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DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

PALENCIA NORTH
COPY

THIS DOCUMENT PREPARED BY:

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INDEX OF DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
PALENCIA NORTH

Exhibit A - Property
Exhibit B - Common Area
Exhibit C - Articles of Incorporation for Palencia North Homeowners Association, Inc.
Exhibit D - Bylaws of Palencia North Homeowners Association, Inc.
Exhibit E - St. Johns River Water Management District Permit

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DECLARATION
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FOR
PALENCIA NORTH

THIS DECLARATION OF COVENANTS AND RESTRICTIONS FOR PALENCIA NORTH (hereinafter this "Declaration") is made this 22nd day of August, 2006, by INTERVEST CONSTRUCTION OF JAX, INC., a Florida corporation (the "Developer").

RECITALS

WHEREAS, Developer is the owner of that certain real property located in St. Johns County, Florida, and which property is more particularly described on the attached Exhibit "A", which is incorporated herein by this reference (the "Property"); and

WHEREAS, Developer intends to develop the Property as a mixed-use community known as "Palencia North" that may feature commercial, residential, retail, business and/or different housing types;

WHEREAS, Developer intends to form a not for profit entity to own, maintain, operate and/or administer the lands and Improvements, to administer and enforce this Declaration, and to collect and disburse the Assessments and charges hereinafter created; and

WHEREAS, Developer desires to preserve and enhance the values and quality of life in the Property and to provide for the maintenance of certain areas and Improvements for the benefit of the Property and its occupants and residents; and

WHEREAS, Developer does not intend to create a condominium within the meaning of Chapter 718 of the Florida Statutes (otherwise known as the "Florida Condominium Act"), and any amendments and/or renumbering that may occur from time to time.

NOW, THEREFORE, Developer declares that the Property is and shall be owned, improved, held, conveyed, mortgaged, transferred and occupied subject to the terms, easements, conditions, covenants, restrictions and provisions of this Declaration. The terms, easements, conditions, covenants, restrictions and provisions of Declaration shall run with the property, shall be binding upon all Persons and parties having and/or acquiring any right, title and/or interest in the Property or any portion of the Property, and shall inure to the benefit of each and every Person and/or entity, from time to time, owning or holding an interest in the Property or any portion of the Property.

ARTICLE 1
MUTUALITY OF BENEFIT AND OBLIGATION

Section 1.1 **Mutuality**. The covenants, restrictions, and agreements set forth in this Declaration are made for the mutual and reciprocal benefit of every Lot and Building Site within the Property, and are intended to create mutual equitable servitudes upon each Lot and Building

Site in favor of the other Lots and Building Sites, to create reciprocal rights among the respective Owners, and to create privity of contract and an estate between the grantees of each and every Lot and/or Building Site within the Property, their heirs, successors and assigns.

Section 1.2 **Benefits and Burdens.** Every Person who is an Owner does by reason of taking title to land located within the Property knowingly and voluntarily agrees and consents to all the terms, covenants, conditions, restrictions and provisions of this Declaration and shall be entitled to its benefits and subject to its burdens.

ARTICLE 2 **DEFINITIONS**

The following words when used in this Declaration shall have the following meanings:

Section 2.1 **Additional Property.** The lands and/or real property (excluding the Property), together with an Improvements thereon, which hereafter may be made subject to this Declaration by annexation pursuant to Article 3 of this Declaration.

Section 2.2 **Architectural Review Board or ARB.** The committee established by the Board of Directors of Palencia North Homeowners Association, Inc., and which is more particularly described in Article 9 of this Declaration.

Section 2.3 **Articles.** The Articles of Incorporation of Palencia North Homeowners Association, Inc., as amended from time to time. A copy of the initial Articles is attached as Exhibit "C" to this Declaration and incorporated herein by this reference. The Articles may be amended as provided therein. A copy of each amendment to the Articles shall be recorded in the Public Records of St. Johns County, Florida. It shall not be necessary to amend this Declaration in order to amend the Articles.

