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and record and return to:
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DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR HIBISCUS COVE

THIS DECLARATION OF COVENANTS, RESTRICTIONS AND EASEMENTS FOR HIBISCUS COVE, ("Declaration") is made this ___ day of _____, _____, by WALTERS CONSTRUCTION CORPORATION, a Florida corporation, d/b/a LAGUNA HOMES, its successors and assigns (hereinafter referred to as the "Declarant"), and joined in by HIBISCUS COVE HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit (hereinafter referred to as the "Association").

R E C I T A L S:

A. Declarant owns certain real property located in Orange County, Florida, which is more particularly described on **Exhibit "A"** attached hereto and made a part hereof ("Property").

B. Declarant is developing the Property as a residential community to be known as "Hibiscus Cove" (hereinafter called the "Project").

C. In order to provide for the orderly development and efficient operation of the Property and to maintain the values thereof, Declarant intends to develop the Property, or that the Property be developed, pursuant to a general plan, subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitudes, liens and burdens, all running with the Property, as hereinafter set forth.

D. In connection with the foregoing, Declarant deems it desirable to create the Association, a corporation not for profit, under the laws of the State of Florida, to which certain rights, powers, duties and obligations for the Property have been delegated and assigned including, without limitation, operation, administration, maintenance and repair of portions of the Property, including the "Common Area" (as hereinafter defined), and administering and enforcing the provisions of this Declaration.

NOW, THEREFORE, Declarant hereby declares that the Property shall be hereafter owned, used, sold, conveyed, improved, encumbered, hypothecated, leased, demised and occupied, all subject to the covenants, restrictions, easements,

reservations, conditions, regulations, burdens, liens, equitable servitudes and all other provisions of this Declaration as hereinafter set forth, which shall run with, benefit and burden all of the Property, and shall be binding on all parties having any right, title or interest in the Property, or any portion thereof, including the parties' heirs, personal representatives, successors and assigns.

ARTICLE 1

DEFINITIONS

1.1 "Articles" shall mean and refer to the Articles of Incorporation of the Association which have been or shall be filed in the office of the Department of State of Florida, a copy of which is attached hereto as **Exhibit "B"**, as such Articles may be amended from time to time.

1.2 "Assessment(s)" shall mean and refer to "Common Assessments," "Individual Assessments," "Special Assessments," and (as each is hereinafter defined), individually and collectively, as the context may require.

1.3 "Association" shall mean and refer to HIBISCUS COVE HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, its successors and assigns.

1.4 "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association.

1.5 "Bylaws" shall mean and refer to the Bylaws of the Association, which have been adopted by the Board, a copy of which is attached hereto as **Exhibit "C"**, as the Bylaws may be amended from time to time.

1.6 "City" shall mean and refer to the City of Orlando, Florida, including all of its agencies, divisions, departments, attorneys, or agents employed to act on its behalf.

1.7 "Common Area" shall mean and refer to those portions of the Property (or any interest therein) which are declared as being Common Area (which includes any Limited Common Areas, if any, which are within the legal description of the Common Area) in this Declaration or in any "Supplemental Declaration" (as hereinafter defined), or those portions of the Property (or any interest therein) which are conveyed by Declarant or otherwise to the Association as Common Area, including where the context requires or permits, any "Improvements" (as hereinafter defined) thereon or any personal property owned by the Association and used or useful in connection with the operation of the Common Area. Common Areas are for the common use and enjoyment of the Owners, subject to the rights hereunder of Declarant and others to use any portion of the Common Area that is located within a Lot (which Lot is presently existing or created after the creation of the Common Area affecting the Lot) shall only be an interest in easement (non-exclusive) and not fee simple, and the Owner of that Lot shall own the fee simple title to said portion of the Lot subject to a common area

easement(s) (this sentence specifically includes, but it not limited to, private roads, sidewalks, access ways, access easements, drainage easements, and parking areas). Declarant hereby declares the real property described in **Exhibit "D"** hereto to be the initial Common Area, and hereby incorporates within this Declaration all terms, conditions and provisions set forth in **Exhibit "D"**.

1.8 **"Common Assessment"** shall mean and refer to the charge against all Owners and their "Lots" (as hereinafter defined), representing their proportionate share of the routine "Common Expenses" (as hereinafter defined) of the Association.

1.9 **"Common Expenses"** shall mean and refer to the actual and estimated costs of ownership, maintenance, management, operation, and repair, including but not limited to, any maintenance easements and other Easements covering portions of Lot(s) in favor of the Association, including reserves for the foregoing to the extent adopted as part of the Association's budget, as provided in the Bylaws, including, without limitation: (a) unpaid Assessments; (b) the costs of any and all commonly-metered utilities, cable or master television charges, if any, and other commonly-metered charges for the Common Area; (c) costs of management and administration of the Association, including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other agents, employees, or independent contractors; (d) costs of all gardening and other services benefiting the Common Area, and all recreational facilities thereon; (e) costs of fire, casualty and liability insurance, worker's compensation insurance, and other insurance covering or connected with the Association or the Common Area; (f) costs of bonding the members of the Board and the "Management Company" (as hereinafter defined); (g) taxes paid by the Association, including real property taxes for the Common Area, if any; (h) amounts paid by the Association for the discharge of any lien or encumbrance levied against the Common Area, or portions thereof; and (i) costs of any other items or expenses incurred by the Association for any reason whatsoever in connection with the Common Area, the Association's rights or duties hereunder, and/or for the benefit of the Owners or the Property.

1.10 **"County"** shall mean and refer to Orange County, Florida.

1.11 **"Declarant"** shall mean and refer to WALTERS LAND DEVELOPMENT, LC, a Florida limited liability company, presently having an office located in Orange County, Florida, and any assignee of Declarant's rights hereunder in accordance with Section 15.11 hereof, but only to the extent that such assignment is evidenced by an express written assignment of Declarant's rights recorded in the Public Records of the County.

1.12 **"Declaration"** shall mean this instrument, as it may be amended from time to time in accordance with Section 720.306(1) Florida Statutes, and other laws, statutes, and rules which may govern the amendment process form time to time.

1.13 "Family" shall mean and refer to (i) a group of natural persons related to each other by blood, or legally related to each other by marriage or adoption, or (ii) a group of persons not so related who maintain a common household on a Lot.

1.14 "Improvement" shall mean and refer to all structures or artificially created conditions and appurtenances thereto of every type and kind located within the Property, including, but not limited to, buildings, structures, fixtures, walkways, sprinkler pipes and other apparatus, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, antennas or satellite dishes, signs, and exterior air-conditioning and water-softener fixtures or equipment, if any.

1.15 "Individual Assessment" shall mean and refer to a charge against one or more Owners and their Lots, directly attributable to such Owner(s)' failure to duly perform or a breach of their obligations or burdens hereunder, and the Association's enforcement of this Declaration against such Owner(s) and/or Lot(s), as further described in Section 6.5 hereof.

1.16 "Institutional Mortgage" shall mean and refer to any bona fide first mortgage encumbering a Lot which was made in favor of Declarant, a bank, mortgage company, insurance company, federal or state savings and loan association, real estate or mortgage investment trust, or other lender who makes residential mortgage loans in the ordinary course of its business and is generally recognized in the community as an institutional lender.

1.17 "Institutional Mortgagee" shall mean and refer to the holder of any Institutional Mortgage.

1.18 "Limited Common Area" shall mean and refer to the exclusive use rights in and to those portions of the Common Areas as may be designated as such from time to time. The designation of any part of the Common Area as a Limited Common Area shall be made only by an amendment to this Declaration as provided herein and in the Bylaws.

1.19 "Lot" or "Parcel" shall mean individually, and collectively each of the Twenty-Four (24) lots each as shown and legally described on **Exhibit "E"** attached hereto and made a part hereof, together with any Improvements that may be constructed thereon.

1.20 "Management Company" shall mean and refer to the person, firm, or other entity employed by the Association, if any, as its agent to assist it in fulfilling or carrying out certain duties, powers, obligations or functions of the Association.

1.21 "Members" shall mean and refer to any Persons who are entitled to membership in the Association, as provided in Article 3 hereof.

1.22 "Notice and Hearing" shall mean and refer to written notice and a public hearing, before a tribunal appointed by the Board, at which the Owner charged with a particular offense shall have an opportunity to be heard in person or by counsel at such Owner's expense and as otherwise provided in the Bylaws.

1.23 "Owner" or "Parcel Owner" shall mean and refer to a record owner of any percentage of the fee simple interest in a Lot, including Declarant, but excluding those Persons having an interest in a Lot merely as security for the performance of an obligation. For purposes of Article 10 of this Declaration only, unless the context otherwise requires, the term Owner shall also include the Family, invitees, licensees, lessees and sublessees of any Owner, and any other user or occupant of a Lot. If a Lot is owned by more than one Person, the term Owner shall mean each such Person, jointly and severally.

1.24 "Person" shall mean and refer to any of an individual, corporation, governmental agency, trust, estate, partnership, association, two or more persons having a joint or common interest, or any other legal entity with the legal right to hold title to real property.

1.25 "Pond" shall mean and refer to all retention ponds located within the boundaries of Hibiscus Cove

1.26 "Residential Property" shall mean and refer to all real property within the Property which is not Common Area, and which is not otherwise dedicated, restricted or limited for nonresidential use.

1.27 "Rules" shall mean and refer to the rules and regulations which are duly adopted by the Association from time to time.

1.28 "Special Assessment" shall mean and refer to a charge against all Owners and their Lots, representing their proportionate share of the cost incurred by the Association for: (i) reconstruction on the Common Area pursuant to the provisions of this Declaration; (ii) installation or construction of any capital improvements on any portion of the Common Area which the Association may from time to time authorize; or (iii) any other extraordinary expense of the Association, including, but not limited to, amounts necessary to pay shortages in Common Expenses of the Association after collections of Common Assessments, as all are further described in Section 6.6 hereof.

1.29 "Supplemental Declaration" shall mean and refer to any declaration of covenants, restrictions and easements which may be recorded by Declarant for the purpose of supplementing or amending this Declaration.

1.30 "Surface Water or Stormwater Management System" shall mean a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage,

environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

The foregoing definitions shall be applicable to this Declaration, as amended from time to time, and also to any Supplemental Declaration, unless specifically stated to the contrary herein or therein.

ARTICLE 2

OWNER'S PROPERTY RIGHTS; EASEMENTS

2.1 Owner's Easements of Enjoyment. Every Owner shall have a non-exclusive, common right and easement of ingress and egress and of enjoyment in, to and over, and use of, the Common Area, which shall be appurtenant to and shall pass with title to every Lot, subject to the following conditions, provided, however, that none of the following shall deny the rights of ingress and egress granted in this Declaration, and to the extent they attempt to deny any rights of ingress and egress they shall not be of any force or effect:

(A) The right of the Association to reasonably limit the number of guests or invitees of Owners using the Common Area at any one time.

(B) The right of the Association to establish Rules pertaining to the use of the Common Area, including, but not limited to, the right and obligation of the Association to enforce all parking and other restrictions within the Common Area.

(C) The right of the Association, in accordance with the Articles, Bylaws and this Declaration, with the vote or written assent of Members entitled to cast sixty-seven (67%) percent of the votes of Members in the Association, to borrow money for the purpose of improving the Common Area, in aid thereof, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinate to the use rights of the Owners.

(D) The right of the Association to suspend the right of an Owner to use the Common Area (except for purposes of ingress and egress) for any Owner, except Declarant, for: (i) any period during which any Assessment against an Owner's Lot remains unpaid and delinquent; and (ii) a period not to exceed thirty (30) days for any other single infraction of this Declaration or the Rules of the Association, provided that any suspension of such rights to use the Common Area based upon infractions other than non-payment of Assessments shall be made only by the Board after Notice and Hearing as provided in the Bylaws.

(E) The right of the Association or Declarant to dedicate, grant, release, convey, alienate or transfer all or any part of the Common Area to any public agency, authority, utility or private party or entity.

(F) The right of Declarant (and its sales agents, customers and representatives) to the non-exclusive use of the Common Area and the facilities thereof, without charge, including ingress and egress, as necessary, for purposes of sales, marketing, advertising, display, signs, access, construction, development and any other activities or purposes.

