



Signature & Estate Homes

	HOMEOWNERS FEES*			
	Monthly HOA Dues	Annual CDD Fees	HOA Initiation Fee	Resort Fee‡
Signature Home - 50'	\$306	\$3,663	\$500	\$7,500
Estate Home - 70'	\$306	\$5,128	\$500	\$10,000

AMENITIES

- Gated Entrance
- State-of-the-Art Clubhouse
- Cafe
- Resort-style Pool and Lazy River
- Fitness Center
- Game Room

*Please see New Home Counselor for community-specific fees.

‡Resort Fee is a one time fee paid at closing.

ELECTRICAL

Duke Energy 800-700-8744

WATER | SEWER

Orange County..... 407-836-5515

PHONE | CABLE | INTERNET

Spectrum 855-640-0893

GARBAGE

Orange County..... 407-836-5515

HOSPITALS

AdventHealth Centra Care

Lake Buena Vista 407-934-2273

Buena Vista Urgent Care 407-465-1110

Urgent Care 24/7 Orlando 407-698-3330

Orlando Health Dr. Phillips Hospital..... 407-351-8500

GROCERY STORES

Publix at Williamsburg Downs 407-465-1139

Publix at Plaza Venezia 407-226-9882

Whole Foods Market..... 407-355-7100

Trader Joe’s 407-345-0611

National Supermarket 407-778-1949

MOVIE THEATERS

Regal Pointe Orlando IMAX & 4DX..... 844-462-7342

Cinemark Orlando 407-352-1042

Universal Cinemark at CityWalk 407-354-3374

AMC Dine in Disney Springs 24..... 407-827-1308

ATTRACTIONS

Universal Orlando Resort..... 407-363-8000

Walt Disney World Resort 407-939-5277

SeaWorld 407-351-3600

Discovery Cove..... 407-513-4600

ICON Park on I-Drive 407-601-7907

Legoland Florida 877-350-5346

Kennedy Space Center

Vistor Complex..... 855-433-4210

Busch Gardens 813.884-4386

PUBLIC GOLF COURSES

Ritz Carlton Golf 407-393-4900

Disney’s Lake Buena Vista

Golf Course..... 407-939-5277

Falcon’s Fire Golf Course..... 407-239-5445

ACTIVITIES

Top Golf 407-218-7714

Andretti Indoor Karting & Games 407-610-5020

Sea Life Orlando Aquarium 855-450-0680

Orange County Convention Center..... 407-685-9800

Premium Outlets 407-352-9600

Pointe Orlando 407-248-2838

Kings Dining and Entertainment 407-363-0200

Dave and Buster’s 407-541-3300

OTHER NUMBERS

Orange County Fire Station 54 407-836-9005

Orange County Sheriff’s Office 407-254-6900

EMERGENCY

Emergency..... 911



PARADISO GRANDE CLUB		
2022 PROPOSED BUDGET		
YEAR ENDING DECEMBER 31, 2022		
		Total # of units 385
		2022 Budget
ASSESSMENT INCOME:		
	O&M Fee	\$ 99.90
	Total Assessment	\$ 99.90
385	Total Assessment With Reserves	\$ 99.90
INCOME		
	Restaurant Food & NA Bev Sales	\$ 246,985.20
	Restaurant Beverage Sales	\$ 76,715.10
	Sundries Sales	\$ 1,625.00
	Lifestyle/ Activities Sales	\$ -
	TOTAL O&M	\$ 461,539.52
		\$ 786,864.82
EXPENSES		
CLUB EXPENSES		
	Alarm (Rec Center)	\$ 600.00
	Activities (see Entertainment)	\$ -
	Building Expense	\$ 9,200.00
	Cable/Internet/Phone	\$ 10,800.00
	Cleaning Service	\$ 9,000.00
	Training	\$ 2,000.00
	Computer & Network Support	\$ 11,568.00
	Coupon Books	\$ -
	Decorations	\$ 10,370.00
	Electricity	\$ 65,000.00
	Electricity - Pool Lights	\$ 4,800.00
	Entertainment	\$ 12,000.00
	Exercise Equipment Repair	\$ 800.00
	HVAC Repair & Maintenance	\$ 1,050.00
	Irrigation - Reclaimed Water	\$ 3,000.00
	Janitorial Supplies - Club	\$ 4,800.00
	Landscaping	\$ 37,080.00
	Landscaping Replacement	\$ 4,000.00
	Office Supplies	\$ 3,600.00
	Payroll- Club	\$ 124,204.29
	Payroll- Taxes & Fees	\$ 27,324.94
	Pay Related Group Insurance	\$ 8,685.12
	Pest Control	\$ 3,000.00
	Professional Fees/Licenses	\$ 4,392.00
	Pool Cleaning/Service	\$ 36,000.00
	Pool Repair	\$ 2,000.00
	Pool License	\$ 2,075.00
	Fitness Supplies	\$ 1,500.00
	Repairs & Maintenance	\$ 1,500.00
	Trash Removal	\$ 7,200.00
	Water/Sewer	\$ 25,000.00
	Website	\$ -
	TOTAL CLUB EXPENSES	\$ 432,549.35
RESTAURANT EXPENSES		
	Advertising	\$ -
	Bank Charges	\$ 7,742.74
	Cash Over/Short	\$ -
	Computer System Support	\$ -
	Restaurant Equipment	\$ 2,400.00
	Equipment Rental	\$ 1,200.00
	Equipment Repairs & Maintenance	\$ 1,800.00
	Janitorial Supplies - Restaurant	\$ -
	CO2 Gas	\$ -
	Laundry & Linen	\$ 2,400.00
	Menus	\$ -
	Office Supplies	\$ -
	F & B Payroll	\$ 94,952.14
	F & B Payroll Taxes & Fees	\$ 20,889.47
	F & B Pay Related Group Insurance	\$ 8,685.12
	Service Agreements	\$ 11,880.00
	Supplies - Restaurant	\$ 6,000.00
	Telephone	\$ -
	POS/Time Clock	\$ 3,600.00
	Uniforms	\$ 1,600.00
	TOTAL RESTAURANT EXPENSES	\$ 163,149.48
RESTAURANT - COST OF SALES		
	COS Restaurant Food & Soft Beverage	\$ 88,411.00
	COS Restaurant Alcoholic Beverage	\$ 23,122.00
	COS Sundries	\$ 1,625.00
	RESTAURANT - COST OF SALES	\$ 113,158.00
MANAGEMENT FEE		
	Club Management Fee	\$ 78,000.00
	Mgmt Fee	\$ 78,000.00
	TOTAL EXPENSES	\$ 786,856.82

**DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR
PARADISO GRANDE**

Prepared by and Return to:
Gary M. Kaleita, Esquire
Lowndes, Drosdick, Doster, Kantor & Reed, P.A.
P.O. Box 2809
Orlando, Florida 32802-2809

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B.	<u>Sharing of Repairs, Maintenance and Replacement.</u> Other than as specifically set forth below, the cost of reasonable repair, maintenance and replacement of a Common Roof shall be shared equally by the Owners of the applicable Townhome Rental Building who make use of the Common Roof and shall be a lien against their respective.....	54
C.	<u>Repair and Restoration.</u> Notwithstanding anything to the contrary provided in Section 10.01 and subject to the provisions of Section 10.03 hereof, if a Common Roof is destroyed or damaged or requires structural repair, the Association shall have the right (but not the obligation) to either restore, repair or replace said Common Roof, using the applicable proceeds from any applicable property insurance, and to the extent such proceeds are insufficient each Owner sharing said Common Roof shall be jointly and severally liable to the Association for the cost thereof without prejudice, however, to the right of any such Owner to collect a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. The Association shall have the right to enter on the property of any Owner sharing a Common Roof during normal working hours and after reasonable notice, to perform its obligations arising hereunder; provided, however, that in the event of an emergency, the Association or any Owner of a Townhome Rental Unit sharing a Common Roof shall have the right to enter the Townhome Rental Unit of another Owner sharing that Common Roof, without notice, to make emergency repairs. Any and all costs incurred by the Association pursuant to this Section 10.05 for which an Owner is responsible for reimbursing the Association shall constitute an individual assessment, which individual assessment shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual assessments. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion. All sums due the Association pursuant to this Section shall be due and payable immediately upon demand by the Association.....	54
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- B. Sharing of Repairs, Maintenance and Replacement. Other than as specifically set forth below, the cost of reasonable repair, maintenance and replacement of a Party Wall shall be shared equally by the Owners who make use of the wall and shall be a lien against their respective..... 54**
- C. Repair and Restoration. Notwithstanding anything to the contrary provided in Section 10.01 and subject to the provisions of Section 10.03 hereof, if a is destroyed or damaged or requires structural repair, the Association shall have the right (but not the obligation) to either restore, repair or replace said Party Wall, using the applicable proceeds from any applicable property insurance, and to the extent such proceeds are insufficient each Owner sharing said Party Wall shall be jointly and severally liable to the Association for the cost thereof without prejudice, however, to the right of any such Owner to collect a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. The Association shall have the right to enter on the property of any Owner sharing a Party Wall during normal working hours and after reasonable notice to perform its obligations arising hereunder; provided, however, that in the event of an emergency, the Association or any Owner of a Townhome Rental Unit sharing a Party Wall shall have the right to enter the Townhome Rental Unit of another Owner sharing that Party Wall, without notice, to make emergency repairs. Any and all costs incurred by the Association pursuant to this Section 10.06 for which an Owner is responsible for reimbursing the Association shall constitute an individual assessment, which individual assessment shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual assessments. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion. All sums due the Association pursuant to this Section shall be due and payable immediately upon demand by the Association. 55**
- D. Weatherproofing. Notwithstanding any other provision of this Section 10.06, any Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements. 55**

E.	<u>Easement for Repair, Maintenance and Replacement.</u> Declarant hereby reserves unto itself and hereby further grants to the Association and to each Owner sharing a Party Wall a nonexclusive easement and right of ingress and egress in, under, over and across any	55
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**DECLARATION OF COVENANTS,
CONDITIONS, EASEMENTS AND RESTRICTIONS
FOR
PARADISO GRANDE**

THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR PARADISO GRANDE (“Declaration”) is made as of the ____ day of _____, 20__, by **PARK SQUARE GRANDE PINES, LLC**, a Florida limited liability company, whose address is 5200 Vineland Road, Suite 200, Orlando, Florida 32811 (“Declarant”).

WITNESSETH:

WHEREAS, the Declarant, on the date hereof, owns all of the real property located in Orange County, Florida, described in **Exhibit “A”** attached hereto and described herein as the “Property,” subject to those dedications set forth on the “Plat” as described herein and other matters of record; and

WHEREAS, the Declarant intends to develop the Property, as may be amended by the addition of Additional Property in accordance with Section 2.02 of this Declaration, as a community of short term rental units with recreational facilities and other amenities, subject to certain protective covenants, conditions, easements, restrictions, reservations, liens and charges as hereinafter set forth; and

WHEREAS, the Declarant desires to subject the Property to the covenants, restrictions, conditions and easements hereinafter set forth, each and all of which are hereby declared to be for the benefit of each and every present and future owner of any and all parts thereof;

NOW THEREFORE, Declarant hereby declares that all of the Property shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the covenants, conditions, easements, restrictions, reservations, liens and charges hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property. The covenants, conditions, easements, restrictions, reservations, liens and charges set forth herein shall run with the Property, shall be binding upon all parties having and/or acquiring any right, title or interest in the Property or any part thereof, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in the Property.

ARTICLE 1 - DEFINITIONS

Section 1.01 Definitions. The following words and terms when used in this Declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

A. “Additional Property” shall mean and refer to any real property, other than the real property described in Exhibit “A” attached hereto, which is made subject to the provisions of this Declaration and added to the Property, as provided in Section 2.02 below.

B. “Architectural Review Board” and/or “ARB” shall mean the committee established and described in Article 7 hereof.

C. “Articles” shall mean and refer to the Articles of Incorporation of the Association as they may exist from time to time. A copy of the current Articles of Incorporation of the Association is attached as Exhibit “C” hereto. Such Articles can be amended from time to time as provided in the Articles and Bylaws without the need to record such amendment in the Public Records of the County.

D. “Association” shall mean and refer to Paradiso Grande Property Owners’ Association, Inc., a Florida non-profit corporation, its successors and assigns.

E. “Board” or “Board of Directors” shall mean the board of directors of the Association.

F. “Bylaws” shall mean and refer to the Bylaws of the Association as they may exist from time to time. A copy of the current Bylaws of the Association are attached as Exhibit “D” hereto. Such Bylaws can be amended from time to time as provided in the Articles and Bylaws without the need to record such amendment in the Public Records of the County.

G. “CDD” or “Community Development District” shall mean the Grande Pines Community Development District, a local unit of special-purpose government established pursuant to and governed by the provisions of Chapter 190, Florida Statutes.

H. “CDD Assessments” shall mean debt service and operating assessments for the CDD pursuant to the CDD Documents.

I. “CDD Documents” shall mean the organizational and operational documents for the CDD as promulgated, amended and supplemented from time to time, including, without limitation the following documents:

Notice of Establishment of the Grande Pines Community Development District recorded November 20, 2019 in Instrument No. 20190730865, and re-recorded November 21, 2019 in Instrument No. 20190734506, of the Public Records of Orange County, Florida.

Interlocal Agreement Between Orange County, Florida and Grande Pines Community Development District Regarding the Exercise of Powers and Cooperation on Various Projects recorded December 23, 2019 in Instrument No. 20190798736, of the Public Records of Orange County, Florida.

Declaration of Consent to Jurisdiction of the Grande Pines Community Development District Imposition of Special Assessments, and Imposition of Lien of Record recorded March 18, 2021 in Instrument No. 20210156774; Assignment and Assumption of Development Rights, Permits & Approvals (Phase I to Phase II) recorded April 19, 2021 in Instrument No. 20210234258, of the Public Records of Orange County, Florida.

Notice of Collection Agent for Special Assessments recorded March 18, 2021 in Instrument No. 20210156775, of the Public Records of Orange County, Florida.

Agreement Between Developer and Grande Pines Community Development District Regarding the True Up and Payment for Special Assessment Bonds, Series 2021 (Assessment Area One Capital Improvement Program) recorded March 18, 2021 in Instrument No. 20210156776, of the Public Records of Orange County, Florida.

Collateral Assignment and Assumption of Development Rights Relating to Series 2021 Bonds (Grande Pines Community Development District - Series 2021 Bonds) recorded March 18, 2021 in Instrument No. 20210156777, of the Public Records of Orange County, Florida.

The CDD Documents shall also include but shall not be limited to resolutions of the CDD authorizing construction and/or acquisition of infrastructure improvements and confirming the CDD's intention to issue special assessment revenue bonds to finance the cost of same.

J. "CDD Facilities" shall have the meaning set forth in Article 13 hereof. EACH PERSON BY ACCEPTANCE OF A DEED TO A LOT HEREBY ACKNOWLEDGES AND AGREES THE CDD FACILITIES ARE NOT OWNED AND CONTROLLED BY THE ASSOCIATION BUT THAT SOME OR ALL OF THE CDD FACILITIES MAY BE OPERATED, MAINTAINED, REPAIRED AND REPLACED BY THE ASSOCIATION AS AN OPERATING EXPENSE (AND THE ASSOCIATION MAY BUDGET AND COLLECT RESERVES FOR SAME) PURSUANT TO AN AGREEMENT BETWEEN THE ASSOCIATION AND CDD AND FURTHER WAIVES ANY CLAIM OR RIGHT TO HAVE ANY PORTION OF THE CDD FACILITIES BE CONSIDERED AS COMMON AREAS OWNED BY THE ASSOCIATION.

K. "CDD Tract" shall mean any Tract within the Property dedicated to or operated and maintained by the CDD.

L. "Common Expenses" shall mean and refer to expenditures for (i) the installation, construction, maintenance, repair, replacement and operation of the Common Property, Open Space, Public Areas, easement areas and any and all other similar property for which the Association is either obligated or permitted to improve, maintain, repair, replace and/or operate, including, but not limited to, any and all improvements from time to time located thereon, (ii) the performance of any and all other services or other obligations required or authorized to be performed by the Association with respect to Common Property, Open Spaces, Public Areas (if any) or otherwise, and (iii) the performance of any and all other rights and/or obligations which the Association may be required or permitted to perform pursuant to the terms of the Articles, Bylaws, this Declaration or by law, whether set forth herein explicitly or implicitly.

M. "Common Property" and/or "Common Area" shall mean and refer to those tracts of land, together with any and all improvements from time to time located thereon, which are actually and specifically dedicated or deeded to the Association and designated in said dedication or deed as "Common Property" or "Common Area," or tracts of land which are a part of the Property and which are identified as "Common Property" or "Common Area" for the benefit of the Property, or are identified as property to be conveyed to the Association, on a final plat recorded by Declarant in the

public records of the County. The term “Common Property” shall also include any personal property acquired by the Association if said property is designated as “Common Property” by the Board, and shall also include easement rights which may be specifically created for the benefit of the Property and/or its Owners or specifically granted to the Association over or upon other lands, but only to the actual extent of such easement rights. The Common Property shall initially include Tract AE-1 and Tract P-2 as depicted on the Plat, which may be dedicated to or required to be maintained by the Association by the Plat, this Declaration, by a subsequent instrument executed and recorded by the Declarant or the Association, or a subsequent agreement with the county or municipal government having jurisdiction over the Property. Any such Tract or easement may be dedicated and conveyed by Declarant to the Association subject to such reserved rights of Declarant (including lease, occupancy, maintenance and other rights as may be reserved by Declarant in its sole discretion), to the extent permitted by applicable governmental authorities. The Association shall accept any such dedication and conveyance by the Declarant to the Association.

N. “Common Roof” means and refers to the exterior roof covering a group of attached Townhome Residential Units, including all components thereof and its supporting structure.

O. “Conservation Easement Areas” shall mean any area which may be designated from time to time by Declarant to be set aside for conservation purposes by any Supplemental Declaration or other document recorded in the Public Records of the County. The Conservation Easement Areas (if any) are a part of the Common Property.

P. “County” or “Orange County” means Orange County, Florida, a charter county and political subdivision of the State of Florida.

Q. “Declarant” shall mean PARK SQUARE GRANDE PINES, LLC, a Florida limited liability company. Wherever the term Declarant is used in this Declaration, the Articles or Bylaws, it shall always be deemed to include Declarant’s successors and assigns, but only to the extent specifically so identified by an instrument in writing executed and recorded by the then Declarant.

R. “Declaration” shall mean this Declaration of Covenants, Conditions, Easements and Restrictions for Paradiso Grande.

S. “Dedicated Area” shall mean and refer to all street rights-of-way, easements and other real property or facilities serving the Property which are dedicated to the public, the CDD, the County or any municipality either by written instrument recorded among the Public Records of the County or on any Plat of the Property, subject to the dedication set forth in said instrument or on said Plat.

T. “District” and/or “Water Management District” shall mean and refer to the South Florida Water Management District, an agency created pursuant to Chapter 373, Florida Statutes.

U. “District Permit” and/or “Water Management District Permit” shall mean and refer to the Environmental Resource or Surface Water Management Permit issued with respect to the Property by the District as Permit No. 48-00052-S-55 as modified from time to time with the approval of the District.

V. “Drainage Area(s)” shall mean and refer to all of such areas, including easement areas, so designated by the Declarant or its successors and assigns on the Plat, or in any drainage easements, dedications or restrictions made or imposed pursuant to applicable ordinances, laws, rules or regulations of governmental authorities, including, without limitation, the District; provided, however, that any description on any Plat which refers to any area of land as a Drainage Area shall only be construed as the then intention of the Declarant at the time of the recording of the Plat as to the proposed future use of such area of land, which intention shall not be binding upon Declarant but may be modified or changed by Declarant in the exercise of Declarant’s sole and absolute discretion, to the extent permitted by applicable governmental authorities.

W. “Institutional Lender” shall mean and refer to (i) Fifth Third Bank National Association, in its capacity as Administrative Agent for its benefit and the ratable benefit of the “Lenders” under that certain Restated Credit Agreement among Park Square Enterprises, LLC, a Delaware limited liability company, Administrative Agent and Lenders dated as of September 26, 2016, as amended by First Amendment to Restated Credit Agreement effectively dated November 3, 2017, Second Amendment to Restated Credit Agreement effectively dated June 6, 2018, Third Amendment to Restated Credit Agreement effectively dated September 5, 2018 and Fourth Amendment to Restated Credit Agreement effectively dated February 14, 2020, and the successors and assigns of its interests in that certain RESTATED MORTGAGE AND SECURITY AGREEMENT (INCLUDING ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING) recorded December 31, 2014 in Official Records Book 10855, Page 0320, as modified by that certain MORTGAGE MODIFICATION AGREEMENT AND RECEIPT FOR FUTURE ADVANCE recorded September 29, 2016 in Instrument Number 20160512177, as further modified by that certain SPREADER AND MODIFICATION AGREEMENT recorded December 27, 2016 in Instrument Number 20160667219, as further modified by 2018 MORTGAGE MODIFICATION AGREEMENT AND RECEIPT FOR FUTURE ADVANCE recorded September 7, 2018 in Instrument Number 20180532729, as further modified by Assignment of Notes and Mortgage, Mortgage Spreader and Modification and Partial Release Agreement recorded February 27, 2020 in Document Number 20200128126, as further modified by 2020 Mortgage Consolidation and Modification Agreement recorded February 27, 2020 in Document Number 20200128127, and as further modified by that certain SPREADER AND MODIFICATION AGREEMENT recorded July 20, 2020 in Document Number 20200386210, all of the Public Records of Orange County, Florida, or (ii) the owner and holder of a mortgage encumbering a Rental Unit or Lot or Rental Property which is a bank, savings bank, mortgage company, life insurance company, federal or state savings and loan association, national banking association, an agency of the United States government, private or public pension fund, Veteran’s Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a credit union, real estate or mortgage investment trust or a lender generally recognized in the community as an institutional lender.

X. “Limited Common Expense” shall mean and refer to expenditures for (i) installation, construction, maintenance, repair, replacement and/or operation services for only a specific set of Lots or Rental Units, including, without limitation, Townhome Lots or Townhome Rental Units, for which the Association is either obligated or permitted to improve, maintain, repair, replace and/or operate, including, but not limited to, any and all improvements from time to time located thereon, (ii) the performance of any and all other services or other obligations required or authorized to be performed by the Association with respect to such specific set of Lots or Rental Units, and (iii) the performance of

any and all other rights and/or obligations which the Association may be required or permitted to perform for such specific set of Lots or Rental Units pursuant to the terms of the Articles, Bylaws, this Declaration or by law, whether set forth herein explicitly or implicitly.

Y. “Lot” shall mean and refer to any Single Family Lot or any Townhome Lot.

Z. “Maintenance” shall mean, but not be limited to, the following: cleanup, landscaping, irrigation and grounds care; maintenance of drainage swales; painting and structural upkeep of improved Common Property, recreational facilities, roads, walls, entry features and rights of way; cleaning, painting and structural upkeep of Townhome Rental Buildings, other improved properties, roads, walls, entry features and rights of way; termite control service for Townhome Rental Buildings; and repair and all other such functions incidental to the services of the Association.

AA. “Member” shall mean and refer to a member of the Association, consisting of any Owner of a Lot other than the Association itself.

BB. “Open Space” shall mean an exterior open area, if any, within the Property (not including open area on any Lot) from the ground upward devoid of buildings and accessory structures; except however, those buildings and structures or areas used exclusively for recreational purposes may be included in the Open Space.

CC. “Orange County Code” shall mean and refer to the complete codification of the general and permanent ordinances of Orange County, Florida.

DD. “Owner” shall mean and refer to the owner (whether it be the Declarant, one or more persons, firms or legal entities), as shown by the records of the Association, of fee simple title to any Lot, Rental Unit, Rental Property or other real property (other than Common Property) located within the Property. Owner shall not mean or refer to the holder of a mortgage or security interest, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure, nor shall the term “Owner” mean or refer to any lessee or tenant of an Owner.

EE. “Party Sidewalk” means and refers to a sidewalk which is located on each side of the common boundary line of two (2) adjoining Townhome Lots and which is used as a shared route of access to each of the Townhome Rental Units located on the adjoining Townhome Lots.

FF. “Party Wall” means and refers to the common wall separating one Townhome Rental Unit from another Townhome Rental Unit in the same Townhome Rental Building.

GG. “Plat” shall mean and refer to the plat of Paradiso Grande Phase 1, as recorded in Plat Book ___, Pages ___ through ___, inclusive, of the Public Records of Orange County, Florida, and any and all other recorded plats or replats of all or any portion of the Property, as the same may be changed, amended, replatted and/or otherwise modified from time to time, in whole or in part. Notwithstanding anything herein to the contrary, Declarant reserves the right to make such modifications to any part of the Property owned by the Declarant as the Declarant deems necessary and/or desirable, including, but not limited to, changing the location, size, dimensions and number of

Tracts within the initial Plat and/or any and all future Plats, to the extent permitted by applicable governmental authorities.

HH. “Property” shall mean and include the real property described in Exhibit “A” attached hereto.

II. “Public Areas” shall mean areas (if any) within the Property dedicated for use by the general public and not limited to use by residents of the Property.

JJ. “Rental Property” shall mean any parcel of land located within the Property intended for use as a site for more than one Rental Unit but which has not been further platted or subdivided into Lots by virtue of a recorded subdivision Plat.

KK. “Rental Unit” shall mean and refer to any Single Family Rental Unit or any Townhome Rental Unit.

LL. “Single Family Lot” shall mean any parcel of land shown on the Plat upon which a Single Family Rental Unit is constructed or upon which a Single Family Rental Unit may be constructed, together with all improvements located thereon from time to time.

MM. “Single Family Rental Unit” shall mean and refer to any platted and developed single family dwelling home, or other improved property intended for use as a dwelling, for which a certificate of occupancy has been issued by the appropriate governmental authorities.

