

57 pages

\$486.00

①
This instrument prepared by:
Mercedes Homes, Inc.
10475 Fortune Parkway, Suite 201
Jacksonville, Florida 32256

⑤
After Recording Return to:
Robert M. Poppell, Esquire
Akerman, Senterfitt & Eidson, P.A.
255 South Orange Avenue, 17th Floor
Orlando, Florida 32801

-----[SPACE ABOVE THIS LINE FOR RECORDING DATA]-----

**DECLARATION OF COVENANTS, CONDITIONS,
EASEMENTS AND RESTRICTIONS FOR PALOMA SUBDIVISION**

THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTION FOR PALOMA SUBDIVISION, made on the date hereinafter set forth by St. Augustine Associates, Inc., a Florida corporation, as Trustee under Land Trust Agreement for St. Augustine Centre Land Trust dated June 15, 1998, hereinafter referred to as "Developer".

WITNESSETH:

Developer is the owner of the property in St. Johns County, Florida, more particularly described on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Property") and desires to develop the Property as a planned townhouse residential community.

NOW, THEREFORE, Developer hereby declares that the Property shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions (hereinafter referred to as the "Restrictions") which are for the purpose of protecting the value and desirability of and which shall run with the land and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each such person.

ARTICLE I
Definitions

1. "Access Area" shall mean and refer to that portion of each Lot which surrounds the exterior of the Dwelling Unit.
2. "Adjacent Lot" shall mean and refer to that Lot or Lots immediately to either side of another Lot.
3. "Articles" means the Articles of Incorporation of the Association, a copy of which is attached hereto as Exhibit "B" and made a part hereof.
4. "Association" means Paloma Owners Association, Inc., a Florida corporation not-for-profit, its successors and assigns. The association is not a condominium association.

5. "Association Act" shall mean and refer to the laws of the State of Florida applicable to the operations of the Association, from time to time, including, but not necessarily limited to, those laws set forth in Chapter 720, Section 720.301 through 720.312, Florida Statutes, 2003, as same may be amended from time to time.

6. "Board" or "Board of Directors" means the Board of Directors of the Association.

7. "Building" shall mean and refer to a building within the Property containing two or more attached Residential Dwelling Units sharing Party Walls and a common roof.

8. "Bulk Service Agreements" shall mean and refer to those agreements between the Association and service providers engaged or retained by the Association to provide, carry out, perform or discharge all or any part of the Association's duties, obligations and responsibilities pursuant to this Declaration.

9. "Bylaws" means the Bylaws of the Association, a copy of which is attached hereto as Exhibit "C" and made a part hereof.

10. "Committed Property" or "Property" shall mean and refer to the property described in Exhibit "A" attached hereto and made a part hereof or any additional property hereafter made subject to this Declaration by the Declarant in accordance with the provisions of this Declaration.

11. "Common Area" or "Common Property" means all real property and personal property from time to time owned or held by the Association, or any rights or interests of the Association in any real or personal property, including, but not limited to, the Stormwater Management System, and further including the benefit of all easements, rights and other interests established in favor of the Association by this Declaration or any plat of the Property or any portion thereof.

12. "Common Streets and Roads" shall mean and refer to the rights-of-way of all streets, roads, drives, courts, ways, cul-de-sacs and alleys within the Property as the same are described in and depicted on any Plat and all paving, curbs and other improvements, facilities and appurtenances constituting part of the roadway system within the Property, including, but not limited to, street lights, traffic control signage and utility lines, conveyed to the Association as Common Property pursuant to this Declaration; but, specifically not including any utility lines located within such rights-of-way as may be owned by private or public utility companies or governmental agencies from time to time providing utility services to the Property; and provided, further, that Common Streets and Roads shall not include any areas, improvements or facilities from and after the time that such areas, improvements or facilities are dedicated to the County or other appropriate governmental or quasi-governmental entity.

13. "County" shall mean and be defined as St. Johns County, Florida, a political subdivision of the State of Florida, specifically including each and all of its departments and agencies.

14. "Declarant" means Developer and any successors and assigns to the interest of Declarant pursuant to Section 12 of this Declaration.

15. "Declaration" means this Declaration of Covenants, Conditions, Easements and Restrictions for Paloma Subdivision.

16. "FHA" means the Federal Housing Administration and its successors and assigns.

17. "Initial Maximum Annual Assessment" shall be the annual assessment for the calendar year during which the first Residential Lot is conveyed to an Owner which shall not exceed \$1,500.00.

18. "Landscape Easement Area" shall mean and refer to those areas located on a Lot lying outside the Residential Dwelling Unit on such Lot. All Landscape Easement Areas shall be maintained by the Association, with such maintenance constituting a portion of the common expenses and all improvements located in such Landscape Easement Areas shall be the property of the Association.

19. "Lot" means any platted lot, whether improved or unimproved, intended for the construction of a Dwelling Unit and located within the Committed Property.

20. "Master Association" shall mean the St. Augustine Centre Property Owners Association, Inc., a Florida not for profit corporation, its successors and assigns, or any successor or replacement association, designated as the Master Association pursuant to the Master Declaration.

21. "Master Declaration" shall mean and refer to the Declaration of Easement Rights and Maintenance Covenants for the St. Augustine Centre DRI/PUD recorded at Official Records Book 1333, Page 347, Public Records of St. Johns County, Florida, as same has been, or may from time to time be, amended.

22. "Mortgagee" means any institutional holder of a first mortgage encumbering a portion of the Property as security for the performance of any obligation, including a bank, savings and loan association, insurance company, any real estate or mortgage investment trust, and insurers or guarantors of mortgages, including, without limitation, the Federal National Mortgage Association, the Government National Mortgage Association, the VA, the FHA or any lender generally recognized as an institutional type lender.

23. "Owner" or "Lot Owner" means the record owner, whether one or more persons or entities, of a fee simple title to any Residential Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

24. "Party Wall" shall mean and refer to the entire wall, from front to rear, all or a portion of which is used for support of each adjoining structure, situate or intended to be situate on the boundary line between adjoining Lots.

25. "Representative to the Master Association" shall mean and refer to the representative selected by the Members pursuant to Article III, Section 6 of this Declaration, as the representative entitled to cast the votes attributable to the Owners on all matters requiring a vote of the members of the Master Association.

26. "Residential Dwelling Unit" or "Dwelling Unit" means any part of the Property which has been improved for use as a townhouse dwelling, including, without limitation, any townhouse dwelling which is substantially completed.

27. "Residential Lot" means a platted lot intended to be used for the construction of a Residential Dwelling Unit.

28. "Sprinkler System" shall mean the irrigation system on the Lots and Common Areas designed to serve as the irrigation system for the entire development. No portion of the Sprinkler System shall be conveyed to any Owner, but such Sprinkler System shall be owned by the Association.

29. "Stormwater Management System" means 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 from the system, as permitted pursuant to Chapters 40C-4, 40C-40 or 40C-42, UF.A.C.

30. "Telecommunications Easement" shall mean and refer to the easement established in Article X, Section 11 of this Declaration.

31. "Unit" used without qualifying language includes Residential Lots and Residential Dwelling Units.

32. "VA" means the Veterans Administration and its successors and assigns.

ARTICLE II

Functions of Association

1. Objective, Purposes and Function. The Association has been created and established as the Sub-Association for the Property as required pursuant to the terms and provisions of the Master Declaration and further has been created and established in order to advance the objects and purposes of this Declaration. The Association shall have primary jurisdiction over, and the responsibility for, (i) the administration and enforcement of this Declaration, (ii) the establishment, levy, imposition, enforcement and collection of all Assessments for which provision is made in this Declaration, (iii) the administration, regulation, care, maintenance, repair, restoration, replacement, preservation and protection of the Common Property, (iv) the payment of all Common Expenses, (v) the promotion and advancement of the health, safety and general welfare of the Members of the Association and (vi) the assumption and carrying out of the duties, obligations and liabilities of the Sub-Association for the Property as required pursuant to the Master Declaration; all as more particularly provided in this Declaration and in the Articles of Incorporation, Bylaws and rules and regulations of the Association.

The purposes and powers of the Association shall also include, but not be limited to, representation of the Members of this Association before the Master Association, including, but not limited to, the exercise of all of the Members' rights as a "Member" of the Master Association. Pursuant to the Master Declaration, the Association shall have the exclusive

authority and right to represent the "Owners" (under the Master Declaration) as to all matters that may be brought before the membership of the Master Association pursuant to the Master Declaration, the Master Association Articles of Incorporation and the Master Association Bylaws, including, but not limited to, the casting of all votes attributable to the Members as "Owners" (under the Master Declaration) of Subdivided Tracts under the Master Declaration.

2. Duties of the Association. The Association, acting by and through its Board, shall, in addition to those general and specific duties, responsibilities, , obligations and powers elsewhere referenced in this Declaration or imposed upon it by law or specified in its Articles of Incorporation and Bylaws, have the following specific duties, responsibilities and obligations:

A. To pay all Common Expenses and any other expenses associated with the management and administration of the business and affairs of the Association.

B. To establish, make, levy, impose, enforce and collect all Assessments for which provision is made in this Declaration or which shall otherwise be necessary to provide and assure the availability of such funds as may be reasonably necessary to pay all Common Expenses or otherwise conduct the business and affairs of the Association.

C. To maintain and operate all Common Property.

D. To maintain, repair or replace any of the Property, or any improvements, structures, facilities or systems located therein, as and to the extent provided in this Declaration and with respect to which the Association has been granted an easement for said maintenance.

E. To take any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Property and to perform any of the functions or services delegated to the Association in this Declaration or in the Articles of Incorporation or Bylaws.

F. To conduct the business of the Association, including but not limited to administrative services such as legal, accounting and financial, and communication services informing Members of activities, Notice of Meetings, and other important events. The Association shall have the right to enter into management agreements, including with companies affiliated with Declarant, in order to provide its services, and perform its functions.

G. To establish and operate the ARC at such time that the Association is delegated such purpose and authority by the Declarant.

H. To adopt, publish and enforce such rules and regulations as the Board deems necessary in connection with the fulfillment of the duties and powers of the Association arising pursuant to this Declaration, the Articles of Incorporation, the Bylaws or by any other applicable laws.

I. At the sole option and discretion of the Board, to conduct recreation, sport, craft, and cultural programs of interest to Members, their families, tenants and guests and charging admission fees for the operation thereof.

J. To construct improvements on Common Property as may be required to provide the services as authorized in this Article II.

K. To establish any use fees and promulgate rules and regulations respecting the use of Common Property and Association facilities by Members and persons other than Members.

L. Subject to the Board's sole discretion in determining the types of insurance coverages to purchase, and the amounts thereof, to provide adequate insurance protection on and for the Common Property and, consistent with their respective duties, responsibilities and liabilities, provide adequate insurance protection on and for the Association itself and its officers and directors, as well as for the members of the ARB established pursuant to this Declaration.

M. To act as the operating/responsible entity under, and to assume responsibility for compliance with, all permits or other governmental or quasi-governmental approvals assigned by Declarant to the Association, in Declarant's sole discretion, so long as such permits or approvals are, in the sole discretion of Declarant, useful or necessary for the common recreation, health, safety, welfare, benefit or convenience of the Property. Further in this regard, acceptance of such assignments from Declarant shall be mandatory upon the Association. Notwithstanding anything in the foregoing to the contrary, no Owner may transfer to the Association any such permit or approval, or any obligation or responsibility arising thereunder, obtained by such Owner in conjunction with its development of such Owner's Residential Property ("Owner Permit"). Responsibility for compliance with the Owner Permits shall remain with the Owner.

3. Powers of Association. The Association, acting by and through its Board, shall, in addition to those general and specific powers referred to herein or conferred upon it by law, and those powers specified in its Articles of Incorporation and Bylaws, have the following specific powers:

A. Except as may be limited by the terms of this Declaration and the Articles of Incorporation and Bylaws, to acquire, own, hold, control, administer, manage, operate, regulate, care for, maintain, repair, replace, restore, preserve, protect, insure, buy, sell, lease, transfer, convey, encumber or otherwise deal in or with real or personal property, (or any interest therein, including easements) which is, or upon its acquisition by the Association shall thereupon become, Common Property as defined in this Declaration, including the power to enter into any leases or other arrangements with appropriate governmental agencies necessary for the use of sovereignty lands associated with any of the Common Property, and further including the power to direct, conduct, maintain or support activities within or upon the Property in order to limit or control access to the Property.

B. To establish, make, levy, impose, enforce and collect all Assessments and impose, foreclose and otherwise enforce all liens for Assessments for which provision is made in this Declaration in accordance with the terms and provisions of this Declaration and the Articles of Incorporation and Bylaws.

C. To establish, make, levy, impose, enforce and collect fines against any Owner for any violation of the covenants, conditions and restrictions set forth in this Declaration, or of the rules and regulations of the Association; provided, however, that except for a failure of an Owner to pay any Assessment when due and with respect to the rights of the Association in connection therewith, any fines imposed pursuant to this Declaration shall be made by the Association, or a committee duly appointed by the Association for that purpose, only after appropriate notice and hearing given and held in accordance with the Association Act.

D. To create, establish, maintain, and administer such capital expenditure reserves and other reserve funds or accounts as shall, in the discretion of the Board, be reasonably necessary to provide and assure the availability of funds necessary for the care, maintenance, repair, replacement, restoration, preservation, and protection of all Common Property, including all easements and facilities, and for such other purposes as the Board, in its reasonable discretion, shall deem necessary or appropriate.

E. To adopt, publish and enforce such rules and regulations as the Board deems necessary in connection with the fulfillment of the duties and powers of the Association arising pursuant to this Declaration, the Articles of Incorporation, the Bylaws or by any other applicable laws.

F. To sue and be sued and to defend any suits brought against it.

G. To borrow such money as may reasonably be required to discharge and perform the duties, responsibilities and obligations imposed upon the Association pursuant to this Declaration.

H. To employ such persons or to contract with such independent contractors or managing agents as shall be reasonably required in order for the Association to carry out, perform and discharge all or any part of its duties, obligations and responsibilities pursuant to this Declaration and the Articles of Incorporation.