(G) The right of the Association or Declarant to construct, replace or refinish any Improvement or portion thereof upon the Common Area, in accordance with the provisions of this Declaration.

(H) The right of the Association to replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of the Common Area.

(I) The right of the Association or Declarant to grant such other easements over the Common Area as Declarant deems appropriate, which easements shall be joined in or similarly granted by the Association as requested by Declarant or sought by the Association.

Anything to the contrary herein notwithstanding, no action authorized in the lettered paragraphs above shall be taken which in any fashion impairs or limits Declarant's rights hereunder without the prior written consent of Declarant, as long as Declarant owns any portion of the Property.

2.2 Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Area and facilities to the members of the Owner's Family, as may be provided herein, the Bylaws, or the Rules from time to time. Any Owner may so delegate such rights to the Owner's tenant(s) who reside on the respective Lot, subject to the Rules and other reasonable regulations imposed by the Board.

2.3 Waiver of Use. No Owner may be exempt from personal liability for Assessments duly levied by the Association, or cause a release of the Lot owned by the Owner from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area or by abandonment of the Owner's Lot.

2.4 Title to the Common Area. After all Improvements anticipated to be constructed in the Property by Declarant have been constructed and conveyed to purchasers, or sooner at Declarant's sole option, Declarant shall convey to the Association by quit-claim deed the fee simple title to the Common Area and the Association shall be bound to accept said conveyance without the joinder to such deed. Declarant, and thereafter the Association, shall hold title to the Common Area for the benefit of those Persons entitled to use same under the provisions hereof. Declarant may mortgage the Common Area to finance the original development and construction thereof, provided that the Common Area shall be free and clear of all mortgages at the

time of conveyance to the Association, and the Association shall not be personally liable for payment of the debt secured by such mortgage(s).

2.5 Access. Declarant reserves unto itself, including its designees from time to time, and hereby grants to the Association and all Owners, including their respective tenants, guests and invitees, perpetual, non-exclusive easements of ingress and egress over and across: (i) any private streets, sidewalks, access ways, and parking areas constructed on the Property or Common Area from time to time; and (ii) over and across those portions of the Common Area lying adjacent to and between the boundary line(s) of the Lot(s) and the private streets, sidewalks, access ways and/or parking areas, as the case may be, which portions of the Common Area are either designated as or necessary for ingress and egress up to the Lot(s), it being the specific intent of the Declarant to hereby grant perpetual, uninterrupted and contiguous access for ingress and egress to and from Lot(s) to and from dedicated rights of way.

2.6 Utility/Drainage. The Property shall be subject to such nonexclusive easements as may be determined in the sole discretion of Declarant for utilities, and drainage, including, but not limited to, those certain "Utility Easements" and those certain "Drainage Easements" more particularly described on the Plat of the Property attached hereto and made a part hereof as **EXHIBIT "H"**, along with and including, but not limited to, drainage, water, sewer, telephone, electric and cable television, as may be reasonably required to properly and adequately serve the Property or other portions of the Project as it exists from time to time, provided, however, that no such easements shall exist so as to unreasonably interfere with the use of the Property subject to same or so as to cause any encroachments of such easements upon any buildings or other Improvements, wherever said buildings or other Improvements may be located from time to time. Declarant reserves the right to locate sanitary sewer manifolds, water, sewer, electric, and other utility lines and utility meters serving any buildings or other facilities in one common location on one or more Lots, and in that event an easement shall exist for the utilities, sanitary sewer manifolds and common meters so constructed, and any wires, pipes, or other facilities connecting such meters to the Lots, and for the maintenance and repair of the foregoing and for the reading of such meters. Each of said easements, whether now in existence or hereafter created, shall constitute covenants running with the Property and, notwithstanding any other provisions of this Declaration, may not be revoked or amended in such a way as to unreasonably interfere with the proper and intended use thereof.

2.7 Additional Easements. The Property shall also be subject to such other easements as may be recorded against the Property by Declarant and as depicted on the Plat of the Property.

2.8 Declarant. Declarant hereby reserves such non-exclusive easements as are necessary (in Declarant's reasonable discretion) in order to exercise its rights hereunder and otherwise construct, develop and market the Property. The Property shall be subject to any and all such easements deemed necessary by Declarant, provided, however, that no such easements shall exist so as to unreasonably interfere

with the use of the Property subject to same or so as to cause any encroachments of such easements upon any buildings or other Improvements wherever said buildings or other Improvements may be located from time to time. Any easement rights created by this Declaration, generally or specifically, in favor of Declarant may be assigned by Declarant, partially or otherwise, without the consent or joinder of the Association or the Owners.

2.9 Services. Declarant hereby grants to courier or delivery services, pick-up and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by Declarant to service the Property, and to such other persons as Declarant from time to time may designate, the non-exclusive, perpetual right of ingress and egress over and across the Common Area for the purposes of performing their authorized services and investigation.

2.10 Lot Line Encroachments. Certain dwellings and other Improvements constructed on Lots may be situated so that a portion thereof, including, without limitation, any walls, fences, or landscaping may be located upon, immediately adjacent to, or encroach upon the boundary line (as well as that portion of the adjoining Lot or Common Area subject to such encroachment) between the Lot upon which said dwelling is located and either an adjoining Lot or a portion of the Common Area. In all such cases, said adjoining Lot or portion of the Common Area shall be subject to an easement and appurtenant rights, including the right of ingress and egress, in favor of the encroaching Lot and its respective Owner, which easement and appurtenant rights shall be for the purpose of (a) permitting the existence of the encroachment, and (b) allowing ingress and egress for the performance of proper and normal maintenance to the encroaching Improvement, including meter reading. All of such Improvements which have been constructed by Declarant and approved by applicable building authorities are deemed to have been reasonably constructed, notwithstanding any such encroachment. In no instance shall the exercise of any such easement and appurtenant rights created pursuant to this Section 2.9 unreasonably interfere with the use of the Lot subject to same.

2.11 Association. Non-exclusive easements are hereby granted in favor of the Association throughout the Property as may reasonably be necessary for the Association to perform its services required and authorized hereunder, so long as none shall unreasonably interfere with the use of any Lot. Furthermore, an easement is hereby granted in favor of the Association, including its agents and designees, for purposes of carrying out all obligations and/or rights of the Association pursuant to the Declaration, including but not limited to, the functions of the Association contained in Article 5 hereof. Furthermore, a nonexclusive easement is hereby created over all utility easements and drainage easements located on any Lot, whether now existing or hereafter created, including but not limited to all utility easements and drainage easements contained on the Plat (defined below), which easement is in favor of the Association, including its agents and designees, in perpetuity, to utilize for all proper purposes of the Association.

2.12 Execution. If and to the extent that the creation of any future easements (exclusive or non-exclusive), deemed necessary by Declarant for any purpose it deems appropriate in its sole discretion, including but not limited to, access, ingress and egress, emergency access, utilities, drainage, water and sewer, gas, cable television and related uses, electric and telephone, requires the joinder of any Owner(s), then Declarant may, by its duly authorized officers, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such instruments required to create such easements, so long as said easements do not encroach upon any buildings. The easements may be created upon any portion of the Property including but not limited to Lots and Common Area and shall be valid and effective whether created before or after Declarant has conveyed title to any portion of the Property so affected and said easements shall not require the joinder of any Owners, Mortgagees, the Association or any other party holding an interest in the Property affected. The Owners, by the acceptance of deeds to their Lots, irrevocably nominate, constitute and appoint Declarant, through its duly authorized officers, as their proper and legal agent or attorney-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable. Any such instrument executed pursuant to this Article shall recite that it is made pursuant to Article 2 of this Declaration.

2.13 Survival. Any and all easements, licenses, or other rights granted or reserved pursuant to this Article 2 shall survive any termination of this Declaration.

ARTICLE 3

MEMBERSHIP IN ASSOCIATION

3.1 Membership. Every Owner of a Lot, including Declarant, shall be a Member of the Association (hereinafter referred to as the "Membership"). Membership in the Association, except for Membership of Declarant, shall be appurtenant to and may not be separated from the Lot. Except as to Declarant, ownership of a Lot shall be the sole qualification for Membership in the Association.

3.2 Co-Ownership of Lots. When more than one Person owns an interest in any Lot (a "Co-Owner"), all such Co-Owners shall be Members, but only one such Co-Owner shall be entitled to exercise the vote to which the Lot is entitled. All Co-Owners of each Lot shall designate in writing to the Secretary of the Association one of their number to so vote the interests of their Lot. Fractional votes shall not be allowed. The vote for each Lot shall be exercised as a single vote or not at all. Where no voting Co-Owner is designated, the Lot shall not be entitled to vote until one individual is designated by all Co-Owners to vote the interests of the Lot. The nonvoting Co-Owner(s) shall be jointly and severally responsible for all of the obligations imposed upon the Lot and shall be entitled to all other benefits of ownership. All agreements and determinations lawfully made by the Association in accordance with the voting procedures established herein, or in the Bylaws, shall be binding on all Co-Owners, their successors and assigns. Said voting rights shall be subject to the restrictions and limitations provided in this Declaration, any Supplemental Declaration, and in the

Articles and Bylaws (to the extent applicable). If a Lot is owned by a corporation or other entity, the individual entitled to vote for the Lot shall be designated by a certificate signed by an appropriate officer or agent of the entity and filed with the Secretary of the Association.

ARTICLE 4

VOTING RIGHTS

4.1 Classes of Voting Membership. The Association shall have two (2) classes of Members, each with voting rights as follows:

Class A. Class A Members shall be all Owners, including Declarant. Class A Members shall be entitled to one (1) vote, in accordance with the Bylaws, for each Lot they own.

Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote which the sum of all Class A Members are entitled to cast at any time, thus giving the Class B Member approximately a 2/3 majority of votes in the Association. The Class B Membership shall cease upon the first to occur of the following:

(1) at turnover of control of the Association as described in Section 4.3; or

(2) termination of the Class B Membership by resignation of all Declarant-appointed directors and delivery to the Secretary of the Association of a certificate in recordable form, signed by Declarant and stating that Declarant elects to terminate the Class B Membership.

4.2 Termination of Class B Membership. Upon termination of the Class B Membership, Declarant shall retain any voting rights it may have as a Class A Member.

4.3 Turnover of Control of Association to Owners. Members other than the Declarant are entitled to elect at least a majority of the Members of the Board of Directors of the Association when the earlier of the following events occur:

(A) Three months after ninety (90%) percent of the Lots that will ultimately be operated by the Association have been conveyed to Members; or

(B) Such other percentage of the Lots has been conveyed to Members, or such other date or event has occurred, as is set forth herein, if at all, in order to comply with the requirements of any governmentally chartered entity with regard to the mortgage financing of Lots. For purposes hereof, the term "Members other than the Declarant" shall not include builders, contractors, or others who purchase a Lot for the purpose of constructing improvements thereon for resale, if any.

The Declarant is entitled to elect at least one Member of the Board of Directors of the Association as long as the Declarant holds for sale in the ordinary course of business at least five (5%) percent of the Lots in the Development. After the Declarant relinquishes control of the Association, the Declarant may exercise the right to vote any Declarant-owned voting interests in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of Members of the Board of Directors.

At the time the Members are entitled to elect at least a majority of the Board of Directors of the Association, the Declarant shall, at the Declarant's expense, within no more than ninety (90) days deliver the following documents to the board:

- (A) All deeds to common property owned by the Association, if any.
- (B) The original of the Association's Declaration of Covenants and Restrictions.
- (C) A certified copy of the Articles of Incorporation of the Association.
- (D) A copy of the Bylaws.
- (E) The minute books, including all minutes.
- (F) The books and records of the Association.
- (G) Policies, rules, and regulations, if any, which have been adopted.
- (H) Resignations or directors who are required to resign because the Declarant is required to relinquish control of the Association.
- (I) The financial records of the Association from the date of incorporation through the date of turnover.
- (J) All Association funds and control thereof.
- (K) All tangible property of the Association.
- (L) A copy of all contracts which may be in force with the Association as one of the parties.
- (M) A list of the names and addresses and telephone numbers of all contractors, subcontractors, or others in the current employ of the Association.
- (N) Any and all insurance policies in effect.