Section 2.4 **Assessment.** The charges levied by the Association from time to time against the Owners, the Lots and/or the Building Sites within the Property for the purposes set forth in this Declaration, and shall include but are not limited to each: (1) Initiation Assessment; (2) Annual Assessment; (3) Special Assessment; (4) Individual Assessment; (5) Service Area Assessment; (6) Special Service Area Assessment; (7) Neighborhood Assessment; and (8) Special Neighborhood Assessment.

Section 2.5 **Association.** Palencia North Homeowners Association, Inc., a Florida not for profit corporation, its successors and assigns.

Section 2.6 **Board.** The Board of Directors of the Association.

Section 2.7 **Building Site.** Each separate parcel of land within the Property, other than the Lots, as hereafter conveyed and/or designated by the Developer, consisting of an integral unit of land suitable for development by construction of Improvements designed for office, retail, commercial, wholesale, hotel, motel, restaurant, warehouse, entertainment, recreational, service, industrial, multi-family and/or other similar use. No Building Site shall include any portion of the Common Area, any other portion of the Property owned by the Association and/or any other portion of the Property owned by the CDD.

Section 2.8 **Bylaws**. The Bylaws of Palencia North Homeowners Association, Inc., as amended from time to time. A copy of the initial Bylaws is attached as Exhibit "D" to this Declaration and is incorporated herein by this reference. The Bylaws may be amended as provided therein, and a copy of each amendment to the Bylaws shall be recorded in the Public Records of St. Johns County, Florida. It shall not be necessary to amend this Declaration in order to amend the Bylaws.

Section 2.9 **CDD**. The Sweetwater Creek Community Development District, a community development district created pursuant to Chapter 190 of the Florida Statutes.

Section 2.10 **Commercial Improvement**. Any proposed, partially completed and/or completed Improvement located on, over, under and/or within any portion of the Property other than a Lot, and which is intended for use, designated and/or designed to accommodate public, commercial, governmental, educational and/or business enterprises to serve residents of the Property and/or the general public, including but not limited to, business offices, professional offices, facilities for the retail and/or wholesale sale of goods, facilities for the retail and/or wholesale sale of services, warehouses, banks, financial institutions, hotels, motels, theaters, entertainment facilities, automobile parking facilities, restaurants, convenience stores, schools, colleges and/or gasoline stations.

Section 2.11 **Common Area or Common Areas**. The real and/or personal property from time to time owned by the Association and devoted to the use and/or enjoyment of the Members of the Association. "Common Area" also includes, but is not limited to, any portion of the Property and/or any personal property that have been designated as a Common Area by the Developer. "Common Area" also includes, but is not limited to, any facilities, Improvements, structures, buildings, lighting and/or landscaping that may be located, from time to time, on portions of the Property that have been designated as a Common Area. The Association shall accept, own, operate, maintain, repair, replace and insure all Common Areas for the common use, benefit and enjoyment of the Owners in accordance with and subject to the terms of this Declaration. No commitment is made by Developer that any Additional Property will contain or not contain additional Common Areas. The Common Area may include the Master Drainage System.

Section 2.12 **Common Expense**. The expenses of operating the Association and/or the costs and expenses incurred by the Association in performing its duties, in exercising its powers and/or in exercising its prerogatives, including without limitation, costs incurred for the operation, improvement, management, maintenance, repair, replacement and/or insurance of the Common Area. "Common Expense" shall also include the funding of any reserve accounts established by the Association and any charges and/or fees imposed by the CDD on the Association.

Section 2.13 **County**. St. Johns County, Florida, a political subdivision of the State of Florida.

Section 2.14 **Declaration**. This Declaration of Covenants and Restrictions for Palencia North, as amended and/or supplemented from time to time.