I. Subject to the rights of the County under applicable franchise agreement, to itself provide equipment, facilities and personnel or to contract with an independent contractor or independent contractors, for such public or quasi public services as may be deemed by the Association to be reasonably necessary or desirable for the common health, safety and general welfare of the residents, including, without limitation, internal security and protection services, garbage and trash pickup and disposal services, cable television services and street lighting services.

J. To take such steps as may be necessary to enforce the provisions of this Declaration, including, without limitation the employment of counsel and the institution and prosecution of litigation to enforce the provisions of this Declaration including, without limitation, such litigation as may be necessary to collect Assessments and foreclose liens for which provisions are made in this Declaration.

ARTICLE III Membership and Voting Rights

1. Right to Membership. Every Owner of a Residential Lot which is subject to this Declaration shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Residential Lot.

2. Classes of Membership. The Association shall have two classes of voting membership:

A. Class A. Class A members shall be all Owners, with the exception until "Turnover" (as defined in Section 3 below) of the Declarant. Each Class A member shall be entitled to one (1) vote for each Residential Lot owned.

B. Class B. The Class B member shall be the Declarant. The Class B member shall be allocated a number of votes at all times equal to three (3) times the total number of Class A votes outstanding; provided, however, that Class B membership shall cease and become converted to Class A membership upon Turnover.

3. Turnover. Class B membership shall convert to Class A membership ("Turnover") no later than the outside date for transition of control of a homeowners association to members other than the Declarant as set forth in the Association Act. In the alternative, Turnover will occur at such earlier time than as required by the Association Act when Declarant makes the election, in its sole and absolute discretion, to give written notice to the Association of its decision to cause the Turnover to occur.

4. Multiple Owners. When any Residential Lot is owned of record in the name of two (2) or more persons or entities, whether fiduciaries or in any other manner of joint or common ownership, only one of such persons, who shall be designated by such joint owners, shall become the member entitled to vote. Such vote shall be exercised as they among themselves determine but in no event shall more than one (1) vote be cast with respect to any such Residential Lot. Where a partnership, corporation or other entity is a Class A member, such Class A member shall designate one representative of such partnership or such corporation or other entity to be the member entitled to vote.

5. Declarant Rights to Appoint Directors. Notwithstanding anything in the foregoing to the contrary, the Declarant shall, without regard to the number of votes allocated to Declarant, be entitled to appoint one (1) member of the board of directors of the Association for as long as the Declarant is the owner of at least five percent (5%) of the total number of the combined Lots within the Property (in other words, 5% of the total number of votes in the Association). Nothing contained in the foregoing, however, is intended, nor shall be construed, to create any obligation upon the Declarant to exercise such right to elect such one director.

6. Representative to the Master Association. The Property is located within the area known generally as the St. Augustine Centre DRI/PUD and as such is subject to, and must be developed in accordance with, the Master Declaration. Capitalized terms used in this Declaration without definition shall have the same meaning given to such terms in the Master Declaration. The Property constitutes, and shall be developed as, an Initial Tract. Pursuant to

the requirements of the Master Declaration, a Sub-Association shall be formed for, and a Sub-Declaration shall be recorded against, any Initial Tract that is subdivided into more than one legally recognized parcel. This Declaration shall constitute the Sub-Declaration for the Property and the Association shall constitute the Sub-Association for the Property. By virtue of its execution of the Joinder and Consent attached to this Declaration, Highland Pointe, Ltd., the "Declarant" under the Master Declaration, has approved this Declaration for all purposes of the Master Declaration.

Pursuant to the Master Declaration, the Association has the exclusive authority and right to represent the Owners, in their capacity as "Owners" under the Master Declaration, in connection with all matters that may be brought before the membership of the Master Association pursuant to the Master Declaration, the Master Association Articles of Incorporation and the Master Association Bylaws, including, but not limited to, the casting of all votes attributable to the Owners of Subdivided Tracts under the Master Declaration. The Association shall exercise such authority and right by and through the Representative to the Master Association elected by Members as provided in the following provisions of this Section 6.

A. The Members shall elect a Representative to the Master Association. Once elected by Members, the Representative to the Master Association shall be entitled, and shall have the exclusive authority, to represent the Members as to all matters that may be brought before the membership of the Master Association. The Representative to the Master Association shall have absolute discretion as to the exercise of such membership rights and votes attributable to the Members.

B. Representatives to the Master Association shall be elected by the Members by a plurality of the votes of such Members under a straight voting method. Voting for a Representative to the Master Association shall occur at an annual meeting of the Members, which meeting shall be held prior to the annual meeting of Members of the Association. The conduct of any meeting of Members shall be consistent with and governed by the terms and provisions of meetings of the Members of the Association as established in the Bylaws. Representatives to the Master Association shall serve a term of one (1) year and until their successors shall have been elected and qualified or until their earlier resignation, removal from office or death. Representatives to the Master Association may be removed from office, with or without cause, upon the vote of a majority of the Members, which vote shall occur at a Special Meeting of such Members held for the purpose of removing such Representative to the Master Association.

ARTICLE IV **Maintenance**

1. Maintenance of Common Areas. The Association shall at all times maintain in good repair, operate, manage, insure and replace as often as necessary, any and all improvements situated on the Common Areas, including but not limited to, any courtyards, fences, recreational facilities, lawns, landscaping, and sprinkler systems, all of such work to be done as ordered by the Board of Directors of the Association acting on a majority vote of the Board members.

2. Lot Maintenance.

A. Association.

(1) The Association, through action of its Board of Directors, shall provide exterior maintenance at its expense upon each Lot as follows: paint, repair, replace and care for roofs, gutters, downspouts, and exterior building surfaces, including wood trim, all as originally installed by Declarant. The Association shall be responsible for the painting or staining of any garage door as required but shall not be responsible for the maintenance of any mechanical component of any garage door or any garage door opener, such maintenance being the responsibility of the Lot Owner.

(2) In addition to the exterior maintenance referred to in the preceding sentence, the Association shall be obligated to maintain in good repair and replace as necessary that part of the fences, landscaping, trees, shrubs, grass, sprinkler systems, driveways, sidewalks, and other exterior improvements situated on each Lot and outside each Residential Dwelling Unit, all as originally installed for such Residential Dwelling Unit. The Association shall not be responsible for the repair of any paving on a Lot which has been damaged as a result of oil, transmission fluid or other substances leaking onto any paving through the neglect of the Owner or occupant of the Lot on which such paving is located or for any repairs which are the result of the neglect of the Owner or occupant of the Lot, including repairs to the Sprinkler System. Such repairs, if undertaken by the Association, shall be billed as a Special Assessment against the Lot on which such repairs are performed.

(3) The Association shall maintain and water all landscaping and grass installed as part of the original construction of each Residential Dwelling Unit or such other landscaping and grass otherwise approved by the Board. All other landscaping and grass shall be maintained by the Owner who installed such landscaping and grass (or a successor Owner). The timing and frequency of the watering provided by the Association shall be determined by the Board.

(4) The Association shall not maintain any other portion of the platted Lot and improvements thereon.

(5) In addition, the assessments shall be used for the maintenance and repair of the Stormwater Management Systems including, but not limited to, work within retention areas, drainage structures and drainage easements.

B. Lot Owner. The Lot Owner is responsible to maintain and repair everything on the Lot, including but not limited to, the Residential Dwelling Unit and any other improvements, except for items which the Association is required to maintain, as specifically provided in the paragraph above. Provided, however, Lot Owners shall be responsible for the maintenance, repair and replacement, if applicable, of water and sanitary sewer lateral pipes servicing their Residential Dwelling Units, which laterals extend from the applicable water and sewer main to the Residential Dwelling Units, notwithstanding that a portion of such lateral may be located within the Common Area. The Lot Owner is responsible to maintain, repair and replace the air- conditioning and heating system and appurtenances thereto, servicing the

Residential Dwelling Unit and improvements located on his Lot and any other portion of the air-conditioning and heating system or appurtenances thereto servicing his Residential Dwelling Unit which may be located on the Common Area. The Lot Owner shall also maintain all screening, glass, and all doors, windows or other openings in the exterior of the Residential Dwelling Unit, except for any periodic painting or staining required.

3. Assessments. All expenses for maintenance performed by the Association pursuant to this section and all costs of all Bulk Service Agreements shall be paid for by the Association through assessments imposed by the Board of Directors in accordance with Article V. The Board may levy an individual assessment for services provided directly or indirectly to Owners or occupants of Owner's property under any Bulk Service Agreement. Such assessments shall be imposed against all Lots equally. No Owner may waive or otherwise escape liability for the assessments for such maintenance by non-use of the Common Areas or abandonment of the right to use the Common Areas.

ARTICLE V

Covenant of Maintenance Assessments

1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Residential Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges, special assessments and assessments related to services provided on behalf of Owner pursuant to Bulk Service Agreements including, but not limited to, monthly fees with respect to each service provided, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, late charges and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Residential Lot against which each such assessment is made. Each such 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 Residential Lot at the time when the assessment fell due. In the case of co-Owners, each co-Owner shall be jointly and severally liable for the entire amount of the assessment. The personal obligation for delinquent assessments shall not pass to an Owner's successor in title unless expressly assumed by such successor in title.

2. Purpose of Annual Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners and, in particular, for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the appropriate portion of the Common Areas and of the Lots situated upon the Committed Property, including, without limiting the foregoing, the payment of taxes (if any), insurance, repair, replacement, maintenance, additions, and the cost of labor, equipment, materials, utilities, services, management and supervision, payment for services provided to all Owners pursuant to Bulk Service Agreement(s) as well as any other costs set forth in this Declaration for which the Association is responsible.

3. Maximum Annual Assessment.

A. During the calendar year when the first Residential Lot is conveyed to an Owner, the maximum annual assessment shall be the Initial Maximum Annual Assessment.

B. From and after January 1 of the year immediately following the conveyance of the first Residential Lot to any Owner, the maximum annual assessment may be increased each year by action of the Board.

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

D. The Board, in determining the common expenses, may establish and maintain a reserve fund for the periodic maintenance, repair and replacement of the Common Areas or for such other purposes as the Board deems prudent for the operation of the Association.

E. Additionally, each Lot shall pay a one-time initial assessment fee of \$300.00, due on the day title of Lot is conveyed by Deed, whether such conveyance is the first conveyance or a subsequent conveyance; however, a conveyance by Declarant of an unimproved Lot to a builder for the construction of a Dwelling Unit shall not be deemed a conveyance for this purpose.

4. Special Assessments. In addition to the annual assessments authorized above, the Board may levy, in any assessment year, a special assessment applicable to that year provided that any such assessment shall have the assent of two-thirds (2/3rds) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

In addition, the Board may assess a special assessment against an Owner for the cost to repair any damage or injury to the Common Areas caused by the Owner's negligence or for such other amount as determined by the Board due to an Owner's failure to comply with the provisions of this Declaration as hereinafter provided.

5. Notice and Quorum for Any Action Authorized under Paragraph 4. Written notice of any meeting called for the purpose of taking any action authorized under paragraph 4 shall be sent to all members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At such meeting, the presence of members or of proxies entitled to cast a majority of the votes of each class of membership shall constitute a quorum.

6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Residential Lots (except special assessments specifically assessed against an Owner for costs incurred solely on account of his negligence or failure to comply herewith). For so long as Declarant is a Class B member or is otherwise in control of the Association, Declarant shall not be required to pay annual or special assessments on any Residential Lot owned by Declarant, provided however, in the event that, no less frequently than monthly, Declarant shall pay an amount equal to the difference between the operating expenses incurred by the Association and the assessments receivable from other members and other income of the Association for each month. The obligation of Declarant to fund deficits of the Association may

be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of these. Notwithstanding anything in the foregoing to the contrary, Declarant shall have no responsibility for operating deficits of the Association except to the extent that Declarant elects to pay such deficits in lieu of paying Assessments in a manner and an amount as a Class A Member. Upon termination of the Class B membership in the Association, the Assessments against any Residential Lot owned by Declarant shall be assessed against Declarant as a Class A member consistent with Declarant's ownership of such Residential Lot. After the Class B membership has been terminated, Declarant shall have no responsibility for operating deficits of the Association.

7. Date of Commencement of Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Residential Lots conveyed to an Owner on the first day of the month following the conveyance of the first Residential Lot to an Owner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The annual assessment shall be payable at the times and in the manner determined by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Residential Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Residential Lot is binding upon the Association as of the date of its issuance.

8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid by its due date shall be subject to a late charge of ten percent (10%) of the amount of the payment due and shall bear interest from the due date at the rate of fifteen percent (15%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Residential Lot. No Owner may escape liability for the assessments provided for herein by abandonment of his Residential Lot. The Board may suspend the voting rights and right to use the Common Areas of a member during any period in which such member shall be in default of any assessment levied by the Association. Notwithstanding anything herein set forth to the contrary, however, the Association shall have no right, power or authority hereunder, except upon a foreclosure as provided for herein, to suspend or otherwise unreasonably interfere with any Owner's right, privilege and easement to use the Common Streets and Roads for ingress and egress to and from such Owner's Residential Lot; it being expressly provided, however, that temporary interference for purposes of appropriate identification at and clearance through access gates shall not be deemed to be an unreasonable interference with such right, privilege and easement of and for ingress and egress.

9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Residential Lot shall not affect the assessment lien. However, the sale or transfer of any Residential Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Residential Lot from liability for any assessment thereafter becoming due or from the lien thereof. Any such delinquent assessments which were extinguished pursuant to the foregoing may be reallocated and assessed against the remaining Residential Lots as a common expense or special assessment.

10. Master Declaration Assessments. As contemplated in the Master Declaration, and elsewhere in this Declaration, the Master Association may levy assessments against the Property, including all Subdivided Tracts located within the Property, and may initially bill such assessments to the Association. Upon receipt of any such assessment, the Association shall immediately impose upon the Lots an Assessment for the full amount of such assessment levied by the Master Association. The Association shall have all rights and powers with respect to the levy, collection and enforcement of assessments levied by the Master Association as the Association has with respect to Assessments levied by the Association pursuant to this Article V.