NN. “Surface Water Management System” and/or “Stormwater Management System” means a system located on the Property and, to the extent required, on adjacent property, which is designed and constructed or implemented pursuant to the District Permit to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Division 40E or Chapter 62-330, F.A.C., as applicable and includes, without limitation, Drainage Areas. The Surface Water Management System and/or Stormwater Management System is a part of the “Surface Water Management System” or “SWM System” to be operated and maintained by the Association pursuant to the Declaration.

OO. “Townhome Lot” shall mean any parcel of land shown on the Plat upon which a Townhome Rental Unit is constructed or upon which a Townhome Rental Unit may be constructed, together with all improvements located thereon from time to time

PP. “Townhome Rental Building” means and refers to a building containing attached Townhome Rental Units.

QQ. “Townhome Rental Unit” shall mean and refer to that portion of a Townhome Rental Building located on a platted and developed Townhome Lot, which has thereon a single family attached townhome dwelling for which a certificate of occupancy has been issued by the appropriate governmental authorities.

RR. “Townhome Rental Unit Building Deductible” shall mean and refer to the amount of the deductible applicable to and payable for a particular Townhome Rental Building under the Association Townhome Rental Building Insurance due to an insured casualty or loss.

SS. “Townhome Rental Unit Shared Elements” means and refers to the Party Walls, Common Roofs and all other improvements serving multiple Townhome Rental Units, which may include, without limitation, improvements for which the costs of repair may not be practically or reasonably allocated to a specific Townhome Rental Unit(s), as determined by the Association.

TT. “Townhome Rental Unit-Unit Damage Allocation” shall mean and refer to the total repair costs allocated to a particular Townhome Rental Unit due to a casualty to a Townhome Rental Building, which shall be the lesser of: (i) the Townhome Rental Unit-Unit Deductible; and (ii) the actual cost of repairing the damage sustained to the improvements on such Townhome Rental Unit including, without limitation, the costs to repair any Townhome Rental Unit Shared Elements.

UU. “Townhome Rental Unit-Unit Deductible” means and refers to the deductible applicable to each Townhome Rental Unit, which shall be determined by dividing the Townhome Rental Unit Building Deductible by the average number of Townhome Rental Units in Townhome Rental Buildings, as determined by the Board from time-to-time.

VV. “Townhome Rental Unit-Unit Deductible Reserve” shall mean and refer to those funds which may be collected as part of the townhome assessments as a Limited Common Expense for the purpose of funding deductibles, as more particularly described in Section 10.03I herein below, for future casualties or losses covered by the Association Townhome Rental Building Insurance.

WW. “Tract” shall mean any portion of the Property established as a Tract in any Plat.

XX. “V.W.C.D.D.A.Easement” shall mean and refer to that portion of the Plat which is shown as being subject to that certain Easement granted to the Valencia Drainage District (now known as the Valencia Water Control District) and recorded May 19, 1987 in Official Records Book 3887, Page 4968 of the Public Records of Orange County, Florida.

YY. “Visible from Neighboring Property” shall mean that an object or portion of an object is or would be visible to a person six feet (6') tall standing on a neighboring Lot, Tract, Common Area, street or other portion of the Property at an elevation not greater than the elevation at the base of the object being viewed.

ARTICLE 2 - PROPERTY SUBJECT TO DECLARATION

Section 2.01 Existing Property. The real property initially subject to this Declaration is the Property described in **Exhibit “A”**.

Section 2.02 Additional Property.

A. Declarant, from time to time, may, in its sole, absolute and unfettered discretion, cause Additional Property to become subject to this Declaration and to be a part of the Property, but under no circumstance shall Declarant be required to make such additions, and no other real property shall in

any way be affected by or become subject to this Declaration, or become a part of the Property, until such time, if ever, that such real property is added to the Property pursuant to the terms of this Section 2.02.

B. Any additions to the Property authorized under this Declaration shall be made by the filing of record, from time to time, of an amendment to this Declaration or a Supplemental Declaration of Covenants, Conditions, Easements and Restrictions, executed by Declarant, which shall extend the covenants, conditions and restrictions contained herein to such property. Such amendment or Supplemental Declaration may contain such amendments or additional provisions as Declarant may deem necessary and as are not inconsistent with the purposes of this Declaration. Declarant shall not be required to obtain the approval or consent of the Association or any Owner or any person claiming by, through, or under any Owner to add any property to the Property pursuant to this Section.

Section 2.03 Deletions from Property. Declarant may at any time delete any portion of the Property from encumbrance by this Declaration by executing and filing of record a Notice of Deletion from Declaration of Covenants, Conditions, Easements and Restrictions; provided, however, that in no event shall Declarant make any Prohibited Deletions, without first obtaining the written consent of the Owners of the portion of the Property being deleted. Prohibited Deletions shall consist of deletions of any portion of the Property owned or leased by an Owner other than Declarant other than to the extent any such portion of the Property is being deleted to correct a scrivener's error whereby the portion of the Property being deleted was not intended to be a part of the Property. Prohibited Deletions shall also include deletions of any portion of the Property which contain Common Property (unless such deletion is to correct a scrivener's error as described above), unless appropriate easements are granted or other arrangements are made which ensure that remaining portions of the Property which are served by the subject Common Property continue to receive substantially the same service (from the Common Property or their substantial equivalents) after the deletion of such Common Property occurs. No Owner, or any person claiming by, through, or under any Owner, shall have any right to claim detrimental reliance upon this Declaration with regard to any portion of the Property deleted herefrom by Declarant pursuant to this Section.

Section 2.04 Effect of Declaration. Each Owner of a Lot, Rental Unit, Rental Property or any other portion of the Property, by acceptance of a deed or other instrument evidencing its ownership interest, accepts and acknowledges the authority of this Declaration and of the Association created herein, and agrees to abide by and be bound by the provisions of this Declaration, the Articles, the Bylaws and other rules and regulations of the Association. In addition to the foregoing, the family, guests, invitees and tenants of said Owners shall, while in or on the Property, abide and be bound by the provisions of this Declaration, the Articles, the Bylaws and other rules and regulations of the Association.

ARTICLE 3 - THE ASSOCIATION

Section 3.01 Membership. Every Owner of a Lot other than the Association shall be a Member of the Association. Membership shall be appurtenant to, run with, and may not be separated from ownership of a Lot.

Section 3.02 Classes of Voting Membership. The Association shall have two classes of voting membership:

Class A: Class A Members shall be all Owners, with the exception of Declarant, and shall be entitled to one vote for each Lot owned. When any Lot entitling the Owner to membership in the Association is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants by the entirety or any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the Secretary of the Association, such Owner shall select one official representative to qualify for voting in the Association and shall notify in writing the Secretary of the Association of the name of such individual. The vote of that individual shall be considered to represent the will of all the Owners of that Lot. In the circumstance of such common ownership, if the Owners fail to designate their voting representative, then the Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owners of such Lot. Upon such notification, the Owner may not vote until the Owner(s) appoint their representative pursuant to this paragraph.

Class B: The Class B Member(s) shall be Declarant and shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership once Turnover has occurred in accordance with Article 9 hereof.

Section 3.03 Notice and Quorum for Any Action Authorized Under This Declaration. Written notice of any meeting called for the purpose of taking any action authorized under this Declaration shall be sent to all Members not less than fourteen (14) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast thirty percent (30%), or such lesser amount as may be allowed by law, of all the votes of each class of Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting; however, no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

ARTICLE 4 - FUNCTIONS OF THE ASSOCIATION

Section 4.01 Services. The Association shall have the powers provided herein and in the Articles and Bylaws from time to time, and such other powers as may be vested in the Association by law, and may provide (or may cause to be provided) the following services:

A. Maintenance, operation, repair or replacement of all Open Space, Common Property, recreation areas, private roads and sidewalks (if any) within the Property, all street lights which are owned as Common Property, landscaping on and around roads and sidewalks (if any), landscaping, landscape lighting and irrigation systems on Lots, and all or portions of Townhome Lots, Townhome Rental Buildings or Townhome Rental Units, including, without limitation, as may be undertaken in accordance with Section 8.01U of this Declaration and as is more particularly set forth in this Declaration.

B. Operation, maintenance, including, without limitation, routine custodial maintenance, repair or reconstruction of the Surface Water or Stormwater Management System(s), including, without limitation, all lakes, retention areas, culverts and related appurtenances, within the Property, and, to the extent required, on adjacent property, which shall mean the exercise of practices which allow such System(s) to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted or exempted by the District. Until such responsibilities are assumed by the CDD, the Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the Surface Water Management System shall be as permitted or, if modified, as approved by the District.

C. Adopting, establishing, amending, publishing and enforcing such reasonable policies or rules and regulations or take any other actions necessary for the purposes for which the Association was organized as the Board deems necessary.

D. Provide termite control service (which shall be the obligation of the Association to obtain and maintain for all Townhome Rental Buildings).

E. In addition to maintenance herein provided, as provided in Section 6.07 below, the Association may provide exterior or other maintenance upon any portion of the Property (including any Rental Unit) and/or any improvement from time to time located thereon which, in the Board's opinion, requires such maintenance because said property is being maintained in a sub-standard manner or otherwise violates any of the covenants and restrictions contained herein. Said maintenance and/or other corrective action necessary to bring the subject property into compliance with this Declaration shall include but not be limited to cleaning, painting, repairs, removal of any fencing, replacement and maintenance of roofs, gutters, downspouts, exterior building surfaces, windows, trees, shrubs, grass, driveways, walks and other exterior improvements. As provided in Section 6.07, the cost of such maintenance or corrective actions (including any related charges permitted by Section 6.07) shall be assessed by the Association as an individual assessment against the Owner on whose behalf such maintenance or corrective actions are performed. Any such individual assessment shall be a lien upon the subject property (including a Rental Unit), as the case may be, and an obligation of the Owner and shall become immediately due and payable in all respects, together with attorneys' fees, court costs, interest, and other fees or costs of collection as provided for other assessments of the Association.

F. In addition to the maintenance herein provided, the Association may provide enhanced maintenance for Dedicated Areas if desired, with the consent of any applicable governmental authorities if required. Such enhanced maintenance may include, but is not limited to, mowing beyond that which is provided by the public, the CDD, the County, any municipality or any governmental authority. In such event, all costs of maintenance of Dedicated Areas shall be assessed in the same manner as maintenance costs with respect to the Common Property. This assumption of maintenance responsibility may take place either by contract or agreement or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the community-wide standard of the Property.

G. Presenting recreational, sport, craft, social or cultural activities or programs of interest to Owners, their families, tenants and guests. Any such activities or programs shall be presented at the

sole option and discretion of the Board and the Board, in its sole option and discretion, may charge admission or other fees for any such activities or programs.

H. Entering into agreements with service providers for the furnishing, to all or a portion of the Rental Units and to all other appropriate locations on the Property, of cable or similar services for television, radio, internet services (including wi-fi, wired/wireless broadband, voice-over IP, etc.) and other communication or data transmission services, security systems, fire alarm systems and other similar systems and amenities.

I. Constructing improvements on Common Property and granting easements and licenses as may be required, permitted, recommended or desirable (as determined by the Board in its sole option and discretion to provide the services as authorized in this Section).

J. Employment of attendants and other personnel, maintenance of control centers for the protection of persons and property within the Property, installation, operation and maintenance of communication systems by the Association or a contractual designee of the Association, and assistance in the apprehension and prosecution of persons who violate any applicable laws within the Property. Provision of all of the foregoing services shall be at the sole option and discretion of the Board.

K. The Board shall have the right, in its discretion, to enter into contracts on behalf of the Association for the purpose of carrying out its duties hereunder or which will otherwise be of benefit to the Owners in general. The terms of any such contracts shall be negotiated by the Board in its discretion. It is specifically contemplated that the Board may (but shall not be required to) enter into a contract with a management company for the purpose of managing the day to day affairs of the Association and a contract for carrying out the Association's operation and maintenance obligations with respect to the Common Property, including, without limitation, the Surface Water Management System. It is also contemplated that the Board may (but shall not be required to) enter into (i) a lease or other use agreement which will allow Owners to access amenities and other facilities located within or without the Property which are not part of the Common Area, (ii) one or more agreements controlling the provision of telephone, cable television, internet access and other communications or data transmission services (as the case may be) to and within the Property, and/or (iii) such other similar agreements as the Board may deem from time to time to be necessary and/or desirable. Any expenses associated with contracts entered into by the Board on behalf of the Association shall constitute Common Expenses or Limited Common Expenses as the case may be.

Section 4.02 Mortgage and Pledge. With the approval of at least two-thirds (2/3) of the Board and the consent of Declarant (to the extent Declarant still owns any portion of the Property), which consent may be withheld in the Declarant's sole discretion, the Board shall have the power and authority to mortgage Property owned by the Association and to pledge the revenues of the Association as security for loans made to the Association, which loans shall be used by the Association to perform its functions.

Section 4.03 Conveyance by Association. Subject to the provisions hereof, the Association shall be empowered to delegate or convey any of its functions or Common Property to any governmental unit, public utility or private party approved by at least two-thirds (2/3) of the Board and,

to the extent Declarant still owns any portion of the Property, by the Declarant, which approval may be withheld by the Declarant in its sole discretion.

Section 4.04 **Security.** The Association may, but shall not be obligated to, maintain or support various activities within the Property which are intended to foster or promote safety or security. In no event shall the Association or the Declarant in any way be considered insurers or guarantors of security within the Property, nor shall either of them be held liable for any loss or damage by reason of the lack of adequate security or the ineffectiveness of any security or safety measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system installed or security measures undertaken on or about the Property cannot be compromised or circumvented, nor that any such systems or security measures will prevent loss or provide the detection or protection for which they may be designed or intended, nor that entrance or exit gate(s) or any person acting as a gate attendant shall provide security services or prevent unauthorized persons from entering upon the Property. Each Owner therefore acknowledges, understands and agrees that the Declarant, the Association, and their officers and directors are not insurers and that each person entering upon the Property assumes all risks of loss or damage to persons and property resulting from the acts of third parties. Furthermore, each Owner specifically acknowledges, understands and agrees that entrance and exit gate(s), if any, are only provided as traffic control devices and are not provided as a measure of safety or security.

ARTICLE 5 - EASEMENTS

Section 5.01 **Appurtenant Easements.** Declarant reserves unto itself, its successors, assigns, guests, lessees and invitees, and grants to all Owners and their respective successors, assigns, guests, lessees and invitees, as an appurtenance to and as part of the ownership held by such Owner, but subject to this Declaration, the Articles and Bylaws and the rules and regulations promulgated by the Association, a perpetual non-exclusive easement for ingress and egress over, across and through and for the use and enjoyment of, all Common Property; such easements of ingress, egress, use and enjoyment to be shared in common with Declarant, the other Owners and their respective successors, assigns, guests, lessees and invitees.

Section 5.02 **Utility Easements.** Declarant reserves to itself, its successors and assigns, the right to grant easements to any private company and/or to any public or private utility or governmental authority providing utility and other services to the Property upon, over, under and across all portions of the Property. Said easements shall be given for the purpose of maintaining, installing, repairing, altering, replacing and operating sewer lines, irrigation lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal lines and systems, pipes, wires, power lines, telephone service, fiber optic cable lines and facilities, communications lines and facilities, electromagnetic spectrum-based communications and data services and related facilities, gas lines, siphons, valves, gates, pipelines, cable television service, alarm systems and all machinery and apparatus appurtenant to all of the foregoing as may be necessary or desirable for the installation and maintenance of utilities and providing services to Owners and the various portions of the Property. All such easements shall be of a size, width, and location as Declarant, in its discretion, deems best but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Property.

Section 5.03

Declarant Easements.

A. The Declarant hereby reserves to itself, its successors and assigns, and to such other persons as Declarant may from time to time designate in writing, a perpetual non-exclusive easement, privilege and right in and to, over, under, on and across the Common Property for ingress and egress; provided, however, that such access and use does not unreasonably interfere with the reasonable use and enjoyment of the Common Property and facilities located thereon by the Owners. Declarant hereby further reserves to itself, its successors and assigns, and to such other persons as Declarant may from time to time designate in writing, a non-exclusive perpetual easement, privilege and right in and to, over, under, on and across the Property, to construct, install, locate, maintain, repair, replace and operate any lines, cables, conduits, pipes and other such improvements related to the infrastructure and development thereof in connection with Declarant's development of the Property or any portion thereof; provided, however, that any such construction, location, installation, repair, replacement operation or development by Declarant shall not be permitted in, on, under or across Rental Units or pools, and Declarant shall be obligated to restore any disturbed area to as close to the original condition of the area as is reasonably practical. Declarant reserves for itself, its successors and assigns, a non-exclusive easement for the construction, installation, maintenance, repair, replacement and operation of security, television, communication and data transmission cables and facilities within the rights-of-way and easement areas referred to herein. In addition to the foregoing, Declarant shall have for itself, its successors and assigns, all easement rights reserved by Declarant as set forth on any Plat.

B. Declarant further reserves to itself, its successors and assigns, the right to grant, modify, amend and terminate easements over, upon, across, under and through the Property (including Lots, Tracts, Common Areas, and any private streets or roadways, if any) for telecommunications systems, utilities, the Surface Water Management System, roads and any and all other purposes reasonably necessary or useful, as determined by Declarant, in its sole discretion, for development, construction, maintenance or operation of the Property and any improvements located thereon; provided, however, such easements shall be located by Declarant so as not to unreasonably impair the value or use of the Rental Units (the "Declarant's Development Easement Right"). The Association shall execute and deliver any documentation required by the Declarant to exercise the Declarant's Development Easement Right at no cost to Declarant. Once Declarant no longer owns any portion of the Property the Association shall succeed to the Declarant's Development Easement Right and, as evidenced by the Joinder of Association which is attached to this Declaration, agrees and acknowledges that it shall be obligated to grant, modify, amend and terminate any such easements as deemed necessary by Declarant, in its sole discretion, upon Declarant's written demand for same and at no cost to Declarant. To the extent legally required, each Owner shall be deemed to have granted to Declarant and, thereafter, Association an irrevocable power of attorney, coupled with an interest, for the purposes of granting easements over such Owner's Lot pursuant to Declarant's Development Easement Right. Subject only to the rights of Declarant to amend this Declaration, including, without limitation, Declarant's right to unilaterally amend the Declaration in accordance with the provisions of Section 14.02 herein, this Paragraph shall not be amended until the last to occur of (i) the date which is five (5) years after Turnover or (ii) the date Declarant no longer owns any portion of the Property.

Section 5.04

Wall Easements.

Declarant acknowledges that the Property may include buffer areas and easement areas which may, but will not necessarily, be improved with walls, fences, entrance features, entry or exit gate(s) and other improvements. In connection with the maintenance,

installation, repair, alteration, replacement and operation of such improvements, as applicable, Declarant reserves unto itself, its successors and assigns and hereby grants to the Association a perpetual non-exclusive easement (the “Wall Easement”) over, under, across and through the Common Property, Open Space and such other portions of the Property (including Lots) shown as wall easement on the Plat (if any), or as described herein (the “Wall Easement Area”) as is necessary for the maintenance, installation, repair, alteration, replacement and operation of such improvements, however, such easements shall be located by Declarant so as not to unreasonably impair the value or use of the Rental Units. All such Wall Easements shall be of a size, width, and location as Declarant, in its discretion, deems best but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Property. Except for landscaping or other improvements installed by Declarant, each Owner of any part of the Property encumbered by any such Wall Easement understands and agrees that the installation of landscaping or other improvements therein shall require the prior written approval of the ARB. No improvements shall be built in a Wall Easement Area by any Owner of any part of the Property, except for Declarant, and except as otherwise expressly permitted by this Declaration. The Declarant and Association shall have the right to cut, replace or remove any trees, bushes or shrubbery located within the Wall Easement Area that may interfere with their rights under this Section.

Section 5.05 Service Easements. Declarant hereby grants to people and entities affiliated with delivery, pickup and fire protection services, trash collection services, police and other authorities of the law, United States Mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Declarant or the Association, and to such other persons as the Declarant or the Association from time to time may designate, a nonexclusive, perpetual easement for ingress and egress over and across the Common Property for the purposes of performing their authorized services, to service all or any portion of the Property and to perform any investigation related thereto.

Section 5.06 Drainage Easements. Drainage flow shall not be obstructed or diverted from drainage easements, including, without limitation, the Private Drainage Easement as defined in Section 5.07 of this Declaration. The Declarant hereby reserves for itself, its successors and assigns, and hereby grants to the Association, easements for and may, but shall not be required to, cut swales and drainways for surface water wherever within the Property and whenever such action may appear to the Declarant or the Association, as the case may be, to be necessary to maintain reasonable standards of health, safety and/or appearance provided that any such action is in compliance with any permit from time to time issued by the District, as such permits are amended or supplemented from time to time. These easements include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other action reasonably necessary to install drainage facilities and maintain reasonable standards of health, safety and/or appearance, but shall not include the right to disturb any improvements erected within the Property which are not located within the specific easement areas designated on the Plat or in this Declaration. Except as provided herein, existing drainage and drainage channels (or areas reserved for such purposes) shall not be altered so as to divert the flow of water onto adjacent parcels. No Owner of a Rental Unit, except Declarant, may alter any elevations and slopes except upon written consent of the Association. Notwithstanding anything herein to the contrary, the Surface Water Management System makes use of certain portions of the Property, including, but not limited to, portions of the Common Area dedicated for water management purposes. Declarant hereby reserves unto itself, its successors and assigns, and hereby grants to the Association a

perpetual non-exclusive easement over, under and upon that portion of the Property which may be utilized for the Surface Water Management System, to make use of such Surface Water Management System for the surface water drainage, retention and detention necessary to develop the Property as Declarant deems to be appropriate.

Section 5.07 **Private Drainage Easements.** Declarant reserves unto itself, its successors and assigns and hereby grants to the Association a perpetual non-exclusive easement (the “Private Drainage Easement”) over, under, across and through the portion(s) of the Property that are shown as private drainage easement on the Plat (the “Private Drainage Easement Area”). The Private Drainage Easement, shall be operated and maintained by the Association and the Association shall be responsible for assessing and collecting fees for the operation, maintenance, and if necessary, replacement of the drainage system improvements located therein. Any repair or reconstruction of the drainage system improvements located within the Private Drainage Easement Area shall be as provided in the District Permit or, if modified, as approved, in writing, by the Water Management District. Notwithstanding the foregoing, no person shall alter the drainage flow of the drainage system within the Private Drainage Easement Area, including buffer areas or swales, without the prior written approval of the Water Management District. Except for the installation of sod, no Lot Owner, including Builders, shall construct, plant or install any improvements on, clear any trees, bushes or shrubbery from, or conduct any grading or otherwise alter any portion of a Lot encumbered by the Private Drainage Easement. Each Owner, including Builders, shall be responsible for the routine maintenance of the portion of the Private Drainage Easement Area located on such Owner’s Lot. Routine maintenance shall mean the exercise of practices, such as mowing and erosion repair, which allow that portion of the Lot encumbered by the Private Drainage Easement to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the District.

Section 5.08 **Conservation Easements.** Declarant reserves the right to grant conservation easements over Conservation Easement Areas to qualified grantees over and across Common Property, Open Space or the Surface Water Management System located on the Property from time to time.

Section 5.09 **Right of Entry.** The Association shall have the right, but not the obligation, to enter onto any part of the Property for emergency, security, and safety, which right may be exercised by the Board, officers, agents, employees, managers, and all police officers, firefighters, paramedics, ambulance personnel, emergency medical technicians, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Rental Unit to cure any condition which may increase the possibility of a fire or other hazard, or otherwise violates the covenants and restrictions contained herein, in the event an Owner fails or refuses to cure the condition upon request by the Board.

Section 5.10 **Easements of Encroachment.** Reciprocal appurtenant easements of encroachment are hereby reserved, created and granted as between each Common Property, Lot, Tract and such portion or portions of the Common Property, Lots, and/or Tracts adjacent thereto due to the unintentional placement or settling or shifting of the improvements from time to time constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet (3’), as measured from any point on the common boundary along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for

encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, its successors and/or assigns, a tenant, or the Association. Encroachments of improvements into the Common Property by more than three feet (3') shall be allowed if such encroachments do not unreasonably interfere with the use of the Common Property and facilities located thereon by the Owners, and are approved by the Declarant or the Board.

Section 5.11 **Gas Easements.** Declarant (or its successor or assigns) shall have the right, but not the obligation, to install a natural or propane gas system to serve the Property. In connection with the installation, maintenance and operation of such system, if applicable, Declarant reserves access, installation and service easements over, across and under the Common Property, Open Space and such other portions of the Property (including Lots) as is necessary to provide such natural gas service to all Owners; provided, however, such easements shall be located by Declarant so as not to unreasonably impair the value or use of the Rental Units.