- (O) Any permits issued to the Association by governmental entities.
- (P) Any and all warranties in effect.
- (Q) A roster of current Owners and their addresses and telephone numbers and section (if applicable) and lot numbers.
- (R) Employment and service contracts in effect.
- (S) All other contracts in effect to which the Association is a party.

ARTICLE 5

FUNCTIONS OF THE ASSOCIATION

5.1 Through Board Action. The affairs and decisions of the Association shall be conducted and made by the Board; the Members shall only have such power or rights of approval or consent as is expressly specified herein, or in the Articles or Bylaws. In the absence of a specific requirement of approval by Members, the Board may act on its own through its proper officers.

5.2 Required Services. In addition to those other responsibilities specified in the Articles or Bylaws, the Association, or its Management Company if applicable, shall be required to provide the following services as and when deemed necessary and appropriate by the Board and shall have easement rights necessary to perform same:

(A) All painting and maintenance of the Common Area, and all Improvements thereon, as and when deemed necessary by the Board.

(B) Maintenance and care for all landscaped areas within the Common Area (excluding those portions of the fifteen (15') foot drainage easements centered on Lot lines ("Lot Swales") all of which are the maintenance responsibility of the Owner(s) of the respective Lot(s) pursuant to and more particularly described in Section 10.30 hereof), and maintenance of irrigation equipment wherever placed within the Common Area to the extent irrigation facilities have been installed by Declarant. The Board shall be entitled to determine, in its sole discretion and without notice to any Owner, the time of day or night that various portions of the Common Area will be irrigated.

(C) Maintenance of any and all Ponds, streets, roads, driveways, sidewalks, paths and entry features, including but not limited to entry walls, entry gates, guard house, signage, monuments and all similar improvements, if any, road and Lot drainage excluding the Lot Swales, including curbs, gutters, storm sewers and drainage swales throughout the Common Areas which have not been dedicated to the public or any governmental body.

(D) Payment of ad valorem and commercial personal property taxes, if applicable, with respect to the Common Area, both prior to and after conveyance of same by Declarant to the Association. This provision for payment of taxes prior to conveyance of legal title is fair in light of the Members' use and benefit of such property by virtue of easements created herein.

(E) Operation of the Common Area in accordance with the Rules and other standards adopted by the Board from time to time, both prior to and after conveyance of same by Declarant to the Association.

(F) Taking any and all actions necessary to enforce all covenants, restrictions and easements affecting the Property and performing any of the functions or services delegated to the Association in any covenants, conditions or restrictions applicable to the Property, or in the Articles or Bylaws.

(G) Conducting business of the Association, including arranging for ancillary administrative services such as legal, accounting and financial, and communication services such as informing Owners of activities, notice of meetings, and other important events.

(H) Purchasing insurance as may be required hereby or by the Bylaws and any other insurance to the extent deemed necessary or desirable by the Board, including but not limited to blanket insurance policies covering the building structures located on the Lots, which blanket insurance policies shall be in the name of the Association, individually and as agent for the Owners covered by the policies, without naming them and as agents for their mortgagees without naming them.

(I) Acceptance of any instrument of conveyance with respect to any Common Area delivered to the Association.

5.3 Authorized Services. The Association shall be authorized, but not required, to provide the following functions and services and shall have easement rights necessary to perform same:

(A) Lighting of roads, sidewalks, walks and paths throughout the Property;

(B) Conducting recreation, sport, craft and cultural programs of interest to Owners, including their families, tenants, guests and invitees;

(C) Protection and security, including, but not limited to, the employment of stationary or patrolling security guards within the Property and operation of a guardhouse;

(D) Maintenance of electronic and other surveillance devices;

(E) Installation, operation and maintenance of cable television facilities, bulk cable television services, or other communication systems throughout the Property;

(F) Such other services as are authorized in the Articles or Bylaws;

(G) Cleanup, landscaping, maintenance, dredging, or other care of roads or other property (public or private) adjacent to the Property to the extent such care would, in the reasonable determination of the Board, be beneficial to the Property and to the extent that the Association has been granted the right to so care for the affected property by the owner thereof or other person authorized to grant such right, including, but not limited to, any appropriate governmental authority;

(H) Emergency repairs and other work on Lots reasonably necessary for the proper maintenance and operation of the Property.

5.4 Maintenance of Surface Water of Stormwater Management System. The Surface Water of Stormwater Management Systems within the Property shall be owned by the Association and shall constitute a part of the Common Area. The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the St. Johns River Water Management District. Any repair or reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved in writing by the St. Johns River Water Management District. Notwithstanding anything contained herein to the contrary, Owners shall be responsible for the maintenance of their Lot up to their respective Lot line or the water's edge, as the case may be.

The Association shall have a perpetual non-exclusive easement over all areas of the Surface Water or Stormwater Management System for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any Lot which is a part of the Surface Water or Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Surface Water or Stormwater Management System as required by the St. Johns River Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Surface Water or Stormwater Management System. No person shall alter the drainage flow of the Surface Water or Stormwater Management System, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

Assessments shall be imposed by the Association in accordance with Article VI shall be used for the payment of any taxes assessed against the Surface Water of Stormwater Management Systems and for the maintenance and repair of the Surface Water or Stormwater Management Systems including but not limited to work within retention areas, drainage structures and drainage easements. No Owner may waive his right to use the Common Areas or otherwise escape liability for assessments for such

maintenance under this Section.

The environmental resource or surface water management permit and its conditions are attached hereto as Exhibit "I". The registered agent for the Association shall maintain copies of all further permitting actions for the benefit of the Association. The St. Johns River Water Management District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in the Covenants and Restrictions which relate to the maintenance, operation and repair of the surface water or stormwater management system.

Any amendment to this Declaration which alters any provision relating to the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior written approval of the St. Johns River Water Management District.

(A) Ponds. Use of the Ponds shall have the following restrictions, conditions and limitations:

- (i) No motorized vehicles except Association or those of governmental agencies having jurisdiction maintenance vehicles shall be permitted on the Lakes or Ponds.
- (ii) No swimming or diving shall be permitted in the Ponds.
- (iii) No bottles, cans, trash, or garbage of any kind or description shall be deposited in the Ponds, and no sewage, pollutant, fill or discharge of any nature whatsoever shall be drained, placed or allowed to flow into the Ponds.
- (iv) No docks, piers, boat houses, ramps, gazebos, marinas or structures of any other type shall be constructed in or adjacent to the Ponds.
- (v) No use shall be made of the Ponds, nor shall anything be done in or on the Ponds, which may be or become an annoyance or nuisance to the Association or to the Owner of any Lot abutting a Pond.
- (vi) It shall be the affirmative obligation of each Owner of a Lot abutting a Pond to maintain the Pond front portion of his Lot in a neat and attractive manner, free and clear of garbage, trash and unsightly conditions which would detract from the appearance of enjoyment of the Pond.

5.5 Actions by Association. Anything herein to the contrary notwithstanding, no general funds of the Association shall be utilized for bringing, supporting,

investigating or otherwise abetting any legal action, claim or extra-judicial action except for (i) imposition, enforcement and collection of Assessments, including lien rights, pursuant to Article 7 hereof, (ii) collecting of debts owed to the Association, (iii) bringing any contest or appeal of tax assessments relating to any property owned by the Association, (iv) actions brought by the Association to enforce the provisions of this Declaration, and (v) counterclaims brought by the Association in proceedings instituted against it, unless such legal action, claim or extrajudicial action shall be specifically approved for such purposes by 75% of the total votes of all Members of the Association in existence at any time. If the Association's actions have been approved by the Members in accordance with this Section 5.6, all expenses incurred shall be deemed Common Expenses. In any action brought by or against the Association, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. This Section 5.6 may not be amended.

ARTICLE 6

COVENANT FOR ASSESSMENTS

6.1 Obligation for Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree, to pay to the Association (1) annual Common Assessments for Common Expenses, (2) Individual Assessments, (3) Special Assessments, hereinafter collectively described as the "Assessments." All Assessments are to be imposed and collected as hereinafter provided. The obligation of each Lot and Owners thereof for its respective Assessments shall commence the day on which title to the Lot is conveyed by Declarant to the first purchaser thereof and shall be prorated from such date.

All Assessments, together with interest, costs, late charges and reasonable attorneys' fees for the collection thereof, shall be a charge on each Lot (except for Declarant-owned Lots) and shall be a continuing lien thereon as more particularly described in Article 7 hereof. Each Assessment, together with interest, costs, late charges and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the Assessment fell due. Subject to the provisions of this Declaration protecting Institutional Mortgagees, the personal obligation for delinquent Assessments shall be the joint and several obligation of such owner and the successors-in-title to such owner.

6.2 Common Assessments. The Common Assessments levied by the Association shall be used exclusively to pay Common Expenses. Disbursements shall be made by the Board of Directors for such purposes as are deemed necessary for the discharge of its responsibilities herein for the common benefit of the Owners and to reimburse Declarant for any start-up expenses advanced by Declarant.

6.3 Amount of Common Assessments; When Payable. At least twenty-four (24) days prior to the beginning of each fiscal year the Board of Directors shall prepare, adopt and distribute to all Members a written, itemized, estimated budget of the Common Expenses to be incurred by the Association during the coming year in

performing its functions under this Declaration. The annual Common Assessment for each Lot shall equal the amount of the estimated operating budget, as adopted pursuant to the Bylaws (less any surplus or plus any deficit from prior years), divided by all Lots. From time to time during the fiscal year, the Board may modify the budget for the fiscal year and, upon written notice to Members, change the amount, frequency, or due dates of Common Assessments, subject to the limitations and provisions set forth in Section 6.4 hereof. Subject to the right of the Association to accelerate Assessments for delinquencies as provided herein, annual Common Assessments shall be payable in equal quarterly installments unless determined by the Board, from time to time, to be payable less frequently. In the event any Assessments for Common Expenses are made payable in equal periodic payments, as provided in the notice from the Association, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the Association notifies the Owner in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any Assessments for Common Expenses be due less than ten (10) days from the date of the notification of such Assessments. The budget and Assessment procedure shall be further subject to the provisions of the Bylaws.

6.4 Declarant Funding of Deficit. Until such time as Declarant no longer owns any portion of the Residential Property, or until Declarant notifies the Association in writing that Declarant elects to pay Common Assessments for Common Expenses, as in the case of any other Owner, Declarant shall not be liable for Common Assessments for Common Expenses for any Lots owned by Declarant, but in lieu thereof, Declarant shall be responsible for all Common Expenses in excess of the (i) Common Assessments for Common Expenses receivable from the other Owners, and (ii) the Working Capital Contribution (as defined in Section 6.12 hereof) receivable from the other Owners. During such period when Declarant is not liable for Common Assessments for Common Expenses for Lots owned by Declarant, the Common Assessments for Common Expenses shall be established by Declarant based upon Declarant's good faith estimate of what the expenses of the Association would be if all Lots within the Property were improved, so that Common Assessments for Common Expenses during such period will be approximately what said Common Assessments would be if the development of the Property, as contemplated by Declarant, was complete. Such obligation of Declarant shall be deemed a Common Assessment and if Declarant fails to pay same, then the Association shall have all of the remedies for collection provided in this Declaration.

6.5 Individual Assessments. Any maintenance, repair, or replacement within the Property arising out of or caused by the act or failure to act of an Owner and/or the Owner's failure to fulfill any obligations contained in this Declaration, including the Owner's family, tenants, guests or invitees, shall be effected at the Owner's expense and an Individual Assessment therefor shall be made against the Owner's respective Lot, to the extent proceeds of insurance are not collected with respect to such loss. Additionally, any fine imposed by the Board in accordance with the Bylaws or other expense of the Association incurred as a result of any Owner's failure to comply with the

provisions of this Declaration, the Articles, Bylaws, or Rules, shall be charged to such Owner and the Owner's respective Lot as an Individual Assessment.

6.6 Special Assessments. In addition to the Common and Individual Assessments authorized above, subject to the provisions in Section 6.7 below, the Board may levy at any time, in accordance with the Bylaws, a Special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a structure or capital Improvement, upon the Common Area, including fixtures and personal property related thereto, or for defraying any other Common Expenses of the Association not originally budgeted, including shortfalls in Common Assessments. No action authorized in this Section 6.6 shall be taken without the prior written consent of Declarant as long as Declarant owns any Lot. Such consent may be granted on the condition that the Special Assessment only be applied to Owners and Lots other than Declarant and Declarant-owned Lots, in which event Declarant and Lots owned by them shall be exempt from such Special Assessment. Special Assessments are not covered by Declarant's funding of the deficit set forth in Section 6.4 hereof.