ARTICLE VI

Common Structural Elements

1. Definition. Each Building contains or shall contain certain elements, features or parts which are structural elements of the Building or of more than one Dwelling Unit (such elements, features, or parts being hereinafter referred to as "Common Structural Elements"). The Common Structural Elements of each Building shall include the following:

A. Party Walls. All division walls between two (2) Residential Dwelling Units beginning at the unfinished surface of each side of such wall (hereinafter referred to as "Party Walls") located upon a Property Line between two (2) Residential Dwelling Units, provided that the mere fact such a division wall between two (2) Residential Dwelling Units is found not to be on a Property Line shall not preclude such division wall from being a Party Wall.

B. Common Roof. The entire roof of the Building, any and all roof support structures, and any and all appurtenances to such roof and roof support structures, (the roof covering, roof trim and roof drainage fixtures), all of which are collectively referred to herein as the "Roofing". Should the Roofing or part thereof or the roof covering, trim or drainage fixtures extend beyond the Building, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Roofing as same shall be constructed are hereby imposed.

C. Foundation. The entire concrete floor slab or wood floor system, if used in lieu thereof, and all foundational and support structures and appurtenances thereto, all of which are collectively referred to as the "Foundation". Should the Foundation or part thereof extend beyond the Building, same shall not be deemed to violate the provisions of this Declaration and such easements as may be necessary to accommodate and permit the Foundation as same shall be constructed are hereby imposed.

2. General. Each Owner shall own that portion of the Party Wall which stands on his own Lot. To the extent not inconsistent with the provisions of this Article, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each Party Wall (or party fence, if applicable) which is built by Declarant as part of the original construction of the Residential Dwelling Units upon the Lots and any replacement thereof.

If any portion of any structure, as originally constructed by Declarant or its designee, including any Party Wall or fence, shall protrude over two (2) adjoining Lots, it shall be deemed

that said Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection, Party Wall or fence. The foregoing shall also apply to any replacements of any structures, Party Walls or fences, if same are constructed in conformance with the original structure, Party Wall or fence. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

3. Sharing Maintenance or Repair. The costs of reasonable repair and maintenance of Common Structural Elements shall be shared equally by the Owners who make use of the Common Structural Elements in proportion to such use, except as otherwise provided herein. Such costs shall not be an expense to be paid by the Association.

4. Destruction by Fire or Other Casualty. In the event of damage or destruction of Common Structural Elements from any cause whatsoever, other than the negligence or willful misconduct of either Owner thereto, the Owners shall, at their joint expense, repair or rebuild said Common Structural Elements in accordance with the requirements of Article XII, Section 2(iv) of this Declaration, and each Owner, his successors and assigns, shall have the right to full use as herein contained of said Common Structural Elements so repaired or rebuilt. If damage or destruction is a result of one Owner's negligence or willful misconduct, that party shall be responsible for the total repair and replacement in a timely fashion. If either Owner fails to pay his share of repair or replacement, as aforesaid, then the other Owner shall have such Common Structural Elements repaired or reconstructed and shall be entitled to file in the Public Records of the County a claim of lien on the premises of the Owner failing to pay for the amount of such defaulting Owner's share of the repair or replacement costs. An Owner shall have the right to foreclose said claim of lien in accordance with the same procedural requirements as now provided for in Florida Statutes for foreclosure of a mechanic's lien; provided, however, said claim of lien shall be filed within ninety (90) days from date repairs or replacements were made to the Party Wall, and suit thereon shall be commenced no later than one (1) year from date such lien is filed. If either or both Owners shall give or shall have given a mortgage or mortgages upon his property to an Institutional Mortgagee, then such Institutional Mortgagee shall have the full right, at its option, to exercise the rights of its mortgagor as an Owner hereunder and, in addition, the right to add to the outstanding balance of such mortgage any amounts paid by the Institutional Mortgagee for repairs hereunder and not reimbursed to said Institutional Mortgagee by the Owners.

5. Easement for Repairs. If repairs or reconstruction to the Common Structural Elements shall be necessary, all necessary entries on or into the adjacent Residential Dwelling Unit upon the adjacent Lot shall not be deemed a trespass so long as the repairs and reconstruction shall be done in a timely and workmanlike manner. Consent is hereby given to enter on or into adjacent Residential Dwelling Units to effect necessary repairs and reconstruction.

6. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

7. Weather Proofing. Notwithstanding other provisions of this Article, an Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary repair and protection against such elements.

8. Arbitration. In the event of any dispute arising concerning Common Structural Elements, or under the provisions of this Article, each party shall choose one arbiter, and such arbiters shall choose one additional arbiter, and the decision of a majority of all of the arbiters shall be final and conclusive of the questions involved.

9. Alterations. The Owner of a Residential Dwelling Unit sharing a Party Wall with an adjoining Residential Dwelling Unit shall not cut windows or other openings in the Party Wall, nor make any alterations, additions or structural changes in the Party Wall.

10. Structural Cross Easements. Cross easements of support and use over, upon, across, under, through and into the Common Structural Elements shall exist in favor of the Association, the Owners or their designees for the continued use, benefit and enjoyment and continued support, service, maintenance, repair and design of all Residential Dwelling Units and Common Structural Elements within any of the Buildings.

ARTICLE VII

Architectural Control

1. Design Criteria. It is the Declarant's intent to create and maintain a subdivision in harmony with its surroundings and the natural elements of the Property. The Residential Dwelling Units constructed or to be constructed on the Property have been or will be designed to be compatible with each other and to establish a level of construction standards. No owner is permitted to make any changes to the exterior of any Residential Dwelling Unit or other improvement on the Property without the prior approval of the Architectural Control Committee of the Association (hereinafter referred to as the "ARC").

2. Architectural Control Committee. The ARC shall be appointed by a majority vote of the Board at a meeting duly called for such purpose or by resolution executed by a majority of the members of the Board. The majority of the ARC shall constitute a quorum to transact business at any meeting.

3. Necessity of Architectural Review and Approval.

A. No building, wall, fence, decking, paving, awning, door screening or other structure or improvement of any nature other than such structures originally constructed by Declarant shall be erected, placed, modified, altered or permitted to remain on any Lot or Common Area unless the construction plans and specifications and a plan showing the kind, shape, materials, colors and location of the structure, exterior elevations, and landscaping, as may be required by the Architectural Review Committee have been approved in writing by the Architectural Review Committee. In the case of structures initially constructed by Declarant on a Common Area or Lot prior to the conveyance of the Common Area to the Association or the sale of that Lot to the initial Owner other than Declarant, no review and approval by the Architectural Review Committee shall be required. All other buildings, walls, fences, or other structures or improvements of any nature, together with the landscaping, shall be erected, placed

or altered upon the Committed Property only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans, specifications and plot plan, or any of them, may be based on any ground, including purely aesthetic grounds, which in the sole discretion of said Architectural Review Committee, seems sufficient. Any change in the exterior appearance of any building, wall, fence or other structure or improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The Architectural Review Committee shall have the power to promulgate such rules and regulations, including the power to adopt and charge appropriate uniform fees for required reviews, as it deems necessary to carry out the provisions and intent of this paragraph.

B. The Architectural Review Committee shall review the proposed submission as to the type and quality of materials, harmony of the exterior design and location of the building or structure with existing buildings or structures, location of the building or structure with respect to topography, trees, vegetation and the finished grade elevation and floor slab, exterior color(s) of any building or structure and any other relevant considerations. Upon completion of the proposed improvements, an "as-built" survey showing the finished floor and grade elevation and location of all improvements shall be filed with the Association and with the Architectural Review Committee.

C. The Architectural Review Committee shall be composed of not less than three (3) nor more than seven (7) persons. The members of the Committee shall be appointed by Declarant, its designees, successors or assigns until such time as Declarant no longer owns any Lots. Thereafter, the members of the Committee shall be appointed by the Board. The membership, rules of procedure and duties of the Architectural Review Committee shall be prescribed by and, from time to time, changed or modified by the Board.

D. If the Architectural Review Committee shall disapprove, in whole or in part, any submission required herein, the Committee shall notify the person, firm or entity making the submission of the reasons for such disapproval. If the Architectural Review Committee fails or refuses to approve or disapprove a submission containing all the requirements as set forth herein within thirty (30) days after submission is received by the Committee, it shall then be presumed that the submission has been disapproved by the Architectural Review Committee.

4. Change in Buildings. No Owner shall make or permit any structural modification or alteration of any Building except with the prior written consent of the Architectural Review Committee, or its successor. Consent may be withheld if, in the sole discretion of the party requested to give the same, it appears that such structural modification or alteration would affect or in any manner endanger other Dwelling Units. No Building shall be demolished or removed without the prior written consent of all Owners of all other Dwelling Units within such Building.

5. Regulations. Regulations promulgated by the Board of Directors, or any committee established by the Board of Directors, or any committee established by the Board concerning the use of Common Property shall be observed by the Owners and their family, invitees, guests and tenants; provided, however, that copies of such regulations are furnished to each Owner by personal delivery or by regular mail prior to the time the regulations become effective.

6. Land Use. The use of a Residential Dwelling Unit or of the Common Areas by an Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the Articles and Bylaws and the Rules and Regulations of the Board of Directors. A Residential Dwelling Unit shall be used only for residential purposes for immediate members of a single family and their guests and invitees.

7. Building Type. No building shall be erected, altered, placed or permitted to remain on any Lot other than the Residential Dwelling Unit of the type originally constructed by Declarant. All Building exteriors shall be completed within nine (9) months from commencement of construction or issuance of a building permit, whichever comes first.

8. Building Location. Buildings shall be located in conformance with this Declaration, the applicable ordinances of the County and any specific approvals thereunder, or as originally constructed on a Lot by Declarant or its successors or assigns.

9. Damage to Buildings. If a Dwelling Unit is damaged, through an act of God or other casualty, then the Owner shall promptly cause his Dwelling Unit to be repaired and rebuilt substantially in accordance with the architectural plans and specifications used for the original construction of such Dwelling Unit. It shall be the duty of the Association to enforce such repair or rebuilding of the Dwelling Unit to comply with this responsibility in accordance with Article XII hereinabove. To accomplish the requirements of this Section, each Owner shall insure his Dwelling Unit at the highest insurable value, including, but not limited to, full replacement value of the premises, in accordance with Article XII below.

10. Temporary and Accessory Structures. No accessory building or structure of a temporary character, or trailer, tent, mobile home, or recreational vehicle shall be permitted on any Lot or Common Areas at any time or used as living quarters or for storage at any time, either temporarily or permanently, except as permitted by the Architectural Review Committee. No gas tank, gas container, or gas cylinder serving a Dwelling Unit shall be permitted to be placed on or about the outside of any Dwelling Unit or any ancillary building,. This restriction shall not apply to propane gas grills used for cooking.

11. Signs. A single "for sale" or "for rent" sign of no more than one foot by two feet (1' x 2') may be displayed on a Dwelling Unit during any period when the Dwelling Unit is being offered for sale or rent. The Committee shall have the right to adopt and enforce uniform standards as to the appearance and method of display of such signs. No other sign, advertisement or poster of any kind shall be erected or displayed to the public view on the Committed Property without the prior written approval of the Architectural Review Committee as to size, color, content, material, height and location. This paragraph shall not apply to Declarant.

12. Pets, Livestock and Poultry. No animals, livestock, or poultry of any kind or size shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept subject to the rules and regulations governing their keeping adopted by the Board of Directors. In no event shall the number of pets exceed two (2) for any Lot. No permitted pet may be kept, bred or maintained for any commercial purpose. No permitted pet may be kept if

the pet becomes a nuisance or annoyance to any neighbor, as determined by the Board of Directors.

13. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the neighborhood.

14. Antenna. Except as and to the extent permitted by applicable Florida or Federal law, no television, radio, electronic or other type antenna or satellite dish may be erected on the Committed Property or attached to any Dwelling Unit thereon without prior approval of the Architectural Review Committee.

15. Exterior Appearances and Landscaping. No change, modification or alteration may be made to any paint, coating, stain or other exterior finishing colors on any Buildings or to the landscaping, including, without limitation, the trees, shrubs, lawns, flower beds, walkways, and ground elevations, of any Building, unless prior approval is obtained from the Architectural Review Committee. Neither aluminum foil, paper, nor anything which the Architectural Review Committee deems objectionable, may be placed on windows or glass doors.

All Lots shall be kept in a clean and sanitary manner and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist.

16. Grades and Elevations. To preserve and maintain proper drainage in the Property, no changes in grades or elevations of any portion of a Lot (including the swale areas) or Common Area shall be made without the prior written approval of the Architectural Review Committee.

17. Commercial Vehicles, Trucks, Trailers, Campers and Boats. No trucks or commercial vehicles, campers, mobile homes, motor-homes, automobiles which are not currently registered and capable of legal operation on public roads, boats, house trailers, boat trailers, or trailers of every other description shall be permitted to be parked or to be stored overnight at any place on any Lot or Common Area in the Committed Property; except if such vehicle is being used in the construction of improvements on the Committed Property and then only during the periods of approved construction on said Lot, or if parked in an area designated by Declarant for such purpose or parked in a fully enclosed garage with the garage door fully closed. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up, delivery and other commercial services. Non-commercial vans used for personal purposes shall not be prohibited. No person shall park a vehicle so as to obstruct any person's use of ingress or egress rights created by this Declaration or park a vehicle on any unpaved portion of any Lot or Common Area, except as expressly permitted by the Association.

18. Garbage and Trash Disposal. No garbage, refuse, trash or rubbish shall be deposited on any Lot except in areas designated by the Association for such purpose. All equipment for storage or disposal of such material shall be kept clean and sanitary condition and shall be kept hidden from view.

19. Outdoor Drying and Laundry. No clothing, laundry or wash shall be aired or dried on any portion of any Lot or Common Area in an area viewable to any other Lot or

Dwelling Unit or roadway. No garments, rugs, etc., shall be hung from windows or doorways of Dwelling Units, and no clotheslines or similar type structure shall be permitted on any Lot in an area viewable from any other Lot, Common Area or roadway.