Section 5.12 **Landscape Easements.** Declarant acknowledges that the Property may include buffer areas and easement areas which may, but will not necessarily, be improved with landscaping, entrance features, entry gate(s), sod, irrigation facilities and other improvements, as applicable. In connection with the installation, maintenance, repair and operation of such improvements, if applicable, Declarant reserves unto itself, its successors and assigns and hereby grants to the Association a perpetual non-exclusive easement (the "Landscape Easement") over, under, across and through the Common Property, Open Space and such other portions of the Property (including Lots) shown as landscape easement on the Plat (if any) or as described herein (the "Landscape Easement Area") as is necessary for the maintenance, installation, repair, alteration, replacement and operation of such improvements, however, such easements shall be located by Declarant so as not to unreasonably impair the value or use of the Rental Units. All such Landscape Easements shall be of a size, width, and location as Declarant, in its discretion, deems best but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Property. Except for landscaping or other improvements installed by Declarant, each Owner of any part of the Property encumbered by any such Landscape Easement understands and agrees that the installation of landscaping or other improvements therein shall require the prior written approval of the ARB. No improvements shall be built in the Landscape Easement Area by any Owner of any part of the Property, except for the Declarant, and except as otherwise expressly permitted by this Declaration. Notwithstanding anything to the contrary set forth in this Declaration, the Owner of any part of the Property encumbered by any such Landscape Easement, including, without limitation, the Owner of a Lot, shall be responsible for the maintenance, including irrigation (if applicable), repair, replacement or removal of all landscaping, including without limitation all landscaping installed in accordance with the landscape plan (if applicable) submitted to and approved by applicable governmental authorities in connection with the approval of the development of the Property, within the Landscape Easement Area. Notwithstanding the responsibility of an Owner to perform and undertake the aforesaid activities pertaining to any such landscaping installed within a Landscape Easement Area, all rights are reserved unto the Association to undertake and perform such activities to the extent that they are not being performed and undertaken by such Owner, as determined by the Association in its sole discretion, and the Association's cost to perform and undertake such activities shall be paid to the Association by the Owner, upon demand from the Association. Any amounts payable by an Owner to the Association pursuant to this Section shall be secured by the lien of the assessments and the Association may enforce collection of such amounts in

the same manner and to the same extent as provided elsewhere in this Declaration for the collection and enforcement of assessments. In addition to the foregoing, the Declarant, its successors and assigns, and the Association, shall have the right to utilize all Landscape Easements for purposes of accessing any and all landscaping on the Property and for access to any Common Areas and/or any Improvement from time to time located thereon. The Declarant and Association shall have the right to cut, replace or remove any trees, bushes or shrubbery located within the Landscape Easement Area that may interfere with their rights under this Section.

Section 5.13 Sidewalk Easements. Declarant acknowledges that the Property may include buffer areas and easement areas which may, but will not necessarily, be improved with sidewalks. In connection with the installation, maintenance and operation of such improvements, as applicable, Declarant reserves unto itself, its successors and assigns and hereby grants to the Association a perpetual non-exclusive easement (the "Sidewalk Easement") over, under, across and through the Common Property, Open Space and such other portions of the Property (including Lots) shown as sidewalk easement on the Plat (if any) or as described herein (the "Sidewalk Easement Area") as is necessary for the maintenance, installation, repair, alteration, replacement and operation of such improvements, however, such easements shall be located by Declarant so as not to unreasonably impair the value or use of the Townhome Rental Units. All such Sidewalk Easements shall be of a size, width, and location as Declarant, in its discretion, deems best but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Property. Except for landscaping or other improvements installed by Declarant, each Owner of any part of the Property encumbered by any such Sidewalk Easement understands and agrees that the installation of landscaping or other improvements therein shall require the prior written approval of the ARB. No improvements shall be built in a Sidewalk Easement Area by any Owner of any part of the Property, except for Declarant, and except as otherwise expressly permitted by this Declaration. The Declarant and Association shall have the right to cut, replace or remove any trees, bushes or shrubbery located within the Sidewalk Easement Area that may interfere with their rights under this Section.

Section 5.14 Easement for Repair, Maintenance and Replacement of Party Sidewalks. Declarant hereby reserves unto itself and hereby grants to the Association and to each Owner of a Townhome Rental Unit a nonexclusive easement and right of ingress and egress in, under, over and across any Townhome Lot thereon which shares a Party Sidewalk, as may be reasonably necessary for the purpose of use, repairing, maintaining and replacing such Party Sidewalk.

Section 5.15 Easement for Repair, Maintenance and Replacement of Party Walls. Declarant hereby reserves unto itself and hereby grants to the Association and to each Owner of a Townhome Rental Unit a nonexclusive easement and right of ingress and egress in, under, over and across any Townhome Lot and Townhome Rental Unit thereon which shares a Party Wall, as may be reasonably necessary for the purpose of repairing, maintaining and replacing such Party Wall.

Section 5.16 Easement for Repair, Maintenance and Replacement of Common Roofs. Declarant hereby reserves unto itself and hereby grants to the Association and to each Owner of a Townhome Rental Unit a nonexclusive easement and right of ingress and egress in, under, over and across any Townhome Lot and the Townhome Rental Unit under a Common Roof, as may be reasonably necessary for the purpose of repairing, maintaining and replacing the Common Roof.

Section 5.17 **Easements for Construction, Maintenance and Performance of Obligations.**

Each Owner hereby grants to the Association, the Declarant, each Owner of the Townhome Lot(s) immediately abutting the granting Owner's Townhome Lot, and all of their respective successors, assigns, employees, agents, contractors and subcontractors, a non-exclusive easement on the granting Owner's Townhome Lot and within such granting Owner's Townhome Rental Unit to the extent reasonably necessary for the purpose of constructing, maintaining, repairing and replacing any improvements from time to time located on or to be constructed on any Townhome Lot abutting such Owner's Townhome Lot. In addition, each Owner hereby grants to the Association and the Association's successors, assigns, employees, agents, contractors and subcontractors, a non-exclusive easement on the granting Owner's Townhome Lot and within such granting Owner's Townhome Rental Unit to the extent reasonably necessary for the purpose of allowing the Association to perform any and all of the Association's rights and/or obligations arising under this Declaration or elsewhere, including, but not limited to, the Association's maintenance, repair and replacement obligations, including but not necessarily limited to lawn, landscaping and irrigation maintenance, repair, and replacement obligations pursuant to Section 8.01U, the Association's right to perform emergency repairs and the Association's obligations regarding maintenance, repair or replacement of the Common Roofs, Party Sidewalks, Party Walls, Townhome Rental Buildings or Townhome Rental Units.

Section 5.18 **Cable Utility Services; Use of Common Property.**

The Declarant (or its successor or assigns) shall have the exclusive right, but not the obligation, to install, or to contract for the installation of a cable television system providing cable television entertainment, business, internet access, telephone and safety services. In connection with the installation, maintenance and operation of such systems the Declarant reserves access, installation and service easements over, across and under the Common Property and all Lots and Rental Units necessary to provide such cable utility services to all Members; provided, however, such easements shall be reasonably located by the Declarant so as not to unreasonably impair the value or use of any Lot or Rental Unit.

Section 5.19 **Extent of Easements.**

The rights and easements of enjoyment created in this Article 5 shall be subject to the following:

A. The right of the Association, to borrow money from any lender for the purpose of improving and/or maintaining the Open Space, Stormwater Management System, Common Property, and any improvements from time to time located or to be located thereon, and providing services authorized herein and, in aid thereof, to mortgage said property; but only with the approval of the Board and the Declarant (so long as the Declarant owns any portion of the Property), as required by Section 4.02 above, which approval may be withheld in the Board's or the Declarant's sole discretion, as the case may be.

B. The right of the Association to suspend the rights and easements of enjoyment of any Owner or any tenant of any Owner, subject to the provisions of Florida Statutes, Section 720.305, as the same may be amended from time to time, for any period during which any assessment remains unpaid, not to exceed the time period specified in Section 8.02 of this Declaration, for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or breach of any rules and regulations of the Association shall not constitute a waiver or discharge of the Owner's obligation to pay the assessment.

C. The right of the Association to give, dedicate, mortgage or sell all or any part of the Common Property (including leasehold interests therein) to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be determined by the Association; provided that no such gift or sale or determination of such purposes or conditions shall be effective unless the same shall be authorized by the Board and the Declarant (so long as the Declarant owns any portion of the Property), as required by Section 4.02 above, which authorization may be withheld in the Board's or the Declarant's sole discretion, as the case may be.

Section 5.20 Discharge into Water Bodies. So long as Declarant owns any portion of the Property, nothing other than storm water and irrigation waters may be discharged into any lake, canal, or other body of water located within or adjacent to the Property without Declarant's prior written consent, which consent may be withheld by Declarant in its sole discretion. The construction and/or installation by any party other than the Declarant of any device through which water is drawn shall be subject to the prior written approval of the Architectural Review Board as hereinbelow established in Article 7 of this Declaration. Irrigation water may not be withdrawn from any body of water within the Property or from the ground by any party other than the Declarant or the Association without the consent of the Board or the Declarant (so long as the Declarant owns any portion of the Property), which consent may be withheld in the Board's or the Declarant's sole discretion, as the case may be.

Section 5.21 Access. If ingress or egress to and from any parcel within the Property is through any Common Area, any conveyance or encumbrance of such Common Area shall be subject to an easement for ingress and egress in favor of such parcel.

Section 5.22 Utility and Communications Improvements Easements. Certain of the wires, power lines, telephone service lines, fiber optic cable lines, communications lines, cable television service lines, alarm system lines and internet service lines, and the conduits in which they are or may be located (collectively the "Utility and Communications Improvements") serving the Townhome Rental Units of a Townhome Rental Building are (i) routed over, under, across and through various portions of the collective Townhome Lots upon which a specific Townhome Rental Building has been or will be constructed, including, without limitation, under the concrete slabs upon which Townhome Rental Units have been or will be constructed (such collective Townhome Lots being the "Townhome Rental Building Lots" and each a "Townhome Rental Building Lot") or (ii) located on or attached to the exterior wall(s) of such Townhome Rental Buildings. Accordingly, and notwithstanding anything to the contrary in Section 5.03 of the Declaration, the Declarant hereby reserves unto itself, its successors and assigns and hereby grants to the Association, each Owner of a Townhome Rental Building Lot which is served by any Utility and Communications Improvements, any owner of any Utility and Communications Improvements and any party providing service through or to any Utility and Communications Improvements, a perpetual non-exclusive easement (the "Utility and Communications Improvements Easement") upon, over, under, across and through each and every of such Townhome Rental Building Lots and the exterior wall of the Townhome Rental Building constructed upon such Townhome Rental Building Lots (the "Utility and Communications Improvements Easement Area") as is necessary for the use, construction, maintenance, installation, repair, alteration, replacement and operation of such Utility and Communications Improvements. Notwithstanding the foregoing sentence however, in no event will the easement rights granted hereunder be exercised in a manner which causes damage to the flooring of a Townhome Rental Unit, which impacts vertical improvements constructed or installed upon a Townhome Rental Building Lot

or which impacts the exterior wall of a Townhome Rental Building beyond the location or attachment of the Utility and Communications Improvements.

Section 5.23 Effectiveness of Easements. If any easement created or intended to be created by this Declaration would be found ineffective as a matter of law on account of the fact that it is purported to be created at a time when both the burdened and benefited properties are owned by the same party, such easement shall be instead be deemed a contractual obligation and license having the same terms for the duration of the period that the burdened and benefited properties are owned by the same party, which shall automatically be converted to an easement on such future date as the burdened and benefited properties become owned by different parties, without requiring the execution or recordation of any further instruments, so as to preserve the intent and purpose of this Declaration.

Section 5.24 V.W.C.D.D.A.Easement. Portions of the Property, as more particularly located on the Plat, are subject to the terms and conditions of the V.W.C.D.D.A.Easement.

ARTICLE 6 - ASSESSMENTS

Section 6.01 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners in the Property, to pay the Common Expenses or the Limited Common Expenses, as the case may be, for the improvement, preservation, operation, maintenance and repair of the Common Area, including without limitation, conservation, mitigation or preservation areas or water management portions thereof and the Surface Water Management System, for the purposes set forth in Article 4 hereof, and as otherwise provided in this Declaration.

Section 6.02 Creation of the Lien; Personal Obligations of Assessments. The Declarant covenants, and each Owner of a Lot shall by acceptance of a deed therefor, regardless of whether it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay the Association any and all annual and special assessments, and any and all other assessments to be established and collected as hereinafter provided. Notwithstanding anything herein to the contrary, for so long as Declarant retains control of the Association, Lots, including Non-Rental Unit Lots as defined in Section 6.06 hereof, owned by Declarant (and builders of Rental Units expressly designated in writing by Declarant, in its sole and absolute discretion) shall be excused from the payment of all assessments for any budget year in which Declarant agrees to pay any operating expenses incurred by the Association that exceed the assessments receivable from other Owners and other income of the Association for such budget year (including but not limited to CIAC Assessments and initiation fees, which shall be payable as provided elsewhere in this Declaration), as permitted by Florida Statutes Section 720.308(1)(b), in effect as of the date hereof. It is expressly acknowledged that said Florida Statutes Section does not require the Declarant, in order to be excused from the payment of assessments, to pay the operating expenses incurred by the Association that exceed the assessments actually received, but rather only the assessments receivable; thus, the Declarant is not obligated to fund any shortfall or budget deficit due to assessments actually collected being less than assessments receivable by the Association. Declarant's obligation to fund such assessments receivable deficit shall not include any obligation to pay CIAC Assessments or initiation fees or to fund reserves.

The assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Rental Unit at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them. In the case of co-ownership of a Rental Unit, all of such co-owners shall be jointly and severally liable for the entire amount of the assessment. The Association shall, upon demand, at any time, furnish to any Owner liable for an assessment a certificate in writing signed by an officer or other authorized representative of the Association, setting forth whether said assessment has been paid. Such certificate shall be prima facie evidence of payment of any assessment therein stated to have been paid.

Section 6.03 Annual Assessments. The Association shall levy against Lots, and the Owners thereof, annual assessments as provided herein. The annual assessments levied by the Association shall be used for the improvement, maintenance, enhancement and operation of the Open Spaces and Common Property and to perform all obligations and services which the Association is authorized or required to provide including, but not limited to, the payment of taxes and insurance premiums, construction, repair or replacement of improvements, payment of the costs to acquire labor, equipment, materials, management and supervision necessary to carry out its authorized functions, the payment to any service provider for the cost of cable television, radio, internet access or other communication or data transmission service which is uniformly provided to all Lots, without separate charge to the recipient, and for the payment of principal, interest and any other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized or required functions. Notwithstanding the preceding sentence, the annual assessments levied by the Association shall not be used for payment of the obligations and services which the Association is authorized or required to provide and which are paid for by the townhome assessments which are levied in accordance with Section 6.05 hereof. The Association may, but shall not be obligated to (unless required by law), establish reserve funds to be held in reserve in an interest bearing account or investments as a reserve for (a) major rehabilitation or major repairs to Common Property that must be replaced on a periodic basis, (b) emergency and other repairs required as a result of storm, fire, natural disaster or other casualty loss, (c) insurance premiums or taxes, (d) maintenance, repair and repaving of all private roads for which the Association is responsible (including, without limitation, landscaping and lighting on and around such roads), and (e) such other items as the Board may deem appropriate.

Section 6.04 Special Assessments. In addition to the annual assessments authorized by Section 6.03 hereof, the Association may levy against Lots, and the Owners thereof, special assessments for the purpose of defraying, in whole or in part, the costs of any acquisition, construction or reconstruction, unexpected repair or replacement of a described capital improvement upon Common Property, Open Space or easements, including the necessary fixtures and personal property related thereto, or for other purposes as determined by the Board. Each Lot shall be subject to, and the Owner thereof shall be responsible for, an equal pro rata share of any special assessment.

Section 6.05 Townhome Assessments. In addition to the annual assessments authorized by Section 6.03 hereof, the Association shall levy against Townhome Lots containing Townhome Rental Units, and the Owners thereof, townhome assessments as provided herein. The townhome

assessments levied by the Association shall be used to perform all obligations and services which the Association is authorized or required to provide for: Townhome Lot Improvement Maintenance (as more particularly described in Section 8.01U of this Declaration); Structure Exterior Maintenance (as more particularly described in Section 10.01B of this Declaration); funding of Townhome Rental Unit-Deductible Reserves, if any; premiums for the Association Townhome Rental Building Insurance policy(ies) and any and all other uses provided for in this Declaration. Each Townhome Lot containing a Townhome Rental Unit and the Owner thereof shall be responsible for an equal pro-rata share of the townhome assessments. The townhome assessments provided for herein shall commence as to each Townhome Lot containing a Townhome Rental Unit on the date of the issuance of a certificate of occupancy for such Townhome Rental Unit.

Section 6.06 Assessments on Lots without Rental Units. It is recognized and acknowledged that Lots which do not contain Rental Units (“Non-Rental Unit Lots”) and the Owners thereof do not (a) add to the obligations of or utilize the services which the Association is authorized or required to provide hereunder or (b) use the Open Spaces and Common Property, to the extent that Lots with Rental Units and the Owners thereof do. Accordingly, annual assessments and special assessments payable on Non-Rental Unit Lots, and by the Owners thereof, shall be reduced to an amount which is twenty-five percent (25%) of the assessments then currently fixed and levied against Lots. Notwithstanding the foregoing provisions of this Section 6.06, the reduction in assessments for Non-Rental Unit Lots shall not apply if such Lot had a Rental Unit located upon it at any time in the past.

Section 6.07 Individual Assessments. In addition to any other assessments for which provisions are made in this Declaration, the Association shall be and hereby is authorized and empowered to establish, make, levy, impose, enforce and collect against and from a particular Lot and the Owner of such Lot an individual lot assessment for:

A. costs and expenses incurred by the Association in bringing a particular Owner or his particular Lot into compliance with the provisions of this Declaration, including any action taken or cost or expense incurred by the Association to cure and eliminate any violation of or noncompliance with the provisions of this Declaration, following the failure of such Owner, within thirty (30) days following written notice from the Association of the nature of the violation of or non-compliance with this Declaration, to cure or remedy such violation or non-compliance;

B. costs and expenses incurred in connection of the maintenance, repair or replacement of Common Roofs, Party Walls or Party Sidewalks, but only to the extent such costs or expenses are incurred pursuant to the provisions of Section 10.05, Section 10.06 or Section 10.07 of this Declaration;

C. costs and expenses, including reasonable attorneys’ fees and paralegals’ fees, whether or not suit be brought, incurred by the Association in the enforcement of the provisions of this Declaration against a particular Lot or the Owner of such Lot;

D. costs and expenses incurred by the Association in furnishing or providing labor, services and materials which benefit a particular Lot or the Owner of a particular Lot;

E. reasonable overhead expenses of the Association associated with any individual lot assessment established, made, levied, imposed, collected and enforced pursuant to this Section 6.07, in an amount not to exceed ten percent (10%) of the actual costs and expenses incurred by the Association for any individual assessment specified in this Section 6.07; and

F. costs and expenses associated with other provisions of this Declaration which establish a right to levy an individual assessment.

Section 6.08 Annual Assessment Budget. Prior to the beginning of each fiscal year, the Board shall prepare and adopt an itemized budget which sets forth the estimated revenues and expenses (for both operations and reserves) of the Association for the upcoming fiscal year. Each Lot, with the exception of the exempt property described in Section 6.15 below, shall be responsible for an equal pro rata share of the annual assessment. The annual assessment budget format shall be determined by the Board from time to time, subject to any provisions of applicable law. A copy of the budget, along with written notice of each Lot's share of annual assessments, shall be sent to Owners prior to the date on which the payment of the first installment of the annual assessment is due, but a failure to do so shall not in any event excuse an Owner's obligation to pay such assessment.

Section 6.09 Date of Commencement of Annual Assessments; Due Dates. Except as otherwise expressly provided herein as to the Declarant (or a builder expressly exempted in writing from assessments by Declarant), each Lot (and the Owner thereof) which has been submitted to the terms of this Declaration, shall be liable for its pro rata share of all assessments. The annual assessments provided for herein shall be due and payable in advance in equal quarterly installments on the first day of each calendar quarter, or such other period as may be approved by the Association. If, as to a particular Lot, the annual assessments are to commence at the time of the closing of the conveyance of such Lot, then a pro-rata portion of the quarterly (or other periodic) installment of the annual assessment shall be collected from the buyer of such Lot and shall be remitted to the Association.

Section 6.10 Initiation Fee. At the closing of the initial sale of each Townhome Rental Unit, the purchaser thereof shall pay an initiation fee to the Association, which shall be used by the Association to offset administration costs in connection with the change in membership as well as pay operating or any other expenses of the Association. The initiation fee as of the sale of the first Townhome Rental Unit shall be THREE HUNDRED FIFTY AND NO/100 DOLLARS (\$350.00), which amount may thereafter be adjusted by the Association from time to time, and shall apply uniformly to all Townhome Rental Units. At the closing of the initial sale of each Single Family Rental Unit, the purchaser thereof shall pay an initiation fee to the Association, which shall be used by the Association to offset administration costs in connection with the change in membership as well as pay operating or any other expenses of the Association. The initiation fee as of the sale of the first Single Family Rental Unit shall be FIVE HUNDRED AND NO/100 DOLLARS (\$500.00), which amount may thereafter be adjusted by the Association from time to time, and shall apply uniformly to all Single Family Rental Units. The initiation fee shall only be assessed on the initial closing of each unit, respectively. This fee does not apply to subsequent sales from private owner to private owner.

Section 6.11 Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Rental Unit to an Owner, the annual assessment shall be in an

amount as set forth in the Association budget. The foregoing annual assessment is in addition to any and all assessments and other financial obligations which an Owner may have to the Association.

From and after January 1 of the year immediately following the conveyance of the first Rental Unit to an Owner, the maximum annual assessment may be increased each year: (a) upon approval by a majority of the Board without a vote of the Members, by an amount not greater than fifteen percent (15%) per year, compounded annually, or (b) upon approval of two-thirds (2/3) of each class of Members voting in person or by proxy at a meeting duly called for such purpose, by an amount greater than fifteen percent (15%) per year, compounded annually, as hereinabove provided.

The Board may fix the annual assessment at an amount not in excess of the maximum.

Section 6.12 **CIAC Assessments.** In addition to the other assessments provided for herein, the Association shall have the right to collect a recurring assessment as a contribution in aid of construction (“CIAC Assessment”). This CIAC Assessment shall only be collected by the Association on subsequent sales between private owners of Townhome and Single Family Lots and not assessed on the initial sale of the Lots. The first CIAC Assessment (the “Initial Townhome CIAC Assessment”) with respect to any Townhome Lot shall be in the initial amount of THREE HUNDRED AND FIFTY AND NO/100 DOLLARS (\$350.00) per Townhome Lot (which sum may be adjusted from time to time by the Association but in no event to an amount which would exceed one hundred twenty-five percent (125%) of the corresponding Initial Townhome CIAC Assessment in effect during the prior fiscal year) and shall be due and payable by the purchaser or grantee at the time of the first conveyance of the fee simple title to the Townhome Lot by the Declarant to an Owner other than the Declarant (or a builder expressly exempted in writing from assessments by Declarant). Each ensuing purchaser or grantee of fee simple title to a Townhome Lot shall pay to the Association an additional Townhome CIAC Assessment (the “Supplemental Townhome CIAC Assessment”) in the amount of one-half (1/2) of the then-established Initial Townhome CIAC Assessment, which will be set aside by the Association for the purpose of maintenance, repair and replacement of the recreational facilities and other Common Area improvements, or for such other purposes as the Board may approve from time to time. The first CIAC Assessment (the “Initial Single Family CIAC Assessment”) with respect to any Single Family Lot shall be in the initial amount of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00) per Single Family Lot (which sum may be adjusted from time to time by the Association but in no event to an amount which would exceed one hundred twenty-five percent (125%) of the corresponding Initial Single Family CIAC Assessment in effect during the prior fiscal year) and shall be due and payable by the purchaser or grantee at the time of the first conveyance of the fee simple title to the Single Family Lot by the Declarant to an Owner other than the Declarant (or a builder expressly exempted in writing from assessments by Declarant). Each ensuing purchaser or grantee of fee simple title to a Single Family Lot shall pay to the Association an additional Single Family CIAC Assessment (the “Supplemental Single Family CIAC Assessment”) in the amount of one-half (1/2) of the then-established Initial Single Family CIAC Assessment, which will be set aside by the Association for the purpose of maintenance, repair and replacement of the recreational facilities and other Common Area improvements, or for such other purposes as the Board may approve from time to time. All Initial Townhome CIAC Assessments and Initial Single Family CIAC Assessments shall, upon receipt by the Association, be promptly disbursed to the Declarant to be used solely for the reimbursement of hard and soft costs associated with the construction of recreational facilities and

other Common Area improvements within the Property for the benefit of the Owners, their families and guests.

Section 6.13 Effect of Non-Payment of Assessments; Personal Obligation of the Owner; Lien; Remedies of Association.

If assessments are not paid on the dates due (being the dates specified in this Article 6) then such assessments shall become delinquent and shall, together with interest thereon and costs of collection thereof as hereinafter provided, become due and payable and be a continuing lien on the Lot which shall bind such Lot and the then Owner, the Owner's heirs, devisees, personal representatives, successors and assigns. The obligation of the Owner to pay such assessment, however, shall remain a personal obligation. The Association may record a notice of lien for delinquent assessments among the public records of the County and foreclose the lien in the same manner as a mortgage. The lien shall not be valid against subsequent bona fide purchasers or mortgagees for value unless so recorded. Upon recording, the lien shall secure the amount of delinquency stated therein, the cost of preparing and recording any such notice of lien (including, but not limited to reasonable attorneys' fees), all additional costs of enforcement (including, but not limited to reasonable attorneys' fees), all interest and late fees from time to time assessed on such delinquencies and all unpaid assessments thereafter until satisfied of record.

If any assessment is not paid within fifteen (15) days after the date such assessment is due, the Association may impose a late charge of not more than Fifty and No/100 Dollars (\$50.00). Any delinquent assessment shall bear interest from the date when due at the highest lawful rate of interest per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and there shall be added to the amount of such assessment all costs and reasonable attorneys' fees incurred in connection therewith at all pre-trial, trial, appellate and post-judgment levels, including, but not limited to, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the court together with the costs of the action.

Section 6.14 Subordination of the Lien to Mortgages; Mortgagees' Rights.

The lien of assessments provided for herein is subordinate to the lien of any first mortgage given to an Institutional Lender now or hereafter placed upon a Lot; provided, however, that (i) such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure, and (ii) such subordination shall not relieve the Institutional Lender from its obligation to pay any assessments to the extent required by Florida Statutes Section 720.3085(2)(c), as amended from time to time. Such sale or transfer shall not relieve such Lot from liability for any assessments due upon such sale or transfer or thereafter becoming due, nor from the lien of any such assessments, except that an Institutional Lender that holds a first mortgage given by Declarant upon any such Lot shall be exempt from the payment of the Initial CIAC Assessment and any initiation fee upon such sale or transfer. An Institutional Lender that holds a first mortgage upon any Lot, upon request, shall be entitled to written notification from the Association of any default of the Owner of such Lot of any obligation hereunder which is not cured within sixty (60) days. The Association may provide such notice without receiving a request from said Institutional Lender.