Section 2.15 **Developer**. Intervest Construction, Inc., a Florida corporation, its successors or assigns. No successor or assignee of Developer shall have any rights or obligations of Developer under this Declaration except to the extent any such rights and obligations are specifically set forth in an instrument of succession and/or assignment, or unless such rights pass by operation of law. Reference in this Declaration to Intervest Construction, Inc. as the Developer of the Property is not intended, and shall not be construed, to impose upon Intervest Construction, Inc., its officers, directors, employees, agents and/or attorneys any obligations and/or responsibility, legal or otherwise, for the acts and/or omissions of third parties who purchase Lots and/or Building Sites within the Property.

Section 2.16 **Director**. A member of the Association's Board of Directors.

Section 2.17 **District**. The St. Johns River Water Management District, an agency created pursuant to Chapter 373 of the Florida Statutes.

Section 2.18 **District Permit**. The Environmental Resource Permit issued by the District, as modified from time to time with the approval of the District. A copy of the District Permit (as same exists on the date of this Declaration) is attached as Exhibit "E" to this Declaration and is incorporated herein by this reference. It shall not be necessary to amend this Declaration in order to amend and/or modify the District Permit.

Section 2.19 **DRI**. That certain Development of Regional Impact Order approved by the Board of County Commissioners of St. Johns County, as the same may be amended and/or modified from time to time.

Section 2.20 **Enforcement Cost**. All reasonable costs of enforcement of the terms, conditions, provisions, restrictions and/or covenants of any of the Governing Documents and/or Florida law, whether or not any suit or other judicial or administrative proceeding is filed, and, if a proceeding is filed, all reasonable costs before and during any such proceeding, at all levels of proceedings, and in any post-judgment proceedings, including but not limited to, court costs, attorney fees, paralegal fees, expert fees and disbursements.

Section 2.21 **Exclusive Common Area**. Any portion of the Common Area primarily benefiting one or more, but less than all the Lots and Building Sites within the Property.

Section 2.22 **Fiscal Year**. The time period beginning on January 1 through and including December 31 of each calendar year, or such other period of time as may subsequently be determined by the Board.

Section 2.23 **Governing Documents**. This Declaration, the Articles, the Bylaws, each subdivision plat of the Property, any rules and regulations promulgated by the Association and any rules and regulations promulgated by the Architectural Review Board, as each of the foregoing may be adopted, amended and/or modified from time to time.

Section 2.24 **Improvement**. All structures of any kind, any building, fence, wall, sign, paving, grading, excavation, any addition, any alteration, any modification, screen enclosure, sewer, drain, disposal system, decorative building, outbuilding, landscaping, landscaping device, landscaping irrigation, irrigation system, street lighting or object, traffic control device and/or

any changes to the natural state of any portion of the Property and/or any vegetation existing on the Property.

Section 2.25 Lot. Each portion of the Property which may be independently owned and conveyed by a Person and zoned and/or platted for development, use and/or occupancy as an attached or detached Residential Dwelling Unit, regardless of whether the Lot is improved or unimproved. Lot shall refer to the land, if any, which is part of the Lot as well as any Improvements located thereon. In the case of a building within a condominium and/or any other Improvement containing multiple Residential Dwelling Units, each Residential Dwelling Unit shall be deemed to be a separate Lot. No Lot shall include any portion of the Common Area or any other portion of the Property owned by the Association or the CDD. Apartments and/or any other multi-family dwellings, which are not capable of being separately and/or individually owned, shall not be considered to be Lots.

Any Owner owning two (2) adjoining Lots may, with the prior written approval of the Developer and the Association, combine such Lots into a single site for the purpose of constructing one (1) Residential Dwelling Unit and such other Improvements as are approved under this Declaration; however, each of the Lots so combined shall continue to be treated as a separate Lot for purposes of voting and Assessments, unless the plat creating such Lots is revised and recorded in the Public Records of the County, with the prior written consent of the Developer and the Association, to combine them into a single Lot. The Developer and/or the Association may grant or withhold their approval to any such combination of Lots and/or plat revision in their respective sole discretions.