20. Fences. If a fence is approved by the Architectural Review Committee for installation on a Lot, a five foot (5') strip at the rear property line is to be left open to allow access for lawn maintenance of adjoining Residential Dwelling Units that do not have a fence. Notwithstanding any other provision of this Declaration, Owners who install fencing will be responsible for maintaining their lawn and landscaping located inside the fenced area.

21. Screen Enclosures. All screen enclosures, deck areas, patios, hot tubs, Jacuzzis, and sun decks, except for such structures originally installed by Declarant as part of the first construction of a Dwelling Unit or Common Area, must be approved in writing by the Architectural Review Committee.

22. Lawful Conduct. No immoral, improper, offensive or unlawful use shall be made of any Lot or other improvements. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be strictly observed.

23. Risks. No Owner shall permit or suffer anything to be done or kept in his Dwelling Unit or upon his Lot which will increase the rate of insurance to other Owners or as to their Lots or to the Association with respect to the Common Areas.

24. Parking Spaces. Each Owner shall have the exclusive right to use the driveway and paved portions of the Owner's Lot for parking and shall not park on any unpaved areas. Any parking spaces located on the Common Area will not be assigned, but shall be for the common use and benefit of Owners, their guests and invitees, subject to the right of the Board to adopt regulations concerning the use of such spaces.

Declarant shall have the right to use any such unassigned spaces for parking by prospective purchasers and such other parties as Declarant, in its sole discretion, deems advisable.

All parking spaces, including the driveway and paved portion of each Lot, shall be maintained by the Association.

25. Basketball Boards. Basketball boards are prohibited, whether attached to the Dwelling Unit or free-standing.

26. Skateboard Ramps. Skateboard ramps are prohibited on any Lot or Common Area.

27. Flagpoles. All flagpole structures and their locations must be approved by the Architectural Review Committee prior to construction and/or installation of same.

28. Decorative Items. The use of decorative items, including, but not limited to, statues, gates, rocks, planters, bird baths and other ornamental accessories are prohibited, unless

the Architectural Review Committee has given written permission for their installation prior to use, installation or construction.

29. Lighting. All exterior lighting, including, but not limited to, walkway, driveway, accent, or Common Area, must be approved by the Architectural Review Committee prior to construction or installation.

30. Businesses. No trade, business, professional office, or any other type of commercial activity shall be conducted on any portion of the Committed Property, including any Dwelling Unit. This restriction shall not prohibit the Declarant and its assigns from operating sales models and/or a sales and leasing office on any portion of the Committed Property or Common Area. Nothing herein, however, shall preclude an Owner from conducting In-Home Business Activities, provided that such Owner received the prior written approval of the Board. Such approval may be withheld for any reason, including failure to pay assessments, in the Board's sole discretion. Any In-Home Business Activities as used herein shall only mean and include business activities conducted solely within a Residential Dwelling Unit and which do not cause, create or entail any of the following:

- A. increased vehicular traffic or parking on the Property;
- B. clients, customers or patrons visiting or entering the Property;
- C. sales activity or solicitation within the Property;
- D. any form of advertising or signage on or within the Property;
- E. delivery of supplies or other items to any portion of the Property; and
- F. any other manifestation of such business activity which may be construed a nuisance or which would unreasonably disturb the residential ambience of the Property, in the sole, unfettered discretion of the Board.

31. Wells, Mining, Drilling and Excavation. No wells, mining, drilling or excavation of any type, except for such excavation as may be necessary for construction of Dwelling Units and Common Areas, shall be permitted on any portion of the Committed Property. No Owner of any Dwelling Unit shall draw water from any water body on or adjacent to any of the Committed Property.

32. Violations. In the event of a violation of this Declaration, or of any rule properly promulgated by the Board of Directors of the Association, the Association may, as an additional remedy, provide written notice of the violation to the Owner of record, and if said violation shall continue for a period of seven (7) days from the receipt of the written notice, the Owner may be fined an amount up to \$25.00 per day, per violation. The Association may take any and all actions permitted by applicable law to collect any fine levied pursuant to this Section.

33. Declarant Rights. Notwithstanding any other provision in this Declaration, Declarant is irrevocably empowered to sell, lease or rent Lots on any terms to any purchasers or lessees for as long as it owns any Lot. This section is intended to provide Declarant with the

broadest authority and power to transact and implement its business, and such activities shall be free and clear of any restrictions contained in this Declaration which would impede such activities. Declarant shall have the right to transact any business necessary to consummate sales and leases of said Lots, temporary uses for model homes, parking lots and/or sales offices, maintain signs, have employees in the office, use the Common Areas and show Lots. Sales office signs and all items pertaining to sales shall not be considered property of the Association and shall remain the property of Declarant or its assigns.

34. Provisions Inoperative as to Declarant. Notwithstanding any other provisions of this Declaration, any development of the Property or construction of Residential Dwelling Units by Declarant shall not be subject to review and approval by the ARC.

35. Amendments or Additional Restrictions. Declarant shall have the right to:

A. Amend these covenants and restrictions, but all such amendments shall conform to the general purposes and standards of the covenants and restrictions herein contained;

B. Amend these covenants and restrictions to comply with the requirements of the United States Department of Housing and Urban Development, FHA or VA;

C. Amend these covenants and restrictions for the purposes of (i) complying with any obligations or requirements imposed upon Declarant in connection with the development of the Property by any applicable governmental authority or (ii) curing any ambiguity or inconsistency between the provisions contained herein;

D. Include in any contract or deed or other instrument hereafter made any additional covenants and restrictions applicable to the property being conveyed which do not lower the standards of the covenants and restrictions contained herein;

E. Release any building plot from any part of the covenants and restrictions which have been violated, (including, without limiting the foregoing, violations of building restriction lines and provisions hereof relating thereto) if Declarant determines such violation to be a minor or insubstantial violation.

36. Easements. The Declarant, for itself and its successors and assigns, reserves the right, privilege and easement over and under all easement areas shown on any plat of the Property and the five (5) foot strip of land at the rear and the sides of each Residential Lot (except that such easement shall not exist to the extent it is located beneath a Residential Dwelling Unit) to erect, maintain and use electric and telephone wires, cables, conduits, water mains, drainage lines or drainage swales, sewer mains and other suitable equipment for the installation, maintenance, transmission and use of electricity, gas, telephone, lighting, heating, water, drainage, sewage and other conveniences and utilities. The Owners of the Residential Lots subject to the privileges, rights and easements referred to in this paragraph shall acquire no right, title and interest in and to wires, cables, conduits, pipes, mains, lines or other equipment or facilities placed on, over or under the property subject to such privileges, rights and easements. No structure, pavement or other improvement shall be erected on any part of any easement except by Declarant and, in the event any such improvement is placed in said easement by a person other than Declarant, the same shall be removed upon request by the Declarant or the

Association at the cost of the Owner of such Residential Lot upon which such easement and improvement are located.

ARTICLE VIII

Use of Property

In order to provide for congenial occupancy of the Property and for the protection of the value of the Residential Dwelling Units, the use of the Property shall be in accordance with the following provisions so long as the Property is subject to this Declaration.

1. **Common Areas.** The Common Areas shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Owners. There shall be no obstruction or alteration of, nor shall anything be stored, altered or constructed in, or removed from, the Common Areas without the prior written consent of the Board.
2. **Insurance.** No use shall be made of the Common Areas which will increase the rate of insurance upon the Property without the prior consent of the Board. No Owner shall permit anything to be done or kept on the Common Areas which will result in cancellation of insurance on any part of the Common Areas or which will be in violation of any law. No waste shall be committed in the Common Areas.
3. **Nuisances.** No obnoxious or offensive activity shall be allowed upon the Common Areas, nor any use or practice which is the source of annoyance or nuisance to Owners or guests or which interferes with the peaceful possession and proper use of the Common Areas by Owners. The Board shall have the power to adopt reasonable rules and regulations governing the use of the Common Areas and the personal conduct of the members and their guests thereon, and to establish fines for the infraction thereof as hereinafter provided. In addition, the Board may also suspend the right of a member to use the Common Areas, after notice and hearing for a period not to exceed sixty (60) days, as a result of such members' infraction of such published rules and regulations.
4. **Lawful Use.** No immoral, improper, offensive or unlawful use shall be made of the Common Areas or any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies pertaining to maintenance, replacement, modification or repair of the Common Areas shall be the same as is elsewhere herein specified.
5. **Stormwater Management System.** The Declarant has caused or will cause to be constructed a Stormwater Management System for the Property, including, but not limited to, drainage canals, lakes and drainage retention/detention ponds. At Declarant's option, any permits or other approvals associated with the Stormwater Management System may be transferred or assigned to the Association, and the Association shall be obligated to accept such transfer or assignment, as the operating entity with respect to such permits or approvals, and the entity ultimately responsible for all aspects of compliance therewith. The Association shall be responsible for the maintenance, operation and repair of the Stormwater Management System. Maintenance of the 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. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified, as approved by the St. Johns River Water Management District.

ARTICLE IX

Lakes

1. Water Level and Use. With respect to any lakes now existing or which may hereafter be erected within the Property, only the Association shall have the right to remove any water from such lakes for the purpose of irrigation or other use or to place any matter or object in such lakes. The Association shall have the sole and absolute right to control the water level of all lakes and to control the growth and eradication of plants, fowl, reptiles, animals, fish and fungi in and on such lakes and to fill any lake and no Owner shall deposit any fill in such lake. No dock, moorings, pilings, boat shelters or other structure shall be erected on or over the lakes without the approval of the ARC. No gas or diesel driven boat shall be permitted to be operated on any lake. Canoes and small, noncombustion powered boats will be permitted. All permitted boats shall be stored, screened from public view, and shall be stored either within existing structures on the Owner's Residential Lot, in designated areas within the planned development or behind landscaping approved by the ARC.

2. Lake Embankments. The lake embankments shall be maintained by the Association. The embankments shall be maintained by the Association so that the grass, planting or other lateral support shall prevent erosion of the embankment of the lake and the height, grade and contour of such embankments shall not be changed without the prior written consent of the ARC.

3. Easement for Access and Drainage. The Association shall have a perpetual, non-exclusive easement over all areas of the Stormwater Management Systems for access to operate, maintain or repair such systems. This easement shall provide the Association with the right to enter upon any portion of a Residential Lot which is adjacent to or a part of the Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Stormwater Management System as required by the St. Johns River Water Management District permit. In addition, the Association shall have a perpetual, non-exclusive easement for drainage over the entire Stormwater Management System. No person shall alter the drainage flow of the Stormwater Management System, including buffer areas or swales, without the prior written approval of the St. Johns River Water Management District.

ARTICLE X

Easements

1. Reservation of Easements. Declarant reserves for itself, its successors and assigns, a right-of-way and easement to erect, maintain and use electric and telephone poles, wires, cables, conduits, storm sewers, drainage swales, sanitary sewers, water mains, gas, sewer and water lines and other public conveniences or utilities on, in and over the Common Areas.

2. Access and Use Easements. Declarant grants to all Owners (and their guests, lessees and invitees) as an appurtenance to the ownership of the Residential Lot held by such Owner, but subject to this Declaration, the Articles of Incorporation and Bylaws and the rules and regulations promulgated by the Association pursuant to this Declaration, a perpetual non-exclusive easement for ingress and egress over, across and through, and for use and enjoyment of, all Common Property; such use and enjoyment to be shared in common with the other Owners, their guests, invitees as well as the guests, lessees and invitees of the Declarant.

There is further hereby created, declared, granted and reserved for the benefit of each Owner, as an appurtenance to the ownership of the Residential Lot held by such Owner, but subject to this Declaration, the Articles of Incorporation and Bylaws and the rules and regulations promulgated by the Association pursuant to this Declaration, and further benefitting all private entities and public agencies providing pick up and delivery, utility, fire protection, law enforcement and other governmental or quasi-governmental services, including, but not limited to, the United States Postal Service, a non-exclusive easement for pedestrian and vehicular ingress, egress and passage over and upon the Common Streets and Roads. Such easement for ingress, egress and passage shall be subject to and limited by such reasonable regulations and security controls, including but not limited to temporary stoppage and interruption and security gates for identification purposes, as may from time to time be established and promulgated by the Association.

3. Utility Easements. Declarant hereby creates, declares, grants and reserves, to itself (and its successors or assigns) for so long as the Declarant owns any of the Property, and the Association thereafter, the right to grant, for the benefit of the Declarant, the Association, all owners and the County and any private company, public or private utility or governmental authority providing utility and other services within the Property and the Common Property, a non-exclusive easement for utility purposes upon, over, under and across the Property, including, but not limited to, the Common Streets and Roads and all utility easement areas shown on any plat of the Property. Said easements shall be for the purpose of maintaining, installing, repairing, altering and operating utilities lines, systems and facilities, including, but not limited to, sewer lines, irrigation lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal lines and systems, pipes, wires, fiber optics lines, power lines, telephone service, gas lines, syphons, valves, gates, pipelines, cable television service, alarm systems and all machinery and apparatus appurtenant thereto, to all of the foregoing as may be necessary or desirable for the installation and maintenance of utilities and providing services to Owners, the Property and Common Property, all pursuant to, and in compliance with, all applicable permits, rules and regulations of any applicable governmental authorities. All such future easements to be of a size, width and location as Declarant (or the Association, if after Turnover), in its discretion, deems best but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Property.

4. Association Right of Entry. The Association shall have the right, but not the obligation, to enter onto any Residential Lot for emergency, security, and safety, which right may be exercised by the Board, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours

and after notice to the Owner. This right of entry shall include the right of the Association to enter onto any Residential Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition upon request by the Board.

5. Wall, Entrance Feature and Landscape Easements. There is hereby created, declared, granted and reserved for the benefit of Declarant and the Association an easement over and upon all wall, entrance feature and landscape easement areas shown on any plat of the Property ("Wall and Landscape Easements") together with an easement and license to enter upon such Wall and Landscape Easement areas for the purposes of erecting, constructing, installing, inspecting, maintaining, repairing and replacing any and all entrance features, screening walls or fences, and the installation and irrigation of any landscaping therein, which may be required by the County and/or deemed to be necessary or desirable by Declarant or the Association.