Section 6.15 Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charge and lien created herein: (a) all Common Property; (b) all property dedicated for recreational use pursuant to this Declaration; (c) property designated as Open Space or which is used in the Surface Water Management System (excluding, however, any Lots); (d) all other portions of the Property which have not been platted as Lots; and (e) Lots or Rental Units owned by Declarant (or a builder expressly exempted from assessments in writing by Declarant) for so long as Declarant is excused from the payment of assessments pursuant to the provisions of Section 6.02 above.

Section 6.16 Collection of Assessments. Assessments allocated to any Lot shall be billed and collected by the Association. Such billings may be accomplished using annual coupon books containing payment coupons to be remitted to the Association on a periodic basis with the Owner's payments. The Owners shall be liable for the payment of the Association assessments, together with its costs of collection and attorney's fees from any Owner against whom an assessment must be enforced.

ARTICLE 7 - ARCHITECTURAL CONTROL

Section 7.01 Establishment of Architectural Review Board. There is hereby established an Architectural Review Board. Notwithstanding anything herein to the contrary, in no event shall the terms of this Article in any way apply to the Declarant.

Section 7.02 Duties and Functions of ARB. The duties, powers and responsibilities of the ARB shall be as follows:

A. The ARB shall consist of three (3) or more persons designated by Declarant. At such time as Declarant no longer owns any real property within the Property (or earlier at Declarant's option), Declarant shall assign to the Association the rights, powers, duties and obligations of the ARB, whereupon the Board shall appoint the members of the ARB and shall provide for the terms of the members of the ARB. Members of the ARB need not be officers, directors or Members of the Association. A majority of the ARB may take any action of the ARB and may designate a representative to act for it. In the event of death, disability or resignation of any member of the ARB, a successor shall be designated as provided in this Section.

B. The ARB shall have the right of specific approval or veto of all architectural, engineering, platting, planning, drainage and/or landscaping aspects of the improvement or development of any individual Rental Unit, Townhome Rental Building, or subdivision, tract, Lot or parcel of land within the Property, other than for any architectural, engineering, platting, planning, drainage and/or landscaping aspects of the improvements or development of any individual Rental Unit, Townhome Rental Building, Lot, Tract or parcel of land within the Property by or on behalf of Declarant.

C. No landscaping shall be installed or removed, nor shall any building, wall, fence, walk, dock, pool, enclosure or addition to a house or other structure be constructed, erected, removed or maintained, nor shall any addition to nor any change or alteration therein be made, until the plans showing the nature, kind, shape, height, materials, floor plans, color scheme and the location of same

shall have been submitted to and approved in writing by the ARB. In approving or disapproving plans, the ARB shall consider the suitability of the proposed building, improvements, structure or landscaping and materials, the site upon which it is proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the ARB shall fail to specifically approve or disapprove the plans submitted in final and complete form, within thirty (30) days after written request for approval or disapproval, such plans shall be deemed approved.

D. There is specifically reserved unto the ARB, the right of entry and inspection upon any Rental Unit, Townhome Rental Building, Lot, Tract or parcel of land within the Property for the purpose of determination by the ARB as to whether there exists any construction of any improvement which violates the terms of any approval by the ARB or the terms of this Declaration or of any other covenants, conditions and restrictions to which its deed or other instrument of conveyance makes reference.

E. Each of the Declarant and the ARB has the right, but not the obligation, to grant waivers for minor deviations and infractions of these covenants. The granting of any waiver for any portion of the Property may be given or withheld in the Declarant or ARB's sole discretion and a prior grant of a similar waiver shall not impose upon the Declarant or ARB the duty to grant new or additional requests for such waivers.

F. The Association, Declarant, ARB or any officer, employee, director or member thereof shall not be liable in any way to any persons submitting plans for approval or any other person or entity by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval, disapproval or failure to approve any plans or the taking of any action described in this Section. Every person who submits plans for approval agrees, by submission of such plans and specifications, that it will not bring any action or suit whatsoever against the Association, Declarant or ARB or any officer, employee, director, shareholder, partner or member thereof.

ARTICLE 8 - ENFORCEMENT OF RULES AND REGULATIONS

Section 8.01 Compliance by Owners; Initial Rules and Regulations. Every Owner and other occupant of a Lot or Rental Unit shall comply with the restrictions and covenants set forth herein and any and all rules and regulations adopted by the Board. Notwithstanding the foregoing, or anything in this Declaration to the contrary, Declarant shall be exempt from any ARB consent or approval required pursuant to this Section or anywhere else in this Declaration. The following are the initial rules and regulations of the Association which may be amended, modified or added to from time to time as provided in the Bylaws.

A. Rental Units. Except as otherwise provided herein or approved by Declarant, all Rental Units constructed on the Property shall be used for rental purposes only. Upon approval of the Board (which approval may be withheld in the Board's sole and unfettered discretion), and subject to applicable local government ordinances, Rental Units may also be used for certain designated home occupations. Notwithstanding the foregoing, the Association or the Declarant, for so long as Declarant owns any portion of the Property, may use Rental Units or portions of the Common Area as an information center and/or sales office for Declarant and/or any real estate broker retained by Declarant, offices for any property manager retained by the Association, business offices for the Declarant and the

Association, and public use facilities. Rental Units may not be used as models nor as real estate sales offices without the prior written consent of Declarant (so long as the Declarant owns any portion of the Property). Any violation of the foregoing rule against use of any Rental Unit as a model or real estate sales office, and continuance of such violation after written notice from Declarant to quit such use, shall constitute a violation of a restrictive covenant for the benefit of Declarant, which violation will result in damages of an amount which is impossible to ascertain with certainty, in consequence of which each person violating such restriction agrees by the acceptance of a deed, lease, or any right of occupancy in the Property that the Declarant shall be entitled to recover from any such violator liquidated damages in an amount equal to ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) per day from and after the tenth (10th) day after written notice of such violation and demand to quit is delivered to the violator or posted on the Lot on which such violation shall occur. Such damages are payable to the Declarant and not the Association, and do not constitute fines but rather liquidated damages, so are not subject to the limitations contained in Section 720.305(2), Florida Statutes. The provisions of this Section requiring the consent of the Declarant and consequences of a violation thereof shall not be amended or modified without the written consent of the Declarant.

B. Restrictions on Subdivision. So long as Declarant owns any portion of the Property, no Lot shall be further subdivided or separated into smaller lots or parcels by any Owner other than the Declarant, and no portion less than all or an undivided interest in all of any Lot shall be conveyed or transferred by any Owner other than the Declarant. Notwithstanding the foregoing, and subject to compliance with any applicable local government ordinances, and further subject to the written consent of the Declarant (to the extent Declarant still owns any portion of the Property), which consent may be withheld in the Declarant's sole and absolute discretion, a Lot without a Rental Unit may be subdivided between the Owners of the Lots adjacent to such Lot so that each portion of such Lot would be held in common ownership with another Lot adjacent to that portion.

C. Common Property. Common Property shall be improved, maintained, used and enjoyed for the common recreation, health, safety, welfare, benefit and convenience of all and their guests and invitees.

D. Temporary Buildings. No structure of a temporary nature or character, including but not limited to, tents, trailers, house trailers, mobile homes, campers, vans, motor homes, recreational vehicles, shacks, sheds, barns, boats, tanks, or temporary or accessory buildings or structures shall be erected or permitted to remain on the Property (except in enclosed garages with the garage door to remain closed at all times); provided, however, the foregoing shall not restrict or prevent the construction and maintenance of temporary sales models and such other temporary facilities as are essential to the development, construction and sale of the facilities created, including, but not limited to, construction trailers, sheds and material compounds, provided that the same are in compliance with appropriate governmental requirements applicable thereto.

E. Compliance with Laws. Nothing shall be done on the Property that violates any local, state, or federal laws or regulations; however, and in no way limiting the foregoing, the Board shall have no obligation to take enforcement action in the event of a violation. Specifically, but in no way limiting the foregoing, the use or discharge of any firearms or other weapons on the Property is strictly prohibited; provided, however, no Association director, officer, employee or managing agent shall have any duty to become physically or otherwise involved to stop such discharge. The carrying of firearms

or other weapons in the Common Area is also prohibited, except to the extent that any requisite permit(s) allowing the carry of any of such firearms or other weapons in the Common Area has been duly issued by the applicable governmental authority(ies) and the person carrying such firearms or other weapons is in compliance with the provisions of such permit(s). The term “firearms or other weapons” includes, but is not limited to, “B-B” guns, pellet guns, knives, swords, cross-bows and other firearms or other weapons of all types, regardless of size.

F. Picketing or Protesting Declarant, Association or other Owners. No picketing, protest marches, sit-in demonstrations, protest speeches, or other forms of public protest or conduct, including, without limitation, displaying signs or placards on any Lot or on any vehicle, apparatus or otherwise within public view in the Property, which tends to vilify, ridicule, denigrate, or impugn the character of the Declarant, the Association, their respective officers, directors or employees, or any Owner or resident of the Property, is permitted under any circumstances whatsoever. Each Owner, by acceptance of the deed to any Lot, shall be deemed to have accepted the foregoing prohibitions as reasonable limitations on his or her constitutional right of free speech.

G. Trash and Garbage. No lumber, metals, bulk materials, refuse, rubbish, garbage or trash (including, but in no way limited to, those certain structures, equipment, or other items which may become rusty, dilapidated, or otherwise fall into disrepair, as the Association may determine, in its sole discretion) shall be kept, stored or allowed to accumulate on the Property except building materials during the course of construction of any approved structure. Household refuse, rubbish and trash shall be placed in sealed containers which may be placed in the open on any day that a pick-up is to be made at such place as will be accessible to persons making such pick-up, provided that said containers shall not be permitted to remain in the open for more than twelve (12) hours on said day. At all other times, such containers shall be stored so that they are not Visible from Neighboring Property. All containers shall conform to such specifications as the Association may from time to time adopt or mandate, including, without limitation, Bear Resistant Trash Containers as are more particularly described in Section 14.05 of this Declaration.

Notwithstanding anything herein to the contrary, the Association shall have the option, in its sole and absolute discretion, to elect to retain a valet trash service whereby trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis (“Valet Trash Service”). The cost of such Valet Trash Service, if established, shall be assessed to each Lot in accordance with Section 6.03 of this Declaration.

No outside burning of trash, leaves, debris, or other materials is permitted, except during the normal course of construction by Declarant or by a person authorized to do so by Declarant or the Association and subject to local governmental ordinances, rules or regulations. Additionally, the dumping of grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances into any drainage ditch, stream, pond, or lake, or elsewhere in the Property, is strictly prohibited, except that fertilizers may be applied to landscaping on Lots, provided care is taken to minimize runoff of such fertilizer or fertilized by-products from the Lot.

H. Burial of Pipe and Tanks. Without the prior written consent of the Declarant (so long as Declarant owns any portion of the Property) and the Association: (i) no water pipe, gas pipe, sewer pipe, drainage pipe or storage tank shall be installed or maintained on the Property above or below the

surface of the ground, except hoses and movable pipes used above-ground for irrigation purposes and residential barbecue grill tanks and (ii) no property shall be used for the purpose of storing, heating, boring, mining, quarrying, exploring for or removing oil, gasoline, other fuels, or other hydrocarbons, phosphates, minerals, gravel or earth. Provided, however, that the Declarant may conduct such activities on any portion of the Property which it owns, and the Association shall be permitted to store fuel for the operation of maintenance vehicles, pool heater(s) generators, and similar equipment. All authorized propane tanks for household and/or pool purposes on a Lot (excluding barbecue grill tanks) must be installed underground. Nothing contained herein shall prohibit or restrict removal of fill or earth materials to construct or create approved drainage structures or landscaped berms, Rental Units, or any other improvements contemplated and permitted by this Declaration or in connection with the initial grading and development of any portion of the Property.

I. Nuisance. Nothing shall be done on the Property which is illegal or which may be or become an annoyance or nuisance, including, but not limited to, offensive odors and noises (including, but not limited to, the use or discharge of any radio, loudspeaker, horn, whistle, bell or other sound device so as to be an unreasonable source of annoyance, as the Board may determine, to occupants of other Rental Units), and any noxious or offensive activity which in the determination of the Board may cause embarrassment or discomfort to persons using the Common Area or to the occupants of other Rental Units, nor shall any plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property, be permitted on the Property. Any activity which generates a level of noise audible to occupants of other Rental Units while inside their Rental Units (including, without limitation, lawn maintenance, recreational activities, games, parties, music, and other activities conducted outdoors or on porches, patios or decks) between the hours of 11:00 p.m. and 8:00 a.m. are strictly prohibited, except that during the construction of dwellings on the Lots, Declarant and authorized builders may commence construction activities within the Property at 7:00 a.m. Additionally, no hobbies or other activities shall be pursued on the Property which may cause an unclean, unhealthy, or untidy or noisy condition to exist outside of an enclosed structure on any particular Lot. Any activities by persons other than Declarant or its designees which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the Property, or which use excessive amounts of water or result in unreasonable levels of sound or light pollution, are expressly prohibited. Swimming, boating, fishing, using personal floatation devices, or any other active use of rivers, lakes, ponds, streams, or other bodies of water within the Property is expressly prohibited, except when such activities are undertaken by the Declarant or the Association in furtherance of construction, maintenance, operation and repair, and if necessary, reconstruction or replacement of Common Area, including without limitation, the Surface Water Management System, and further except that Declarant and its successors and assigns shall be permitted to draw water from ponds, streams, and other bodies of water within the Property for purposes of irrigation and such other purposes as Declarant shall deem desirable. The Declarant or the Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of rivers, lakes, ponds, streams, or other bodies of water within or adjacent to the Property, nor shall it be responsible for any loss, damage, or injury to any person or property arising out of any other nuisance or noxious or otherwise unauthorized use of the Property. In the event of any questions as to what may be or become a nuisance, such questions shall be submitted to the Association for a decision in writing and its decision shall be final.

J. Weeds and Underbrush. All Lots shall be landscaped with grass approved by the ARB, and shall have underground sprinkler systems providing one hundred percent (100%) coverage of grass and landscaping, with operating rain sensors. No weeds, underbrush, or other unsightly growths (such as, without limitation, grass which is more than six (6) inches tall) shall be permitted to grow or remain upon the Property and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. Notwithstanding anything to the contrary in Section 8.01U of this Declaration, in the event an Owner shall fail or refuse to keep their Lot free of weeds, underbrush, sight obstruction, refuse piles or other unsightly growths or objects, then the Association may enter upon said Lot and remove the same at the expense of the Owner, and such entry shall not be deemed a trespass; except, however, that the Owner shall be given fifteen (15) days prior written notice of such action. In such event, the rights of the Association set forth in Article 4 shall apply.

K. Painting of Rental Units. Except in the event when re-painting is to be undertaken by the Association as a component of the Structure Exterior Maintenance, the exterior of a Rental Unit shall be re-painted within forty-five (45) days of notice by the ARB to the Owner of the applicable Rental Unit. Any such re-painting shall be further subject to the duties, powers and responsibilities delegated to the ARB in Section 7.02 of this Declaration.

L. Vehicle Parking and Towing. All commercial vehicles, recreational vehicles, trailers, self-propelled motor homes, motorcycles which are not licensed and registered for operation on public roadways, and boats shall be parked in enclosed garages at all times (except temporarily during loading and unloading and further except for construction, service, and delivery vehicles, which shall be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Area), and shall never be parked, kept, or maintained on Common Area. For purposes of this provision, "commercial vehicles" shall be defined as any vehicle with commercial writing on their exterior or vehicles primarily used, designed, or registered for commercial purposes, and vehicles with advertising signage attached or displayed on such vehicle's exterior, but shall not include passenger cars with identifying decals or painted lettering not exceeding a total area of one square foot in size or official vehicles owned by governmental or quasi-governmental bodies including, without limitation, police and sheriff insignias (such foregoing not included passenger cars or official vehicles being "Qualified Vehicles"). Notwithstanding and in no way limiting the foregoing, the following activities are specifically prohibited. No unregistered or inoperable motor vehicle or trailer of any kind may be disassembled, serviced or repaired on the Property except in an enclosed garage with the garage door remaining closed except when open as needed to permit ventilation and ingress/egress. No vehicles longer than twenty-one feet (21') or taller than eight feet (8') shall be permitted to be parked anywhere on the Property. The parking of any vehicle on any street within the Property is prohibited; provided, however, parking of licensed and registered passenger vehicles or motorcycles or Qualified Vehicles shall be permitted within driveways and on areas within the Property where parking spaces have been approved by applicable governmental authorities or the Board and identified by striping on the pavement or curb or signage. The Association shall have the right to have any vehicle parked, kept, maintained, constructed, reconstructed, or repaired in violation of these provisions towed away, at the sole cost and expense of the owner of the vehicle or equipment. Any expense incurred by the Association in connection with the towing of any vehicle shall be paid to the Association by the owner of the vehicle, and if such vehicle owner is also an Owner, the cost incurred by the Association in towing the vehicle or equipment shall be assessed against an Owner and his or her Lot and be payable on demand, and such

cost shall be secured by an individual lot assessment lien. Notwithstanding anything to the contrary in this Section, the Board may from time to time promulgate additional rules which restrict, limit or prohibit parking or the use of any parking area, including without limitation, any parking area which may be in front of, adjacent to or part of any Lot, for personal passenger vehicles, commercial vehicles, Qualified Vehicles, buses, trailers, recreational vehicles, self-propelled motor homes, motorcycles and boats. All such rules, if and when promulgated by the Board, shall have the same force and effect as if promulgated and initially made a part of this Declaration.

M. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated, or maintained upon or adjacent to any Lot except such machinery or equipment as is usual and customary in connection with the use or maintenance of improvements constructed by the Declarant or approved by any applicable committee. This provision shall not apply to any activity of Declarant or any designated builder or their respective employees, agents, or contractors during the course of construction activities or sales activities upon or about the Property.

N. Clothes Drying Area. No portion of any of the Property shall be used as a drying or hanging area for laundry of any kind unless the area is fully screened from view from adjacent property or streets.

O. Antennas, Aerials and Storm Shutters. There shall be no exterior radio, television, dish antenna or other antenna or device for sending or receiving electromagnetic signals erected or maintained on the Property without the prior written approval of the ARB, except as otherwise allowed by law, and except that Declarant, so long as it owns any portion of the Property, or the Association shall have the right, but not the obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of the Property, should any master system or systems be utilized by the Association and require such exterior apparatus. No hurricane or storm shutters shall be installed unless the same are of a type and color approved by the ARB. The ARB may impose requirements as to location and the manner of installation and screening in order to minimize obtrusiveness as viewed from streets and adjacent property, so long as such requirements are not inconsistent with applicable law.

P. Drainage. No changes in elevations of any portion of the Property shall be made which will cause undue hardship to adjoining real property within the Property.

Q. Underground Wires. Other than for the installation of lines or wires for communication or data transmission or the transmission of electrical current in conjunction with the original construction of Rental Units and/or the original construction of other original improvements to be constructed within the Property, no lines or wires for communication or the transmission of electrical current shall be constructed, placed or permitted to be placed on any Lot unless the same shall be underground and specifically permitted in writing by the ARB.

R. Animals. Except for dogs, cats and aquarium kept fish which may be kept, raised and maintained on the Property, no reptiles, livestock, poultry, pets or animals of any kind, nature or description shall be kept, raised or maintained on the Property. In addition, in no event may any animal be bred or otherwise maintained on the Property for business or commercial purposes. No animal deemed to be a non-native species or deemed to be dangerous, vicious, or of a similar nature

(all as more particularly described in Florida Statutes, Florida Administrative Code or any local government ordinances, rules or regulations), no breed of animal which is prohibited by local government ordinances, rules or regulations, and no animal deemed by the Board (in its sole and absolute discretion) to be a nuisance, is permitted to be kept, raised or maintained on any Lot and/or within any Rental Unit. Dogs, cats and aquarium kept fish, raised or maintained on any Lot or within any Rental Unit, may only be so kept, raised and maintained in numbers deemed reasonable by the Declarant or the Association, in the exercise of their sole discretion. More than two (2) dogs and/or cats kept, raised or maintained on any Townhome Lot and/or within any Townhome Rental Unit and more than three (3) dogs and/or cats kept, raised or maintained on any Single Family Lot and/or within any Single Family Rental Unit shall prima facie be considered unreasonable. Notwithstanding the foregoing, no such dogs, cats or aquarium kept fish may be kept, raised or maintained on the Property under circumstances, which, in the sole judgment of the Declarant or the Association, shall constitute an unreasonable annoyance, hazard, or nuisance to residents in the vicinity or an unreasonable interference with the comfortable and quiet use, occupation and enjoyment of other Lots or portions of the Property. When dogs are not within a Rental Unit they must either be on leashes under the control of the person walking them or contained within a completely fenced yard on a Lot. Notwithstanding the foregoing sentence, dogs shall be kept or housed within a Rental Unit and shall not be kept or housed outside or in a garage or on a porch, deck or patio. In addition, any person walking a pet within the Property shall not allow any such pet to trespass on any other Owner's Lot and shall remove and properly dispose of any pet waste deposited on any portion of the Property by such Owner's pet. All animals kept, raised or maintained must be registered, licensed, and inoculated as required by law.

The capturing, trapping, or killing of wildlife within the Property, other than by or on behalf of the Association, Declarant, or by a representative or designee of a governmental authority (except in circumstances posing an imminent threat to the safety of persons in the Property) is expressly prohibited.

S. Business and Sales. Except as expressly contemplated in this Declaration or the Plat, no manufacturing, trade, business, commerce, industry, profession or other occupation whatsoever will be conducted or carried on or upon any Lot or within any Rental Unit. Yard sales, garage sales, moving sales, rummage sales, or similar activities are strictly prohibited, except on such dates as the Board may designate for such activities to be conducted on a Property-wide basis. Additionally, any door-to-door solicitation is strictly prohibited within the Property.

T. Maintenance of Parking Areas, Etc. All setback areas, yards, walkways, driveways and parking areas and drainage swales shall be maintained and kept in a neat and clean condition, free of refuse and debris.

U. Maintenance of Certain Improvements. At the election of the Association, all sidewalks (if any), irrigation systems, landscaping and landscape lighting located on Single Family Lots (including, but not limited to, those portions located on any roadway Tracts adjoining Single Family Lots in the area between the Single Family Lot line and the curb or edge of the paved roadway adjoining any Single Family Lot) shall be maintained and repaired by the respective Owners of the Single Family Lots. Maintenance of the sidewalk by the Owner shall consist of pressure-washing as needed to keep the same in a safe and reasonably clean condition. Maintenance of landscape lighting shall mean keeping all landscape lighting fully functional, operating at the times required by the ARB,

in the manner in which it was installed, pursuant to plans approved by the ARB, with all power consumption paid by the Owner. Maintenance of landscaping and irrigation shall mean keeping all landscaping in live, healthy, and growing condition, properly watered (including compliance with governmental watering restrictions) by a fully functional irrigation system, weeded, mowed, edged, and/or trimmed as applicable, with all water consumption paid by Owner. In the event any landscaping, including, without limitation, grass, shrubs or trees, become dead or badly damaged, the Owner shall be responsible for the replanting, repair and/or replacement of such landscaping with similar sound, healthy plant materials, except as otherwise allowed by law. No trees may be planted by any Owner under or within ten (10) lateral feet of any overhead utility wire, or over or within five (5) feet of any underground water, sewer, transmission line or other utility. In the event any irrigation system or landscape lighting components cease to be fully functional (including but not limited to light fixtures, light bulbs, electric cables, outlet boxes, sprinkler heads, valves, timers and meters), the Owner shall repair or replace same as needed to maintain their full functionality, all at the Owner's sole cost and expense.

All sidewalks, driveways, fences irrigation systems, landscaping, including, but not limited to, grass, trees and shrubs on Townhome Lots, and landscape lighting located on Townhome Lots (including, but not limited to, those portions located on any rights-of-way adjoining Townhome Lots in the area between the Townhome Lot line and the curb or edge of the paved roadway adjoining any Townhome Lot) shall be maintained and repaired by the Association (collectively "Townhome Lot Improvement Maintenance"). Maintenance of sidewalks, driveways or fences by the Association shall mean keeping the same in good order and repair, including, but not limited to, pressure-washing as needed to keep them in a reasonably clean condition. Maintenance of landscape lighting shall mean keeping all landscape lighting fully functional, operating at the times required by the ARB, in the manner in which it was installed, pursuant to plans approved by the ARB, with all power consumption paid by the Association. Maintenance of landscaping and irrigation shall mean keeping all landscaping in live, healthy, and growing condition, properly watered (including compliance with governmental watering restrictions) by a fully functional irrigation system, weeded, mowed, edged, and/or trimmed as applicable, with all irrigation water consumption paid by the Association. In the event any landscaping, including, without limitation, grass, shrubs or trees, become dead or badly damaged, the Association shall be responsible for the replanting, repair and/or replacement of such landscaping with similar sound, healthy plant materials, except as otherwise allowed by law. No trees may be planted by, under or within ten (10) lateral feet of any overhead utility wire, or over or within five (5) feet of any underground water, sewer, transmission line or other utility. In the event any irrigation system or landscape lighting components cease to be fully functional (including but not limited to light fixtures, light bulbs, electric cables, outlet boxes, sprinkler heads, valves, timers and meters), the Association shall repair or replace same as needed to maintain their full functionality, all at the Association's sole cost and expense. Notwithstanding the foregoing, however, the Association may, at any time and in the sole and absolute discretion of the Board, elect to terminate any or all of such Townhome Lot Improvement Maintenance and obligate the Owners to maintain the same; provided, however, that no such action shall be effective unless written notice of the termination of such services by the Association is sent to the affected Owners at least two (2) weeks in advance of any action taken. The Association may either (i) assess the cost of such Townhome Lot Improvement Maintenance as a townhome assessment against all Townhome Lot Owners if the maintenance, repair or replacement is being performed with respect to all Townhome Lots, or (ii) if the Townhome Lot Improvement Maintenance is being performed with respect to less than all Townhome Lots, assess the cost of such

maintenance, repair or replacement against the affected Townhome Lot Owner(s) as an individual assessment(s) pursuant to Section 6.07 and for which the Association shall have lien rights and all other enforcement rights in favor of the Association for enforcing the payment of other assessments.