6.7 Notice and Approval for any Special Assessment. Written notice of any meeting of Members called for the purpose of authorizing a Special Assessment, or as part of an annual meeting of Members, shall be sent to all Members not less than fourteen (14) days, nor more than sixty (60) days, in advance of the meeting. If the required quorum is not present (which for this purpose is 60% of the votes of the Members being represented at such meeting in person or by proxy), such meeting may be rescheduled, subject to the same notice requirement but with the quorum requirement reduced to 30% of the votes of the Members being represented at such meeting in person or by proxy. No such subsequent meeting shall be held more than sixty (60) days following the preceding scheduled meeting. Any Special Assessment approved by a vote of at least 67% of each class of members at such meeting shall be assessed as provided below.

6.8 Proportionate Share of Assessment. Common Assessments and Special Assessments provided for in this Article 6 shall be allocated and assessed equally among all Lots required to make such payments, pursuant to Section 6.3 hereof.

6.9 Financial Reports. Within sixty (60) days following the end of each fiscal year, the Board of Directors shall cause to be prepared an annual balance sheet and operating statement reflecting cash receipts and expenditures of the Association for the preceding fiscal year, and shall cause to be distributed a copy of each such statement, or a written notice that a copy of the statement is available upon request at no charge, to each Member, and to each Institutional Mortgagee who has filed a written request for copies of the same with the Board.

6.10 Assessment Roster and Notices. The Association shall maintain a roster of the amount of all Assessments against each Lot, which shall be calculated in accordance with this Article 6. The roster shall be kept in the office of the Association

and shall be open to inspection by any Owner. Written notice of such Assessments and the due date(s) thereof shall be sent to every Owner subject to such Assessments. The Association shall, upon reasonable request of any Owner, furnish to such Owner or any prospective purchaser or the purchaser's mortgagee a certificate in writing signed by an officer of the association setting forth the amount of current Assessments and whether any delinquencies exist. Such certificate may be relied upon by any prospective purchaser or mortgagee named in the certificate and, as to such purchaser or mortgagee shall be conclusive as to the information set forth therein.

6.11 Due Dates for Special or Individual Assessments. Any Individual Assessment or Special Assessment shall be payable pursuant to written notice to each Owner by the Board, unless any such Assessment is deemed by the Association to be of an emergency nature, in which case such Assessment shall be payable within ten (10) days after notice thereof.

6.12 Working Capital Contributions. Upon the first conveyance of each Lot and completed residence by Declarant to any Person, other than an Institutional Mortgagee acquiring title by foreclosure or deed in lieu of foreclosure, the purchasing Owner shall pay to the Association a sum equal to three months of assessments as a working capital contribution ("Contribution") to the Association. The Contribution shall not be considered an advance payment of Assessments and shall be placed in a working capital fund so that the Association will have funds available to be used by the Association for start-up expenses or otherwise as the Association shall determine from time to time in its sole discretion, including reimbursement of various expenditures of Declarant.

ARTICLE 7

EFFECT OF NON-PAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION

7.1 Effect of Non-Payment of Assessments; Remedies of the Association. A lien is hereby imposed upon each Lot to secure the payment of all Assessments now or hereinafter imposed on the Lot by the Association (the "Assessment Lien"). The Assessment Lien shall relate back to and be effective from the date hereof, and shall include all costs of collection, including reasonable attorneys' and legal assistants' fees and costs incurred at all tribunal levels, as well as late charges and interest as herein provided. Any installment of a Common Assessment, Individual Assessment or Special Assessment not paid within the time periods as provided in Sections 6.3 and 6.11 hereof shall bear interest from the due date of such installment at the highest rate of interest allowed to be charged under applicable law from time to time, or if no such rate is applicable, then at the rate of eighteen (18%) percent per annum, computed from the due date until such payment is made. If any installment of an Assessment is not paid when due, as extended by grace periods provided hereunder, the Owner responsible therefor may be required further by the Board to pay a late charge equal to an amount not greater than the amount of the unpaid installment. The Association may bring an

action at law against the Owner(s) personally obligated to pay the same, or foreclose its Assessment Lien against the Lot of such Owner(s), or both. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot. If any installment of a Common Assessment is not paid within when due, as extended by grace periods provided hereunder, the Board may mail an acceleration notice to the Owner and to each Institutional Mortgagee which has requested in writing a copy of the notice. The notice shall specify (i) the fact that the installment is delinquent, (ii) the action required to cure the default, (iii) a date, not less than fifteen (15) days from the date the notice is mailed to the Owner, by which such default must be cured, and (iv) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Common Assessments for the then current fiscal year. If the delinquent installment(s) of Common Assessments and any charges thereon are not paid in full on or before the date specified in the notice, the Board at its option may declare all of the unpaid balance of the annual Common Assessment to be immediately due and payable upon written notice of such election by the Association, which may enforce the collection thereof and all charges thereon in the manner authorized by law and this Declaration.

Any payments made to the Association by any owner shall be applied or be disbursed by the Association, in order, for (i) any sums advanced and paid by the Association for taxes and payment on account of superior mortgages, liens, or encumbrances which may have been advanced by the Association in order to preserve and protect its Assessment Lien; (ii) reasonable attorneys' fees and costs incurred by the Association incidental to the collection of assessments and other monies owed to the Association by the Owner for the enforcement of its Assessment Lien; (iii) interest on any Assessments or other monies due to the Association, as provided herein; and (iv) any unpaid Assessments owed to the Association with application to the oldest Assessments first.

7.2 Notice of Lien. No action shall be brought to foreclose the Assessment Lien herein created unless at least thirty (30) days has expired following the date a "Notice of Lien" is deposited in the United States mail, certified or registered, postage prepaid, addressed to the Owner of the Lot, and a copy thereof has been recorded by the Association in the Public Records of the County. The Notice of Lien must recite a good and sufficient legal description of any such Lot, the record Owner thereof, the amount claimed (which may at the Association's option include interest on the unpaid Assessment at the rate set forth in Section 7.1 hereof, plus reasonable attorneys' fees and expenses of collection in connection with the debt secured by said Assessment Lien and late charges), and the name and address of the Association as claimant. Such Notice of Lien shall be signed and acknowledged by a duly authorized officer or agent of the Association. Filing of the Notice of Lien shall not be a prerequisite to creating the lien (which is created by this Declaration), nor shall the lien's priority be established by such Notice of Lien (priority being based on the date of recording this Declaration, subject to the provisions of Section 7.3 hereof). The Assessment Lien shall continue until fully paid or otherwise satisfied, and shall secure any and all Assessments, costs,

charges, interest and reasonable attorneys' fees which accrue subsequent to filing the Notice of Lien.

7.3 Subordination of the Lien to Institutional Mortgages. Anything herein to the contrary notwithstanding, the lien securing Assessments provided for in this Declaration shall be subordinate to the lien of any Institutional Mortgage, which is arms-length, made in good faith and not intended to avoid said lien, and recorded prior to the date on which a Notice of Lien is recorded. The sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale or transfer of any Lot pursuant to foreclosure of such Institutional Mortgage or deed in lieu thereof (if such Institutional Mortgage was recorded prior to the recording of a Notice of Lien) shall extinguish the Assessment Lien as to installments and other sums which became due prior to such sale or transfer. Such sale or transfer shall also extinguish the personal liability for such Assessments as to such transferees; provided, however, no sale or transfer shall relieve such Lot from liability for any installments of Assessments thereafter becoming due or from the lien thereof.

7.4 Foreclosure Sale. The Assessment Lien set forth herein may be foreclosed in the same manner as mortgages are foreclosed under Florida law. The Association, through a duly authorized officer or agent, shall have the power to bid on the Lot at foreclosure sale, with credit given for the amount of the judgment, and to acquire and hold, lease, mortgage and convey the same.

7.5 Curing of Default. Upon the timely curing of any default for which a Notice of Lien was filed by the Association (including payment of all delinquent principal, interest, late charges, and costs of collection), a duly authorized officer or agent of the Association shall record an appropriate release of the Assessment Lien upon payment by the defaulting Owner of a fee, to be determined by the Association, but not to exceed Two Hundred Fifty Dollars (\$250.00), to cover the cost of preparing and recording such release.

7.6 Cumulative Remedies. The Assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and under law or in equity, including a suit to recover a money judgment for unpaid Assessments, as above provided.

ARTICLE 8

RIGHTS OF INSTITUTIONAL MORTGAGEES

8.1 General Lender Rights. Upon written request to the Association by an Institutional Mortgagee, or the insurer or guarantor of any Institutional Mortgage held by an Institutional Mortgagee encumbering a Lot or residence on a Lot, conditioned on such notice or request specifying the name and address of the requesting party, then such party shall be entitled to prompt written notice of:

(A) any condemnation or casualty loss that affects either a material portion of the Property or any Lot or residence on a Lot encumbered by its Institutional Mortgage;

(B) any sixty (60) day delinquency in the payment of Assessments or charges owed by the Owner of any Lot or residence on a Lot on which it holds the Institutional Mortgage;

(C) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

(D) any proposed action which requires the consent of a specified percentage of Institutional Mortgagees.

8.2 Financial Statement. Any Institutional Mortgagee, upon written request, shall be entitled to receive from the Association a financial report for the immediately preceding fiscal year, pursuant to Section 6.9 hereof.

8.3 Consent of Institutional Lenders. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgage(s) encumbering any Lots is required by this Declaration, the Articles, the Bylaws, or any applicable statute or law, to any amendment of the Declaration, the Articles, or the Bylaws, or to any action of the Association, or to any other matter relating to the Property, the Association may request such consent or approval of such holder(s) by written request sent certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by such holders). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by the Association), which response must be received by the Association within thirty (30) days after the holder receives such request, and if such response is not timely received by the Association, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the directors of the Association, which affidavit, where necessary, may be recorded in the public records of the County, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as to the matters therein contained. The foregoing shall not apply where an Institutional Lender is otherwise required to specifically join in an amendment to this Declaration.

8.4 Amendments. Any Institutional Mortgagee who has registered its name with the Association shall be provided with written notice prior to the effective date of any proposed, material amendment to this Declaration, or the Articles or Bylaws, or

prior to the effective date of any termination of an agreement with the Management Company.

ARTICLE 9

MAINTENANCE AND REPAIR OBLIGATIONS

9.1 Maintenance Obligations of Owners. Except for the duty of the Association to provide for maintenance and other services as provided in Section 5.2 of this Declaration, it shall be the duty of each Owner, at the Owner's sole cost and expense, to maintain, repair, replace and restore the Lot, including all Improvements located thereon in a neat, sanitary and attractive condition, as may be subject to the Owner's respective control in accordance with the terms of this Declaration; and to maintain and care, including irrigation for those portions of Common Areas described as any and all landscaped areas (the swales) lying adjacent to and between the boundary line of such Lot and the roadway pavement which have been specifically excluded from the maintenance obligation of the Association pursuant to Section 5.2(B) hereof. It shall be the duty of each Owner abutting a water body to maintain its Lot to the water's edge. In the event that any portion of such Lot and/or any portion of Common Area (i) falls into disrepair, (ii) is not properly maintained so as to create a dangerous, unsafe, unsightly, or unattractive condition, or (iii) otherwise violates any of the obligations stated in this Declaration, then the Association shall have the right, but not the duty, upon fifteen (15) days prior written notice, to correct such condition and to enter upon such Lot to make such repairs or to perform such maintenance as is required in the Association's reasonable discretion; provided, however, the Association shall have the right of immediate entry with respect to those portions of the Lot lying outside of the house or other enclosed structures in the event of an emergency. The cost thereof shall be charged to the appropriate Owner and shall be an Individual Assessment as to the respective Lot. The Owner of such Lot shall pay promptly all amounts due for such work, pursuant to written notice received from the Association in like fashion to an Individual Assessment. Any costs and expenses or collection may be added, at the option of the Board of Directors, to the Individual Assessment.