Section 2.26 Master Drainage System. The overall system that has been designed and will be constructed and implemented upon the Property to control discharges caused by rainfall events, which system is intended to collect, convey, store, absorb, inhibit, treat, use or reuse water in order to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution, and to control the quality and quantity of discharges from the system, all as permitted by the District pursuant to the applicable portions of the Florida Administrative Code and the District Permit. The Master Drainage System includes all land, easements and other facilities and appurtenances, including but not limited to, inlets, ditches, swales, culverts, water control structures, retention ponds, detention ponds, dry detention ponds, lakes, floodplain compensation areas, pipes, outfall structures, drains, wetlands, wetland buffer areas and wetland mitigation areas, that together constitute and comprise the surface water management and drainage system of the Property as reflected on the plans therefor on file with and approved by the District, as same may be amended, supplemented and/or modified from time to time with the approval of the District. A perpetual, non-exclusive drainage easement is hereby created over all areas of the Master Drainage System in favor of the CDD, any Neighborhood Association and the Association, including their respective agents and/or other designees, for surface water drainage and the installation, maintenance, operation, management, repair and replacement of the Master Drainage System for the Property. If the CDD is not responsible for the maintenance, operation, management, repair and replacement of the Master Drainage System, the Master Drainage System shall be part of the Association's Common Areas, and the Association shall be responsible for the maintenance, operation, management, repair and replacement of the Master Drainage System.

Section 2.27 **Member**. Each member of the Association, and as more particularly described in Article 4 of this Declaration.

Section 2.28 **Member Eligible To Vote**. The Member of the Association for each Lot and/or Building Site who will cast a ballot and/or vote on behalf of that Lot and/or Building Site. Each Lot shall have only one (1) Member Eligible To Vote. Each Building Site shall have only one (1) Member Eligible To Vote.

Section 2.29 **Mortgage**. A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot and/or Building Site and held by an Institutional Lender. The term "Mortgagee" shall mean and refer to a beneficiary or holder of a Mortgage. The term "Institutional Lender" shall mean and refer to any bank, savings bank, mortgage company, life insurance company, federal or state savings and loan association, a credit union, real estate or realty investment trust, any agency of the United States government, the Federal Investment Mortgage Association, the Federal Home Loan Mortgage Corporation, or similar governmental or quasi-governmental agencies.

Section 2.30 **Neighborhood**. A group of Lots and/or Building Sites designated as a separate Neighborhood for purposes of sharing Exclusive Common Area and/or receiving other benefits and/or services from the Association which are not provided to all Lots and/or Building Sites within the Property and/or for the purpose of electing Neighborhood Representatives as provided in this Declaration. A Neighborhood may be comprised of more than one (1) type of Residential Dwelling Unit and may be comprised of noncontiguous portions of the Property.

Section 2.31 **Neighborhood Assessment**. Any Assessment levied against Lots and/or Building Sites within a particular Neighborhood or Neighborhoods to fund any Neighborhood Expense.

Section 2.32 **Neighborhood Declaration**. Any declaration of restrictive covenants, conditions and/or easements applicable to a particular Neighborhood within the Property. In the event of any conflict between the Governing Documents and a Neighborhood Declaration, the Governing Documents shall control. The Association may, but is not obligated to, enforce the terms, conditions, restrictions, provisions, requirements and/or covenants of any Neighborhood Declaration.

Section 2.33 **Neighborhood Expense**. The actual and estimated expenses which the Association incurs and/or expects to incur for the benefit of Owners of Lots and/or Building Sites within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for capital repairs and/or replacements and an administrative charge, as may be authorized pursuant to this Declaration.