The Association shall only be responsible for the replacement and/or repair of any of the improvements being maintained (including, but not limited to, dead or badly damaged landscaping) when such damage, as determined by the Association in its sole and absolute discretion, is the sole result of the Association's failure to properly maintain the same or weather or natural causes, failure of parts, electric surges, expiration of useful life, or other events beyond anyone's control. If the damage or destruction is caused by the Owner, any of the Owner's agents, contractors, guests, invitees or licensees, any other third party not related to the Association, the Owner shall be responsible for the repair or replacement of such improvements and any cost incurred by the Association in such instances shall be charged to the Owner as an individual assessment pursuant to Section 6.07 and for which the Association shall have lien rights and all other enforcement rights in favor of the Association for enforcing the payment of other assessments.

Until Class B Membership ceases to exist, no Owner or any other party may change any grass or landscaping or landscape lighting on any Lot or install any additional grass or landscaping or landscape lighting or fencing on any Lot (except to replace dead or dying grass or landscaping); provided, however, that after Class B membership in the Association ceases to exist, if an Owner seeks and obtains the approval of the ARB to install and maintain additional grass or landscaping or landscape lighting on such Owner's Lot, then the Association shall maintain such additional grass or landscaping or landscape lighting on such Owner's Lot and any cost incurred by the Association in such instances shall be charged to the Owner as an individual assessment pursuant to Section 6.07 and for which the Association shall have lien rights and all other enforcement rights in favor of the Association for enforcing the payment of other assessments.

V. Fences. Other than fences, walls and other similar structures constructed from time to time by the Declarant, no fence, wall or other similar structure shall be erected on any Lot unless the materials therefor and the color, location and dimensions thereof are approved by the ARB and are in accordance with such standards as may be adopted by the ARB; provided, however, that nothing herein shall be construed to restrict or prohibit compliance with the minimum requirements for installation, operation and maintenance of fences or other barriers constituting safety barriers around swimming pools, hot tubs or spas on a Lot as may be required by applicable governmental authorities, subject to the approval and additional requirements of the ARB. Notwithstanding the right of the ARB to adopt such standards for installation of any wall, fence or other similar structure on a Lot, the ARB shall not approve installation of any wall, fence or other similar structure in the front yard portion of a Lot and any approval for installation shall be subject to setback requirements imposed by any applicable governmental authorities. Notwithstanding the foregoing, and notwithstanding the right of the ARB, in its sole discretion, to approve installation of all fences, other than for fences constructed or installed by Declarant, (i) no solid (i.e., privacy) fences shall be installed within a Drainage Area, including, without limitation a drainage easement area or a drainage swale or berm located within a Drainage Area, and the ARB shall not approve such installation, and (ii) non-solid (i.e., open picket or rail) fences may be approvable for installation within a Drainage Area, including, without limitation a drainage easement area or a drainage swale or berm located within a Drainage Area, which is located adjacent to a boundary line which is common to two (2) Lots and provided the fence shall be installed

and maintained so that the lowest portion of the picket(s) or rail(s) shall never be less than two inches (2") above the ground level, shall allow stormwater to flow through the Drainage Area without blockage and shall not cause erosion within such Drainage Area. Such non-solid fences, if approved by the ARB for installation within a Drainage Area, may also be approvable by the ARB to transition to or connection with an ARB approved solid fence which is not located within a Drainage Area.

W. Air Conditioners and Solar Panels. Except as initially installed by the Declarant or a designated builder, no heating, air conditioning (window or wall-mounted), or evaporative cooling unit shall be placed, constructed or maintained upon any Lot without the prior written approval of the ARB. Solar energy collecting units or panels may be placed, constructed or installed upon a Lot only at such locations as are determined by the ARB to minimize objectionable aesthetics, subject to the requirements of Section 163.04, Florida Statutes, as amended from time to time.

X. Signs. No sign of any kind shall be displayed to the public view on the Property, except any sign used by the Declarant to advertise the company or builder, project, sales or other matters during the construction and sales period. No sign of any kind shall be permitted to be placed inside a home or on the outside walls of the home so as to be visible from the exterior, nor on any Common Area, nor on any dedicated streets, drainage easement areas or any other Dedicated Areas, if any, nor on entryways or any vehicles within the Property, except such as are placed by the Declarant. Declarant's rights under this Section 8.01X shall exist so long as Declarant owns any property subject to this Declaration, notwithstanding any limitation on Declarant's rights in Section 14.03, and shall include, without limitation, the right to place signs in the Common Area in order to advertise the Declarant's company or builder, project, sales or other matters during the construction and sales period after Turnover.

Y. Lighting, Decoration and Flags. No decorative objects, including, but not limited to, birdbaths, light fixtures, sculptures, statues, or weather vanes, shall be installed or placed within or upon any portion of the Property without the prior approval of the ARB. No exterior lighting fixtures shall be installed on any Rental Unit without adequate and proper shielding of fixtures and without the approval of the ARB. A reasonable number of holiday or religious lights and decorations may be displayed on a Lot for up to fifteen (15) days prior to a national or religious holiday and up to fifteen (15) days thereafter, without prior approval from the ARB, but subject, however, to the right of the Association or Declarant (so long as Declarant owns any portion of the Property), in their sole and absolute discretion, to require removal of any such decorations which are deemed to (a) be excessive in number, size, or brightness, relative to other Lots in the area; (b) draw excessive attention or traffic; (c) unreasonably interfere with the use and enjoyment of neighboring properties; and/or (d) cause a dangerous condition to exist. The Association shall have the right, upon (i) seven (7) days' prior written notice (as to holiday or religious lights or decorations) or (ii) thirty (30) days' prior written notice as to all other exterior lighting or decorations), to enter upon any Lot and summarily remove exterior lights or decorations displayed in violation of this provision. The Association, and the individuals removing the lights and decorations, shall not be liable to the Owner for trespass, conversion, or damages of any kind except intentional misdeeds and gross negligence.

Other than for flags which may be displayed in a respectful manner pursuant to and in accordance with the provisions of Section 720.304(2), Florida Statutes, as may be amended from time to time, no Owner shall display a flag or flags on such Owner's Lot. The display of such permitted

flags and the improvements used for such display, including, but not limited to, flagpoles, are further subject to all building codes, zoning setbacks, and other applicable governmental regulations, including, but not limited to, noise and lighting ordinances of the local governmental authorities and all setback and locational criteria contained in this Declaration. Flags may be mounted and displayed in a respectful manner at an approved location on the exterior façade of a Rental Unit.

Z. Windows. Within thirty (30) days of occupancy of a Rental Unit, each Owner shall install permanent suitable window treatments on all windows facing the street. No reflective materials, including, but without limitation, aluminum foil, reflective screens or glass, mirrors, or similar type items shall be installed or placed upon the outside or inside of any windows, except that professional window tinting shall be allowed subject to prior written approval of the ARB.

AA. Stormwater. No structure or landscaping that interferes with the stormwater drainage and retention system within the boundaries of the Property shall be permitted and no refuse shall be placed upon or allowed to remain on any part of any Lot within any easement area for storm water drainage or retention, and the storm water drainage and retention areas, including drainage swales or retention ponds, shall not be filled or otherwise changed, nor shall any improvements be installed therein, so as to alter or block the flow or the quantity of water. Owners of Lots within which any easement for stormwater drainage or retention lines or swales are located may be required by the Association to be responsible for the maintenance of such easement areas to permit the flow and retention of water in accordance with the stormwater drainage and retention system approved by applicable governmental authorities. If any Owner shall fail to comply with any part or all of the restrictions contained in this Section, the Association shall notify the Owner in writing, shall have the right to correct such failure to comply herewith, and to assess and collect the cost thereof and shall have a lien upon the Lot upon which the work was performed.

BB. Wells. No wells for any purpose shall be permitted on the Property.

CC. Garages and Garage Doors. All Rental Units shall have an attached enclosed garage for automobiles, and all garage doors of any Rental Unit shall remain closed at all times when not in use for entry and exit to and from the garage, or for ventilation while in the garage. No garage shall be used for storage or such other purposes which preclude its use for parking of the number of automobiles for which it is designed. The conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Lot without prior approval of the ARB, shall be strictly prohibited, unless required by an applicable governmental authority. The interior of all garages situated on any Lot shall be maintained in a neat and clean condition.

DD. Swimming Pools. Other than for swimming pools or in-ground or aboveground hot tubs or spas constructed from time to time by the Declarant, any swimming pool or in-ground or aboveground hot tub or spa to be constructed on any Lot shall be subject to the approval and requirements of the ARB. Aboveground swimming pools are prohibited. Pool screen enclosures constructed on any Lot shall be subject to the approval and requirements of the ARB. The ARB shall have the right to adopt such standards as it deems advisable in regard to the location and height of and colors and materials for any pool screen enclosures installed with the Property; provided, however, that nothing herein shall be construed to restrict or prohibit compliance with the minimum requirements for installation, operation and maintenance of fences or other barriers constituting safety barriers around

swimming pools, hot tubs or spas on a Lot as may be required by governmental regulation or law, subject to the approval and additional requirements of the ARB.

EE. Sporting Equipment. Except such as are installed by Declarant, no recreational, playground or sports equipment shall be installed or placed within or about any portion of the Property without the prior written consent of the ARB. Portable basketball hoops shall be permitted, but must not be Visible from Neighboring Property when not in use. No skateboard ramps or play structures, including, without limitation, jungle gyms, swing sets, or similar playground equipment shall be erected or installed on any Lots without the prior written approval of the ARB. Such approved equipment shall be located at the rear of Lots, or the inside portion of corner Lots, not within any applicable setback lines, not within any easements and shall not be Visible from Neighboring Property. In addition, the rear or interior portions of any such Lots in which such approved equipment is kept shall be wholly enclosed by solid (i.e., privacy) ARB approved fencing (which fencing, if approved by the ARB, may abut or “tie into” the Rental Unit and use a portion of the Rental Unit to complete such enclosure). Tree houses or platforms of a similar nature shall not be constructed on any part of a Lot. Rules and regulations governing recreational playground or sports equipment or facilities may be adopted by the Association from time to time.

FF. Mailboxes. Mailboxes shall not be allowed on Lots if mailbox clusters are provided by the Association for all Owners at one or more locations established by the Association on the Common Area.

GG. Use of Common Area. In order to promote the health, safety and welfare of the Owners and occupants of the Property and provide for the maintenance and preservation of the Common Area and Property, the Declarant and the Association shall be entitled (but not obligated) to establish and enforce conditions governing the use of the Common Area by third parties, including (without limitation) parties providing utility or other services to the Property. Accordingly, all third parties utilizing the Common Area shall be required to comply with such conditions as may be determined by the Association and/or the Declarant, as applicable, to be reasonable and necessary to maintain, preserve and protect the Common Area and the Property, and to preserve and protect the safety of persons and property from time to time located upon or within the Property. Conditions may be imposed, in particular, on any person or entity utilizing the Common Area for the installation, maintenance, repair or replacement from time to time of utilities or any other improvements or facilities (a “Service Provider”) pursuant to any easement, permit, license, right of use or similar right or privilege granted by either the Declarant or the Association (whether or not pursuant to this Declaration, a Plat of the Property or any other agreement or instrument) in order to accomplish the foregoing purposes and in order to avoid, if possible, the installation of improvements which interfere with the use of the Common Area and/or detract from the appearance of the Common Area and the Property. Such conditions may include, without limitation, the right of the Association or Declarant to:

(a) Require that the Service Provider submit a written request for authorization to utilize the Common Area, in form and content (and accompanied by such additional documents and information) as are reasonably required by the Association or the Declarant to adequately review and process same;

(b) Require the Service Provider to pay a processing fee in an amount reasonably determined by the Association or the Declarant to compensate it for the cost of processing, reviewing and approving such request;

(c) Require that improvements be installed below ground to the maximum extent practicable;

(d) Approve the location of any improvements;

(e) Approve the size and composition of any above-ground improvements;

(f) Approve the plans and specifications for all improvements;

(g) Supervise construction, installation, repair and other activities;

(h) Establish appropriate times for such activities to be conducted;

(i) Require screening or landscaping around above-ground improvements;

(j) Minimize interference with other uses of the Common Area and Property;

(k) Impose safety, security and traffic control requirements;

(l) Establish and enforce reasonable rules and regulations;

(m) Require the Service Provider to reimburse the Association or the Declarant for any actual, out-of-pocket expenses incurred or payable by the Association or the Declarant to others in order to perform any activities contemplated in this Section, including, without limitation, costs or fees of consultants, contractors and others who may be engaged to perform such activities or to monitor or enforce the provisions of this Section with respect to such Service Provider;

(n) Require the Service Provider to deposit or post with the Declarant or the Association adequate security (in the form of cash, letter of credit, bond or other acceptable security) for the performance by the Service Provider of its obligations under this Section or the compliance by the Service Provider with any conditions imposed on such Service Provider pursuant to this Section; and

(o) Take such other actions as are reasonable or appropriate in furtherance of the foregoing.

Nothing contained herein, however, shall be construed to impose upon the Declarant or the Association an affirmative obligation to establish such conditions, nor any particular condition listed above, nor shall either the Declarant or the Association be liable to each other or any Owner or other person for failure to establish or enforce any such conditions.

HH. Minors' Use of Common Area. Adults shall be responsible for all actions of their minor children at all times in and about the Property. Neither Declarant nor the Association shall be

responsible for any use of the Common Area, by anyone, including minors. The Board may adopt reasonable rules and regulations governing minors' use of specific portions of the Common Area.

II. Extended Vacation or Absence. In the event a Rental Unit will be unoccupied for an extended period, the Rental Unit must be prepared prior to departure by: (i) removing all removable furniture, plants and other objects from outside the Rental Unit; and (ii) designating a responsible firm or individual to care for the Rental Unit, should the Rental Unit suffer damage or require attention, and providing a key to that firm or individual. Neither the Association nor Declarant shall have any responsibility of any nature relating to any unoccupied Rental Unit.

JJ. Non-Waiver. No delay in enforcing these covenants and restrictions as to any breach or violation thereof shall impair, damage or waive the right of the Association to enforce the same, to obtain relief against or recovery for continuation or repetition of such breach or violation, or of any similar breach or violation thereof at a later time or times.

KK. Waivers. Each of the Declarant (so long as it owns any portion of the Property) and the Association has the right, but not the obligation, to grant waivers for minor deviations and infractions of these covenants. The granting of any waiver for any portion of the Property may be given or withheld in the Declarant's or Association's sole discretion and a prior grant of a similar waiver shall not impose the duty to grant new or additional requests for such waivers.

Section 8.02 Enforcement. Failure of any Owner to comply with any restrictions, covenants, policies or rules and regulations shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, the imposition of one or more fines (which may become a lien against the Lot or Rental Unit, together with interest and costs of collection), or any combination thereof, including costs and attorney's fees incurred in bringing such actions, and if necessary, costs and attorney's fees for appellate review. Subject to the provisions of Florida Statutes, Section 720.305, as the same may be amended from time to time, the Association shall have the right to suspend use of Common Property for any Owner violating these covenants, conditions and restrictions for a period of time which is the longer of sixty (60) days or the duration of a continuing violation. The Declarant, the Association or any Owner shall have the right to enforce the provisions of this Declaration, as more particularly set forth herein.

Section 8.03 Rental of Rental Units. In the event that any Owner rents or leases a Rental Unit to a tenant or lessee (a "Tenant"), such Owner shall notify the Tenant in writing of the existence of this Declaration and the Association governing documents, and shall provide copies of such documents to the Tenant together with copies of any rules and regulations hereunder which are applicable to the Rental Unit. Additionally, such Owner shall deliver written notice of the Tenant's occupancy to the Association, specifying the following information:

- A. The complete name and mailing address of the Tenant; and
- B. The telephone number, fax number and e-mail address for the Tenant, to the extent applicable.

Lots and/or Rental Units are approved for short-term rentals, as such term is defined in the Orange County Code. Any such rental shall comply with the terms contained in the Declaration, other matters of record and all applicable law.

ARTICLE 9 - TURNOVER

The Members of the Association other than the Declarant shall be entitled to elect a majority of the members of the Board no later three (3) months after ninety percent (90%) of the Lots in all phases of the community that will ultimately be operated by the Association have been conveyed to Owners other than the Declarant, unless otherwise required by law (the effective date of such transition of control being referred to as "Turnover"). The Declarant shall be entitled (but not obligated) to appoint at least one member of the Board for so long as the Declarant holds any portion of the Property for sale in the ordinary course of business, unless otherwise required by law.

ARTICLE 10 – MAINTENANCE; INSURANCE, CASUALTY LOSSES AND REPAIRS; PARTY SIDEWALKS; PARTY WALLS; COMMON ROOFS

Section 10.01 Maintenance Responsibility. The responsibility for the maintenance of the Common Area, Lots, Townhome Rental Buildings or Rental Units within the Property shall be as follows:

A. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management, control and maintenance of the Common Area and any improvements thereon, and shall keep the same in good, clean, attractive and sanitary condition, order and repair, in such manner and on such schedule as the Board, in its sole discretion, deems appropriate.

B. Exterior Maintenance, Repair or Replacement. The Association shall be responsible for maintaining/repainting the exterior paint and repairing or replacing the exterior roof (i.e., shingles, shingle underlayment material/membrane and roof sheathing/decking) of a Townhome Rental Unit or Townhome Rental Building (collectively the "Structure Exterior Maintenance"). At the time the Association repaints the exterior of a Townhome Rental Unit or Townhome Rental Building it shall also caulk or recaulk, as the Association deems necessary, in its sole discretion, the exterior portions of all windows (but not skylights) and exterior doors. Each Owner is responsible for making sure such Owner's Townhome Rental Unit remains watertight including, without limitation, reglazing windows, caulking or recaulking around windows, skylights and doors and maintaining seals on doors. To the extent that any Owner, or any of such Owner's agents, employees, guests, invitees or licensees, causes damage to any improvements which the Association is obligated to maintain, repair and/or replace, then any cost incurred by the Association to maintain, repair or replace such damaged improvements shall be charged to such Owner as an individual assessment, which shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for all other assessments.

Except as may otherwise be provided in this Declaration, including, without limitation, this Article 10 or Section 8.01U, each Owner shall otherwise be responsible for maintaining such Owner's Lot, including, but not limited to, each Rental Unit thereon, the exterior and structural elements,

including, without limitation the exterior stucco or siding, foundation and all fixtures and parts thereof, and the exterior and structural elements of all other improvements located on such Owner's Lot in a good, safe and clean condition and in a neat and attractive manner and as otherwise provided elsewhere herein. To the extent that any Owner, or any of such Owner's agents, employees, guests, invitees or licensees, causes damage to any improvements which the Association is obligated to maintain, repair and/or replace, then any cost incurred by the Association to maintain, repair or replace such damaged improvements shall be charged to such Owner as an individual assessment, which shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for all other assessments.

C. Townhome Rental Building Maintenance. Notwithstanding Section 10.01B, the Association shall (or may, if so indicated) perform the following services:

(a) shall maintain the fire sprinkler systems (if any) within all of the Townhome Rental Buildings;

(b) as more particularly described in and subject to the provisions of Section 8.01U of this Declaration, shall maintain the landscaping, grass, shrubs and trees, irrigation system and parts, and exterior lighting, from time to time located around the Townhome Rental Buildings;

(c) shall provide for termite prevention and treatment and secure treatment warranties for all Townhome Rental Buildings;

(d) shall provide the Structure Exterior Maintenance;

(e) may (but shall not have the obligation to) provide all or any portion of the Townhome Lot Improvement Maintenance;

(f) may (but shall not have the obligation to) provide for any reserves for exterior paint maintenance or repainting, the repair and replacement of Common Roofs, Party Sidewalks, Party Walls, or other improvements or personalty specific to the Townhome Rental Buildings, Townhome Rental Units or the Townhome Lots, as the Association deems necessary or desirable; and

(g) may (but shall not have the obligation to) procure any such further products or services which the Association deems necessary or desirable with respect to the Townhome Rental Buildings, as determined in the exercise of the Association's Board of Directors' reasonable discretion.

D. Owner's Failure to Maintain. In the event an Owner fails to maintain the exterior of his Lot or Rental Unit to the extent required in this Declaration, or in the event the Board deems it in the best interest of the Property, then the Association may provide said maintenance after delivery of fifteen (15) days written notice to the Owner and the cost of said maintenance shall be assessed by the Association to the Owner of said Lot or Rental Unit as an individual assessment. The Association shall notify the Owner of said Lot or Rental Unit in writing, specifying the nature of the condition to be corrected, and if the Owner has not corrected same within fifteen (15) days after the date of said notice, the Association (after approval by a majority affirmative vote of the Board) may correct such condition, for which purpose the Association and its agents, employees and contractors shall have the right of entry onto the Lot and within the Rental Unit to the extent required; subject, however, to such

limitations as may be imposed by Chapter 720, Florida Statutes, and other applicable laws then in effect. The cost of such maintenance shall be assessed by the Association as an individual assessment against the Lot or Rental Unit upon which such maintenance is performed, and shall not be considered part of the annual assessment. Any such individual assessment or charge shall be a lien upon the Lot or Rental Unit and an obligation of the Lot or Rental Unit Owner and shall become immediately due and payable in all respects, together with attorney's fees, court costs, recording costs, interest, an administrative fee (payable to the Association or its manager in the amount of twenty-five percent (25%) of the cost of maintenance) and other fees or costs of collection as provided for other assessments of the Association. The Association shall have a right and easement in and to the land comprising each Lot and Rental Unit in order to maintain same in accordance with this Article and said right and easement shall be a covenant running with the land as to each Lot and Rental Unit.

E. Damage Caused by Owner. Notwithstanding the foregoing, to the extent that any Owner, or any of such owner's agents, employees, guests, invitees or licensees, causes damage to any improvement which the Association is obligated to maintain, repair and/or replace, then any cost incurred by the Association to maintain, repair or replace such damaged improvement shall be charged to such Owner as an individual assessment, which individual assessment shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual assessments.

F. Interior Maintenance. Each Owner shall be responsible for maintaining the interior of such Owner's Rental Unit in a neat and sanitary manner. Other than for providing termite control and fire sprinkler or fire protection service (if any) to each of the Townhome Rental Buildings located on the Property, the Association shall not be in any way responsible for any such interior maintenance nor shall the Association be responsible for the maintenance of any of such Owner's electrical, plumbing, HVAC or any other mechanical systems or for any other maintenance obligations other than for the maintenance obligations specifically allocated to the Association in this Declaration.

Section 10.02 Taxes. The Association shall pay all real and personal property taxes and assessments for any property owned by the Association. Each Owner shall pay all real and personal property taxes and assessments for any property owned by such Owner.

Section 10.03 Property Insurance on Townhome Rental Buildings and Townhome Rental Units.

A. Townhome Rental Unit Insured Property. The Association may, but shall not be obligated to, maintain property insurance (the "Association Townhome Rental Building Insurance") on each Townhome Rental Building in an amount not less than one hundred percent (100%) of the full insurable replacement value thereof. It is the intent that the Association Townhome Rental Building Insurance shall cover those portions of such Townhome Rental Buildings which would typically be required, under Florida law, to be insured by a condominium association if the Property and Townhome Rental Buildings were a condominium (collectively, the "Townhome Rental Unit Insured Property"). Specifically, but without limitation, the Association Townhome Rental Building Insurance shall exclude sheetrock or drywall, all furniture, furnishings, fixtures, countertops, water filters, floor coverings, wall coverings and ceiling coverings, other personal property or fixtures which were, without limitation, included, supplied or installed at the time the Owner originally purchased the Townhome Rental Unit or are owned or were supplied or installed by Townhome Rental Unit Owners

and/or the family, guests, invitees and tenants of said Owners, and all electrical fixtures, appliances, cabinets, cabinets fixtures, vanities, interior paint, installations and/or additions comprising that portion of the Townhome Rental Building which were, without limitation, included, supplied or installed at the time the Owner originally purchased the Townhome Rental Unit or which are owned or were supplied or installed after such purchase by Townhome Rental Unit Owners and/or the family, guests, invitees and tenants of said Owners, within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of the Townhome Rental Units not typically insured by a condominium association and the same shall not be Townhome Rental Unit Insured Property. Such policy(ies) may contain reasonable deductible provisions as determined by the Board, in its sole discretion. Such coverage shall afford protection against loss and/or damage by fire and other hazards covered by a standard extended coverage endorsement and such other risks as from time-to-time are customarily covered with respect to buildings and improvements similar to the Townhome Rental Buildings in construction, location and use.

B. Excluded from Coverage. In addition to excluding coverage for property which is not Townhome Rental Unit Insured Property under the Association Townhome Rental Building Insurance, the Association shall also not be responsible for providing insurance coverage for casualties or damages resulting from floods and the Association shall not cover damages for loss of use of the Townhome Lot or Townhome Rental Unit. Unless the Association elects otherwise, the insurance purchased by the Association shall also not cover claims against an Owner due to accidents occurring within or on such Owner's Townhome Rental Unit, nor casualty or theft loss to the contents of an Owner's Townhome Rental Unit. It shall be the obligation of the Owner of a Townhome Rental Unit, if such Owner so desires, to purchase and pay for insurance as to all risks not covered by insurance carried by the Association (for example, a typical condominium unit owner's policy, also known as HO-6). Each Townhome Rental Unit Owner shall be responsible for determining the extent and limits of the Association Townhome Rental Building Insurance and for obtaining separate insurance to cover all other property of such Townhome Rental Unit Owner, and to cover their personal liability, living expenses, and any other risks and matters not otherwise insured in accordance herewith. The Association shall not be liable for any gaps in insurance coverage between the Association Townhome Rental Building Insurance and insurance obtained by the Townhome Rental Unit Owner.