9.2 Maintenance Obligations of Association. The Association shall maintain, or provide for the maintenance of, all of the Common Area and all Improvements thereon, as more fully described in Section 5.2 hereof. The maintenance obligations of the Association shall include all commonly metered utilities and any and all utility facilities and buildings or other structures situated on the Common Properties, except if such facilities are to be maintained by either private or public utility companies, or some governmental agency. In addition, the Association shall provide all necessary landscaping and gardening to properly maintain and periodically replace when necessary the trees, plants, grass and other vegetation which are on the Common Area. The Association shall further maintain, reconstruct, replace and refinish any paved surface on the Common Area. All of the foregoing obligations of the Association shall be discharged when and in such manner as the Board shall determine, in its sole judgment, to be appropriate.

9.3 Standard of Maintenance. All property, buildings and Common Area within the Project shall be maintained in a safe, neat and well kept manner. It is understood that this Standard of Maintenance is not brand new, but Class A residential condition for its age, reflecting reasonable wear and tear. All sidewalks, roads, streets, driveways, parking areas and other paved or hard surfaced areas located within the Property and intended for use by vehicular or pedestrian traffic shall be kept clean and free of debris at all times, and cracks, damaged, or eroding areas on same shall be repaired, replaced, or resurfaced as necessary or requested by the City. All curbing and bumper stops shall be replaced if damaged. All striping including but not limited to parking space, traffic lane, and directional markings, within any road, street or parking area located within the Property shall be repainted as necessary or as requested by the City, so that same will be clearly visible at all times. All landscaping shall be regularly maintained in a first class condition and appearance, including without limitations such replanting and, as from time to time necessary, mowing, trimming, fertilization and weed, insect and disease control. All dead or diseased sod, trees, plants, shrubs or flowers shall be promptly replaced. This maintenance standard applies to all landscaped areas within the Property including right-of-ways, swales and other areas within right-of-ways.

9.4 Swale Maintenance. The Developer has constructed a Drainage Swale upon each Lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such lot from time to time. Each lot owner, including builders, shall be responsible for the maintenance, operation and repair of the swales on the lot. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the St. Johns River Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the Drainage Swale shall be authorized and any damage to any Drainage Swale, whether caused by natural or human-induced phenomena, shall be repaired and the Drainage Swale returned to its former condition as soon as possible by the Owner(s) of the Lot(s) upon which the Drainage swale is located.

ARTICLE 10

USE RESTRICTIONS

The Property shall be held, used and enjoyed subject to all of the terms, limitations and restrictions of the Declaration, including this Article 10. Declarant is exempt from all of this Article 10, including the Rules and Guidelines as each is applicable to this Article 10. Each of the Use Restrictions stated hereinafter may be regulated, enforced, or waived by the Association, through its Board or its designees. Each use of "Board" in this Article 10 shall include its designees, unless specifically prohibited in this Declaration or under Florida law. The Use Restrictions are as follows:

10.1 Clothes Lines. No outdoor clothes drying lines or related facilities shall be allowed within any portion of the Residential Property if such are visible from anywhere outside of each prospective Lot. The Board shall have the right to reasonably require each such clothes drying area to camouflage the presence of such clothes drying lines or facilities.

10.2 Trash. No trash or garbage cans, supplies, milk bottles, or other articles shall be placed outside of the Dwelling Unit, including, but not limited to on front or rear patios. The Board shall have the right to prescribe a "standard" trash or garbage container to be used by each Owner. To provide a healthy environment and in order to eliminate odors and vermin, all trash and garbage must be placed in plastic bags in the prescribed garbage container and deposited ONLY in the areas and on the days designated by the Board, as provided above. The Common Area shall be kept free and clear of rubbish, debris, and other unsightly material. An Easement is hereby created over the area designated by the Board for depositing trash or garbage on the Common Area, which maybe relocated from time to time, for the disposal and temporary storage of trash and/or garbage.

10.3 Automobiles, Commercial Vehicles and Boats. Except as provided below, or as otherwise approved by the Association from time to time, no bus, recreational vehicle, mobile home, motor home, camper, trailer, or similar vehicle may be kept overnight on the Property, including within the designated parking areas (the "Prohibited Vehicles"). Any vehicle the state registration for which contains a designation of the type of vehicle as anything other than "Automobile" shall be presumed to be prohibited hereunder', which presumption may be rebutted by substantial proof. No vehicles shall be repaired within the Property, except on an emergency basis. No vehicle shall be left within the Property for more than seven business day if not capable of self-propulsion. All vehicles, including motorcycles, mopeds, etc., shall be equipped with effective sound muffling devices. The Association may, but shall not be obligated to, designate certain portions of the Common Area, which may be relocated from time to time, for the parking of buses, recreational vehicles, mobile homes, trailers, boats, and campers. Any such area designated pursuant to this Section 10.3, in the sole and absolute discretion of the Association, be terminated for such use without cause.

The Association shall have the authority to formulate appropriate Rules concerning the use of any such parking/storage area, including reasonable charges therefor.

10.4 Agents of Association. No owner or resident may direct, supervise, or in any manner attempt to assert control over the employees or agents of the Association, unless such person is an officer or director of the Association acting within their scope of authority.

10.5 Construction of Improvements. During construction of any permitted Improvements on a Lot, the Lot and all other portions of the Property shall be kept in a

clean, neat and orderly condition at all times. Any debris, trash or mud resulting from the construction shall be promptly removed or remedied, as appropriate, from the Lot and the Property. After commencement of construction of any permitted Improvements on any Lot, the work thereon shall be diligently pursued and completed so that Improvements shall not remain in a partly finished condition for any period of time longer than that which is absolutely required.

10.6 Play Structures. All play structures, including but not limited to, swing sets and playground equipment, shall be located at the rear of the dwelling or on the inside portion of corner lots within the setback lines but in no event closer to the front of the Lot than the rear line of the dwelling, unless an exception is granted in writing by the Association. No doghouse, playhouse or similar structure shall be constructed on any part of a Lot in front of residence thereon.

10.7 Nuisances. No Owner shall make or permit (i) any loud and/or disturbing noises of a continuing nature, (ii) any noxious or offensive activity, (iii) any emanation of unpleasant odors, or (iv) any other nuisance or annoyance by himself, his family, employees, agents, visitors, and licensees, nor do or permit anything by such persons that will interfere with the reasonable rights, comforts or conveniences of the Owners. Any ultra-hazardous activity permitted or undertaken by any Owner within any portion of the Property shall be a nuisance, subject to extra protection and/or assurances of safety provided to the Board.

10.8 Antennas. No radio or television installation may be permitted on a Lot which interferes with the television or radio reception of another Lot. No exterior antenna, aerial, satellite dish or other apparatus for the transmission of television, radio or other signals of any kind shall be placed, allowed or maintained upon any portion of a Lot without the prior written consent of the Board.

10.9 Signs. No sign, advertisement, notice or other lettering (except street numbers in front of Lots or names and addresses on mail boxes) shall be exhibited, displayed, inscribed, painted or affixed, in, on or upon any part of the Property without the written consent of the Board. The Board shall have the right to prohibit any signs offering property for sale or rent, or limit the size of such sign. No Owner shall cause any sign, advertisement, notice or other lettering to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, patios, windows or roof, unless approved by the Board.

10.10 Prohibited Parking. No parking shall be permitted on sidewalks or swale areas. Parking shall only be permitted in designated parking areas, and upon driveways located upon the Owner's Lot. Unauthorized parking or blocking of a driveway is prohibited.

10.11 Rules and Regulations. There are current Rules of the Association; provided, however, the Association may adopt additional reasonable rules and regulations, or amend or eliminate those operative from time to time, pertaining to the

use and maintenance of the Property, including rules and regulations relating to any of the Common Area.

10.12 Fences. Fences, other than any provided by Declarant, shall not be erected, removed or maintained upon the Residential Property, except as permitted by the Board. All fences, if permitted, must be kept in good repair, and removal of damaged portions thereof. If fences are permitted, the Board may, in its discretion, require a parallel shrubbery to camouflage the presence of such fence.

10.13 Pets and Animals. Only common household pets belonging to owners (or those occupying Lots through the authority of Owners), and which pets have been approved by the Board, will be allowed within the Property, subject to the following further restrictions: (1) Only common household pets may be kept in a Lot; (2) No pet shall be permitted outside a Dwelling Unit except on a leash and at all times under the control of its Owner; (3) No other animals, livestock or poultry of any kind shall be kept on any portion of the Property; (4) No pets may be kept for the purpose of breeding or for any commercial purposes whatsoever; (5) No pets shall be allowed to constitute a nuisance; (6) Each Owner shall walk his pet only in areas designated by the Board, from time to time, as "Pet Walk Areas"; and each Owner shall promptly remove and dispose of waste matter deposited by his pet through a proper sewage receptacle; (7) The Board shall have the right to promulgate Rules further restricting the keeping and walking of pets.

10.14 Swimming Pools, Screening and Lighting. Any swimming pool to be constructed on any Lot shall be subject to the requirements of the Association which include, but are not limited to the following:

(A) No swimming pool is to be constructed in the front of any dwelling.

(B) Any lighting of a pool, patio or recreation area shall be designed so as to minimize the effect on surrounding residences.

(C) No above ground swimming pools shall be placed or erected upon any Lot, it being the intention of the declarant to allow for swimming pools only where they are constructed below ground level and are of a permanent nature.

10.15 Emergencies. In case of any emergency originating in or threatening any Lot, the Board or any individual authorized by it shall have the immediate right, but not the obligation, to enter any Lot for the purpose of remedying or abating the cause of such emergency, at the Board's discretion, notwithstanding that the Owner of such. Lot is present at the time of such emergency.

10.16 Solicitation. There shall be no solicitation by any person anywhere in the Property for any cause, charity, or any purpose whatsoever, unless specifically authorized by the Board.

10.17 Insurance. Nothing shall be done or permitted by any Owner which would increase the rate for any insurance maintained by the Association, or cause such insurance to be cancelled or not renewed by the insurer.

10.18 No Interference with Construction. No Owner shall interfere with or impede any of Declarant's construction and marketing activities within the Property so long as Declarant shall be performing same.

10.19 Business Use. No trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements and other applicable governmental regulations for the Property; (c) the business activity does not involve persons coming on to the Property who do not reside in the Property or door-to-door solicitation of residents within the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, as may be determined in the sole discretion of the Board. The terms "business" and "trade" as used in this Section 10.17 shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an on-going basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor.

10.20 No Temporary Buildings. No out-buildings, sheds, portable buildings, temporary or accessory buildings or structures, storage buildings shall be erected, constructed or located upon any Lot for storage or otherwise, without the prior written consent of the Board.

10.21 Exceptions. None of the Use and Restrictions set forth in this Article 10 shall apply with respect to the customary and usual activities of Declarant in connection with its construction, development and marketing of the Property. Without limitation, this shall include:

(A) The construction of buildings, or any other Improvements within the Property; and

(B) The sale of Lots or Lots and Homes by Declarant or any other person or entity initially constructing residences within any portion of the Property.

10.22 Care and Appearances of Premises. The structures and grounds on each Lot shall be maintained in a neat and attractive manner.

(A) Vacant Lots. No weeds, dead trees, dead grass, underbrush or other unsightly growths shall be permitted to grow or remain on any vacant Lot and swale, no grass shall be permitted to grow over and into curbing and no refuse pile, trash, rubbish or unsightly objects shall be allowed. In order to comply with this requirement, all initial and subsequent Lot Owners shall be responsible to the Association, from the time of the Closing of purchase from Declarant and until a home is built on the Lot, for payment of an assessment for the maintenance of their Lot, at a rate and frequency of payment, as established by the Board. The Association shall maintain the vacant Lot for the Lot Owner and the charge for maintaining the vacant Lot shall be a Limited Assessment against the Lot.

(B) Lots with Dwellings. Each Owner is responsible for maintenance and care of all landscaping and grass, which includes sufficient watering of the swale area. Each Owner must take care and maintain the grass to keep it from growing over and into curbing and driveways. In the event an Owner of a Lot on which a dwelling has been constructed fails to maintain the improvements thereon built, placed or erected including but not limited to, the dwelling, driveways, paint, walls, screen enclosures, lighting fixtures, roof gutters, downspout, etc. in good repair and appearance and or fails to maintain his/her Lot and swale (as set forth herein regarding a vacant Lot and swale), the Association will implement the remedial procedures available to it as provided herein, the Articles and/or Bylaws.

