assessments. The Permittee shall either accompany District staff onto the property or make provision for access onto the property.
7. Issuance of this permit does not exempt the Permittee from any other District permitting requirements.
8. The Permittee shall cease or reduce surface water withdrawal as directed by the District if water levels in lakes fall below applicable minimum water level established in Chapter 40D-8 or rates of flow in streams fall below the minimum levels established in Chapter 40D-8.
9. The Permittee shall cease or reduce withdrawal as directed by the District if water levels in aquifers fall below the minimum levels established by the Governing Board.
10. The Permittee shall practice water conservation to increase the efficiency of transport, application, and use, as well as to decrease waste and to minimize runoff from the property. At such time as the Governing Board adopts specific conservation requirements for the Permittee's water use classification, this permit shall be subject to those requirements upon notice and after a reasonable period for compliance.
11. The District may establish special regulations for Water Use Caution Areas. At such time as the Governing Board adopts such provisions, this permit shall be subject to them upon notice and after a reasonable period for compliance.

12. The Permittee shall mitigate any adverse impact to existing legal uses caused by withdrawals. When adverse impacts occur or are imminent, the District shall require the Permittee to mitigate the impacts. Adverse impacts include:
  - A. A reduction in water levels which impairs the ability of the well to produce water;
  - B. Significant reduction in levels or flows in water bodies such as lakes, impoundments, wetlands, springs, streams or other watercourses; or
  - C. Significant inducement of natural or manmade contaminants into a water supply or into a usable portion of any aquifer water body.
13. The Permittee shall mitigate any adverse impact to environmental features or offsite land uses as a result of withdrawals. When adverse impacts occur or are imminent, the District shall require the Permittee to mitigate the impacts. Adverse impacts include:
  - A. Significant reduction in levels or flows in water bodies such as lakes, impoundments, wetlands, springs, streams or other watercourses;
  - B. Sinkholes or subsidence caused by reduction in water levels;
  - C. Damage to crops and other vegetation causing financial harm to the owner; and
  - D. Damage to the habitat of endangered or threatened species.
14. When necessary to analyze impacts to the water resource or existing users, the District shall require the Permittee to install flow metering or other measuring devices to record withdrawal quantities and submit the data to the District.
15. A District identification tag shall be prominently displayed at each withdrawal point by permanently affixing the tag to the withdrawal facility.
16. The Permittee shall notify the District within 30 days of the sale or conveyance of permitted water withdrawal facilities or the land on which the facilities are located.
17. All permits issued pursuant to these Rules are contingent upon continued ownership or legal control of all property on which pumps, wells, diversions or other water withdrawal facilities are located.
18. The annual average daily withdrawal quantity is determined by calculating the total quantity of water to be withdrawn over a 1-year period, divided by 365 days, which results in a gallons per day (gpd) quantity pursuant to Basis of Review, Section 3.2, Permitted Withdrawal Quantities. This is a running 12-month average, whereby each month the annual average daily quantity is recalculated based on the previous 12-month pumpage.
19. Within the Southern Water Use Caution Area, if the District determines that significant water quantity or quality changes, impacts to existing legal uses, or adverse environmental impacts are occurring, the Board, upon reasonable notice to the permittee, including a statement of facts upon which the District based its determination, may reconsider the quantities permitted or other conditions of the permit as appropriate to address the change or impact but only after an opportunity for the permittee to resolve or mitigate the change or impact or to request a hearing.



**EXHIBIT "E" TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS FOR PALMER LAKE**

**DECLARANT GUARANTEE**

Quarterly Amount  
(for the period beginning upon  
recording the Declaration  
through remainder of the first  
fiscal year)

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\$480.00

Quarterly Amount  
(the period for the 2nd fiscal  
year)

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\$530.00

Quarterly Amount (for the  
balance of the 24 month  
guarantee period)

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\$580.00