C. Disclaimer. All Townhome Rental Unit Owners and/or the family, guests, invitees and tenants of said Owners, Institutional Lenders and other affected persons and/or entities are hereby advised that over time, due to the age of the Townhome Rental Unit Insured Property and nature of its construction, it may not be economically feasible or otherwise possible to insure the Townhome Rental Unit Insured Property for its full replacement value as a result of the aforesaid factors or the applicability of changes in zoning or building codes. Neither Declarant nor the Association (nor any of their respective members, committee members, managers, stockholders, officers, directors, employees, representatives, agents, affiliates, attorneys and partners and their respective successors and assigns [hereinafter "Representatives"]), shall be liable to any party whatsoever in the event of a casualty loss to any Townhome Rental Unit Insured Property which exceeds the coverage afforded by reasonably available insurance. In the event the Board, in its sole discretion, elects to discontinue maintaining the Association Townhome Rental Building Insurance, or the type of coverage provided for in Section 10.03A is not available or is cost-prohibitive, then the Association shall give each Owner of a Townhome Rental Unit insured under the Association Townhome Rental Building Insurance sixty (60) days written notice that the Association Townhome Rental Building Insurance shall be canceled or

shall not be renewed. On or before the sixtieth (60th) day after such notice is given, each such Owner shall obtain and maintain, at its sole cost and expense, a homeowner's insurance policy covering all of the items set forth herein to be covered by the Association Townhome Rental Building Insurance, such policy to be effective on or before the cancellation or expiration date of the Association Townhome Rental Building Insurance. If the Association discontinues providing the Association Townhome Rental Building Insurance as aforesaid, then the Board, in its sole discretion, shall determine a reasonable method of redistributing or reallocating any Townhome Rental Unit-Unit Deductible Reserves.

In the event that an Owner of a Townhome Rental Unit or Townhome Lot fails to obtain any insurance coverages required under this Section 10.03C or under Section 10.03B above, or if such Owner permits its insurance to lapse, the Association may, but shall not be obligated to, obtain such insurance on behalf of the Owner and assess all costs thereof, plus interest at the highest rate allowable under law, to the Owner and the Owner's Townhome Lot as an individual assessment, which individual assessment shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual assessments. In the absence of sufficient property insurance on any Townhome Lot or Townhome Rental Unit (where the Association has not purchased the coverage), the Association shall be relieved of its obligations to maintain, repair and replace damaged or destroyed portions of the Owner's Townhome Lot and Townhome Rental Unit, to the extent of such insufficiency. Alternatively, the Association may perform required repairs, whether such repairs are the responsibility of the Association or the Owner, and assess all costs, plus interest at the highest rate allowable under law, to the Owner and the Owner's Townhome Lot as an individual assessment, which individual assessment shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual assessments.

D. Claims and Damage. In the event of a casualty loss, the Association shall be entitled to file a claim on the Association Townhome Rental Building Insurance policy for the cost of any repair or reconstruction to the Townhome Rental Unit Insured Property which is the Association's responsibility, and the deductible therefor shall be paid in accordance with the provisions of this Section 10.03. Repair and reconstruction of any damaged Townhome Rental Building for which a claim is paid shall be performed using materials of like kind and quality as that of the initial improvements, subject to their availability and the then-current building codes and other Laws governing construction. Each Owner of an affected Townhome Rental Unit shall be responsible for repair or replacement, and the costs thereof, of all portions of the improvements constructed on its Townhome Rental Unit which are not covered by the Association Townhome Rental Building Insurance.

E. General Requirements of Association Townhome Rental Building Insurance.

(a) The insurance policies for the Association Townhome Rental Building Insurance shall be purchased by the Association and shall be written with a company licensed to do business in Florida which holds a Best's ranking of A or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating;

(b) The named insured shall be the Association, individually, and as agent for Owners of the Townhome Rental Units covered by the policy, without naming them. The Townhome Rental Unit Owners shall be deemed additional insureds;

(c) All policies shall provide that payments for losses made by the insurer shall be paid to the Association or the Townhome Rental Unit Insurance Trustee (if appointed) and all policies and endorsements thereto shall be deposited with the Association or the Townhome Rental Unit Insurance Trustee (if appointed);

(d) One copy of each Association Townhome Rental Building Insurance policy, or a certificate evidencing such policy, and all endorsements thereto, shall be furnished by the Association upon request to each Owner of a Townhome Rental Unit and lender holding a mortgage lien on a Townhome Lot or Townhome Rental Unit covered by the policy;

(e) When appropriate and obtainable, the Association Townhome Rental Building Insurance policies shall waive the insurer's right to: (i) subrogation against the Association and against the Townhome Rental Unit Owners individually and as a group, (ii) to pay only a fraction of any loss in the event of co-insurance or if other insurance carriers have issued coverage upon the same risk, and (iii) avoid or reduce liability for a loss that is caused by an act or omission of Declarant or the Association (or any of their respective Representatives), one (1) or more Townhome Rental Unit Owners or as a result of contractual undertakings. Additionally, each policy shall provide that any insurance trust agreement will be recognized, that the insurance provided shall not be prejudiced by any act or omissions of individual Townhome Rental Unit Owners that are not under the control of the Association, and that the policy shall be primary, even if a Townhome Rental Unit Owner has other insurance that covers the same loss;

(f) Each Association Townhome Rental Building Insurance policy shall, if required by the Department of Housing and Urban Development and the Federal Housing Administration (and/or the Veterans Administration), Federal National Mortgage Association and/or Government National Mortgage Association, have the following endorsements, if applicable and if available: (i) agreed amount; (ii) inflation guard, and (iii) machinery and equipment breakdown coverage, providing at least \$50,000.00 coverage for each accident at each location;

(g) Each Association Townhome Rental Building Insurance policy shall provide that such policy may not be canceled or substantially modified without at least thirty (30) days' prior written notice to all of the named insureds. Prior to obtaining any policy of casualty insurance or any renewal thereof, the Board may (or if required by the Department of Housing and Urban Development and the Federal Housing Administration (and/or the Veterans Administration), Federal National Mortgage Association and/or Government National Mortgage Association, shall) obtain an appraisal from a fire insurance company, or other competent appraiser, of the full insurable replacement value of the Townhome Rental Unit Insured Property, without deduction for depreciation, for the purpose of determining the amount of insurance to be effected pursuant to this Section 10.03E(g);

(h) Premiums for each Association Townhome Rental Building Insurance policy shall be paid by the Owners as part of their townhome assessment;

(i) All Association Townhome Rental Building Insurance policies obtained by or on behalf of the Townhome Rental Unit Owners shall be for the benefit of the Association, such Townhome Rental Unit Owners and their Institutional Lenders, as their respective interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association or a trustee (if appointed) as provided below, and which, if so appointed, shall be a bank or trust company in Florida with trust powers, with its principal place of business in the State of Florida (the "Townhome Rental Unit Insurance Trustee"). The Association or the Townhome Rental Unit Insurance Trustee (if appointed) shall not be liable for payment of premiums, nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the Association or the Townhome Rental Unit Insurance Trustee (if appointed) shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the Townhome Rental Unit Owners affected by such casualty and their respective Institutional Lenders in the following shares, but shares need not be set forth on the records of the Townhome Rental Unit Insurance Trustee:

(1) Proceeds on account of damage to Townhome Rental Buildings shall be held for the benefit of Owners of Townhome Rental Units in such Townhome Rental Buildings in proportion to the cost of repairing the damage suffered by each such affected Owner to the extent such costs of repairs for a Townhome Rental Unit exceeds the applicable Townhome Rental Unit-Unit Deductible, which cost and allocation shall be determined by the Association.

(2) No Institutional Lender shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no Institutional Lender shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds, except for actual distributions thereof made to the Townhome Rental Unit Owner and Institutional Lender pursuant to the provisions of the Declaration as amended hereby.

F. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the Association or the Townhome Rental Unit Insurance Trustee (if appointed) shall be distributed to or for the benefit of the affected Townhome Rental Unit Owners in the following manner:

(a) All expenses of the Association or the Townhome Rental Unit Insurance Trustee (if appointed) shall be first paid or provision shall be made therefor.

(b) If the damaged property for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided herein. Any proceeds remaining after defraying such costs shall be distributed to the affected Townhome Rental Unit Owners thereof, remittances to Townhome Rental Unit Owners and their Institutional Lenders being payable jointly to them.

(c) If it is determined in the manner elsewhere provided that the damaged property for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be allocated equally among the affected Townhome Rental Unit Owners, but only after being distributed first to all Institutional Lenders on all mortgages and liens on such Owners' Townhome Rental Units in the order of priority of such mortgages and liens sufficient to pay off their mortgages, and then, after

being utilized to demolish and remove any uninhabitable portions of the Townhome Rental Building and restoring the land in a manner reasonably determined by the Association (hereinafter the “Townhome Rental Unit Demolition and Cleanup Expenses”), the balance, if any, to the affected Townhome Rental Unit Owners.

(d) In making distributions to Townhome Rental Unit Owners and their Institutional Lenders, the Association or the Townhome Rental Unit Insurance Trustee (if appointed) may rely upon a certificate of the Association made by the President and Secretary as to the names of the Townhome Rental Unit Owners and their Institutional Lenders and their respective shares of the distribution.

G. General.

(a) The Association is hereby irrevocably appointed as agent and attorney-in-fact for each Townhome Rental Unit Owner and for each holder of a mortgage or other lien upon a Townhome Rental Unit to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

(b) Certain provisions in this Section 10.03G are for the benefit of Institutional Lenders of Townhome Rental Units and may be enforced by such Institutional Lenders.

(c) The Association shall have the option in its discretion of appointing a Townhome Rental Unit Insurance Trustee hereunder. If the Association fails or elects not to appoint such Townhome Rental Unit Insurance Trustee, the Association shall perform directly all obligations imposed upon such Townhome Rental Unit Insurance Trustee by the Declaration. Fees and expenses of any Townhome Rental Unit Insurance Trustee are Limited Common Expenses.

(d) Subject to Section 10.03H below, in the event of damage to or destruction of the Townhome Rental Unit Insured Property as a result of fire or other casualty, the Board shall arrange for the prompt repair and restoration of the Townhome Rental Unit Insured Property and the Association or the Townhome Rental Unit Insurance Trustee (if appointed) shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Prompt repair and restoration means that repairs and restoration are to begin not more than sixty (60) days from the date the Association or the Townhome Rental Unit Insurance Trustee (if appointed) notifies the Board and Townhome Rental Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated cost of such work, or not more than ninety (90) days after the Association or the Townhome Rental Unit Insurance Trustee (if appointed) notifies the Board and the Townhome Rental Unit Owners that such proceeds of insurance are insufficient to pay the estimated costs of such work.

(e) If the proceeds of the Association Townhome Rental Building Insurance are not sufficient to defray the estimated costs of reconstruction and repair to be effected by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, individual assessments, which individual assessments shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual assessments, shall be made against the affected Townhome Rental Unit Owner(s) in sufficient amounts to provide funds for the payment of such costs.

(f) Any repairs and restoration must be made substantially in accordance with the plans and specifications for the original Townhome Rental Unit Insured Property and then applicable building and other codes; or if not, then in accordance with the plans and specifications approved by the ARB and then-applicable building and other codes.

H. Election not to Rebuild. If seventy-five percent (75%) or more of the insured value of the Townhome Rental Unit Insured Property of any Townhome Rental Building is substantially damaged or destroyed following such loss (or such higher percentage, if required by the terms of the Association Townhome Rental Building Insurance policy in order for the extent of the damage or destruction to be deemed a constructive total loss under the terms of the Association Townhome Rental Building Insurance policy, so as to obligate such insurer to pay the full amount covered by such insurance policy), and if Townhome Rental Unit Owners owning an equivalent or greater percentage (or such lesser or greater amount as may be required by Law) of the Townhome Rental Units in such Townhome Rental Building consent not to proceed with the repair or restoration thereof, the Townhome Rental Unit Insured Property will not be repaired, in which event, the net proceeds of insurance resulting from such damage or destruction, after disbursements for Townhome Rental Unit Demolition and Cleanup Expenses, shall be divided among all the Townhome Rental Unit Owners in proportion to the damage suffered by each such affected Townhome Rental Unit Owner, as determined in the discretion of the Board; provided, however, that no payment shall be made to a Townhome Rental Unit Owner until there has first been paid off out of his or her share of such fund, all mortgages and liens on his Townhome Rental Unit in the order of priority of such mortgages and liens. The Association or the Townhome Rental Unit Insurance Trustee (if appointed) may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

I. Deductibles. Deductibles for fire, casualty or other losses covered by the Association Townhome Rental Building Insurance (or the cost of repairs not exceeding the deductibles) shall be payable as follows:

(a) Each affected Townhome Rental Unit Owner shall be responsible for payment of its Townhome Rental Unit-Unit Damage Allocation.

(b) If the sum of the Townhome Rental Unit-Unit Damage Allocations with respect to a claim for a Townhome Rental Building is less than the lesser of: (i) the actual cost to repair the damage to such Townhome Rental Building, or (ii) the Townhome Rental Unit Building Deductible, the difference shall be paid from the Townhome Rental Unit-Unit Deductible Reserve to the extent such funds are available. If there are not adequate funds available in the Townhome Rental Unit-Unit Deductible Reserve the shortfall shall be collected through individual assessments which shall be equally levied against all Townhome Rental Units in such Townhome Rental Building.

(c) The Association may determine a reasonable method for allocating among the affected Townhome Rental Units in a Townhome Rental Building the costs of repairing damages to Townhome Rental Unit Shared Elements, which method may include, but not be limited to, dividing such costs equally among the affected Townhome Rental Units in such Townhome Rental Building.

(d) The Association may, but shall not be required to establish a Townhome Rental Unit-Unit Deductible Reserve for each Townhome Rental Building which is to be funded through townhome assessments. The amount set aside for the Townhome Rental Unit-Unit Deductible Reserve in each Townhome Rental Building shall be at the discretion of the Association.

Section 10.04 Association Insurance.

A. The insurance coverages to be obtained pursuant to this Section 10.04 shall be in addition to and not in limitation of the Association Townhome Rental Building Insurance. The Board shall obtain blanket all-risk casualty insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard. In addition to the foregoing, the Association shall be obligated to obtain directors' and officers' liability insurance for the directors and officers of the Association.

Insurance obtained by the Association on any portion of the Property shall at a minimum comply with the applicable provisions of this Section 10.04, including the provisions of this Section applicable to policy terms, loss adjustment and all other subjects to which this Section applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance to be furnished to the Association.

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

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

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

(a) All policies shall be written with a company licensed to do business in Florida which holds a Best's ranking of A or better and is assigned a financial size category of XI or larger as established by A.M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(b) All policies on the Common Area shall be for the benefit of the Association and mortgagees providing construction financing on the Common Area, if any.

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

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

(e) The Association's Board shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

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

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

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

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

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

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

In addition to the other insurance required by this Section, the Board shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available, flood insurance, if required, and any and all other insurance required by law or determined to be reasonably necessary and/or desirable by the Board. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than three (3) months' assessments on all Townhome Rental Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days prior written notice to the Association of any cancellation, substantial modification, or non-renewal.

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

(a) Any damage or destruction to the Common Area shall be repaired or reconstructed unless at least two-thirds (2/3) of the members of the Board shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed; provided, however, this provision shall not apply to construction mortgagees providing construction financing for such damaged property.

(b) In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then the affected portion of the Property shall be restored to its natural state and maintained by the Association in a neat and attractive condition consistent with the standards of the Property.

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

D. Repair and Reconstruction. If the damage or destruction to the Common Area is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall levy a special assessment against the Owners of Rental Units. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Section 10.05

Common Roofs.

A. General Rules of Law to Apply. To the extent not inconsistent with this Section, the general rules of law regarding liability for property damage due to negligence or willful acts or omissions shall apply concerning a Common Roof.

B. Sharing of Repairs, Maintenance and Replacement. Other than as specifically set forth below, the cost of reasonable repair, maintenance and replacement of a Common Roof shall be shared equally by the Owners of the applicable Townhome Rental Building who make use of the Common Roof and shall be a lien against their respective Townhome Lots as provided hereafter.

C. Repair and Restoration. Notwithstanding anything to the contrary provided in Section 10.01 and subject to the provisions of Section 10.03 hereof, if a Common Roof is destroyed or damaged or requires structural repair, the Association shall have the right (but not the obligation) to either restore, repair or replace said Common Roof, using the applicable proceeds from any applicable property insurance, and to the extent such proceeds are insufficient each Owner sharing said Common Roof shall be jointly and severally liable to the Association for the cost thereof without prejudice, however, to the right of any such Owner to collect a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. The Association shall have the right to enter on the property of any Owner sharing a Common Roof during normal working hours and after reasonable notice, to perform its obligations arising hereunder; provided, however, that in the event of an emergency, the Association or any Owner of a Townhome Rental Unit sharing a Common Roof shall have the right to enter the Townhome Rental Unit of another Owner sharing that Common Roof, without notice, to make emergency repairs. Any and all costs incurred by the Association pursuant to this Section 10.05 for which an Owner is responsible for reimbursing the Association shall constitute an individual assessment, which individual assessment shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual assessments. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion. All sums due the Association pursuant to this Section shall be due and payable immediately upon demand by the Association.

D. Easement for Repair, Maintenance and Replacement of Common Roof. Declarant hereby reserves unto itself and hereby grants to the Association and to each Owner making use of a Common Roof a nonexclusive easement and right of ingress and egress in, under, over and across any Townhome Lot and the improvements located thereon as may be reasonably necessary for the purpose of repairing, maintaining and replacing the Common Roof.

Section 10.06 Party Walls.

A. General Rules of Law to Apply. To the extent not inconsistent with this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply concerning a Party Wall.

B. Sharing of Repairs, Maintenance and Replacement. Other than as specifically set forth below, the cost of reasonable repair, maintenance and replacement of a Party Wall shall be shared equally by the Owners who make use of the wall and shall be a lien against their respective Townhome Lots as provided hereafter.

C. Repair and Restoration. Notwithstanding anything to the contrary provided in Section 10.01 and subject to the provisions of Section 10.03 hereof, if a Party Wall is destroyed or damaged or requires structural repair, the Association shall have the right (but not the obligation) to either restore, repair or replace said Party Wall, using the applicable proceeds from any applicable property insurance, and to the extent such proceeds are insufficient each Owner sharing said Party Wall shall be jointly and severally liable to the Association for the cost thereof without prejudice, however, to the right of any such Owner to collect a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. The Association shall have the right to enter on the property of any Owner sharing a Party Wall during normal working hours and after reasonable notice to perform its obligations arising hereunder; provided, however, that in the event of an emergency, the Association or any Owner of a Townhome Rental Unit sharing a Party Wall shall have the right to enter the Townhome Rental Unit of another Owner sharing that Party Wall, without notice, to make emergency repairs. Any and all costs incurred by the Association pursuant to this Section 10.06 for which an Owner is responsible for reimbursing the Association shall constitute an individual assessment, which individual assessment shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual assessments. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion. All sums due the Association pursuant to this Section shall be due and payable immediately upon demand by the Association.

D. Weatherproofing. Notwithstanding any other provision of this Section 10.06, any Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

E. Easement for Repair, Maintenance and Replacement. Declarant hereby reserves unto itself and hereby further grants to the Association and to each Owner sharing a Party Wall a nonexclusive easement and right of ingress and egress in, under, over and across any Townhome Lot and the improvements located thereon as may be reasonably necessary for the purpose of repairing, maintaining and replacing any Party Wall.

F. Additional Maintenance and Services. The Association may provide such additional services and maintenance with respect to Townhome Rental Buildings and Townhome Rental Units as the Association, in the reasonable discretion of the Board of Directors, deems necessary or desirable in order to address maintenance, repair, appearance, or other issues specific to Townhome Rental Buildings or Townhome Rental Units. Declarant hereby grants to the Association a nonexclusive easement and right of ingress and egress in, under, over and across any Townhome Lot and the improvements located thereon as may be reasonably necessary for the purpose of performing any Townhome Rental Building Maintenance.

Section 10.07 Party Sidewalks.

A. General Rules of Law to Apply. To the extent not inconsistent with this Section, the general rules of law regarding party walls and liability for property damage or personal injury due to negligence or willful acts or omissions shall apply concerning a Party Sidewalk.

B. Sharing of Repairs, Maintenance and Replacement. Other than as specifically set forth below, the cost of reasonable repair, maintenance and replacement of a Party Sidewalk shall be shared equally by the Owners who make use of the sidewalk and shall be a lien against their respective Lots as provided hereafter.

C. Repair and Restoration. Notwithstanding anything to the contrary provided in Section 10.01 and subject to the provisions of Section 10.03 hereof, if a Party Sidewalk is destroyed or damaged or requires structural repair, the Association shall have the right (but not the obligation) to either restore, repair or replace said Party Sidewalk, using the applicable proceeds from any applicable property insurance, and to the extent such proceeds are insufficient each Owner sharing said Party Sidewalk shall be jointly and severally liable to the Association for the cost thereof without prejudice, however, to the right of any such Owner to collect a larger contribution from the other Owners under any rule of law regarding liability for negligent or willful acts or omissions. The Association shall have the right to enter on that portion of the property of any Owner sharing a Party Sidewalk, during normal working hours and after reasonable notice, as is reasonably required to perform its obligations arising hereunder; provided, however, that in the event of an emergency, the Association or any Owner of a Townhome Rental Unit sharing a Party Sidewalk shall have the right to enter that portion of a Townhome Lot of another Owner sharing that Party Sidewalk, without notice, as is reasonably required to make emergency repairs. Any and all costs incurred by the Association pursuant to this Section 10.07 for which an Owner is responsible for reimbursing the Association shall constitute an individual assessment, which individual assessment shall be subject to the same collection, lien and lien enforcement rights in favor of the Association as exist for annual assessments. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole discretion. All sums due the Association pursuant to this Section shall be due and payable immediately upon demand by the Association.

D. Easement for Repair, Maintenance and Replacement. Declarant hereby reserves unto itself and hereby further grants to the Association and to each Owner sharing a Party Sidewalk a nonexclusive easement and right of ingress and egress in, under, over and across that portion of any Townhome Lot and the improvements located thereon as is reasonably required for the purpose of repairing, maintaining and replacing any Party Sidewalk.

ARTICLE 11 - CONDEMNATION

Any conveyance of Common Area in lieu of and under threat of condemnation must be approved by (i) the Board acting on the authorization of at least two-thirds (2/3) of the Board and (ii) the Declarant so long as the Declarant owns any property subject to this Declaration or which may become subject to this Declaration. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant, so long as the Declarant owns any property which may become subject to this Declaration, and at least two-thirds (2/3) of the members of the Board shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board. If such improvements are to be

repaired or restored, the above provisions in Article 10 hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

ARTICLE 12 - DISTRICT REQUIREMENTS

The provisions of this Article are included for purposes of complying with various requirements of the District. The provisions of this Article are intended to supplement and not replace the remaining provisions of this Declaration. However, in the event of any conflict between any provision of this Article and any other provision of this Declaration, and assuming no reasonable interpretation of such provisions reconciles such conflict, then the provisions of this Article will prevail. Furthermore, if so required by the District or the County, the Declarant may amend this Article as may be necessary or desirable to comply with such requirement, without the joinder or consent of any other party, including any Owner, mortgagee, or the Association.

Section 12.01 **Surface Water Management System.**

A. The Declarant, its successors or assigns, has caused or will cause the Surface Water Management System to be constructed within the Property and, to the extent required, on adjacent property. The Surface Water Management System is part of the overall drainage plan for the Property encumbered by this Declaration. The Association shall be responsible for the maintenance, operation and repair, and if necessary, reconstruction or replacement of the Surface Water Management System, until the CDD assumes such responsibilities. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the system to provide drainage, water storage, retention ponds, conveyance or other surface water or stormwater management capabilities as permitted by the District. Any repair, reconstruction or replacement of the Surface Water Management System shall be as permitted, or if modified, as approved by the District. The Association or the CDD, as applicable, shall have unobstructed ingress to and egress from all portions of the Surface Water Management System at all reasonable times to maintain said drainage improvements in a manner consistent with its responsibilities as provided herein and any rules and regulations promulgated by the Association under authority thereof. No Owner shall cause or permit any interference with such access and maintenance.

B. The Association shall maintain all portions of the Surface Water Management System until the CDD assumes such obligations, and the Association shall have the right (but not the obligation) to perform enhanced maintenance, if it so desires, of any portions of the Surface Water Management System which have been conveyed to the CDD. The Declarant hereby grants to the Association a perpetual non-exclusive easement, privilege and right in and to, over, under, on and across any portions of the Surface Water Management System for such enhanced maintenance. The Association shall exist in perpetuity. However, if the obligation for the maintenance (but excluding the right to perform enhanced maintenance), operation and repair, and if necessary, reconstruction or replacement of any portion of the Surface Water Management System is vested in the Association and the Association is subsequently dissolved without the CDD assuming responsibility for such

maintenance of such portions of the Surface Water Management System, the Surface Water Management System shall be transferred to and maintained by one of the entities identified in sections 12.3.1(a) through (f), who has the powers listed in section 12.3.4(b)1. through 8., the covenants and restrictions required in section 12.3.4(c)1. through 9., and the ability to accept responsibility for the operation and maintenance of the SWMS described in section 12.3.4(d)1. or 2., all of the District's Environmental Resource Permit Applicant's Handbook Volume I (General and Environmental). In addition to and not in place of the preceding sentence, in the event of dissolution of the Association other than incident to a merger or consolidation, then any Member, affected governmental instrumentality or agency, including the District, may petition the Circuit Court of the County to appoint a receiver or trustee to conduct the affairs and fulfill the obligations of the Association, including, without limitation, management of the Common Areas, as the Circuit Court may deem appropriate. If a receiver or trustee is appointed, the Association shall be responsible for court costs, attorney's fees, and all other expenses of the receivership or trust, which shall constitute Common Expenses of the Association and shall be assessed against its Members. If the Association has been dissolved, or if the Association shall not have a sufficient number of directors, the receiver or trustee shall have all powers and duties of a duly constituted board of directors. The receiver or trustee shall serve until such time as the Circuit Court may deem appropriate.