6. Construction and Marketing Easements. There is hereby created, declared, granted and reserved for the benefit of Declarant together with the right to grant, assign and transfer the same to Declarant's sales agents and sales representatives as well as to builders or building contractors approved by Declarant for the construction of residences within the Property, an easement for construction activities upon Residential Lots and an easement for marketing activities and signs on Residential Lots and for the maintenance on Residential Lots from time to time of model centers in which and from which Declarant and its authorized sales agents and sales representatives and approved builders and building contractors may engage in marketing and information activities on a temporary basis during the period of the development of and construction within the Property ("Construction and Marketing Easements"), provided, however, that such marketing activity shall be conducted from and within buildings constructed as single family residential dwellings which are temporarily used for such activities and which are thereafter to be sold, used and occupied as single family residential dwellings. The location of such model centers may be changed from time to time by Declarant, in its sole and absolute discretion.

7. Association Easements. There is hereby created, declared and granted to the Association, such perpetual, non-exclusive easements over and upon all or any portion of the Property, as may be reasonably necessary to permit the Association to carry out and discharge its duties, obligations and responsibilities under and pursuant to this Declaration and the Articles of Incorporation, Bylaws and rules and regulations of the Association ("Association Easements").

8. Conservation Easements. Declarant reserves the right to grant conservation easements to qualified grantees over and across Common Property, lakes, open space, areas dedicated to the use of the general public, or all or any portion of the Stormwater Management System or any other portion of the Property as required by the SJRWMD in connection with any permits or other approvals associated with the Stormwater Management System. The conservation areas, or the Association's interest therein, shall be Common Property and the conservation areas shall be the perpetual responsibility of the Association and may in no way be altered from their natural state, except as specifically provided in the conservation easements.

9. Drainage Easements. Owners shall not obstruct or divert drainage flow from drainage easements. Declarant may cut drainage swales for surface waters and establish

easements therefore wherever and whenever such action may appear to Declarant to be necessary to maintain reasonable standards of health, safety and appearance. These easements include the right to cut any trees, bushes or shrubbery, make any grading of the soil, or take any other action reasonably necessary to install utilities and maintain reasonable standards of health and appearance but shall not include the right to disturb any improvements on the Property unless such improvements are restored to their condition prior to such disturbance promptly thereafter. Except as provided herein, the existing drainage system shall not be altered so as to divert the flow of water onto an adjacent property or into sanitary sewer lines.

10. Additional Easements. Declarant reserves the right to impose further restrictions and to grant or dedicate additional easements and rights-of-way over the property owned by Declarant. In addition, Declarant hereby reserves the right to grant easements and rights-of-way over, under and through the Common Areas so long as Declarant shall own any portion of the Property. The easements and rights-of-way granted by Declarant shall not structurally weaken any improvements or unreasonably interfere with enjoyment of the Common Areas.

11. Telecommunications Easement. In order to make available to Owners state of the art telecommunication facilities and services, Declarant hereby reserves for itself and its assigns an exclusive Communications Easement over the Access Areas and Common Areas, which easement will be made available as necessary to service providers designated by the Declarant who will provide certain telecommunication services to the Property. The Association acknowledges the Communication Easement and its applicability to Common Areas now existing and which may be established from time to time.

12. Party Wall and Other Encroachments. It is contemplated that each Residential Dwelling Unit shall be separated from other Residential Dwelling Units within a Building by a party wall constructed to that the midpoint of such party wall is located on the boundary line between the adjoining Residential Dwelling Units. If, however, due to conditions in the field or other causes, the midpoint of such party wall is not so located, then the Owner of the Residential Dwelling Unit upon which the party wall encroaches shall be deemed to have conveyed a perpetual easement to the adjoining Owner for any encroachment of such improvements upon the affected Residential Dwelling Unit. In addition, each Owner of a Residential Dwelling Unit shall be deemed to have conveyed to the Owner of any adjoining Residential Dwelling Unit, easements of support and for utilities in and through such party wall. Additionally, Declarant may grant individual Owners the right to encroach upon easements or Common Areas where necessary for the preservation of trees or the maintenance of overall aesthetics in the community.

13. Landscape Easement. A Landscape Easement is hereby reserved for the Association over the Access Areas and Landscape Easement Areas for the Association to perform its maintenance responsibilities pursuant to Article IV, 2(a). In addition, the Association is hereby granted an easement over the exterior of each Dwelling Unit to perform its maintenance responsibilities pursuant to that Article.

14. Extent of Easements. The rights and easements of enjoyment created in this Article X shall be subject to the following:

A. The right of the Declarant or the Association, in accordance with the Articles of Incorporation and Bylaws, to borrow money from any lender for the purpose of improving and/or maintaining the Common Property and providing services authorized herein and, in aid thereof, to mortgage said Property.

B. The right of the Association to suspend the rights and easements of enjoyment of any Member for any period during which any Assessment remains unpaid, and for any period, not to exceed sixty (60) days, for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any Assessment or breach of any rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the Assessment.

C. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility that may be situated on or in the Common Property.

D. The Board shall have the power to place (and remove after notice) any reasonable restrictions upon any Common Streets and Roads including, but not limited to, the maximum and minimum speeds of vehicles using said roads, all other necessary traffic and parking regulations, and the maximum noise levels of vehicles using said roads; provided, however, that no such restrictions may be inconsistent with the terms or provisions of any agreement between the Association and the County Sheriff pertaining to the enforcement of traffic laws within the Property. The fact that such restrictions on the use of such roads shall be more restrictive than the laws of any state or local government having jurisdiction over the Property shall not make such restrictions unreasonable.

E. The right of the Association to give, dedicate, mortgage or sell all or any part of the Common Property (including leasehold interest therein) to any public agency, authority, or utility or private concern for such purposes and subject to such conditions as may be determined by the Association provided that no such gift or sale or determination for such purposes or conditions shall be effective unless the same shall be authorized by two-thirds (2/3) of the votes of Members of the Association, and unless written notice of the meeting and of the proposed agreement and action thereunder is sent at least thirty (30) days prior to such meeting to every Member. A true copy of such resolution together with a certificate of the results of the vote taken thereon shall be made and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association, and such certificate shall be annexed to any instrument or dedication or transfer affecting the Common Property, prior to the recording thereof. Such certificate shall be conclusive evidence of authorization by the Members.

ARTICLE XI

Rights of Mortgagees

1. Rights of Mortgagees. Upon written request to the Association identifying the name and address of a mortgagee, such mortgagee will be entitled to timely written notice of:

A. Any condemnation loss or casualty loss which affects a material portion of the Property or any Residential Dwelling Unit on which there is a first mortgage held, insured or guaranteed by such mortgagee.

B. Any delinquency in the payment of the assessments or charges owed by an Owner of a Residential Dwelling Unit subject to a first mortgage held, insured or guaranteed by such mortgagee, which remains due but unpaid for a period of sixty (60) days.

C. Any lapse, cancellation or material modification of any insurance policy, fidelity bond or other bond maintained by the Association.

D. Any proposed action which would require the consent of a specified percentage of the mortgage holders.

ARTICLE XII

Insurance

1. Common Areas.

A. General Liability. The Association, by action of its Board of Directors, shall maintain public liability insurance, to the extent obtainable, covering the Association and each Owner, lessee and occupant, and the managing agent, if any, against liability for any negligent act of commission or omission attributable to them which occurs on or in the Common Areas.

B. Additional Insurance. To the extent obtainable, the Board of Directors shall also be required to obtain the following insurance:

(1) Vandalism and malicious mischief endorsements, insuring the Common Areas; and,

(2) worker's compensation insurance, if required by law; and,

(3) Directors' and Officers' liability insurance, fidelity insurance and other insurance it may deem proper to protect the Association, its members and property.

C. Assured and Loss Payable. All casualty insurance policies purchased by the Association hereunder shall be for the benefit of the Association and all Owners and their mortgagees as their interests may appear and shall provide that all proceeds covering casualty losses of \$10,000.00 or less shall be paid to the Association. Any sum in excess of \$10,000.00 shall be paid either to the Association or to an insurance trustee as the Association shall determine at the time. An "Insurance Trustee" shall be any bank or trust company or other corporate trustee authorized for and doing business in Florida, as designated by the Board of Directors of the Association. The duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust pursuant to the terms of the Insurance trust agreement to be executed by the Association and the Insurance Trustee, which shall not be inconsistent with any of the provisions herein set forth.

D. Payment of Premiums. The Board of Directors shall collect and pay the premiums for insurance as a part of the expenses to be paid by the Association. Expenses of any Insurance Trustee appointed shall be paid by means of special assessment by the Board.

E. Mandatory Repair. Unless there occurs substantial damage or destruction to all or a substantial part of a Building or a Common Area, the Association and the Owners shall use insurance proceeds to repair, replace and rebuild the damage caused by casualty loss. Related costs and expenses not covered by insurance shall be borne by the Owners in a fair and equal manner.

F. Association as Agent. The Association is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Association, and to execute releases thereof.

2. Dwelling Units, Lots.

A. Owner's Insurance Coverage. Each Owner shall be required to obtain and maintain (i) adequate insurance on his Dwelling Unit which shall insure the property for its full replacement value, with no deductions for depreciation, against loss by fire, storm or other hazards or casualty, and (ii) a termite repair and treatment warranty on such Owner's Dwelling Unit promising to restore any damage by termites and other wood-destroying organisms and to provide additional treatment, if needed, during the term of the warranty. Such insurance shall name the Association an additional insured and shall be sufficient to cover the full replacement value, or to cover necessary repair or reconstruction work. Such insurance shall be written in the manner acceptable to the Board of Directors of the Association, shall contain a loss payment provision which provides the proceeds of any loss shall be payable to the Association which shall hold such funds in trust to ensure that repairs are made as hereinafter set forth and shall contain a clause which provides ten (10) days prior written notice to the Board of Directors of the Association before the policy can be cancelled. The termite repair and treatment warranty shall be issued by a duly licensed pest control operator in writing, use the words "full" or "unlimited" together with the term "guaranty" or "warranty" wherever that term occurs, and shall be in an amount of not less than the full replacement value of such Owner's Dwelling Unit. Each Owner shall be required, on an annual basis, concurrent with the payment of annual assessments pursuant to Section 5 above, to supply the Board of Directors with evidence of insurance coverage and termite/wood-destroying organism warranty on his Dwelling Unit which complies with the provisions of this Section. Each Owner shall also be responsible for the purchasing of liability insurance for accidents occurring on his or her Lot.

B. Action by Board. If the insurance or warranty provided under this Section has not otherwise been adequately obtained by each Owner, as determined by the Board of Directors, then the Board shall obtain such insurance coverage or warranty. Any insurance or warranty obtained by the Board of Directors shall be written in the name of the Association as Trustee for the benefit of the applicable Owner.

C. Payment of Premium. Premiums for insurance or warranty obtained by the Board of Directors for the benefit of an individual Owner, as provided hereinabove, shall not be an operating expense, but shall be a special assessment against such Owner payable in accordance with the provisions of Article V of this Declaration.

D. Repair or Replacement of Damaged or Destroyed Property. Each Owner shall, with the concurrence of the Board of Directors of the Association, be required to

reconstruct or repair any Dwelling Unit destroyed by fire, storm or other casualty or termite or other wood-destroying organism in accordance with the requirements of Article VII, Section 7 of this Declaration. Insurance or warranty proceeds issued for such repair shall be in the name of the Association, as Trustee. The insurance or warranty proceeds shall be deposited in a bank or other financial institution, subject to withdrawal only by the signature(s) of an agent(s) duly authorized by the Board of Directors of the Association. If no repair or rebuilding has been contracted for or otherwise substantially started by the Owner within thirty (30) days after the Association receives the insurance or warranty proceeds, the Board of Directors of the Association is hereby irrevocably authorized by such Owner to initiate the repair or rebuilding of the damaged or destroyed portions of the structure and/or exterior of the Dwelling Unit. Repairs should be done in a good and workmanlike manner in conformance with the original plans and specifications.

In the event the Association initiates such repair or rebuilding, the Board of Directors of the Association may advertise for sealed bids from any licensed contractors and may then negotiate with said contractors. The contract or contractors selected to perform the work shall provide full performance and payment bonds for such repair or rebuilding, unless such requirement is waived by the Board of Directors of the Association. If the insurance or warranty proceeds are insufficient to fully pay the costs of repairing and/or rebuilding the damaged or destroyed portions in a good and workmanlike manner, the Board of Directors of the Association shall levy a special assessment against the Owner in whatever amount is required to make up the deficiency. If the insurance or warranty proceeds exceed the cost of repairing and/or rebuilding, such excess shall be paid over to the respective Owner and/or the Owner's mortgagee in such portions as shall be independently determined by those parties.

E. Administrative Fee. Should the Association obtain the insurance or warranty coverage on a Dwelling Unit pursuant to this Article, then the Association may charge and the applicable Owner shall be responsible for, as a special assessment against the Lot, an administration fee of \$100.00. Said fee is in addition to the charge for the premium, for which such Owner is also responsible.

F. Liability. Notwithstanding anything to the contrary in this Article, the Association, its Director or officers, shall not be liable to any person should it fail for any reason whatsoever to obtain insurance coverage on a Dwelling Unit.

ARTICLE XIII **General Provisions**

1. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, the Declarant, and any Owner, their respective legal representatives, heirs, successors and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if

during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, Members representing three-fourths (3/4) of the votes of the Association vote in favor of terminating this Declaration at the end of its then current term.

Written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least sixty (60) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute an affidavit which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes required to constitute a quorum at a meeting of the Association, the total number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution.

Said certificate shall be recorded in the Public Records of the County, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. Termination of this Declaration shall not have the effect of terminating easements herein provided or granted prior to such termination, or terminating contractual rights created prior to termination which from the context of the contract were meant to survive termination.