10.23 Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken in any part of the Project.

10.24 Leasing. Residences may be leased for residential purposes. All leases shall have a minimum term of six (6) months, and shall comply with all other rules and regulations which the Board or Association may promulgate.

10.25 Firearms. The use of firearms within the Project is strictly prohibited. The term firearms includes BB guns, pellet guns, fireworks and other firearms of all types, regardless of size, type of ammunition or calibre.

10.26 Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or Occupant may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves a perpetual easement across the Property for this purpose of altering drainage and water flows. No improvements, including, without limitation, landscaping shall be installed within any drainage easements without the Association's prior written approval.

10.27 Air Conditioning Units. No window air conditioning units may be installed on any Lot.

10.28 On Site Fuel Storage. No on-site storage of gasoline, heating, or other fuels shall be permitted on any part of the Properties except that up to five (5) gallons of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers, propane barbecue grills, and similar tools or equipment. Notwithstanding the foregoing, underground propane tanks shall be permitted as long as such underground propane tanks are installed and maintained in accordance with any pertinent local, state and/or federal codes, laws and regulations.

10.29 Owner's Responsibility. All maintenance of the Lots and all structures, Lot Swales, parking areas, and other improvements within or upon the Lots shall be the sole responsibility of the Owner thereof who shall keep such property in good repair, and perform such maintenance in a manner consistent with the Community-Wide Standard and other provisions of the Declaration, Bylaws and Rules as amended from time to time.

10.30 Easements. Within the easements granted herein, no structure or other material shall be placed or permitted to remain which may damage or interfere with the intended use of the easement. The easement area of each Lot and all improvements on and in it shall be maintained continuously by the Owner of the Lot.

10.31 Trees. No tree or shrub, the trunk of which exceeds two (2) inches in diameter, shall be cut down or otherwise destroyed without the prior express written consent of the Association.

10.32 Ponds. No dock, bulkhead mooring or other construction shall be erected in, on or over the Pond in the Property unless and until the same has been approved by the Association. The shoreline contours of any Pond, or Lots abutting Pond, may not be changed without the written approval of the Association. No motorboats or gasoline motors shall be permitted or used in any Pond unless approved in writing by the Association. Electric boats, sailboats, canoes, or similar vessels may be permitted by the Association if not otherwise prohibited by any law, ordinance, or regulation of any governmental authority having jurisdiction. The Ponds must be maintained by the Association to the specifications of the City or the local Flood Control District and in a state of good general maintenance and cleanliness.

10.33 Antennae and Other Rooftop Accessories. Except as may be permitted by the Association or by Declarant no aerial antenna, or satellite dish or other rooftop accessory, shall be permitted. Any such antennae or other rooftop accessories previously approved by the Association or by Declarant must not be seen from the street or road fronting any Lot nor the rear or side of any Lot. A buffer will be required to screen exposure. The approval of the buffer will be at the sole discretion of the Association. Notwithstanding the foregoing, the approval or denial by the Association to an Owner concerning the placement of any such antenna or satellite dish shall be in accordance with any and all laws, codes and regulations imposed by any governmental

agency having jurisdiction including, without limitation, the Federal Communications Commission.

10.34 Contractors Insurance. Any person or entity (person or entity may hereinafter be referred as "Contractor") performing work on a Lot shall purchase from and maintain, in a company or companies lawfully authorized to do business in Florida, such insurance as will protect the Contractor from claims which may arise out of or result from the Contractors operations and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

Certificates of insurance acceptable to the Board shall be filed with the Board prior to commencement of the work. These Certificates and the insurance policies required by this Section shall contain a provision that coverage afforded under the policies will not be canceled or allowed to expire until at least thirty (30) days prior written notice has been given to the Board.

10.35 Platting and Project Restrictions. The Declarant shall be entitled at any time and from time to time, to plat and/or replat all or any part of the Property, Project or Lots contemplated to be platted and to file Project covenants, restrictions and/or amendments thereto with respect to said Property and Lots contemplated to be platted. Declarant shall have the unrestricted right to create further additions to the Project however nothing contained herein shall obligate Declarant to create future additions to the Project. Any Declarations creating future additions to the Project shall not require any consent by Owners, or mortgagees. The record fee simple owners of any Lots within the Project existing or which may be created in the future shall be members of the Association provided herein. Declarant reserves the right to place whatever easements are necessary for road rights of way, landscaping or utilities on any Lot in the Property.

ARTICLE 11

DAMAGE OR DESTRUCTION TO COMMON PROPERTIES AND BUILDING STRUCTURES LOCATED ON LOTS

Damage to or destruction of all or any portion of the Improvements on Common Area (which also includes Limited Common Area) shall be handled in the following manner:

(A) In the event of damage to or destruction of Improvements on the Common Area, if insurance proceeds are sufficient to effect total restoration, then the Association shall cause such Improvements on Common Area to be repaired and reconstructed substantially as they previously existed. In the event of damage to or destruction of building structures located on Lots, if insurance proceeds are sufficient to effect total restoration, then the Association shall cause such building structures located on Lots to be repaired and reconstructed substantially as they previously existed. Such restoration shall be limited to the building structures only, including party walls, and shall

not cover the interior of the buildings insured, including, but not limited to, interior partition walls, interior doors, interior stairways, kitchen cabinets and fixtures, appliances whether built in or not, electrical fixtures, bathroom cabinets and fixtures, and any floor, wall or ceiling coverings. Without limiting the foregoing, in the event of damage to or destruction of a portion of a building structure located on and affecting only one Lot, if such damage or destruction was caused by the negligence or willful misconduct of the Owner of such Lot, including such Owner's Family, tenants, guests and invitees, both minor and adult, then the Association may, in its sole discretion, require said Owner to cause such damaged or destroyed portion of the building structure on said Owner's Lot to be repaired and reconstructed substantially as it previously existed, notwithstanding whether there are sufficient insurance proceeds, or any insurance proceeds whatsoever to effect same. In the event such Owner fails to properly complete such repair and reconstruction within the time prescribed by the Association, then the Association may effect same at such Owner's expense and an Individual Assessment therefore shall be made against such Owner's Lot in accordance with the provisions of Section 6.5 hereof, and may be collected as provided herein for the collection of Assessments. In the case of Co-Owners of a Lot, defined in Section 3.2 hereof, the liability of such Owners shall be joint and several.

(B) If the insurance proceeds are within Twenty-Five Thousand Dollars (\$25,000.00) or less of being sufficient to effect total restoration to the Improvements on the Common Area then the Association shall cause such Improvements to be repaired and reconstructed substantially as they previously existed. Notwithstanding the amount of the insurance proceeds covering building structures located on Lots, the Association shall cause the building structures located on Lots to be repaired and reconstructed substantially as they previously existed. Any difference between the insurance proceeds and the actual cost of restoring Improvements on the Common Area or building structures located on Lots shall be levied as a Special Assessment against each of the Owners and Lots and no consent of Owners shall be required as otherwise would be the case in the event of a Special Assessment over Twenty-Five Thousand Dollars (\$25,000.00). Declarant and Declarant-owned Lots shall be exempt from such Special Assessments, in accordance with Section 6.6 hereof.

(C) If the insurance proceeds are insufficient by more than Twenty-Five Thousand Dollars (\$25,000.00) to effect total restoration to the Improvements on the Common Area, then the Members shall determine, by vote of two-thirds (2/3) of Member votes present in person or by proxy at a special meeting of the Members, duly called, whether (1) to rebuild and restore the Improvements on the Common Area in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying a Special Assessment against all Lots, or (2) to rebuild and restore in a way which is less expensive than replacing these Improvements substantially the same manner as they existed prior to being damaged, or (3) to not rebuild the Improvements on the Common Area and to retain the available insurance proceeds. If a decision is made to rebuild in a manner which would result in a change in the Improvements such new plans must receive the written approval of the Board, which may pre-approve plans to be submitted to the Members at

a special meeting of Members. Declarant and Declarant-owned Lots shall be exempt from such Special Assessments, in accordance with Section 6.6 hereof.

(D) Each owner shall be liable to the Association for any damage to the Common Area and each owner shall be liable to the Association and to the respective Owners of Lots ("Affected owners") for any damage to building structures located on Lots which may be sustained by reason of the negligence or willful misconduct of any Owner, as well as the Owner's Family, tenants, guests and invitees, both minor and adult ("Negligent Owner(s)"). The Association has the right, but not the obligation, to pursue all available legal or equitable remedies against the Negligent Owner(s) for losses or damages sustained by the Association and/or the Affected Owners by reason of the negligent or willful misconduct of the Negligent Owner(s) and the Association is hereby authorized by the Affected Owners to act as their agent and is appointed as their attorney-in-fact for same to the extent the Association elects, in its sole discretion, to pursue any such remedies against the Negligent Owner(s). All expenses incurred by the Association in connection with the foregoing, including attorneys' fees and costs, shall be deemed Common Expenses in accordance with Section 5.6 hereof. In addition, the Association shall have the right to charge such Negligent Owner(s) an Individual Assessment equal to the increase, if any, in any insurance premium due from the Association directly attributable to the damage caused by such Negligent Owner(s). In the case of Co-Owners of a Lot, defined in Section 3.2 of this Declaration, the liability of such Negligent Owner(s) shall be joint and several. The cost of correcting such damage shall be an Individual Assessment against the Lot and may be collected as provided herein for the collection of Assessments.

ARTICLE 12

INSURANCE

12.1 Common Area and Building Structures Located on Lots. The Association shall keep all buildings, structures, fixtures and other Improvements located on the Common Area (which also includes Limited Common Area), as well as the building structures only as provided below, located on Lots, insured against loss or damage by fire or other casualty for the full insurable replacement value thereof in an amount equal to 100% of the then current replacement cost (excluding foundation, excavating costs and other items normally excluded from coverage) as determined by the Association's casualty insurance company (with reasonable deductibles), and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The insurance on the building structures located on Lots shall cover the structures only, including party walls, and shall not cover the interior of the buildings insured, including but not limited to, interior partition walls, interior doors, interior stairways, kitchen cabinets and fixtures, appliances whether built-in or not, electrical fixtures, bathroom cabinets and fixtures, and any floor, wall or ceiling coverings. If desired by the Owners or their mortgagees, it shall be the Owners' responsibility to obtain any insurance for the excluded items in the preceding sentence. The Association may also insure any other property, whether real or personal, owned by the Association, against loss or damage

by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance for and on behalf of itself and all Owners. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to, the Association, and the insurance coverage with respect to the building structures located on Lots shall be blanket policies written in the name of the Association, individually and as agent for the Owners covered by the policies, without naming them and as agent for their mortgagees without naming them, and the proceeds thereof shall be payable to the Association. Insurance proceeds for Common Area may be used by the Association for the repair or replacement of the property for which the insurance was carried, at the option of the Board. Insurance proceeds for building structures located on Lots must be used by the Association for the repair or replacement of the damaged or destroyed building structure(s). Premiums for all insurance carried by the Association are Common Expenses included in the Common Assessments made by the Association.

12.2 Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area (which also includes Limited Common Area), or the building structures located on Lots, the Association shall repair or replace the same from the insurance proceeds available, subject to the provisions of Article 11 of this Declaration.

12.3 Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Management Company, Declarant, and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

12.4 Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief coverages, in such limited as it shall deem desirable, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, -a cross-liability endorsement insuring each Owner against liability to each other Owner and to the Association and vice versa. The Association may also obtain Workers' Compensation insurance and other liability insurance as it may deem desirable, insuring each Owner and the Association, Board of Directors and Management Company, from liability in connection with the Common Area (which also includes Limited Common Area), the premiums for which shall be Common Expenses and included in the Common Assessments made against the Owners. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion. The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board and the Management Company against any liability for any act or omission in carrying out

their obligations hereunder, or resulting from their membership on the Board or any committee thereof.