C. Until the CDD assumes responsibility, the Surface Water Management System, including any drainage, stormwater, or other easements of which such system may be comprised, constitutes Common Property of the Association and shall be owned and operated by the Association. The applicable entity, either the Association (until the CDD assumes such responsibility) or the CDD (at such time as the CDD assumes such responsibility), shall be responsible for the operation and maintenance of the Surface Water Management System and for assessing and collecting assessments for the maintenance, operation and repair, and if necessary, reconstruction or replacement of the system. In the event the Surface Water Management System is operated and maintained by the Association, the expenses therefor shall constitute Common Expenses of the Association included in the annual assessments set forth in Section 6.03 hereof. Additionally, to the extent that any Owner takes any action that requires the Association to repair or replace any portion of the Surface Water Management System, the cost of such repair or replacement actions shall be assessed as an individual assessment against and become a debt of the said Owner and shall become immediately due and payable as provided for in Section 6.07 hereof, but shall not be considered part of the annual maintenance assessment or charge. Any repair or reconstruction of the Surface Water Management System shall be as provided in the District Permit or, if modified, as approved, in writing, by the District. Notwithstanding the foregoing, no person shall alter the drainage flow of the Surface Water Management System, including buffer areas or swales, without the prior written approval of the District.

D. The Declarant may have constructed drainage swales or berms upon some or all of the Lots for the purpose of managing and containing the flow of excess surface water, if any, found upon any such Lot(s) from time to time. Notwithstanding any provision of this Declaration to the contrary, each Lot Owner, including builders of Rental Units, shall be responsible for the maintenance, operation and repair of the swales on its Lot, as applicable. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales or berms to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in

the swales is prohibited. No alteration of the drainage swale or berm shall be authorized and any damage to any drainage swale or berm, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale or berm returned to its former condition as soon as possible by the Owner(s) of the Lot(s) upon which the drainage swale or berm is located. Should any Owner fail to sufficiently maintain such swale or berm, the Association shall have the authority to maintain the same and the cost of such maintenance shall be assessed as an individual assessment against and become a debt of the said Owner and shall become immediately due and payable as provided for in Section 6.07 hereof. No Owner shall utilize, in any way, any of the drainage improvements within the Property or incorporate such facilities in the Owner's development plans, without the express prior written consent of Declarant, the Association and the ARB.

E. Until the CDD assumes responsibility for the maintenance, operation and repair, and if necessary, reconstruction or replacement of the Surface Water Management System, the County shall have an emergency access easement to and over the Surface Water Management System within the Property in the event that inadequate maintenance thereof creates a hazard to the public health, safety, and general welfare. However, this emergency access easement does not impose any obligation, burden, responsibility or liability upon the County to enter upon the Surface Water Management System within the Property to take any action to repair or maintain the Surface Water Management System unless the same is dedicated to the County and the County assumes the responsibility to take such action or maintenance.

F. The Association shall execute and deliver any documentation required by the District or the County for the Association to accept ownership and maintenance responsibility for all or any portion of the Surface Water Management System at the time the Surface Water Management System is certified as complete and operational and to effectuate the provisions of this Section 12.01.

Section 12.02 **Powers of the Association.** The Association shall have all the powers set forth in Chapter 617 of the Florida Statutes.

Section 12.03 **Association Membership.** All Owners of Lots within the Property are Members of the Association.

Section 12.04 **Association Existence.** Existence of the Association shall commence with the filing of the Articles with the Secretary of State, Tallahassee, Florida. The Association shall exist in perpetuity.

Section 12.05 **Amendments.** Any amendment proposed to this Declaration and the Association governing documents which would affect the Surface Water Management System, conservation, mitigation or preservation areas or water management portions of the Common Area will be submitted to the District for approval or for a determination of whether the amendment necessitates a modification of the District Permit. Any amendment affecting the Surface Water Management System will not be finalized until any necessary District Permit modification is approved by the District or the Association is advised that a modification is not necessary.

Section 12.06 Duration. All rules and regulations pertaining to the Surface Water Management System within the Property shall remain in effect for a minimum of twenty-five (25) years and shall be automatically renewed thereafter.

Section 12.07 Water Management District Permit. The District Permit and its conditions is attached hereto as **Exhibit “B”**. In addition, the registered agent for the Association or the CDD (at such time as the CDD assumes responsibility for the operation and maintenance of the Surface Water Management System) shall maintain copies of all further permitting actions relating thereto for the benefit of the Association or the CDD as may be applicable.

Section 12.08 Enforcement by the District. In the event the Surface Water Management System is operated and maintained by the Association, the District shall have the right to take enforcement action, including a civil action for an injunction and penalties against the Association to compel it to correct any outstanding problems with the Surface Water Management System within the Property or in mitigation or conservation areas under the responsibility or control of the Association.

Section 12.09 Wetlands and Mitigation Areas. If the Common Property includes one or more preserves, wetlands, and/or mitigation areas, no Owner or other person shall take any action or enter onto such areas so as to adversely affect the same or violate any conservation or preserve easement. Such areas are to be maintained by the Association in their natural state. If wetland mitigation or monitoring is required, the Association shall be responsible to carry out this obligation. It shall be the Association's responsibility to complete the task successfully, including meeting all District Permit or other permit conditions associated with wetland mitigation, maintenance and monitoring.

Section 12.10 Additional Property. The Association or the Declarant have the power to accept into the Association additional properties that will utilize the same Surface Water Management System within the Property, as more particularly described in Article 2 hereof.

ARTICLE 13 – COMMUNITY DEVELOPMENT DISTRICT

Section 13.01 Community Development District. The Property is within the jurisdiction of the CDD and subject to CDD Assessments. Portions of the Property may be owned by the CDD, including, but not limited to, open space areas, drainage systems, the SWMS, utilities and/or wetland conservation areas and recreational facilities. In the event that any portions of the Property are owned by the CDD, such facilities will be part of the infrastructure facilities owned by the CDD (the “CDD Facilities”), but may constitute Common Areas under this Declaration if the Association undertakes to maintain same. EACH PERSON BY ACCEPTANCE OF A DEED TO A LOT HEREBY ACKNOWLEDGES AND AGREES THE CDD FACILITIES ARE NOT OWNED AND CONTROLLED BY THE ASSOCIATION, FURTHER WAIVES ANY CLAIM OR RIGHT TO HAVE ANY PORTION OF THE CDD FACILITIES BE CONSIDERED AS COMMON AREA OWNED OR CONTROLLED BY THE ASSOCIATION AND ACKNOWLEDGES ANY OPERATING OR MAINTENANCE OF SUCH CDD FACILITIES CONDUCTED BY THE ASSOCIATION WILL BE CONDUCTED PURSUANT TO AN AGREEMENT BETWEEN THE ASSOCIATION AND THE CDD ON SUCH TERMS AS ARE ACCEPTABLE TO THE CDD IN ITS DISCRETION.

Section 13.02 **Creation of the CDD.** The CDD is an independent, multi-purpose, special district created pursuant to Chapter 190 of the Florida Statutes. Lots, Rental Units and other portions of the Property are under the jurisdiction of the CDD. The CDD may be authorized to finance, fund, install, equip, extend, construct or reconstruct, without limitation, the following: water and sewer facilities, subdivision improvements, environmental mitigation, roadways, the SWMS, utility lines, land acquisition, walls or fences, miscellaneous utilities for the Property and other infrastructure projects and services necessitated by the development of, and serving lands within, the Property (the “Public Infrastructure”). The estimated design, development, construction and acquisition costs for these CDD Facilities may be funded by the CDD in one or more series of governmental bond financings utilizing special assessment bonds. The CDD may issue both long term debt and short term debt to finance the Public Infrastructure. The principal and interest on the special assessments bonds may be repaid through non ad valorem special assessments (the “CDD Debt Service Assessments”) levied on all benefiting properties in the CDD, which property has been found to be specially benefited by such Public Infrastructure. In addition to the bonds issued to fund the Public Infrastructure costs, the CDD may also impose non ad valorem special assessments to fund the operations of the CDD and the maintenance and repair of its Public Infrastructure and services (the “CDD O&M Assessments”) to the extent such operations, maintenance and repair are not undertaken by the Association.

Section 13.03 **CDD Assessments.** The CDD Assessments, including the CDD Debt Service Assessments and CDD O&M Assessments, if any, will not be taxes but, under Florida law, constitute a lien co-equal with the lien of state, County, municipal, and school board taxes and may be collected on the ad valorem tax bill sent each year by the Tax Collector of Orange County and disbursed to the CDD. The homestead exemption is not applicable to the CDD Assessments. Because a tax bill cannot be paid in part, failure to pay the CDD Assessments or any other portion of the tax bill will result in the sale of tax certificates and could ultimately result in the loss of title to the property of the delinquent taxpayer through the issuance of a tax deed. Any future CDD Assessments and/or other charges due with respect to the CDD Facilities are direct obligations of Owner and are secured by a lien against Owner’s Lot and Rental Unit. Failure to pay such sums may result in loss of an Owner’s Lot and Rental Unit.

Section 13.04 **Common Areas and Facilities Part of CDD.** Portions of the Common Areas may become part of the CDD. In such event, such Common Areas will become part of the CDD Facilities, will be part of the CDD and the CDD shall govern the use and maintenance of the CDD Facilities. Some of the provisions of this Declaration will not apply to such CDD Facilities, as the CDD Facilities will no longer be Common Areas once conveyed to the CDD. Any conveyance of Common Areas to the CDD shall in no way invalidate this Declaration. Declarant may decide, in its sole and absolute discretion, to convey additional portions of the Common Areas to the CDD or the Association. If conveyed to the CDD, such portions of the Common Areas shall thereafter be part of the CDD Facilities. The CDD may promulgate membership rules, regulations and/or covenants that may outline use restrictions for the CDD Facilities, including any recreational facilities owned or operated by the CDD, or the Association’s responsibility to maintain the CDD Facilities, if any. Among other factors, the establishment of the CDD and the inclusion of CDD Facilities in the CDD obligates each Owner to become responsible for the payment of CDD Debt Service Assessments and CDD O&M Assessments for the construction and operation of the CDD Facilities as set forth in this Section.

Section 13.05 Facilities Owned by CDD. The CDD Facilities may be owned and operated by the CDD or owned by the CDD and maintained by the Association. The CDD Facilities may be owned by a governmental entity other than the CDD. The CDD Facilities shall be used and enjoyed by the Owners on a non-exclusive basis, in common with such other persons, entities, and corporations that may be entitled to use the CDD Facilities under the CDD Documents, applicable laws and regulations, or otherwise.

Section 13.06 CDD Facilities Maintenance. The CDD may contract with the Association for the maintenance, repair, and replacement, management and operation of the CDD Facilities, subject to any written agreement accepted by the Association.

Section 13.07 Conveyance of CDD Tracts and Facilities to the Association as Common Areas. The CDD, at its option, after all long and short term debt to finance Public Infrastructure has been paid in full and all CDD Debt Service Assessments on the Property have been paid in full, and subject to compliance with all applicable legal requirements, may transfer and convey to the Association any or all of the CDD Tracts and CDD Facilities (and associated easement rights in favor of the CDD with respect to same) (i) which the Association has been operating and maintaining pursuant to a maintenance agreement with the CDD or (ii) which the Association, in its sole discretion, agrees to accept for future operation and maintenance. Nothing herein shall obligate the CDD to transfer or convey any such CDD Tracts or CDD Facilities to the Association. If transferred and conveyed by the CDD to the Association, the Association shall accept such CDD Tracts and CDD Facilities and same shall become Common Areas owned and maintained by the Association pursuant to this Declaration.

Section 13.08 Additional Disclosure. THE COMMUNITY DEVELOPMENT DISTRICT MAY IMPOSE AND LEVY TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON THE PROPERTY. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES AND SERVICES OF THE DISTRICT AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF THE DISTRICT. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND OTHER LOCAL GOVERNMENTAL TAXES AND ASSESSMENTS AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW.

ARTICLE 14 - GENERAL PROVISIONS

Section 14.01 Amendments by Members. Other than as set forth in this Section 14.01 below, and other than as otherwise specifically set forth in this Declaration, this Declaration may be amended at any duly noticed meeting of the Association provided that at least two-thirds (2/3) of the total Class A Members and the Class B Member(s) vote in favor of the proposed amendment. Notice to the Members shall be given at least fourteen (14) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration is approved as set forth above, the President and Secretary of the Association shall execute an Amendment to this Declaration which shall set forth the amendment and the effective date of the amendment. Such amendment shall be recorded in the public records of the County. Notwithstanding anything above to the contrary, as long as Declarant owns any interest in any portion of the Property, any amendment

which affects rights granted to Declarant hereunder shall require Declarant's consent, which consent may be granted or withheld in Declarant's sole and absolute discretion.

Section 14.02 Amendments by Declarant. In addition to any other amendment rights granted to Declarant elsewhere herein, prior to Turnover as described in Article 9 herein, Declarant may amend this Declaration, at any time and from time to time, as to all or any portion of the Property unilaterally and without the consent of the Board, any Owner or other person claiming an interest in the Property by, through or under any Owner in the following situations: if such amendment is necessary to bring any provision of this Declaration into compliance with any applicable law;

B. if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any portion of the Property;

C. if such amendment is required by an institutional or governmental lender, purchaser or guarantor of mortgage loans to enable such party to make, purchase or guaranty mortgage loans encumbering any portion of the Property;

D. if such amendment is necessary for the purpose of curing any error, ambiguity in or inconsistency between or among the provisions contained herein;

E. if Declarant determines such amendment is necessary; provided, however, that such amendment does not prejudice or impair to any material extent the rights of any Member.

Notwithstanding anything in Section 14.01 and Section 14.02 to the contrary, no provision of this Declaration may be amended in a manner that materially adversely affects the interest of Fifth Third Bank National Association, in its capacity as Administrative Agent for its benefit and the ratable benefit of the "Lenders" under that certain Restated Credit Agreement among Park Square Enterprises, LLC, a Delaware limited liability company, Administrative Agent and Lenders dated as of September 26, 2016, as amended by First Amendment to Restated Credit Agreement effectively dated November 3, 2017, Second Amendment to Restated Credit Agreement effectively dated June 6, 2018, Third Amendment to Restated Credit Agreement effectively dated September 5, 2018 and Fourth Amendment to Restated Credit Agreement effectively dated February 14, 2020, and the successors and assigns of its interests in that certain RESTATED MORTGAGE AND SECURITY AGREEMENT (INCLUDING ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING) recorded December 31, 2014 in Official Records Book 10855, Page 0320, as modified by that certain MORTGAGE MODIFICATION AGREEMENT AND RECEIPT FOR FUTURE ADVANCE recorded September 29, 2016 in Instrument Number 20160512177, as further modified by that certain SPREADER AND MODIFICATION AGREEMENT recorded December 27, 2016 in Instrument Number 20160667219, as further modified by 2018 MORTGAGE MODIFICATION AGREEMENT AND RECEIPT FOR FUTURE ADVANCE recorded September 7, 2018 in Instrument Number 20180532729, as further modified by Assignment of Notes and Mortgage, Mortgage Spreader and Modification and Partial Release Agreement recorded February 27, 2020 in Document Number 20200128126, as further modified by 2020 Mortgage Consolidation and Modification Agreement recorded February 27, 2020 in Document Number 20200128127, and as further modified by that certain SPREADER AND MODIFICATION AGREEMENT recorded July 20, 2020 in Document

Number 20200386210, all of the Public Records of Orange County, Florida, in said mortgage, without its written consent.

Section 14.03 Declarant's Rights. Prior to Turnover, Declarant reserves and shall have the sole and exclusive right:

A. To amend, modify or grant exceptions or variances from any of the use restrictions set forth herein without notice to or approval by other Owners or mortgagees.

B. Notwithstanding anything contained herein to the contrary in this Declaration, the Articles or Bylaws, Declarant shall be entitled to use any unsold Lot as an aid in selling Lots or as a sales office, construction office, or parking lot, and shall further be allowed to place on the Property construction trailers, sales trailers and signs advertising the sale of Lots. Declarant shall further have the right to transact on the Property any business to consummate the sale of Lots. All sales office and model furniture shall not be considered Association property but shall remain the property of Declarant.

C. Declarant, for itself, its successors, assigns and the Association, hereby reserves a perpetual, non-exclusive easement, on, over, and under the Property, including all Lots and the Common Area, for the necessary, ordinary, and reasonable maintenance and upkeep of lawns, landscaping and structures on the Property.

Section 14.04 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 14.05 Wild Animals. The Property is located adjacent or nearby to certain undeveloped areas which may contain various species of wild creatures (including, but not limited to, alligators, bears, panthers, raccoons, coyotes and foxes), which may from time to time stray onto the Property, and which may otherwise pose a nuisance or hazard, all risks associated with which each Owner accepts by their purchase of a Lot. Owners shall not feed wild creatures of any kind nor otherwise engage in conduct that attracts wild creatures onto any portion of the Property. Conduct that may attract wild creatures onto the Property, and that may be restricted or regulated by the Association, includes, but is not necessarily limited to: (i) leaving food waste in containers or areas that are accessible by wild creatures, or allowing wild creatures to access food waste, pet food, BBQ grills, refrigerators or freezers in garages or on porches, decks or patios; (ii) not picking fruit (including vegetables and berries) when they are ripe but allowing them to fall and remain on the ground; (iii) leaving birdfeeders out overnight; (iv) keeping bees; (v) not keeping garage doors closed in accordance with Section 8.01CC hereof; and (vi) leaving trash containers outside overnight for next day pick-up by trash haulers, in lieu of putting them out in the morning of the day of pick-up. The Association, by and through the Board shall have the right to promulgate rules and regulations which regulate or restrict these activities or any other activities which, in the sole determination of the Board, attract wild creatures onto the Property. For purposes of illustration and not limitation of the foregoing sentence, the Board may promulgate rules and regulations mandating that Owners acquire, at their sole cost and expense, and use so called "Bear Resistant Trash Containers" for the disposition of food waste. Any

such Bear Resistant Trash Containers shall be a type or types that are acceptable to the Association and that are capable of pick-up by any trash hauler(s) servicing the Property.

Section 14.06 Previous Use of Property. As a condition to County approval for development of the Property, all Owners and potential purchasers of portions of the Property are advised that the Property was previously used as a golf course.

Section 14.07 FHA/VA Approval. Notwithstanding anything herein to the contrary, as long as Rental Units are being developed on the Property, Declarant may (but shall not be required to) require the following actions to be approved in advance by the Department of Housing and Urban Development and the Federal Housing Administration (and/or the Veterans Administration): (i) annexation of additional real property to the Property other than the Additional Property defined herein, (ii) dedication of Common Area, and (iii) amendment of this Declaration. Furthermore, to the extent it is required as a condition of obtaining approval by the Department of Housing and Urban Development, FHA and/or the VA that Declarant make modifications to this Declaration, then Declarant shall have the right to so modify this Declaration without the necessity of joinder or approval of the Association or any Owner or other party who may be affected.

Section 14.08 Communication. All communication from individual Lot Owners to Declarant, its successors or assigns, the Board or any officer of the Association shall be in writing in order to be deemed effective.

Section 14.09 Conflicts. In the event of a conflict between this Declaration and provisions of the Bylaws or the Articles, the terms of this Declaration shall control.

Section 14.10 Assignment of Rights and Duties. Any and all of the rights, powers and reservations of the Association and/or Declarant may be assigned to any person or entity which will assume the duties of the Association or Declarant, as the case may be, pertaining to the particular rights, powers and reservations assigned. Upon such assignee evidencing its consent in writing to accept such assignment and assume such duties, such assignee shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Association or the Declarant. Further, the Association or the Declarant may from time to time delegate any and all of its rights, powers, discretions and duties hereunder to such agent or agents as it may designate.

Section 14.11 Special Exceptions and Variations. Unless the written consent of the Association is first obtained, no Owner other than Declarant (which shall not be required to obtain the Association's consent) shall file a request for zoning variations, special exceptions or zoning changes affecting or relating to any portion of the Property.

Section 14.12 Municipal Service Benefit Units. In order to perform the services contemplated by this Declaration, the Association or Declarant, in conjunction with local governmental authorities, may seek the formation of special purpose municipal service benefit units, municipal service taxing units or similar taxing districts ("MSBUs"). The MSBUs will have such responsibilities as are defined in their enabling resolutions, which may include, but are not limited to, maintaining roadway informational signs, traffic control signs, benches, trash receptacles and other street furniture,

keeping roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage structures, maintenance of the Surface Water Management System, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefiting the Property. Such services provided are in addition to and not in limitation of those provided by the CDD. In the event such MSBUs are formed, the Property will be subject to assessment for the cost of services performed within the MSBU, and personnel working for or under contract with local governmental authorities shall have the right to enter upon lands within the Property to effect the services contemplated. Each Owner by acquiring lands within the Property agrees to pay each and every MSBU assessment and charges imposed upon the Owner's land in a timely manner, failing which such assessments and charges shall be a lien upon those lands, and the MSBU shall have the right to foreclose said lien pursuant to the MSBU's enabling resolution. The Association retains the right to contract with local governmental authorities to provide the services funded by the MSBU.

Section 14.13 **Enforcement.** Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity and may be instituted by the Declarant, its successors or assigns, the Association, its successors or assigns, or any Member or Owner against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by these covenants; and failure by the Association or any Member, Owner or the Declarant to enforce any covenant condition, or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. In connection with the aforesaid enforcement of these covenants, conditions and restrictions, the prevailing party shall be entitled to its reasonable attorney's fees and costs at all pre-trial, trial, appellate levels and post judgment levels. In addition to the foregoing, the District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in the Declaration which relate to the maintenance, operation and repair of the Surface Water Management System.

Section 14.14 **Severability.** Should any covenant, condition or restriction herein contained, or any Article, Section, Subsection sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 14.15 **Interpretation.** The Declarant shall have the right, except as limited by any other provisions of this Declaration or the Bylaws, to determine all questions pertaining to the rights and responsibilities of the Declarant arising in connection with this Declaration and to construe and interpret such provisions, and its good faith determination, construction or interpretation shall be final and binding. The Board shall have the right, except as limited by any other provisions of this Declaration or the Bylaws, to determine all other questions arising in connection with this Declaration and to construe and interpret all other provisions, and its good faith determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Declaration shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.

Section 14.16 Authorized Action. All actions which the Association is allowed to take under this Declaration shall be authorized actions of the Association as approved by the Board in the manner provided for in the Bylaws of the Association, unless the terms of this provide otherwise.

Section 14.17 Termination of Declaration; Disposition of Common Property. The Members of the Association may terminate this Declaration upon the affirmative vote of all outstanding votes of each membership class at a meeting of the Members duly called for such purpose. Such termination, however, shall not be effective until all applicable portions of the Common Property owned by the Association, including Conservation Easement Areas (if any), are transferred to another not-for-profit corporation or appropriate public agency having similar purposes; provided, however, if no other not-for-profit corporation or agency will accept such property, then any Member or affected governmental instrumentality or agency, including the District, may petition the Circuit Court of the County to appoint a receiver or trustee to conduct the affairs and fulfill the obligations of the Association with respect to such applicable portions of the Common Property, or otherwise dispose of the Common Property or portions thereof as the Circuit Court may deem appropriate. If a receiver or trustee is appointed, the Association shall be responsible for court costs, attorney's fees, and all other expenses of the receivership or trust shall constitute Common Expenses of the Association and shall be assessed against its Members. If the Association has been dissolved, or if the Association shall not have a sufficient number of directors, the receiver or trustee shall have all powers and duties of a duly constituted board of directors. The receiver or trustee shall serve until such time as the Circuit Court may deem appropriate. In the event of termination, dissolution or final liquidation of the Association, ownership of the portion of the Surface Water Management System owned by the Association and the responsibility for the operation and maintenance of the Surface Water Management System must be transferred to and accepted by an entity in accordance with the rules and regulations of the District and any such transfer and acceptance must be approved in writing by the District prior to such termination, dissolution or liquidation.

Section 14.18 Execution of Documents. The development of the Property may require from time to time the execution of certain documents required by governmental authorities to facilitate the provisions thereof. To the extent that said documents require the joinder of Members or Owners, the Declarant, so long as it owns any portion of the Property, and thereafter the Association, by its duly authorized representative, as the agent or the attorney-in-fact for the Members and Owners, may execute, acknowledge and deliver such documents and the Members and Owners, by virtue of their acceptance of deeds to portions of the Property, irrevocably nominate, constitute and appoint the Declarant or the Association as the case may be, through its duly authorized representative, as their proper and legal attorneys-in-fact for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section shall recite that it is made pursuant to this Section.

Section 14.19 Declarant's Consent or Approval. Notwithstanding anything in this Declaration to the contrary, to the extent that any action hereunder requires Declarant's consent or approval, such consent or approval shall only be required so long as Declarant owns any portion of the Property. At such time as Declarant no longer owns any portion of the Property, any action which is subject to Declarant's consent or approval shall no longer require such consent or approval.