2. Legal Action and Violation. If any Owner violates or attempts to violate any of these covenants and restrictions (hereinafter referred to as the "Offending Owner"), Declarant, any Owner or the Association may, upon ten (10) days written notice to the Owner of the offending Residential Lot, prosecute proceedings at law for the recovery of damages against the Offending Owner and maintain a proceeding in equity against the Offending Owner for the purpose of preventing or enjoining all or any such violation or attempted violation. If any improvement exists on any Residential Lot which has not been installed or erected by Declarant or approved by the ARC or if any condition exists which is in violation of these covenants and restrictions, Declarant and the Association shall have the right, but not the obligation, to enter upon the Residential Lot where such violation exists and summarily to abate, correct or remove the same, all at the expense of the Offending Owner, and/or the Board may assess a reasonable fine against such Offending Owner, which expense or fine (herein called "Special Assessment") shall be payable by such Owner to the Declarant or the Association on demand. Any entry, abatement, correction or removal shall not be deemed a trespass or make the Declarant or Association liable for any damages on account thereof. The remedies contained in this paragraph shall be cumulative of all other remedies now and hereinafter provided by law and equity.

3. Waiver. The failure of the Association to enforce any covenant, restriction, obligation, right, power, privilege, authority or reservation herein contained, however long continued, shall not be deemed a waiver of the right to enforce the same thereafter as a breach or violation hereof.

4. Attorney's Fees. Any Owner found to be in violation of these restrictions shall be obligated to pay the reasonable attorneys fees of the Association or Declarant in any action

seeking to enforce or prevent, correct or enjoin such violation or seeking damages for the breach of these restrictions.

5. Severability. All regulations herein contained shall be several and independent. The invalidity of one or more or any part of one shall in no way impair the remaining restrictions or any part thereof.

6. Rights of Declarant. Declarant shall have the right to waive compliance with these restrictions where Declarant makes a good faith determination that such violation is minor and will not cause a material disruption of the development plan contemplated hereby.

7. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land

Until such time as the Turnover occurs, the Declarant specifically reserves for itself, its successors and assigns, the absolute and unconditional right to alter, modify, change, revoke, rescind, or cancel any or all of this Declaration or the restrictive covenants contained in this Declaration. After the Turnover, the Declarant shall continue to have the absolute and unconditional right to alter, modify, change, revoke, rescind or cancel any or all of this Declaration as necessary to comply with any obligations or requirements imposed upon Declarant, or otherwise in connection with the development of the Property, by any applicable governmental authority. Otherwise, following Turnover, this Declaration may only be amended by the Members as set forth below.

This Declaration, and the Articles of Incorporation and Bylaws, may be amended at any time by the affirmative vote or written consent, or any combination thereof, of Members representing sixty-six and two-thirds percent (66 2/3%) of the total votes of the Association; provided, however, that if the affirmative vote required for approval of action under the specific provision to be amended is a higher or lower percentage, then such higher or lower percentage shall be required to approve amendment of that provision. Notice shall be given at least sixty (60) days prior to the date of the meeting at which such proposed amendment is to be considered. If any proposed amendment to this Declaration, the Articles of Incorporation or Bylaws, is approved by the Members as set forth above, the President and Secretary of the Association shall execute an appropriate amendment which shall set forth the amendment, the effective date of the amendment, the date of the meeting of the Association at which such amendment was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the number of votes necessary to adopt the amendment, the total number of votes cast for the amendment, and the total number of votes cast against the amendment. If such amendment relates to this Declaration it shall be recorded in the Public Records of the County.

Notwithstanding this or any other provision of this Declaration, any amendment to this Declaration which alters the Stormwater Management System, beyond maintenance in its original condition, including the water management portion of the Common Areas, must have the prior approval of the St. Johns River Water Management District.

8. Enforcement. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity and may be instituted by the Declarant, its successors or

assigns, the Master Association or "Declarant" under the Master declaration, or their respective successors or assigns, the Association, its successors or assigns or any Owner against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by or pursuant to these covenants. Failure of any party to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. Further, the Association, Declarant and Maser Association and "Declarant" under the Master Declaration shall have the right of self help to cure any violations that remain uncured after any required notice is given.

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 this Declaration which relate to the maintenance, operation and repair of the Stormwater Management System.

9. Provisions Inoperative as to Initial Construction. Nothing contained in this Declaration shall be interpreted or enforced so as to prevent Declarant, or its contractors, subcontractors, agents, employees, successors or assigns from doing or performing on all or any part of the Property owned or controlled by Declarant or its assigns whatever is necessary convenient or desirable for the development of the Property or the construction of Residential Dwelling Units. Declarant and its assigns shall have the right to construct and use signs, trailers, buildings, model centers, offices and any other improvements as necessary for the construction and sale of Units.

10. Termination. Should the Members of the Association vote not to renew and extend this Declaration as provided herein, or at any time that the Association is dissolved, the Association shall transfer to another not-for-profit homeowners association or appropriate public agency having similar purposes, all ownership, rights and other interests held at such time by the Association in the Common Property, including, but not limited to, the Stormwater Management System. Any association to which that portion of the Common Property consisting of the Stormwater Management System is conveyed must meet the requirements of the SJRWMD, and such entity must be approved in writing by the SJRWMD prior to such conveyance. If no other association or agency will accept such property then it will be conveyed to a trustee appointed by the Circuit Court of the County, which trustee shall sell the Common Property free and clear of the limitations imposed hereby upon terms established by the Circuit Court of the County. That portion of the Common Property consisting of the Stormwater Management System cannot be altered, changed or sold separate from the lands associated therewith. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on the Common Property, then for the payment of any obligations incurred by the trustee in the operation, maintenance, repair and upkeep of the Common Property. The excess of proceeds, if any, from Common Property shall be distributed among Owners in a proportion which is equal to the proportionate share of such Owner in Common Expenses.

11. Indemnification. To the full extent as permitted by applicable law, the Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a

party by reason of being or having been an officer, director, or committee member. The officers, directors, and committee member shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. Upon approval of the Board, the Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

12. Assignment of Declarant Rights. Declarant shall have the sole and exclusive right to assign its rights pursuant to this Declaration. Any and all of the rights, powers and reservations of the Declarant may be assigned to any person, corporation or association which will assume the duties of the Declarant pertaining to the particular rights, powers and reservations assigned. Upon such assignee evidencing the consent in writing to accept such assignment and assume such duties, the assignee shall to the extent of such assignment have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by the Declarant, as the case may be. Further, the Declarant may from time to time delegate any and all of its rights, powers, discretion and duties hereunder to such agent or agents as it may nominate.

Notwithstanding anything in the foregoing to the contrary, Developer is a party to that certain Contract for Sale and Purchase of Developed Lots pursuant to which Mercedes Homes, Inc., a Florida corporation ("Builder") has contracted to acquire from Developer all of the Lots within the Property. Notwithstanding anything in the foregoing to the contrary, at such time that Builder has acquired the last Lot from Developer, Builder shall automatically, and without further action of Developer, succeed to the rights and interests of Developer as the Declarant under, and for all purposes of, this Declaration. In order to evidence the foregoing change in identity of the Declarant, Developer shall, upon acquisition of the last of the Lots by Builder, record in the Public Records of the County a supplement to this Declaration confirming that Builder has succeeded to the status of Declarant under this Declaration.

13. Conflict. In the event of any conflict between the provisions of this Declaration, the Articles and the Bylaws, the provisions of this Declaration shall control and prevail.

14. Not a Public Dedication. Except as specifically stated in this Declaration, nothing herein shall be deemed to be a gift or dedication of any portion of the Property to the general public or for the general public or for any public purposes whatsoever, it being the intention of Developer that this Declaration shall be strictly limited to and for the purposes herein expressed.

15. Breach Shall Not Permit Termination. No breach of this Declaration shall entitle any Owner to cancel, rescind or otherwise terminate this Declaration, but such limitation shall not affect in any manner any other rights or remedies which such Owner may have hereunder by

reason of any breach of this Declaration. Any breach of any of said covenants or restrictions, however, shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith for value, but such covenants or restrictions shall be binding upon and effective against such Owner of any of said Property or any portion thereof whose title thereto is acquired by foreclosure, trustee sale or otherwise.

16. Negation of Partnership. None of the terms or provisions of this Declaration shall be deemed to create a partnership between or among the Owners, Members, Association or Developer, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each such entity shall be considered a separate entity and no such entity shall have the right to act as an agent for another unless expressly authorized to do so herein or by separate instrument signed by the parties to be charged.


17. Non-Merger. Notwithstanding any applicable law or legal concept or theory, no interest, right, benefit, obligation, term, provision or covenant contained herein or established hereby shall be deemed to merge with any other interest, right, benefit, obligation, term, provision or covenant contained herein or established hereby. Notwithstanding any applicable legal principle or theory including, but not limited to, the principle generally known as "merger," the ownership of the entirety of the lands defined as the "Property" by the same party at the same time shall not result in or cause the termination of this Declaration and, likewise, ownership by the same party at the same time of both the benefitted and burdened lands associated with any of the easements created herein shall not result in or cause the termination of any of such easements.


[Intentionally Blank – Signatures Begin on Page 37]

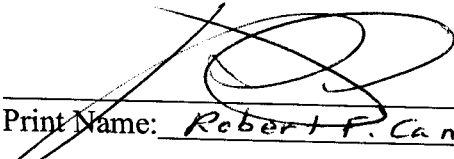
IN WITNESS WHEREOF, the undersigned being the Declarant herein, has set its hand and seal this 23 day of May 2005.

WITNESS:

ST. AUGUSTINE ASSOCIATES, INC., a
Florida corporation, as Trustee under Land
Trust Agreement for St. Augustine Centre Land
Trust dated June 15, 1998


Print Name: Mary A. Miller

By: 
Name: Frank J. Cannon
Title: Vice President



Print Name: Robert F. Cannon

Date: 05/23/05

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 23 day of May, 2005, by Frank J. Cannon, as Vice President of St. Augustine Associates, Inc., a Florida corporation, as Trustee under Land Trust Agreement for St. Augustine Centre Land Trust dated June 15, 1998, on behalf of said entity. Said person (check one) ☒ is personally known to me or ☐ produced _____ as identification.

SPENCER S. PHELPS
Notary Public, State of Florida
My comm. exp. Jan 1, 2008
Comm. No. DD 278352


Print Name: Spencer S. Phelps
Notary Public, State of Florida
Commission No.: _____
My Commission Expires: _____

MORTGAGEE CONSENT

The undersigned, Wachovia Bank, National Association, a national banking association, the holder of that certain Mortgage and Security Agreement dated November 10, 1998, recorded November 12, 1998, in Official Records Book 1362, Page 542, as amended by that certain Notice of Future Advance and First Modification of Mortgage, Note and Loan Documents dated November 4, 1999, recorded in Official Records Book 1453, Page 2003, that certain Renewal and Modification Agreement dated February 18, 2003, recorded in Official Records Book 1904, Page 1679 and that certain Notice of Future Advance, Spreader and Third Modification of Note, Mortgage and Loan Documents dated November 3, 2003, recorded at Official Records Book 7180, Page 2845, each of the Public Records of St. Johns County, Florida ("Mortgagee"), hereby joins in the execution hereof for the purpose of consenting to the Declaration of Covenants, Conditions and Restrictions for Paloma Subdivision to which this Master Declarant Consent is attached.

WITNESS:

Stephen D. Baum
 Print Name: Stephen D. Baum

MARY ANN OTTO
 Print Name: MARY ANN OTTO

WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association

By: Patrick M. Dunigan
 Name: Patrick M. Dunigan
 Title: Vice President

Date: May 19, 2005

STATE OF FLORIDA
 COUNTY OF Orange

The foregoing instrument was acknowledged before me this 19 day of May, 2005, by Patrick M. Dunigan, as Vice President of WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, on behalf of said entity. Said person (check one) ☒ is personally known to me or ☐ produced _____ as identification.



Janice Chong
 Print Name: JANICE CHONG
 Notary Public, State of Florida
 Commission No.: _____
 My Commission Expires: _____

MASTER DECLARANT CONSENT

The undersigned, Highland Pointe, Ltd., a Florida limited partnership and the holder of the "Declarant" rights under that certain Declaration of Easement Rights and Maintenance Covenants for the St. Augustine Center DRI/PUD recorded at Official Records Book 1333, Page 347, Public Records of St. Johns County, Florida, as same has been, or from time to time may be, amended, hereby joins in the execution hereof for the purpose of consenting to the Declaration of Covenants, Conditions and Restrictions for Paloma Subdivision to which this Master Declarant Consent is attached.

WITNESS:

Eric S. Peisner
 Print Name: ERIC S. PEISNER

Brenda J. Carlson
 Print Name: BRENDA J. CARLSON

HIGHLAND POINTE, LTD, a Florida limited partnership

By: HIGHLAND POINTE, INC., a Florida corporation, general partner

By: *Lee Chira*
 Name: LEE CHIRA
 Title: PRES

Date: 5-24-05

STATE OF FLORIDA
 COUNTY OF Orange

The foregoing instrument was acknowledged before me this 24th day of May, 2005, by Lee Chira, as PRESIDENT of HIGHLAND POINTE, INC., a Florida corporation, as general partner of HIGHLAND POINTE, LTD., a Florida limited partnership, on behalf of the limited partnership. Said person (check one) ☒ is personally known to me or ☐ produced _____ as identification.

Brenda J. Carlson
 Print Name: _____
 Notary Public, State of Florida
 Commission No. _____



EXHIBIT "A"
PROPERTY

Plat of Paloma Subdivision, according to the plat thereof, as recorded in Map Book 54, Pages 70 through 73, Public Records of St. Johns County, Florida.

EXHIBIT "B"

((H05000147871 3))

**ARTICLES OF INCORPORATION
OF
PALOMA OWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME**

The name of this corporation shall be PALOMA OWNERS ASSOCIATION, INC. For convenience, the corporation shall be referred to in these Articles of Incorporation as the "Association."

**ARTICLE II
DURATION**

Existence of the Association shall commence with the filing of these Articles of Incorporation with the Secretary of State, State of Florida. The Association shall have perpetual existence.