Section 2.34 **Owner**. The record holder of fee simple title to any Lot and/or Building Site within the Property, but, notwithstanding any applicable theory of the law of mortgages, the term "Owner" shall not mean and/or refer to any Mortgagee unless and until such Mortgagee has acquired title to a Lot and/or Building Site pursuant to a foreclosure proceeding or a conveyance or other proceeding in lieu of foreclosure. "Owner" shall include any corporation, limited liability company, governmental agency, business trust, estate, trust, trustee, partnership,

association, sole proprietorship, joint venture, two or more persons having a joint or common interest, or any other legal entity or form of ownership that holds fee simple title to a Lot and/or Building Site within the Property. All owners of a single Lot and/or Building Site shall be treated for all purposes as a single Owner, irrespective of the form or nature of such ownership.

Section 2.35 Person. An individual, a corporation, a general partnership, a limited partnership, a trustee, a limited liability company, a joint venture or any other legal entity.

Section 2.36 Plans. Plans, specifications, blueprints, diagrams, surveys, layouts and/or plot plans showing and/or describing all details of each proposed Improvement, construction, landscaping, alteration, modification, repair, replacement and/or addition, including but not limited to, dimensions, design, shape, finished grade elevation, size, materials, composition, color, landscape plan and irrigation. "Plans" shall also show the location relative to boundaries and adjacent Improvements of all proposed Improvements, alterations, modifications, changes and/or additions. The ARB, in its sole discretion, may require any other information necessary or desirable to make an informed determination on any proposed Improvement, construction, landscaping, alteration, modification, repair, replacement, deletion, removal and/or addition to any Lot, Residential Dwelling Unit, Building Site and/or Commercial Improvement.

Section 2.37 Property or Palencia North. The real property more particularly described on the attached Exhibit "A", together with such Additional Property as may hereafter from time to time be made subject to this Declaration by annexation pursuant to Article 3 of this Declaration.

Section 2.38 Residential Dwelling Unit. Any improved portion of the Property located within and/or on a Lot and intended for use as a single family residence, including without limitation, any detached single family residence, any condominium unit, any townhouse unit, or any other attached single family residence capable of being independently owned and conveyed. "Residential Dwelling Unit" shall not, however, mean and/or refer to (1) any hotel room, which is not declared and/or subjected to the condominium form of ownership, or otherwise subject to separate ownership; (2) any motel room which is not declared and/or subjected to the condominium form of ownership, or otherwise subject to separate ownership; and (3) any apartment which is not declared and/or subjected to the condominium form of ownership, or otherwise subject to separate ownership.

Section 2.39 Rules and Regulations. Any rules and regulations which may from time to time be adopted, amended, modified and/or repealed by the Association, through its Board. The Association, through its Board, shall have the power and authority to make, adopt, establish, amend and/or enforce Rules and Regulations regarding the use, appearance, operation, conduct and/or condition of any portion of the Property bound by the Governing Documents, including but not limited to, Common Areas, Service Areas, Neighborhoods, Residential Dwelling Units, Lots, Building Sites, Members, structures, Improvements, Commercial Improvements, landscaping and maintenance. It shall not be necessary to amend this Declaration in order to adopt, amend, modify and/or repeal any Rules and Regulations.

Section 2.40 Service Area. One or more Lots and/or Building Sites, or portions of one or more Lots and/or Building Sites, designated by the Developer and/or the Association upon the

recording of a Supplemental Declaration or an amendment to this Declaration for the purposes of: (1) encumbering the designated area with an easement in favor of the Association (a Service Area Easement as defined in this Declaration); (2) providing for special maintenance services, enhanced maintenance services and/or other services to be provided by the Association; and/or imposed Service Area Assessments. A Lot and/or Building Site may be a part of more than one (1) Service Area, and Service Areas may overlap.

Section 2.41 **Supplemental Declaration**. Any instrument which extends the scope and effect of this Declaration and the jurisdiction of the Association to Additional Property pursuant to Article 3 of this Declaration. A Supplemental Declaration can also be an instrument that creates a Service Area pursuant to Article 4 of this Declaration.