Section 14.20 Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Association will neither perform any act nor undertake any activity which will violate its non-profit status under applicable state or federal law.

Section 14.21 Singular, Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 14.22 Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Property.

Section 14.23 Laws of Florida. The provisions of this Declaration shall be construed under and subject to the laws of the State of Florida.

Section 14.24 Waivers, Exceptions and Variances by Declarant and Association. Notwithstanding anything to the contrary set forth in or which may otherwise be implied from the terms and provisions of this Declaration, the Declarant specifically reserves exclusively unto itself, for the duration hereinafter specified, the right and privilege (but Declarant shall have absolutely no obligation), upon a showing of good cause therefor, to: (a) grant waivers with respect to any existing or proposed future deviation from, or violation or infraction of, the restrictions and other provisions specified in this Declaration where, in the reasonably exercised good faith judgment and discretion of the Declarant, the Declarant shall determine or decide that such deviation, violation or infraction is de minimus, minor, or insignificant, and (b) grant waivers of, exceptions to, or variances from, the restrictions and other provisions specified in this Declaration where special conditions and circumstances exist which are peculiar to a particular Lot and not generally applicable to other Lots (e.g., because of its unusual size, configuration or location) or where a literal interpretation or application of any restriction or provision to a particular Lot would be inappropriate, inequitable or otherwise work or result in a hardship or deny such Lot and the Owner thereof specific rights which are generally enjoyed by other Lots and Owners; it being expressly provided, however, that, in all cases, the Declarant, in the exercise of such right and privilege shall, in its reasonably exercised and good faith judgment and discretion determine or decide that its grant of any such waiver, exception or variance shall not result in, represent, be or constitute a significant deviation of or derogation from (i) the uniform plan of development for the Property, (ii) the architectural, ecological, environmental and aesthetic standards otherwise established for the Property or (iii) the objects and purposes of this Declaration as hereinabove enumerated. The Declarant shall have such right and privilege to grant waivers, exceptions and variances, as aforesaid, until either (x) the expiration of a period of fifteen (15) years from the date of the recordation of this Declaration among the Public Records of the County, or (y) the sale by the Declarant or its successors or assigns in the ordinary course of business, and not in bulk, of all Lots which may be developed in the Property, whichever shall last occur. Following the occurrence of the last of the foregoing events to occur, the right and privilege of the Declarant to grant waivers, exceptions and variances, as aforesaid, shall be delegated and assigned by the Declarant to and thereafter vest in the Board. To the extent that any such waiver, exception or variance is granted in a particular instance or with respect to any particular Lot pursuant to the provisions of this Section, the same shall not be deemed to be a precedent for the granting of such or any similar waiver, exception or variance in any other particular instance or any other particular Lot.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

WITNESSES:

PARK SQUARE GRANDE PINES, LLC, a
Florida limited liability company

Print Name: _____

By: _____

Name: _____

Print Name: _____

Title: Manager

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this _____ day of _____, 20__, by _____, as Manager of PARK SQUARE GRANDE PINES, LLC, a Florida limited liability company, on behalf of the company. He [] is personally known to me or [] has produced a driver's license as identification.

(NOTARY SEAL)

NOTARY SIGNATURE

PRINTED NOTARY NAME
NOTARY PUBLIC, STATE OF FLORIDA
Commission Number: _____
My Commission Expires: _____

JOINDER OF ASSOCIATION

The undersigned, **PARADISO GRANDE PROPERTY OWNERS' ASSOCIATION, INC.**, a Florida not-for profit corporation (the "Association") does hereby join in this DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR PARADISO GRANDE (this "Declaration"), to which this Joinder of Association is attached, and agrees and acknowledges that the terms and provisions thereof are and shall be binding upon the undersigned and its successors in title.

Signed, sealed and delivered in the presence of: **"ASSOCIATION"**

PARADISO GRANDE PROPERTY
OWNERS' ASSOCIATION, INC., a Florida
not-for-profit corporation

Print Name: _____

By: _____
Print Name: _____
Title: _____ President

Print Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this ____ day of _____, 20__, by _____, as ____ President of PARADISO GRANDE PROPERTY OWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation. He/She is personally known to me or has produced _____ as identification.

Print Name _____
Title: Notary Public
Serial Number, if any: _____
My Commission Expires: _____
(NOTARY SEAL)

JOINDER OF MORTGAGEE

The undersigned, **FIFTH THIRD BANK, NATIONAL ASSOCIATION** (formerly known as Fifth Third Bank) (“Mortgagee”), in its capacity as Administrative Agent (“Administrative Agent”), for its benefit and the ratable benefit of the “Lenders” under that certain Restated Credit Agreement among Park Square Enterprises, LLC, a Delaware limited liability company, Administrative Agent and Lenders dated as of September 26, 2016, as amended by First Amendment to Restated Credit Agreement effectively dated November 3, 2017, Second Amendment to Restated Credit Agreement effectively dated June 6, 2018, Third Amendment to Restated Credit Agreement effectively dated September 5, 2018 and Fourth Amendment to Restated Credit Agreement effectively dated February 14, 2020, its successors and/or assigns as their interests may appear (as amended the “Credit Agreement”), hereby consents to and subordinates to the foregoing Declaration of Covenants, Conditions, Easements and Restrictions for Woodbury and all of its covenants, conditions, easements, restrictions, terms and provisions, the lien created by that certain RESTATED MORTGAGE AND SECURITY AGREEMENT (INCLUDING ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING) recorded December 31, 2014 in Official Records Book 10855, Page 0320, as modified by that certain MORTGAGE MODIFICATION AGREEMENT AND RECEIPT FOR FUTURE ADVANCE recorded September 29, 2016 in Instrument Number 20160512177, as further modified by that certain SPREADER AND MODIFICATION AGREEMENT recorded December 27, 2016 in Instrument Number 20160667219, as further modified by 2018 MORTGAGE MODIFICATION AGREEMENT AND RECEIPT FOR FUTURE ADVANCE recorded September 7, 2018 in Instrument Number 20180532729, as further modified by Assignment of Notes and Mortgage, Mortgage Spreader and Modification and Partial Release Agreement recorded February 27, 2020 in Document Number 20200128126, as further modified by 2020 Mortgage Consolidation and Modification Agreement recorded February 27, 2020 in Document Number 20200128127, and as further modified by that certain SPREADER AND MODIFICATION AGREEMENT recorded July 20, 2020 in Document Number 20200386210, all of the Public Records of Orange County, Florida.

Signed, sealed and delivered in the presence of:

WITNESSES:

FIFTH THIRD BANK, NATIONAL ASSOCIATION, in its capacity as Mortgagee and as Administrative Agent for the Lenders pursuant to the Credit Agreement as more particularly defined hereinabove

Print Name: _____

By: _____

Print Name: _____

Name: _____

Title: _____

[NOTARY ACKNOWLEDGEMENT FOLLOWS ON NEXT PAGE.]

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of [] physical presence or [] online notarization, this _____ day of _____, 2021, by _____, as _____ of FIFTH THIRD BANK, NATIONAL ASSOCIATION, in its capacity as Mortgagee and as Administrative Agent for the Lenders pursuant to the Credit Agreement as more particularly defined hereinabove, on behalf thereof. He/She [] is personally known to me or [] has produced _____ as identification.

(NOTARY SEAL)

NOTARY SIGNATURE

PRINTED NOTARY NAME

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "B"

District Permit

EXHIBIT "C"

Articles of Incorporation of Association

ARTICLES OF INCORPORATION
OF
PARADISO GRANDE PROPERTY OWNERS' ASSOCIATION, INC.

In compliance with the requirements of Florida Statutes, Chapter 617, the undersigned, a resident of the State of Florida, and of full age, this day executed these Articles of Incorporation ("Articles") for the purpose of forming a corporation not-for-profit, and does hereby certify:

ARTICLE 1
NAME OF CORPORATION

The name of the corporation is PARADISO GRANDE PROPERTY OWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation (hereafter called the "Association").

ARTICLE 2
PRINCIPAL OFFICE OF THE ASSOCIATION

The principal office of the Association is located at 5200 Vineland Road, Suite 200, Orlando, Florida 32811.

ARTICLE 3
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 5200 Vineland Road, Suite 200, Orlando, Florida 32811 and Vishal Gupta is hereby appointed the initial registered agent of this Association at that address. The registered agent shall maintain copies of all permits for the benefit of the Association.

ARTICLE 4
DEFINITIONS

All terms used in these Articles of Incorporation shall have the same meaning as defined in the Declaration of Covenants, Conditions, Easements and Restrictions for Paradiso Grande, as the same may be amended and supplemented from time to time ("Declaration"), unless these Articles of Incorporation specifically provide otherwise, or unless the context dictates a contrary meaning.

ARTICLE 5
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, operation preservation, and architectural control of the Open Space, Common Property, recreation areas, private roads and sidewalks (if any) within the Property and all street lights and landscaping on and around such private roads, and to promote the health, safety and welfare of the residents of the Property for the following purposes:

A. Exercise all of the powers and privileges and to perform all of the rights, duties and obligations of the Association as set forth in the Declaration applicable to the Property and recorded

among the Public Records of the County, as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

B. Fix, levy, collect and enforce payment by any lawful means all charges or assessments, including, without limitation, that portion of the assessments which shall be used for the maintenance and repair of the Stormwater Management System and mitigation or preservation areas, including but not limited to work within retention areas, drainage structures and drainage easements, pursuant to the terms of the Declaration; to pay all expenses in connection therewith, including, without limitation, the costs of maintenance and operation of the Stormwater Management System, and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Property of the Association, if any;

C. Acquire (by gift, purchase or otherwise), own, hold improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property of the Association, if any, in connection with the affairs of the Association;

D. Borrow money, and with the approval of at least two-thirds (2/3) of the Board and the consent of Declarant (to the extent Declarant still owns any portion of the Property), the power and authority to mortgage the property of the Association, if any, and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its functions;

E. Pledge Association revenues as security for the performance of any obligation to any governmental agency or authority;

F. Dedicate, sell or transfer all or any part of the Common Property, if any, to any governmental unit, public utility, or private party approved by at least two-thirds (2/3) of the Board and (to the extent Declarant still owns any portion of the Property) Declarant;

G. Operate and maintain the Common Property in accordance with the Declaration;

H. Have and exercise any and all powers, rights and privileges which a corporation organized under the Florida Not For Profit Corporation Act by law may now or hereafter have or exercise, including, without limitation, the right to sue and be sued;

I. Appear and defend in all actions and proceedings in its corporate name to the same extent as a natural person;

J. Operate, maintain and manage the Surface Water Management System in a manner consistent with the requirements of the District Permit and applicable District rules, and shall assist in the enforcement of the restrictions and covenants contained therein;

K. Demonstrate that the portions of the Property on which the Surface Water Management System is located are owned or otherwise controlled by the Association to the extent necessary to operate and maintain the Surface Water Management System or convey operation and maintenance responsibility to another entity; and

L. Have and exercise any and all powers, rights and privileges set forth under the Declaration and the Bylaws.

ARTICLE 6
MEMBERSHIP

Every Owner of a Lot other than the Association shall be a Member of the Association. Membership shall be appurtenant to, run with, and may not be separated from ownership of a Lot.

ARTICLE 7
VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When any Lot entitling the Owner to membership in the Association is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the Secretary of the Association, such Owner shall select one official representative to qualify for voting in the Association and shall notify in writing the Secretary of the Association of the name of such individual. The vote of the individual shall be considered to represent the will of all the Owners of that Lot. In the circumstance of such common ownership, if the Owners fail to designate their voting representative, then the Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owners of such Lot. Upon such notification the Owner may not vote until the Owner(s) appoint their representative pursuant to this paragraph.

Class B: The Class B Member(s) shall be the Declarant and shall be entitled to ten (10) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership once Turnover has occurred.

ARTICLE 8
BOARD OF DIRECTORS

Section 8.1 Number. Until Turnover, the affairs of this Association shall be managed by a Board of not less than three (3) Directors, who need not be Members of the Association and who shall be appointed by the Declarant. Notwithstanding the preceding sentence, pursuant to Section 720.307(2), Florida Statutes, Owners other than the Declarant are entitled to elect one (1) member of the Board, in addition to those appointed by the Declarant, when fifty percent (50%) of all the Lots ultimately planned for the Property are conveyed to Owners other than the Declarant. After Turnover and for so long as Declarant holds any portion of the Property for sale in the ordinary course of business, the Declarant shall be entitled (but not obligated) to appoint at least one (1) member of the Board, unless otherwise required by law. At such time as Declarant no longer owns any Lots within the Property, the number of Directors may be increased or decreased by amendment to these Articles and the Bylaws, provided there shall never be less than three (3) Directors. All affairs of the

Association shall be governed by the affirmative vote of a majority of the Directors in attendance at a duly called meeting unless otherwise specifically provided for in the Declaration.

Section 8.2 Term. Directors shall be appointed to serve for three (3) year terms, unless a Director sooner dies, resigns or is removed. There shall be no limit to the number of terms any one (1) member of the Board may serve as a Director.

Section 8.3 Initial Directors. The names and addresses of the person who are appointed by Declarant to act in the capacity of Directors are:

Chuck Cavaretta	5200 Vineland Road; Suite 200 Orlando, FL 32811
Amanda Whitney	5200 Vineland Road; Suite 200 Orlando, FL 32811
Daniel Arnette	5200 Vineland Road; Suite 200 Orlando, FL 32811

ARTICLE 9 **DISSOLUTION**

The Association may only be dissolved upon termination of the Declaration as set forth therein. Upon such dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association, if any, including, but not limited to the Common Property, if any, shall be transferred to another not-for-profit corporation or appropriate public agency having similar purposes; provided, however, if no other not-for-profit corporation or agency will accept such property, then any Member or affected governmental instrumentality or agency, including the District, may petition the Circuit Court of the County to appoint a receiver or trustee to conduct the affairs and fulfill the obligations of the Association with respect to such applicable portions of the Common Property, or otherwise dispose of the Common Property or portions thereof as the Circuit Court may deem appropriate. If a receiver or trustee is appointed, the Association shall be responsible for court costs, attorney's fees, and all other expenses of the receivership or trust shall constitute Common Expenses of the Association and shall be assessed against its Members. If the Association has been dissolved, or if the Association shall not have a sufficient number of directors, the receiver or trustee shall have all powers and duties of a duly constituted board of directors. The receiver or trustee shall serve until such time as the Circuit Court may deem appropriate. In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Stormwater Management System must be transferred to and accepted by an entity which complies with Rule 62-330.310, F.A.C., and Section 12.3 of the Environmental Resource Permit Applicant's Handbook Volume I, and be approved by the Water Management District prior to such termination, dissolution or liquidation.

ARTICLE 10 **DURATION**

The Association shall exist perpetually.

ARTICLE 11
INCORPORATOR

The name and address of the incorporator is as follows:

VISHAAL GUPTA	5200 Vineland Road; Suite 200 Orlando, FL 32811
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ARTICLE 12
AMENDMENTS

Prior to Turnover, amendment of these Articles of Incorporation shall require the assent of two-thirds (2/3) of the Board of Directors. Following Turnover, these Articles of Incorporation shall be amended at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

ARTICLE 13
FHA/VA APPROVAL

Notwithstanding anything herein to the contrary, as long as Rental Units are being developed on the Property, Declarant may (but shall not be required to) require the following actions to be approved in advance by the Department of Housing and Urban Development and the Federal Housing Administration (and/or the Veterans Administration): (i) annexation of additional real property to the Property other than the Additional Property defined in the Declaration, (ii) dedication of Common Area, and (iii) amendment of the Declaration. Furthermore, to the extent it is required as a condition of obtaining approval by the Department of Housing and Urban Development, FHA and/or the VA that Declarant make modifications to the Declaration, then Declarant shall have the right to so modify the Declaration without the necessity of joinder or approval of the Board or any Owner or other party who may be affected.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned, constituting the incorporator of this Association, has executed these Articles of Incorporation this ____ day of _____, 20__.

VISHAAL GUPTA

ACCEPTANCE BY REGISTERED AGENT

The undersigned, having been designated as agent for service of process on Paradiso Grande Property Owners' Association, Inc. within the State of Florida, at the place designated in ARTICLE 3 of the foregoing Articles of Incorporation, accepts the appointment as registered agent for Paradiso Grande Property Owners' Association, Inc. and is familiar with and accepts the obligations of this position.

VISHAAL GUPTA

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 20__, by VISHAAL GUPTA. He is personally known to me or has produced _____ as identification.

(NOTARY SEAL)

Notary Public Signature

(Name typed, printed or stamped)

EXHIBIT "D"

Bylaws of Association

BYLAWS
OF
PARADISO GRANDE
PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE 1
NAME AND LOCATION

The name of the corporation is PARADISO GRANDE PROPERTY OWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation (hereinafter referred to as the "Association"). The principal office of the Association shall be located at 5200 Vineland Road, Suite 200, Orlando, Florida 32811, but meetings of the Board of Directors of the Association may be held at such other places within the State of Florida, as may be designated by the Board of Directors.

ARTICLE 2
DEFINITIONS

All terms used in these Bylaws shall have the same meaning as defined in the Declaration of Covenants, Conditions, Easements and Restrictions for Paradiso Grande, as the same may be amended and supplemented from time to time (the "Declaration"), unless these Bylaws specifically provide otherwise, or unless the context dictates a contrary meaning.

ARTICLE 3
MEETING OF MEMBERS

Section 3.1 Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter at the hour of 7:00 P.M. or on such other day and at such other time and place as the Board may determine. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 3.2 Special Meetings. Special meetings of the Members may be called at any time by the President of the Association, by a majority of the Board of Directors, or upon written request of the Members that are entitled to vote one-fourth (1/4) of all of the votes of the Class A Membership.

Section 3.3 Notice and Quorum. Notice of any meeting called for the purpose of taking any action authorized under this Declaration shall be sent to all Members using one of the means specified in Section 720.306(5), Florida Statutes, not less than fourteen (14) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast thirty percent (30%), or such lesser amount as may be allowed by law, of all the votes of each class of Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting; however, no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 3.4 **Proxies.** At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable by the Member executing such proxy.

ARTICLE 4 **BOARD OF DIRECTORS**

Section 4.1 **Number.** Until Turnover, the affairs of this Association shall be managed by a Board of not less than three (3) Directors, who need not be Members of the Association and who shall be appointed by the Declarant. Notwithstanding the preceding sentence, pursuant to Section 720.307(2), Florida Statutes, Owners other than the Declarant are entitled to elect one (1) member of the Board, in addition to those appointed by the Declarant, when fifty percent (50%) of all the Lots ultimately planned for the Property are conveyed to Owners other than the Declarant. After Turnover and for so long as Declarant holds any portion of the Property for sale in the ordinary course of business, the Declarant shall be entitled (but not obligated) to appoint at least one (1) member of the Board, unless otherwise required by law. At such time as Declarant no longer owns any Lots within the Property, the number of Directors may be increased or decreased by amendment to the Articles and these Bylaws, provided there shall never be less than three (3) Directors. All affairs of the Association shall be governed by the affirmative vote of a majority of the Directors in attendance at a duly called meeting unless otherwise specifically provided for in the Declaration.

Section 4.2 **Term.** Directors shall be appointed to serve for three (3) year terms, unless a Director sooner dies, resigns or is removed. There shall be no limit to the number of terms any one (1) member of the Board may serve as a Director.

Section 4.3 **Removal.** After Turnover any Director may be removed from the Board, with or without cause, by an affirmative vote of a majority of the outstanding votes entitled to be cast by the Members of the Association. Prior to Turnover, the Declarant shall be entitled to remove Directors with or without cause and appoint replacement Directors. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4.4 **Compensation.** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4.5 **Action Taken Without a Meeting.** The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE 5 **MEETINGS OF DIRECTORS**

Section 5.1 **Regular Meetings.** Regular meetings of the Board of Directors shall be held not less frequently than quarterly, at such place and hour as may be fixed from time to time by resolution

of the Board. All meetings of the Board shall be open to all Members and Owners except meetings between the Board and its attorney with respect to proposed or pending litigation covering matters which would be governed by the attorney/client privilege. Except as otherwise provided in the Declaration, the Articles or these Bylaws, notices of all Board meetings shall be posted in a conspicuous place within the Subdivision at least forty-eight (48) hours prior to any meeting except in an emergency. Notices of any Board meeting at which assessments will be considered and levied shall include a statement to that effect.

Section 5.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 5.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 5.4 Voting. The Directors shall not vote by proxy or secret ballot at Board Meetings, except for purposes of election of officers. The Secretary of the Association shall record in the minutes of each meeting the vote of each Director on each matter brought before the Board.

ARTICLE 6
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1 Powers. The Board of Directors shall have power to:

A. Adopt or amend and publish rules and regulations governing the use of the Property, including, without limitation, the Common Property, if any, and the personal conduct of the Owners and their guests thereon, and to establish penalties for the infraction thereof;

B. Suspend the rights of Owners to use the Common Property, if any, and/or impose fines on such Owner during any period in which such Owner shall be in default in the payment of any assessment levied by the Association, on the terms set forth in the Declaration. Fines may be levied in an amount of up to ONE HUNDRED AND NO/100 DOLLARS (\$100.00) per violation, or ONE HUNDRED AND NO/100 DOLLARS (\$100.00) per day for a continuing violation, up to a maximum of ONE THOUSAND AND NO/100 DOLLARS \$1,000.00 after notice and hearing, in accordance with applicable law, for a reasonable period for infraction of published rules and regulations. Any such fines shall bear interest at ten percent (10%) per annum from the date due until paid and may be the subject of a claim of lien treated as any other assessment under the Declaration. Upon fourteen (14) days notice to any Owner, tenant, guest or invitee against whom a fine is to be imposed, a committee of at least three (3) panel members, appointed by the Board who are not officers, directors or employees of the Association, shall hold a hearing upon any proposal by the Board to levy reasonable fines, not to exceed ONE HUNDRED AND NO/100 DOLLARS (\$100.00) per violation or ONE HUNDRED AND NO/DOLLARS (\$100.00) per day for a continuing violation, up to a maximum of ONE THOUSAND AND NO/100 DOLLARS \$1,000.00) against any Owner, or an Owner's tenant, guest or invitee for violations of the Declaration or any rules of the Association. This

hearing shall not apply with respect to fines against any Owner for failure to pay assessments or other charges when due;

C. Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

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

E. Employ a manager, an independent contractor, or such other employees or consultants as may be deemed appropriate, and to prescribe their duties.

Section 6.2 Duties. It shall be the duty of the Board of Directors to:

A. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members;

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

C. Fix, levy, collect and enforce payment of assessments, as more fully described in the Declaration;

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

E. When appropriate, file and foreclose a lien against any Lot for which assessments, fines or costs to cure violations of the Declaration are not paid within thirty (30) days after due date and/or to bring an action at law against the Owner personally obligated to pay the same;

F. 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;

G. Cause all officers or employees of the Association having fiscal responsibilities to be bonded, as it may deem appropriate;

H. Cause the Common Property, if any, to be maintained in accordance with the Declaration; and

I. Perform all such other duties as may be set forth herein or in the Declaration or as may be required by law.

Section 6.3 Litigation. Before commencing litigation against any party in the name of the Association involving amounts in controversy in excess of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00), the Association must obtain the affirmative approval of seventy-five percent (75%) of all Class A Members, at a meeting of the members duly called for such purpose. Notwithstanding anything in these Bylaws, the Articles, or the Declaration to the contrary, this Section may not be amended without the affirmative approval of seventy-five percent (75%) of all Class A Members, at a meeting of the Members duly called for such purpose.

ARTICLE 7 **OFFICERS AND THEIR DUTIES**

Section 7.1 Officers. The officers of the Association shall be a President, Vice-President, Secretary, and Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 7.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3 Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless such officer sooner dies, resigns, or is removed.

Section 7.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 7.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.7 Multiple Offices and Positions. The offices of President, Vice-President, Secretary and Treasurer may be held by the same person. Any officer may also serve on the Board.

Section 7.8 Duties. The duties of the officers are as follows:

A. President:

1. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out and shall sign all leases, mortgages, deeds and other written instruments.

B. Vice-President:

1. The Vice-President shall act in the place and stead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. Secretary:

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

D. Treasurer:

1. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Section 7.9 Delegation of Duties. Notwithstanding anything in this Section to the contrary, the Board of Directors may delegate any of the duties specified herein or permitted hereby to such persons or entities, including without limitation, the representative(s) of a property management company, as the Board may deem appropriate from time to time, to the extent permitted by law.

ARTICLE 8
BOOKS AND RECORDS

The Association shall maintain all official records (including, but not limited to, current copies of the Declaration, Articles of Incorporation, and these Bylaws) as required by Section 720.303(4) of the Florida Statutes. These records shall be made available for inspection and photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access from a Member. The Board may adopt reasonable written rules governing access to inspection and copying of Association records and may impose reasonable fees for such services as publish by the Board from time to time to cover the costs of providing copies of Association records.

ARTICLE 9
ASSESSMENTS

As more fully provided in the Declaration, the Association shall levy 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 fifteen (15) days after the due date, a late charge not greater than that permitted by law per installment may be imposed at the option of the Association, and the Association may bring an action at law against the Owner or Member personally obligated to pay the same and/or file and foreclose a lien

against the Lot and the improvements thereon, together with interest, costs, and reasonable attorney's fees of any such action which shall be added to the amount of such assessment. No Owner or Member may waive or otherwise escape liability for the assessments provided for herein by nonuse of any Common Property or abandonment of a Lot or for any other reason.

ARTICLE 10
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: PARADISO GRANDE PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE 11
AMENDMENTS

Section 11.1 These Bylaws may be amended at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

ARTICLE 12
MISCELLANEOUS

Section 12.1 The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

Section 12.2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the PARADISO GRANDE PROPERTY OWNERS' ASSOCIATION, INC., a Florida non-profit corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 20__.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association as of the ____ day of _____, 20__.

_____, Secretary