ARTICLE 13

ANNEXATION OF ADDITIONAL PROPERTY AND WITHDRAWAL OF PROPERTY

13.1 Annexation Without Approval of Class "A" Membership. Subject to the provisions set forth in Section 13.4 below, as the Owner thereof, or if not the Owner, with the consent of the Owner thereof, Declarant shall have the unilateral right, privilege and option, from time to time at any time to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property described in a Supplemental Declaration. Such Supplemental Declaration shall not require the consent of the Members. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the unilateral right to transfer to any other person the said right, privilege, and option to annex additional property which is herein reserved to Declarant, provided - that such transfer or assignment is memorialized in a written, recorded instrument executed by Declarant.

13.2 Annexation With Approval of Class "A" Membership. Subject to the consent of the owner thereof, the Association may annex additional real property to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of not less than sixty-seven (67%) percent of the Class "A" Members of the Association. Annexation shall be accomplished by filing of record in the public records of the County, a Supplemental Declaration describing the property being annexed. Any such Supplemental Declaration shall be signed by an authorized officer of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the Bylaws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 13.2 and to ascertain the presence of a quorum at such meeting.

13.3 Acquisition of Additional Common Area. Declarant may convey to the Association additional real property, improved or unimproved, and upon conveyance or dedication to the Association shall be accepted by the Association and thereafter shall be maintained by the Association at its expense as a Common Property for the benefit of all of its Members. Nothing herein shall be deemed to prohibit the Association from acquiring additional Common Area from parties other than the Declarant otherwise in accordance with the provisions of this Declaration.

13.4 Supplements and Limitations.

(A) Supplements. Declarant may from time to time bring other land located in the City or Orange County ("Additional Property"), including any and all Improvements thereon, within the provisions of this Declaration, by recorded Supplemental Declarations (which shall not require the consent of the Association or any Owner(s)) and thereby add Property. The Declarant may from time to time declare all or part of the Additional Property (including Improvements located thereon) to be Common Area. Nothing in this Declaration shall, however, obligate Declarant to add to the Property whatsoever or to develop future property (adjacent or otherwise) under the common scheme contemplated by this Declaration.

(B) Limitations. Notwithstanding any of the foregoing provisions in this Article 13 to the contrary, no additional land may become part of the Property unless: (i) same is located within the area described in Section 13.4(A) above; (ii) such land is made part of the Property within 10 years from the date of this Declaration; (iii) the submission of additional land is in accordance with the general plan filed with the FHA and/or VA; and (iv) the submission of additional land is otherwise approved by the FHA and/or VA. The approval of the FHA and/or the VA shall be deemed given if the FHA and/or the VA, as the case may be, fail(s) to deliver written notice of disapproval of any amendment to Declarant or to the Association within twenty (20) days after a request for such approval is delivered to the FHA and/or the VA by certified mail, return receipt requested, or equivalent delivery. Such approval shall be conclusively evidenced by a Certificate of Declarant or the Association that the approval was given or deemed given. Any other submission of additional land to the Property shall require the consent of not less than sixty-seven (67%) percent of the Class A Members.

(C) Applicability. If at the time of submission of additional land the FHA does not hold, insure or guarantee any mortgages encumbering any Lot(s), then the conformance to the plan and approval requirements set forth in subsections (iii) and (iv) in Section 13.4(B) above shall specifically not be required with respect to the FHA. If at the time of submission of additional land the VA does not hold, insure or guarantee any mortgages encumbering any Lot(s), then the conformance to the plan and approval requirements set forth in Subsections (iii) and (iv) in Section 13.4(B) above shall specifically not be required with respect to the VA. If at the time of submission of additional land neither the FHA nor the VA hold, insure or guarantee any mortgages encumbering any Lot(s), then all the provisions of the entire Section 13.4 shall specifically not apply and shall be of no force or effect. A written statement by Declarant or the Association stating any of the foregoing in this Subsection (C) shall be conclusive evidence of same.

13.5 Withdrawal of Property. Declarant shall be entitled to withdraw portions of the Property owned by Declarant from the terms and conditions of this Declaration, subject to the terms and conditions of this Section 13.5. For purposes of this Declaration, the portion of the Property withdrawn from the terms hereof shall be referred to as the "Withdrawn Property." In order to withdraw such portion of the

Property from the terms of this Declaration, Declarant shall record in the Public Records of the County an instrument executed with the formalities of a Deed, which instrument shall make reference to this Declaration, state that the purpose of the instrument is to withdraw the Withdrawn Property from the terms and conditions of this Declaration, and contain a legal description of the Withdrawn Property. Declarant shall have the right to withdraw portions of the Property from the terms and conditions of this Declaration without the joinder, ratification or approval of the Association, any Owner, or any lienholder, provided that Declarant is the fee simple owner of the Withdrawn Property, and provided that the withdrawal of the Withdrawn Property shall not result in the reduction of the number of Lots within the Property or the substantial material reduction of the size of any Lot within the Property. Upon the withdrawal of the Withdrawn Property from the terms and conditions of this Declaration, the Withdrawn Property shall no longer be subject to the terms of this Declaration, including all exhibits hereto, or any other covenants, restrictions and/or regulations provided herein or adopted hereunder, except for those easements, rights-of-way, or other portions hereof which, by their terms, specifically survive the termination of this Declaration, which shall include the withdrawal of such lands from the terms and conditions of this Declaration. The foregoing rights shall be in addition to those rights of the Declarant and the Association provided, without limitation, in Section 15.16 hereof.

13.6 Amendment. This Article 13 shall not be amended without the prior written consent of Declarant, so long as the Declarant owns any portions of the Residential Property.

ARTICLE 14

GENERAL PROVISIONS

14.1 Enforcement. This Declaration, including the Articles, Bylaws and Rules, may be enforced against any and all Owners by the Association, as well as Declarant so long as Declarant owns any portion of the Property. Enforcement by the Association (and Declarant) shall include and be governed by the following:

(A) Breach of any of the covenants contained in this Declaration or the Bylaws and the continuation of any such breach may be enjoined, abated or remedied by appropriate legal proceedings by Declarant or the Association. Any judgment rendered in any action or proceeding to enforce this Declaration or the Bylaws shall include a sum for attorneys' fees, in such amount as the court may deem reasonable, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.

(B) The result of every act or omission whereby any of the covenants contained in this Declaration or the Bylaws are violated in whole or in part is hereby declared to be and shall constitute a nuisance, and every remedy allowed at law or in equity with respect to nuisances, either public or private, shall be applicable and may be exercised by Declarant or the Association.

(C) The remedies herein provided for breach of the covenants contained in this Declaration or in the Bylaws shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

(D) The failure of the Association to enforce any of the covenants contained in this Declaration or in the Bylaws shall not constitute a waiver of the right to enforce the same thereafter.

(E) All remedies provided at law or in equity shall be deemed incorporated herein so as to permit the employment of all remedies permitted under Florida law.

(F) Notwithstanding the foregoing, disputes between the Association and an Owner regarding the use of, or changes to, Lots or the Common Area, other covenant enforcement disputes, disputes regarding amendments to the Association documents, disputes regarding meetings of the Board, and committees appointed by the Board, membership meetings, not including election meetings, and access to the official records of the Association, shall be filed with the department for mandatory mediation before the dispute is filed in court. This mediation process shall be governed by applicable provisions of the Florida Statutes.

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

14.3 Term. Subject to the amendment provisions otherwise provided herein, this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Association, Declarant, and their respective successors and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years, unless an instrument, approved by 75% of the Members and 75% of the Institutional Mortgagees has been recorded terminating this Declaration. At such point of termination, no prescriptive rights shall be established regardless of the nature or duration of use of the Common Area or any portion thereof.

Should the Members of the Association vote not to renew and extend this Declaration as provided herein, all Common Area shall be transferred to a Trustee appointed by the Circuit Court for the County, which Trustee shall sell the Common Area free and clear of the provisions hereof upon terms established by the Trustee and approved by the Court. The proceeds of such a sale shall first be used for the sale, operation, maintenance, repair and upkeep of the Common Area, including a Trustee's fee approved by the Court, then for the payment of any debts or obligations constituting a lien on the Common Area. The excess of proceeds, if any, shall be distributed among the Owners equally. Only those easements which state that they shall survive termination hereof shall so survive unless otherwise required under Florida law.

14.4 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of community facilities and Common Area. The article and section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural, the singular and the masculine, feminine and neuter genders shall each include the others. This Declaration shall be read as cumulative to and not in limitation of the Master Covenants. The Board shall be the ultimate interpreter of this Declaration and an opinion of counsel that any such interpretation is not unreasonable shall establish the validity of any such interpretation.

14.5 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Area to the public, or for any public use.

14.6 Notices. Any notice permitted or required to be delivered as provided herein shall (unless otherwise expressly set forth herein) be in writing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered forty-eight (48) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any Person at the address for such Person contained in the records of the Association. Such address shall be used for all purposes, unless changed from time to time by notice in writing to the Association.

14.7 NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT (A) AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION OR IN WRITTEN DOCUMENTS DELIVERED BY DECLARANT TO ANY OWNER, AND (B) AS OTHERWISE REQUIRED BY LAW.

14.8 Declarant Exemption. Anything in this Declaration to the contrary notwithstanding, so long as Declarant owns, occupies or uses any portion of the Residential Property, nothing herein shall be construed to prevent, limit, or impair Declarant's right and ability to complete development of the Property in any manner determined by Declarant from time to time, including, but not limited to, Declarant's right to operate and maintain models, gates, sales and leasing offices, construction activities, promotional activities and signs.

14.9 Information. The Association shall make available for inspection to Owners and Institutional Mortgagees, upon request, during normal business hours, current copies of this Declaration, the Articles, Bylaws, or any Rules concerning the Property, together with the books, records, and financial statements of the Association.

14.10 Voidability of Contracts. The Association shall not have the right to cancel any contract, lease, or management agreement entered into by the Association prior to Declarant turning over control of the Association to Owners other than Declarant, unless the Association has a right of termination "without cause" in such contract, lease, or management agreement, which is exercisable without penalty at any time after transfer of control upon not more than ninety (90) days notice to the other party. All other contracts for products and services entered into by Association shall be governed by the provisions of applicable Florida Statutes.

14.11 Assignability of Declarant's Rights. The rights of Declarant under this Declaration, the Articles, and the Bylaws may be assigned any number of times, in whole or in any part, on an exclusive or non-exclusive basis by written instrument recorded in the public records of the County. Any partial assignee shall not be deemed Declarant, nor shall it be burdened by any of Declarant's obligations arising under this Declaration, except as expressly and specifically assigned and assumed. No assignee shall be any liability for any acts of Declarant or any prior declarant, prior to the date of assignment or transfer, unless such assignee is assigned and agrees to assume such liability.

14.12 Priority of Documents. This Declaration shall be paramount in those instances of irreconcilable conflict among or between it and the Articles, Bylaws, or Rules, in the absence of any express language indicating which document controls the particular subject matter; the Articles are next paramount, the Bylaws next paramount, and the Rules most subordinate.

14.13 Real Property Covenants. All of the restrictions, reservations, covenants, conditions and easements contained herein constitute covenants running with the land and shall rule perpetually unless terminated or amended as provided herein, and shall be binding upon all owners as herein defined, and in consideration of receiving and by acceptance of any deed, grant, devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions of this Declaration and the Articles and Bylaws. Both the burdens imposed and the benefits derived from this Declaration shall run with each Lot, as herein defined.

14.14 Right of First Refusal. The Declarant shall have the right of first refusal to re-purchase a Lot, improved or unimproved, in whole or in part, from an Owner, as follows:

(A) In the event any Owner wishes to sell or transfer his Lot, with or without improvements, within two (2) years from the actual date of Closing on the

purchase of the Lot or in the event Owner has not begun construction (commencement of construction being defined as the earlier to occur of the issuance of a building permit or permits or the recording in the Public Records of the County of a Notice of Commencement pursuant to Chapter 713, Florida Statutes) of a Home on the Lot, the Declarant shall have the option to purchase ("Right of First Refusal") said Lot, together with improvements thereon, if any, upon the same conditions as are offered by the Owner to a third person ("Third Party Contract"). Any attempt to sell said Lot without having first offered it to the Declarant shall be wholly null and void, and shall confer no title or interest whatsoever upon any purchaser, tenant or lessee; provided however, any deed may be validated by subsequent execution by the Declarant and recording in the Public Records of the County of a waiver of the Right of First Refusal.