Section 2.42 **Voting Interest**. The voting rights distributed to the Members of the Association pursuant to the Governing Documents.

ARTICLE 3 **PROPERTY SUBJECT TO THIS DECLARATION:** **ADDITIONS AND DELETIONS**

Section 3.1 **The Property**. The Property is and shall be owned, improved, held, conveyed, mortgaged, transferred and occupied subject to this Declaration.

Section 3.2 **Additional Property**. Developer reserves and shall have the right in its absolute and sole discretion, but not the obligation, to bring within the scope of this Declaration and the jurisdiction of the Association, as Additional Property, any other real property desired by Developer to be annexed. Additional Property may be brought by Developer within the scope of this Declaration and the jurisdiction of the Association at any time and from time to time within twenty (20) years after the date on which this Declaration is recorded in the Public Records of the County.

Section 3.3 **Method of Annexation by Developer**. Additions authorized pursuant to this Article 3 shall be made, if at all, by Developer recording a Supplemental Declaration in the Public Records of the County extending the scope and effect of this Declaration to the Additional Property. The Supplemental Declaration shall describe the Additional Property being annexed and shall state that the Supplemental Declaration is being entered into pursuant to this Declaration for the purposes of annexing the Additional Property therein described to the scope and effect of this Declaration and extending to the Additional Property therein described the jurisdiction of the Association. The Supplemental Declaration may contain additional terms desired by Developer to reflect the different character, if any, of the Additional Property being annexed or of the housing or development approaches being implemented in that Additional Property. Form and after recordation of any Supplemental Declaration in the Public Records of the County, the Additional Property described therein shall be subject to all of the terms, conditions, restrictions and provisions of this Declaration and to the jurisdiction of the Association, and that Additional Property shall be considered part of the Property as fully as though originally designated herein as part of the Property. Except as may be limited elsewhere in this Declaration, annexation of Additional Property may be accomplished by Developer without the consent of the Association, any Owner, any Member, any Mortgagee or other lien

holder, or any other Person, and each Supplemental Declaration need only be signed by Developer and, if Developer is not the owner of the Additional Property being annexed, the owner of such Additional Property.

Section 3.4 Transfer of Right. Developer may transfer or assign its rights to annex Additional Property, provided that the transferee or assignee is a developer of at least a portion of the Property, and that such transfer or assignment is memorialized in a written recorded instrument in the Public Records of the County that has been executed by Developer. Nothing in this Declaration shall be construed to require Developer or any successor or assignee to annex and/or develop any Additional Property as part of Palencia North in any manner whatsoever.

Section 3.5 Method of Annexation by Association. The Association may annex any Additional Property to the provisions of this Declaration and to the jurisdiction of the Association with all of the following: (1) consent of the owner of such Additional Property; (2) the affirmative vote of members representing a majority of the Class "A" votes of the Association represented at a meeting of the Association duly called for such purposes; and (3) written consent of Developer, so long as Developer owns any portion of the Property subject to this Declaration.

Any annexation by the Association that has complied with the terms for such annexation in this Section 3.5 shall be effected by filing a Supplemental Declaration in the Public Records of St. Johns County, Florida describing the Additional Property to be annexed. Such Supplemental Declaration shall be signed by the President and Secretary of the Association, and by the owner of the Additional Property being annexed, and by Developer, if Developer's written consent is required. Any such annexation of Additional Property shall be effective upon recording of that Supplemental Declaration in the Public Records of the County, unless another effective date is provided therein.

Section 3.6 Withdrawal of Property. Developer reserves the right to remove any portion of the Property (including without limitation, Lots and/or Building Sites), subject, however, to all terms, conditions, restrictions and requirements of all District Permits and governmental requirements from the scope and effect of this Declaration and from the jurisdiction of the Association without notice and without requiring the consent of any Person other than the Owner of the portion of the Property to be withdrawn; provided, however, no such withdrawal may impair access to any Lot and/or Building Site.