**ARTICLE III
PURPOSE AND POWERS OF THE ASSOCIATION**

The Association is organized for the purpose of enforcing, and fulfilling the objectives and purposes stated in, the Declaration of Covenants, Conditions, Easements and Restrictions For Paloma Subdivision ("Declaration") recorded in the Public Records of St. Johns County, Florida. Capitalized terms used herein without definition shall have the same meanings given to such terms in the Declaration. The Association shall have all the powers of a not for profit corporation organized under Chapter 617 of the laws of the State of Florida, subject, however, only to such limitations upon the exercise of such powers as are expressly set forth in these Articles of Incorporation, the Bylaws of the Association, the Declaration or the Association Act. The Association is formed pursuant to the terms and provisions of that certain Declaration of Easement Rights and Maintenance Covenants for the St. Augustine Centre DRI/PUD ("Master Declaration") and constitutes the Sub-Association for the Property. The Association shall have the power and obligation to do any and all lawful things which may be authorized, assigned, required or permitted to be done by the Declaration, these Articles of Incorporation and the Bylaws of the Association, including, but not limited to, (i) the ownership and maintenance of all Common Property, including the Surface Water Management System, (ii) the levy and collection of Assessments against Members of the Association, (iii) the assumption and carrying out of all duties, obligations and liabilities of the Sub-Association for the Property as required pursuant to the Master Declaration, and (iv) to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the duties or powers of the Association as specified in the Declaration. Unless otherwise specifically prohibited, any and all functions, duties and powers of the Association shall be fully transferable in whole or in part. Any instrument affecting such a transfer shall specify the duration thereof and the means of revocation. The Association is not formed for pecuniary profit and the Association shall not pay dividends, and no part of any income or assets of the Association shall be distributed to its Members, directors or officers.

((H05000147871 3))

((H05000147871 3))

The purposes and powers of the Association shall also include, but not be limited to, representation of the Members of this Association before the Master Association, including, but not limited to, the exercise of all of the Members' rights as a "Member" of the Master Association. Pursuant to the Master Declaration, the Association shall have the exclusive authority and right to represent the "Owners" (under the Master Declaration) as to all matters that may be brought before the membership of the Master Association pursuant to the Master Declaration, the Master Association Articles of Incorporation and the Master Association Bylaws, including, but not limited to, the casting of all votes attributable to the Members as "Owners" (under the Master Declaration) of Subdivided Parcels under the Master Declaration. Exercise of the aforescribed authority and right to represent the Members before the Master Association shall be exercised by the Association pursuant to, and in compliance with, the provisions of Article VIII below.

ARTICLE IV **PRINCIPAL OFFICE**

The initial principal office and mailing address of the Association is located at c/o St. Augustine Associates, Inc., 951 Market Promenade Avenue, Suite 2105, Lake Mary, Florida 32746.

ARTICLE V **REGISTERED OFFICE AND AGENT**

St. Augustine Associates, Inc., 951 Market Promenade Avenue, Suite 2105, Lake Mary, Florida 32746, is hereby appointed the initial registered agent of the Association and the registered office shall be at said address.

ARTICLE VI **DISSOLUTION OF THE COMMUNITY ASSOCIATION**

Upon dissolution of the Association, all of its assets remaining after provision for creditors and payment of all costs and expenses of such dissolution shall be distributed in the following manner:

6.1. Real property contributed to the Association without the receipt of other than nominal consideration by the Class B Member (or its predecessor in interest) shall be returned to the Class B Member (whether or not a Class B Member at the time of such dissolution), unless it refuses to accept the conveyance (in whole or in part).

6.2. Conveyance to a not for profit corporation homeowners' association similar to the Association or dedication to any applicable municipal or other governmental authority determined by the Board of Directors of the Association to be appropriate for such dedication, which authority is willing to accept such dedication, of any property and responsibilities of the Association, which association or governmental authority shall then be responsible for the operation and maintenance thereof. With respect to the Association's responsibility for the

((H050001478713))

operation and maintenance of the Surface Water Management System, such obligation must be transferred to and accepted by an entity which satisfies the requirements of, and be approved by, the St. Johns River Water Management District prior to dissolution. If no other association or governmental authority will accept such property and responsibilities then it will be conveyed to a trustee appointed by the Circuit Court of St. Johns County, Florida, which trustee shall sell such property free and clear of the limitations imposed hereby upon terms established by the Circuit Court of St. Johns County, Florida. That portion of the property consisting of the Surface Water Management System cannot be altered, changed or sold separate from the lands associated therewith. The proceeds of such a sale shall first be used for the payment of any debts or obligations constituting a lien on such property, then for the payment of any obligations incurred by the trustee in the operation, maintenance, repair and upkeep of such property. The excess proceeds, if any, from the property shall be distributed among Members in a proportion that is equal to the proportionate share of such Members in the Common Expenses of the Association.

ARTICLE VII **MEMBERSHIP**

Every person or entity which qualifies as a Member of the Association in accordance with the Declaration shall be a Member of the Association, and such membership shall carry all rights, restrictions, benefits, interests and limitations granted pursuant to the Declaration, these Articles of Incorporation, the Bylaws of the Association, any rules and regulations promulgated by the Association, the Florida Not For Profit Corporation Act and the provisions of the Association Act.

ARTICLE VIII **VOTING RIGHTS**

A Member's right to vote shall vest immediately upon such Member's qualification for membership as provided in the Declaration and these Articles of Incorporation. All voting rights of a Member shall be exercised in accordance with and subject to the restrictions and limitations provided in the Declaration, these Articles of Incorporation, and the By-Laws of the Association. Unless elsewhere specifically provided to the contrary in the Declaration or these Articles of Incorporation, any provision of these Articles of Incorporation which requires the vote or approval of a majority or other specified fraction or percentage of the total voting power of the Association, shall be deemed satisfied by either of the following:

A. The vote in person or by proxy of the majority or other specified fraction or percentage of the total voting power of the Association at a meeting duly called and noticed pursuant to the provisions of the Bylaws of the Association dealing with annual or special meetings of the Members of the Association.

B. Written consents signed by the majority or other specified fraction or percentage of the total voting power of the Association.

((H050001478713))

((H050001478713))

ARTICLE IX
BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors who shall be elected by the Members pursuant to the provisions of the Declaration and these Articles of Incorporation and following the procedures set forth in the Bylaws of the Association. The number of directors constituting the initial Board of Directors shall be three (3). The number of directors may be increased or decreased from time to time in accordance with the Bylaws, but shall never be less than three (3) nor more than seven (7), and shall always be an odd number (i.e., 3, 5, 7). Any increase or decrease in the number of directors shall require the affirmative vote of a majority of the voting interests of the Members at any Special Meeting of the Members called for the purpose of changing the number of directors of the Association. So long as there shall be a Class B Member, Directors need not be Members of the Association and need not be residents of the State of Florida; thereafter, all Directors, other than Director elected by the Declarant pursuant to Article III, Section 5 of the Declaration, shall be Class A Members of the Association and residents of the State of Florida. The term of office of the initial directors of the Association shall expire at the first meeting of Members at which directors are elected. The terms of office of all other directors will expire at the next annual meeting of Members following the election of such directors. Despite the expiration of a director's term, the director will continue to serve until a successor is elected and qualifies or until there is a decrease in the number of directors. Any director may be removed from office at any time, with or without cause, by the affirmative vote of a majority of the Members. The names and addresses of the persons who are to act in the capacity of initial directors until the election and qualification of their successors are:

<u>Name</u>	<u>Address</u>
Terry Lubinsky	St. Augustine Associates, Inc. 951 Market Promenade Avenue, Suite 2105 Lake Mary, Florida 32746
Spencer Phelps	St. Augustine Associates, Inc. 951 Market Promenade Avenue, Suite 2105 Lake Mary, Florida 32746
Jim Bartoe	St. Augustine Associates, Inc. 951 Market Promenade Avenue, Suite 2105 Lake Mary, Florida 32746

ARTICLE X
OFFICERS

The affairs of the Association shall be administered by the officers designated in the Bylaws. The officers shall be elected by the Board of Directors at its first meeting, and they shall serve at the pleasure of the Board of Directors.

((H050001478713))

((H050001478713))

ARTICLE XI
AMENDMENT

These Articles of Incorporation may be changed, amended or modified, at any time and from time to time, by the Members, as and to the extent provided in, and pursuant to the procedures set forth in, the Declaration.

ARTICLE XII
INDEMNIFICATION

12.1. Every director and every officer of the Association and Representative to the Master Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' and other professionals' fees, reasonably incurred by or imposed upon him in connection with any proceeding whether civil, criminal, administrative or investigative, or any settlement of any proceeding, or any appeal from such proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association or Representative to the Master Association, or having served at the Association's request as a director or officer of any other corporation, whether or not he so serves the Association at the time such expenses are incurred, regardless of by whom the proceeding is brought, except in relation to matters as to which any such director or officer or Representative to the Master Association shall be adjudged liable for gross negligence or willful misconduct, provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors of the Association approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

12.2. Expenses incurred in defending a suit or proceeding whether civil, criminal, administrative or investigative may be paid by the Association in advance of the final disposition of such action, suit or proceeding if authorized by a majority of the directors upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not to be indemnified by the Association as authorized by these Articles of Incorporation.

12.3. The Association shall have the power to purchase at its expense and maintain insurance on behalf of any person who is or was a director or officer of the Association or Representative to the Master Association, or is or was serving at the request of the Association as a director or officer of another corporation, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of these Articles.

((H05000147871 3))

((H05000147871 3))

ARTICLE XIII
BYLAWS

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided in the Bylaws.

ARTICLE XIV
INCORPORATOR

The name and address of the Incorporator of this corporation is as follows:

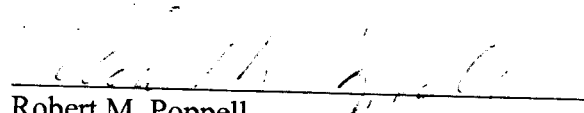
NameAddress

Robert M. Poppell

255 South Orange Avenue
17th Floor
Orlando, Florida 32801**ARTICLE XV**
NON-STOCK CORPORATION

The Association is organized on a non-stock basis and shall not issue shares of stock evidencing membership in the Association; provided, however, that membership in the Association may be evidenced by a certificate of membership which shall contain a statement that the Association is a corporation not for profit.

IN WITNESS WHEREOF, the undersigned has signed this Articles of Incorporation this 29th day of May, 2005.

"INCORPORATOR"
Robert M. Poppell

((H05000147871 3))

((H05000147871 3))

**CERTIFICATE DESIGNATING REGISTERED AGENT
FOR SERVICE OF PROCESS**

Pursuant to the provisions of Chapters 48 and 617, Florida Statutes, the corporation identified below hereby submits the following statement in designation of the Registered Office and Registered Agent in the State of Florida.

PALOMA OWNERS ASSOCIATION, INC., desiring to organize as a corporation under the laws of the State of Florida, with its registered office at 951 Market Promenade Avenue, Suite 2105, Lake Mary, Florida 32746, has named St. Augustine Associates, Inc., located at the above-registered office, as its Registered Agent to accept service of process within this State.

ACKNOWLEDGMENT:

Having been named as Registered Agent for the above-stated corporation at the place designated in this Certificate, I hereby acknowledge that I am familiar with the obligations of a registered agent under the laws of the State of Florida and accept to act as Registered Agent for the above-stated corporation and agree to comply with the provisions of all laws applicable to the performance of such office.

ST. AUGUSTINE ASSOCIATES, INC., a
Florida corporation

By: Name: FRANK J. CANNONTitle: VICE-PRESIDENTDated: 5-23-05, 2005

((H05000147871 3))

EXHIBIT "C"

**BYLAWS
OF
PALOMA OWNERS ASSOCIATION, INC.
A NOT FOR PROFIT CORPORATION**

1. Definitions. Unless otherwise indicated to the contrary, all capitalized terms used herein without definition shall have the meaning given such term in the Declaration of Covenants, Conditions, Easements and Restrictions For Paloma Subdivision ("Declaration") or the Articles of Incorporation of Paloma Owners Association, Inc. ("Articles of Incorporation"). For ease of reference, Paloma Owners Association, Inc. shall hereinafter be referred to as the "Association".

2. Fiscal Year. The fiscal year of the Association shall be the calendar year.

3. Seal. The seal of the Association shall bear the name of the Association, the word, "Florida", the words, "Not For Profit Corporation", and the year of incorporation.

4. Members.

4.1. Membership and Voting Rights. Entitlement to membership in, and the voting rights of each Member of, the Association shall be as set forth in the Declaration and the Articles of Incorporation, and the manner of exercising such voting rights shall be as set forth therein and in these Bylaws.

4.2. Designation of Voting Authorization. If a Member is constituted to be more than one person or entity, any vote by said Member, or the identity of the person or entity authorized to cast such vote along with the extent of such person's or entity's authority, shall be designated by a certificate (a "Certificate of Authority") signed by all persons constituting the Member and filed with the Secretary of the Association. If a Member is an entity other than a natural person (*i.e.*, corporation, limited liability company, or general or limited partnership), a Certificate of Authority must be signed by an authorized representative of such entity (*i.e.*, President, managing member, general or limited partner) and filed with the Secretary of the Association. If the land of the Member is owned in trust, a Certificate of Authority must be signed by the trustee of record for the trust and filed with the Secretary of the Association. A Certificate of Authority shall be valid until revoked or until superseded by a subsequently filed Certificate of Authority. A Certificate of Authority may be revoked in writing by the Member who submitted the certificate.

4.3. Transfer of Membership. The rights of each Member shall be appurtenant to his or her ownership of Residential Property, as specified in the Declaration, may not be separated from such ownership, and shall automatically pass to the successors and assigns (including mortgagees) of a Member upon the recordation of the change in ownership of the Residential Property in the Public Records of Orange County, Florida and in the records of the Association.

5. Members Meetings.

5.1. Annual Members Meetings. The annual meeting of the Members of this Association shall be held at such place, at such time and on such date each year as is from time to time designated by the Board of Directors, for the purpose of electing directors and transacting any business authorized to be transacted by the Members. Failure to hold an annual meeting timely shall in no way affect the terms of officers or directors of the Association or the validity of actions of the Association.

5.2. Special Members' Meetings. Special meetings of the Members may be called by any one of the following persons or groups:

- (a) The President,
- (b) A Majority of The Board of Directors, or
- (c) Members representing not less than ten percent (10%) of total voting power of the Association.