(B) Should an Owner wish to sell or transfer his Lot, whether improved or unimproved, he shall deliver to the Declarant a written notice containing a copy of the executed Third Party Contract, which Third Party Contract shall be executed subject to the Declarant's Right of First Refusal or waiver thereof. The Owner shall also submit to the Declarant, within five (5) days from receipt of any request by the Declarant, any supplemental information as may be required by the Declarant.

(C) The Declarant, within fifteen (15) days of receiving such notice and such supplemental information as is required by the Declarant, shall either exercise its Right of First Refusal to purchase the Lot upon the same terms and conditions as set forth in the Third Party Contract or waive its Right of First Refusal, by delivering written notice ("Notice") to the Purchaser at the address of the Owner as designated by the Owner in the Notice.

(D) The Declarant shall have fifteen (15) days from the date of the Notice sent by the Declarant exercising its Right of First Refusal within which to make a binding offer ("Declarant's Offer") to purchase upon the same terms and conditions specified in the Third Party Contract. Thereupon, the Owner shall either accept such Declarant's Offer and simultaneously withdraw and/or reject the Third Party Contract or reject the Declarant's Offer and simultaneously withdraw and/or reject the Third Party Contract. Failure of the Declarant to make such binding Declarant's Offer within the said fifteen (15) day period shall be deemed a waiver by the Declarant of its Right of First Refusal, and the Owner shall be free to make or accept the offer in the Third Party Contract and sell the Lot, improved or unimproved, pursuant thereto to the prospective purchaser named therein in accordance with such Third Party Contract submitted to the Declarant.

(E) Should Declarant exercise the Right of First Refusal, Owner shall pay all of Declarant's and Owner's closing costs together with a closing fee equal to 1.75% of the Purchase Price.

(F) Should Declarant, in its sole and absolute discretion, not exercise such Right of First Refusal, then in such case Owner shall pay to Declarant a "Marketing Fee" for having advertised and promoted Hibiscus Cove, equal to twenty-five

(25%) of the increase in the sales price (Gross Resale Price as stated on the Third Party Contract less the total purchase price, including all options, as set forth on the HUD-1 Settlement Statement executed at Closing on the sale by the Declarant to the Owner). The Marketing Fee due Declarant hereunder shall be paid to Declarant at the closing of the Third Party Contract.

(G) In the event the sale or transfer under the Third Party Contract is not ultimately consummated for any reason whatsoever, the Owner may not sell or transfer his Lot without complying again *ab initio* with the terms and conditions of this Section 14.14.

(H) Anything in this Section 14.14 to the contrary notwithstanding, should any Lot at any time become subject to an institutional first mortgage, the holder thereof, upon becoming the owner of said Lot through foreclosure or deed in lieu of foreclosure, and its immediate grantee shall have the unqualified right to sell or otherwise transfer said Lot, including the fee ownership thereof, without prior offer to the Declarant.

(I) The foregoing provisions of this Section 14.14 shall not apply to a transfer for no consideration by a Owner to any member of his immediate family (*i.e.*, spouse, children or parents) or if a Lot is owned by a form of co-tenancy to transfers from one tenant to the other co-tenant.

(J) The provisions of this Section 14.14 shall apply to all subsequent sales of a Lot during the first two (2) years after purchase of the Lot from the Declarant as evidenced by the Special Warranty Deed recorded in the Public Records of the County from Declarant, as grantor, to Owner, as grantee (the "Restriction Period").

(K) Notwithstanding the above, the duration of the Restriction Period shall be reduced to one (1) year provided the Owner registers the Lot as his homestead as provided under the laws of the state of Florida and continuously uses the Lot as such for a period of one (1) year.

(1) During the Restriction Period no "For Sale" or "For Rent" signs shall be allowed to be exhibited, displayed, inscribed, painted or affixed, in, on or upon any part of the Lot affected by the Restriction Period.

(2) Anything in this Section 14.14 to the contrary notwithstanding, the Declarant may, in its sole discretion, waive its Right of First Refusal to purchase any Lot or its right to receive the Marketing Fee, notwithstanding whether or not a Third Party Contract has been presented to Declarant. Any such waiver by the Declarant must be in writing and signed by an authorized representative of Declarant to be binding upon the Declarant.

14.15 Disclaimer. THE ASSOCIATION WILL STRIVE TO MAINTAIN THE PROPERTY AS A SAFE AND SECURE RESIDENTIAL ENVIRONMENT. HOWEVER, NEITHER THE ASSOCIATION NOR DECLARANT SHALL BE HELD LIABLE FOR

ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, TENANTS, GUESTS, AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION AND DECLARANT, AND ANY COMMITTEES ESTABLISHED BY ANY OF THE FOREGOING ENTITIES, ARE NOT INSURERS AGAINST LOSS AND THAT EACH OWNER, TENANT, GUEST, AND INVITEE ASSUMES ALL RISK OF LOSS OR DAMAGE TO PERSONS, TO LOTS, AND TO THE CONTENTS OF LOTS, AND FURTHER THAT THEY ACKNOWLEDGE THAT NEITHER THE ASSOCIATION NOR THE DECLARANT HAS MADE ANY REPRESENTATIONS OR WARRANTIES TO ANY OWNER, TENANT, GUEST, OR INVITEE, NOR HAS ANY OF SUCH PARTIES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SECURITY MEASURES RECOMMENDED OR UNDERTAKEN, AS OFFERED OR AGREED TO BY THE ASSOCIATION OR DECLARANT.

14.16 No Partition. Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Common Area or any part thereof seek any judicial partition unless the Common Area have been removed from the provisions of this Declaration. This Section 14.15 shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

14.17 Modification of Project. Declarant reserves the absolute right at any time and from time to time to modify the Project for all or any portion of the Property, and in connection therewith to develop residences upon the Property which are substantially different from the planned residences for the Property from time to time, and in the event Declarant changes the type, size, or nature of the residences or other Improvements to be constructed upon the Property, Declarant shall have no liability thereafter to any Owner. In addition, Declarant makes no representations or warranties as to the manner in which any other property outside of the Property will be developed, and shall have no liability to any Owner as regards the development of any other property in or around the Property.

14.18 Notices and Disclaimers as to Water Bodies. NEITHER DECLARANT, THE ASSOCIATION NOR ANY OF THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY POND OR OTHER WATER BODY WITHIN THE PROPERTY. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD

HARMLESS THE LISTED PARTIES FOR ANY OR ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY HABITAT OR ENTER INTO WATER BODIES WITHIN THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE. IN ADDITION, ALL PERSONS ARE NOTIFIED THAT THERE MAY BE SUBSTANTIAL VESSEL TRAFFIC WITHIN THE ABUTTING WATERBODY WHICH MAY POSE A THREAT TO PERSONS IN THE WATER OR ON THE PROPERTY, AS WELL AS BECOMING A NOISE NUISANCE TO OWNERS OF THE PROPERTY. THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE, VESSEL TRAFFIC, OR NOISE NUISANCE.

14.19 Exhibits. Any Exhibits attached to this Declaration, any Amendments to this Declaration or any Supplemental Declaration that contain sketches of or depictions of lots, Common Area, ponds, berm, improvements in any other item shown on an Exhibit if any (sketched items) shall not be binding as to the existence, size, dimension, location or identification or any other aspect of such sketched items and shall only be for informational, reference, conceptual and general schematic purposes only unless the Exhibit together with the text of this Declaration including any Amendment to this Declaration and Supplemental Declaration is specifically creating the sketched items and then only to the extent specifically created. The depiction of sketched items shown on any Exhibits (unless to specifically create the sketched item(s) as stated in the previous sentence) shall not commit that same will be created and/or constructed at all or in the manner shown and the Declarant makes no representations or warranties as to how the sketched item(s) will be created and/or constructed if at all.

Declarant and the Association have caused this Declaration to be executed as of the date first written above.

Signed in the presence of:

DECLARANT:

WALTERS CONSTRUCTION
CORPORATION, a Florida corporation,
d/b/a LAGUNA HOMES

Print Name: _____

By: _____

Print Name: _____

Name: _____

Its: _____

STATE OF FLORIDA)
) SS:
COUNTY OF ORANGE)

The foregoing instrument was acknowledged and sworn to before me this ___ day of _____, _____, BRENT WALTERS, acting in his capacity as President of WALTERS CONSTRUCTION CORPORATION, a Florida corporation, on behalf of the company. He is personally known to me or has produced _____ as identification.

(SIGNATURE OF PERSON TAKING
ACKNOWLEDGMENT)

(Name of acknowledger, typed, printed or
stamped)

(Title or rank (serial number, if any))

Joined by Association:

HIBISCUS COVE HOMEOWNERS
ASSOCIATION, INC., a Florida corporation not
for profit

Print Name: _____

Print Name: _____

By: _____
Name: _____
Title: _____
Address: _____

STATE OF FLORIDA)
) SS:
COUNTY OF ORANGE)

The foregoing instrument was acknowledged and sworn to before me this ___ day of _____, _____, by _____, of HIBISCUS COVE HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, on behalf of

the corporation. He/She is personally known to me or has produced
_____ as identification.

(SIGNATURE OF PERSON TAKING
ACKNOWLEDGMENT)

(Name of acknowledger, typed, printed or
stamped)

(Title or rank (serial number, if any))

EXHIBIT LIST

- "A" LEGAL DESCRIPTION OF THE PROPERTY
- "B" ARTICLES OF INCORPORATION
- "C" BYLAWS
- "D" LEGAL DESCRIPTION OF COMMON AREA
- "E" LEGAL DESCRIPTION OF EACH OF THE LOTS
- "F" SURFACE WATER MANAGEMENT PERMIT
- "G" SITE PLAN
- "H" PLAT

EXHIBIT "A"

HIBISCUS COVE

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT "B"

HIBISCUS COVE

ARTICLES OF INCORPORATION

EXHIBIT "C"

HIBISCUS COVE

BYLAWS

EXHIBIT "D"

HIBISCUS COVE

LEGAL DESCRIPTION OF COMMON AREA

(THE BELOW SHALL BE REPLACED WITH LEGAL DESCRIPTIONS OF THE COMMON AREAS AT THE TIME OF RECORDING.)

The Common Area are all portions of the Property less and except therefrom the following as same may exist from time to time: (i) all Lot(s) within the Property; (ii) any portions of the Property dedicated or conveyed to any governmental or quasi-governmental agency or any public or private utility companies; or (iii) any other portions of the Property which would generally, customarily or in the Declarant's discretion not be Common Area. The Common Areas include, but are not limited to, the streets, roads, parking areas, sidewalks, leadwalks, paths, entryways, swale areas, open areas, and recreation areas, if any. The Common Area as described above shall change from time to time based upon the occurrences, now or hereafter and from time to time, of the matters referred to in Subsections (i) through (iii) above.

The Common Area as described above may be specifically described in "Supplemental Declaration(s) Describing Common Area," recorded in the Public Records of the County, from time to time. Notwithstanding any provisions in the Declaration to the contrary, "Supplemental Declaration(s) Describing Common Area" need only be executed by Declarant alone, (with or without a meeting or notice) and need not be joined in, approved, or otherwise consented to by any Owner, the Association, the FHA or the VA. In the event of any dispute, ambiguity or doubt as to whether any portion of the Property is Common Property, the recording in the Public Records of the County of a "Supplemental Declaration Describing Common Area," duly executed by Declarant, describing the portion of the Property in question, shall be conclusive evidence that such portion of the Property is Common Property.

EXHIBIT "E"

HIBISCUS COVE

LEGAL DESCRIPTION OF EACH OF THE LOTS

EXHIBIT "F"

HIBISCUS COVE

FRONT OF LOTS UTILITY EASEMENT

EXHIBIT "G"

HIBISCUS COVE

SIDE DRAINAGE EASEMENTS FOR EACH LOT

EXHIBIT "H"

HIBISCUS COVE

POND MAINTENANCE EASEMENT

EXHIBIT "1"

HIBISCUS COVE

SURFACE WATER MANAGEMENT PERMIT

EXHIBIT "J"
HIBISCUS COVE
SITE PLAN