Section 3.7 Non-Binding Plans. From time to time, Developer and/or others may present to the public a master plan, drawings, renderings, plans and/or models showing possible future development of the Property and/or Palencia North. Developer does not represent, guarantee or warrant that the development programs or features in any such master plan, drawings, renderings, plans or models will be carried out or how the future improvements within the Property will actually be developed and/or built. Any such master plan, drawings, renderings, plans and/or models are conceptual in nature and do not represent a guaranteed final development or improvement plan. Each Owner acknowledges, covenants and agrees that Developer will have no liability to that Owner for any changes to, or failure to complete any development or Improvements in accordance with, the master plan, drawings, renderings, plans and/or models. Each Owner further acknowledges that the development of the Property may

extend over a number of years, and each Owner knowingly and voluntarily agrees and consents to all changes in: (1) uses or density of Lots and/or Building Sites within the Property; (2) the architectural scheme of the Property and/or (3) the architectural pattern of the Property. Each Owner knowingly acknowledges and agrees that the Owner is not entitled to rely upon, and has not received and/or relied upon, any representations, warranties, and/or guarantees whatsoever as to the current or future: (1) design, construction, completion, development, use, benefits and/or value of land within the Property; (2) number, types, sizes, prices and/or designs of any Lots, Building Sites, Commercial Improvements, Residential Dwelling Units, structure, building, facilities, amenities and/or Improvements built or to be built in and/or on any portion of the Property; and/or (3) use and/or development of any land adjacent to, adjoining and/or within the vicinity of the Property.

ARTICLE 4

THE ASSOCIATION; THE CDD

Section 4.1 **The Association**. The Association shall be a not for profit corporation organized under the laws of the State of Florida. The Association shall have all of the common law and statutory powers of a not for profit corporation organized under the laws of Florida, unless otherwise restricted by this Declaration, the Articles or the Bylaws. The Association shall have the power 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 for the benefit of the Owners and for the administration of the Property and Common Area. The officers and Directors of the Association must be either: (1) a Member of the Association; or (2) a designate or appointee of the Developer. Except as otherwise specifically provided in the Governing Documents or Florida law, the Board, and such officers as the Board may appoint or elect, shall exercise all rights, duties and powers of the Association and conduct and manage the affairs of the Association without needing a vote and/or authorization from the Members.

Section 4.2 **Membership**. Each Owner (including Developer) shall be a Member of the Association. Membership in the Association shall be appurtenant to and inseparable from the Lot and/or Building Site giving rise to such membership, and any transfer of record title to a Lot and/or Building Site shall operate automatically to transfer to the new Owner of that Lot and/or Building Site the membership in the Association appurtenant to that Lot and/or Building Site. The interest, if any, of a Member in the funds and assets of the Association may not be assigned, hypothecated and/or transferred in any manner except as an appurtenance to that Owner's Lot and/or Building Site. Membership in the Association is mandatory for all Owners and membership shall continue, as to each Owner, until such time as that Owner sells, transfers or conveys that Owner's fee simple interest in the Lot and/or Building Site upon which that Owner's membership is based or until such fee simple interest is transferred or conveyed by operation of law, at which time the membership in the Association will automatically pass to the grantee or transferee. Notwithstanding the foregoing, the Association shall not be obligated to recognize such a transfer or conveyance of membership until such time as the Association receives a true copy of the recorded deed or other written instrument establishing the transfer or conveyance of ownership of the Lot and/or Building Site, and it shall be the responsibility of the new Owner of that Lot and/or Building Site to provide such true copy of said deed or other written instrument to the Association.