5.3. Notice of Meetings. Written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each Member entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before the date of the meeting, either personally or by first-class mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting. If the notice is mailed at least twenty (20) days before the date of the meeting, it may be done by a class of United States mail other than first class. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the books of the Association, with proper postage thereon prepaid.

5.4. Defects in Notice, Etc. Waived by Attendance. A Member may waive any notice required by these Bylaws before or after the date and time stated in the notice. The waiver must be in writing, signed by the Member entitled to the notice, and be delivered to the Association for the inclusion in the minutes or filing with the Association records. A Member's attendance at the meeting waives objection to lack of notice or defect of notice of the meeting, unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. A Member's attendance at a meeting also serves to waive objection to the consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to the consideration of the matter when it is presented.

5.5. Quorum. Except as provided otherwise in the Articles of Incorporation or the Declaration, a quorum at meetings shall consist of thirty percent (30%) of the total voting power in the Association, whether represented in person or by proxy. Subject to any contrary provision or requirement contained in the Declaration, if a quorum is present, the affirmative vote of a majority of votes represented at a meeting and entitled to vote on the subject matter shall constitute the acts of the Members, except when approval by a greater vote is required by the Declaration, the Articles of Incorporation, these Bylaws, or by law. When a specified item of business is required to be voted upon by a particular class of Members, a majority of the votes of such class of Members shall constitute a quorum for the transaction of such item of business by

that class, unless provided to the contrary in the Articles of Incorporation or the Declaration. After a quorum has been established at a meeting, the subsequent withdrawal of a Member so as to reduce the number of votes at the meeting below the number required for a quorum shall not affect the validity of any action taken at the meeting or any adjournment thereof.

5.6. Proxies. Every Member entitled to vote at a meeting of Members, or his duly authorized attorney-in-fact, may authorize another person or persons to act for him by proxy with respect to specified matters of business. Members may not grant general proxies to vote their membership interests but general proxies may be used to establish a quorum. Every proxy must be signed by the Member or his attorney-in-fact. A proxy shall be effective only for the specific meeting for which originally given and any and all lawfully adjourned meetings thereof. No proxy shall be valid after the expiration of ninety (90) days from the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the Member executing it and shall expire upon the transfer of title to the Residential Property giving rise to the voting rights to which the proxy pertains. The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the Member who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the Secretary of the Association of such other officer responsible for maintaining the list of Members.

5.7. Adjourned Meetings. When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted on the original date of the meeting. If, however, after the adjournment the Board fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given in compliance with these Bylaws to each Member entitled to vote at such meeting as of the new record date.

5.8. Order of Business. The order of business at annual meetings, and as far as practicable at all other meetings, shall be:

- (a) Calling of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Appointment of directors.
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

6. Board of Directors.

6.1. Number, Election and Term. The affairs of the Association shall be managed by a Board of Directors consisting of not less than three (3) directors. The initial Board shall be comprised of three (3) directors and shall include those persons named in the Articles of Incorporation. The number of directors may be increased or decreased from time to time as stated in the Articles of Incorporation, but shall never be less than three (3) nor more than seven (7), and shall always be an odd number (i.e., 3, 5, 7). No decrease in the number of directors shall have the effect of shortening the terms of any incumbent director. The directors shall be elected at the annual meeting of Members and at each annual meeting thereafter, by a plurality of the votes cast at such election using a straight voting method for each seat on the Board of Directors to be filled, and shall hold office until the next succeeding annual meeting. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified, until there is a decrease in the number of directors, or until his earlier resignation, removal from office or death.

6.2. Removal. Any director may be removed from office pursuant to the procedures set forth below:

- (a) Any member of the Board of Directors may be removed with or without cause by the vote or agreement in writing by a majority of all votes of the Members; provided, however, that a member of the Board of Directors elected by the Declarant pursuant to its rights under Section 8.2 of the Articles of Incorporation, may only be removed without cause by the Declarant and any such member of the Board of Directors appointed by the Declarant and so removed shall be replaced only by another director appointed by Declarant pursuant to its rights under such Section 8.2 of the Articles of Incorporation.
- (b) The notice of a meeting to recall a member or members of the Board of Directors shall state the specific director sought to be removed.
- (c) A proposed removal of a director at a meeting shall require a separate vote for each director sought to be removed where removal is sought by written agreement, a separate agreement is required for each director to be removed.
- (d) If removal is effectuated at a meeting, any vacancy created thereby shall be filled by vote of the Members at the same meeting.
- (e) Any director who is removed from the Board shall not be eligible to stand for re-election until the next annual meeting of the Members.
- (f) Any director removed from the Board shall turn over to the Board of Directors within seventy-two (72) hours any and all records of the Association in his or her possession.

- (g) If a director who is removed does not relinquish his office or turn over records as required under this section, the Association or any Member may petition the Circuit Court in the county where the Association's principal office is located to summarily order the director to relinquish his or her office and turn over Association records.

6.3. Directors Fees. Directors shall serve without compensation or fees; provided, however, nothing herein shall be deemed to prevent reimbursement of out-of-pocket expenses approved by the Board and incurred on behalf of the Association.

6.4. Vacancy. Any vacancy occurring on the Board of Directors shall be filled by the Members in accordance with the Articles of Incorporation and these Bylaws.

A director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of the predecessor in office. Any seat on the Board of Directors to be filled by reason of an increase in the number of directors may be filled by the Board of Directors, but only for a term of office continuing until the next election of directors by the Members or, if the Association has no Members or no Members having the right to vote thereon, for such term of office as is provided in the Articles of Incorporation.

A vacancy that will occur at a specific later date, by reason of a resignation effective at such later date, may be filled before the vacancy occurs. However, the new director may not take office until the vacancy occurs.

7. Meetings of Directors.

7.1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice to directors at such place and hour as may be fixed from time to time by resolution of the Board; provided that no such meeting shall be scheduled on any day that is a legal holiday. Regular meetings of the Board of Directors shall be open to the Members. Notice of such meeting shall be posted in a conspicuous place on the Association property at least 48 hours in advance of such meeting, or mailed or delivered to each Member at least seven (7) days before the meeting, except in cases of emergency. In the event that the number of Members of the Association exceeds one hundred (100), then in lieu of the foregoing notice provisions, notice of such meetings may be made by providing to each Member a schedule of board meetings for any calendar year. Notice of any meeting in which Assessments against parcels are to be established shall specifically contain a statement that Assessments shall be considered and a statement of the nature of such Assessments.

7.2. Special Meetings. Special meetings of the directors may be called by the President of the Association or by any director. Not less than forty-eight (48) hours' notice of the special meeting shall be given to each director, which notice shall state the date, time, place and purpose of the meeting. All special meetings of the Board of Directors shall be open to the Members. Notice of such meeting shall be posted in a conspicuous place on the Association property at least 48 hours in advance of such meeting, or mailed or delivered to each Member at least seven (7) days before the meeting, except in cases of emergency. In the event that the number of Members of the Association exceeds one hundred (100), then in lieu of the foregoing

notice provisions, notice of such meetings may be made by providing to each Member a schedule of board meetings for any calendar year. Notice of any meeting in which Assessments against parcels are to be established shall specifically contain a statement that Assessments shall be considered and a statement of the nature of such Assessments.

7.3. Defects in Notice, etc. Waived by Attendance. Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting or promptly upon arrival at the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

7.4. Telephone Participation. Members of the Board of Directors may participate in Board meetings by means of a conference telephone, or similar communications equipment, by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at such meeting.

7.5. Quorum. A quorum at directors meetings shall consist of a majority of all votes of the entire Board of Directors. The acts approved by a majority of those votes represented at a meeting at which a quorum is present shall constitute the act of the Board of Directors, except where approval by a greater number of directors is required by the Declaration, the Articles of Incorporation, or these Bylaws.

7.6. Adjourned Meetings. A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

7.7. Presiding Officer. The presiding officer of directors meetings shall be the President. In the absence of the President, the Vice President shall preside, and in the absence of both, the directors present shall designate one of their number to preside. Attendees at director's meetings other than directors may not participate in any discussion or deliberation unless permission to speak is requested on their behalf by a director. In such case, the presiding officer may limit the time any such individual may speak.

7.8. Powers and Duties of Board of Directors. All of the powers and duties of the Association existing under Chapter 617, Florida Statutes, the Declaration, the Articles of Incorporation, these Bylaws, and the Association Act shall be exercised by the Board of Directors, subject only to approval by Members when such is specifically required.

8. Officers.

8.1. Officers and Election. The officers of the Association shall be a President, who shall be selected from the Board of Directors, a Vice President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors and each of whom may be removed by vote of the directors at any meeting with or without cause. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board of

Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find necessary or convenient to manage properly the affairs of the Association.

8.2. President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the Members from time to time as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Association. He shall serve as chairman of all Board and Members' meetings.

8.3. Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors or the President.

8.4. Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the Members. He shall attend to the giving and serving of all notices to the Members and directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the directors or the President. The duties of the Secretary may be fulfilled by a manager employed by the Association.

8.5. Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and provide for collection of assessments; and he shall perform all other duties incident to the office of Treasurer. The duties of the Treasurer may be fulfilled by a manager employed by the Association.

8.6. Compensation. Officers shall serve without compensation or fees; provided, however, nothing herein shall be deemed to prevent reimbursement of out-of-pocket expenses approved by the Board and incurred on behalf of the Association.

9. Books and Records.

9.1. The Association shall keep as records minutes of all meetings of its Members and Board of Directors, a record of all actions taken by the Members or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association and shall maintain such records for at least seven (7) years. The Association shall maintain accurate accounting records, kept in accordance with good accounting practices, and shall maintain such records for at least seven (7) years. The Association shall also maintain a record of its Members in a form that permits preparation of a list of the names and address of all Members in alphabetical order by class of voting Members, and shall keep such records in written form or in other form capable of conversion into writing within a reasonable time. The Association shall also keep a copy of the following records at its principal office:

- (a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the Common Property or other

property that the Association is obligated to maintain, repair or replace.

- (b) A copy of its Articles or restated Articles of Incorporation and all amendments currently in effect,
- (c) A copy of its Bylaws or restated Bylaws and all amendments currently in effect.
- (d) A copy of the Declaration and all amendments currently in effect.
- (e) Written communications to all Members generally or all Members of a class within the past three (3) years, including all financial statements furnished for the past three (3) years.
- (f) A list of the names and business street, or home if there is no business, addresses of its current directors, officers, Neighborhood Representatives and Representatives to the Master Association.
- (g) Its most recent annual report delivered to the Department of State.
- (h) A copy of the current Architectural Guidelines and other rules of the Association.
- (i) A current roster of all Members and their mailing addresses, parcel identifications and if known telephone numbers.
- (j) All current insurance policies of the Association or a copy thereof.
- (k) A current copy any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Members have an obligation or responsibility. The Association shall also keep for a period of one (1) year all bids received by the Association for work to be performed on behalf of the Association.

9.2. A Member of the Association may inspect and copy, during regular business hours at the Association's principal office, any of the records of the Association set forth in 9.1 above, if such Member gives the Association written notice of the demand to inspect at least ten (10) business days before the date on which the Member wishes to inspect and copy. All other records of the Association will be available for inspection in accordance with the provisions of applicable Florida law. The Association may impose a reasonable charge for the cost of copies of all documents to be provided pursuant to the provisions of this section 9.2.

10. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions.

10.1. Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications and any other classifications

as shall be appropriate, when authorized and approved by the Board of Directors. The receipts shall be entered by the amounts of receipts by accounts and receipt classifications, and expenses by the amounts of expenses by accounts and expense classifications.

- (a) Current Expense. The current expense account shall include all receipts and expenditures to be made within the year for which the expenses are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year or to fund reserves. This may include but not be limited to:
 - (1) Professional, administration and management fees and expenses;
 - (2) Taxes on common property;
 - (3) Expenses for utility services and maintenance expense relating to the common property;
 - (4) Insurance costs;
 - (5) Administrative and salary expenses;
 - (6) Operating capital; and
 - (7) Other expenses.
- (b) Reserve for Deferred Maintenance. If required by the Board of Directors, there shall be established a reserve account for deferred maintenance which shall include funds for major maintenance items which are the obligation of the Association and which occur less frequently than annually.
- (c) Reserve for Replacement. If required by the Board of Directors, there shall be established a reserve account for replacement which shall include funds for repairs or replacements which the Association is obligated to make resulting from damage, depreciation or obsolescence.
- (d) Gated Community Required Accounts. The Association shall establish and maintain the Gated Community Required Accounts as and to the extent required by the Gated Communities Code and the Declaration, and monies held in such accounts shall be held and disbursed as more specifically set forth in the Declaration.

10.2. Budget. The Board of Directors shall adopt such budgets as are required by the Declaration.

10.3. Assessments. Assessments against the Owners for their shares of the items of the operating budget shall be made in accordance with the provisions of the Declaration.

10.4. Depository. The depository of the Association will be such banks in Orange County, Florida, as shall be designated from time to time by the directors and the withdrawal of monies from such accounts shall be only by checks signed by such persons as authorized by the directors; provided, however, that the provisions of a management agreement between the Association and a manager relative to the subject matter of this section shall supersede the provisions hereof.

11. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings, when not in conflict with the Florida Not for Profit Corporation Act, the Declaration, the Articles of Incorporation or these Bylaws.

12. Access to Common Property and Recreational Facilities. All Common Property serving the Association shall be available, subject to all restrictions set forth in the Declaration or in any rules and regulations adopted by the Association, to Members of the Association and their invited guests for the use intended to such Common Property. The Association may adopt reasonable rules and regulations pertaining to the use of such Common Property. Members shall have the right to peaceably assemble, or invite public officers or candidates for public office to appear and speak, in Common Property subject to reasonable rules and regulations adopted by the Association. Notwithstanding anything in the foregoing to the contrary, access to Limited Common Property shall be limited to those Members, and their invited guests, who are Owners of Residential Property to which the use of such Limited Common Property has been reserved and dedicated.

13. Amendment. These Bylaws may be changed, amended or modified, at any time and from time to time, by the Members, as and to the extent provided in, and pursuant to the procedures set forth in, the Declaration.

14. Pronouns. Whenever the context permits, the singular shall include the plural and one gender shall include all.