Section 4.3 **Voting Rights.** The Association shall have two (2) classes of membership with the voting rights as follows:

(a) **Class A.** Class A Members shall be all the Owners of Lots and all the Owners of Building Sites, with the exception of Developer for so long as Class B membership exists. Each Class A Members shall have one (1) vote for each Lot and/or Building Site owned by that Member. When more than one Person or entity is an Owner of any Lot and/or Building Site, all such Person or entities shall be Members, but the vote for that Lot and/or Building Site shall be exercised by that one (1) Member Eligible To Vote. In no event shall there be more than one (1) Class A vote for each Lot, and in no event shall there be more than one (1) Class A vote for each Building Site.

(b) **Class B.** The Class B Member shall be the Developer, or the express assigns or successors in interest of Developer. Until conversion of the Class B membership to Class A membership as set forth in Section 4.3(c) of this Declaration, Developer shall have five (5) votes for each Lot and/or Building Site owned by Developer. As each Lot and Building Site in the Property are conveyed by Developer to a Class A Member, Developer's votes for that Lot and/or Building Site shall automatically terminate.

(c) **Conversion of Class B Membership.** Developer's Class B membership shall continue in effect during the period from the date of this Declaration until the earlier of the following events:

(i) Three months after ninety percent (90%) of all Lots within the Property have been conveyed or transferred to Owners other than Developer, excluding conveyances and/or transfers to builders, developer, contractors and/or any others who purchase a Lot for the purpose of constructing Improvements thereon for resale; or

(ii) Ten (10) years after the date on which this Declaration is recorded in the Public Records of St. Johns County, Florida; or

(iii) At such earlier time as Developer, in its sole and absolute discretion, may so elect by recording a notice of such election in the Public Records of St. Johns County, Florida.

When the earlier of the preceding events occurs, the Class B Member shall call a Special meeting of the Association's membership to advise of the termination of Class B membership. At this Special Meeting of the Association's membership, Developer shall turn over control of the Association to the Class A Members, and the Class A Members Eligible To Vote shall elect Directors as provided in the Articles or Bylaws. When the Class B membership terminates, Developer will automatically be converted to Class A membership. Developer shall then retain one (1) vote for each lot and/or Building Site still owned by Developer. When the Class B membership converts to Class A membership in the Association, Developer may exercise the right to vote any Lot(s) and/or Building Site(s) still owned by Developer in the same manner as any other Class A Member, except Developer cannot exercise its vote(s) for the purposes of reacquiring control of the Association or selecting a majority of the members of the Board of Directors.

Section 4.4 **Multiple Owners**. The vote for each Lot must be cast as a single vote, and fractional votes shall not be allowed. The vote for each Building Site must be cast as a single vote, and fractional votes shall not be allowed. If a Lot and/or Building Site is owned by more than one (1) Owner, and the Owners of that Lot and/or Building Site are unable to agree among themselves as to how the vote is to be cast, or if more than one (1) Class A vote is cast for any Lot and/or Building Site, the vote for that Lot and/or Building Site shall not be counted for any purpose except for establishing a quorum. If any Member Eligible To Vote casts a vote on behalf of a Lot and/or Building Site, it shall be conclusively presumed that Member Eligible To Vote was acting with the authority and consent of all Owners of that Lot and/or Building Site.

Section 4.5 **Percentage of Members**. When reference is made in this Declaration to a majority, specific percentage or fraction of Members, such reference shall be deemed to be a reference to a majority, specific percentage or fraction of the votes eligible to be cast and not of the Members themselves. As an illustration, but not as a limitation, if there are one hundred twenty-seven (127) Lots within the Property and all the Lots are owned by Class A Members, then there is a total of one hundred twenty-seven (127) votes eligible to be cast.

Section 4.6 **Voting by Proxy**. All Members Eligible To Vote may do so by proxy. Any proxy shall be delivered to the Secretary of the Association's Board of Directors or another authorized person so designated by the Board of Directors. No proxy shall be valid after ninety (90) days from the date the proxy is signed by the Member. Every proxy shall be revocable at any time in the discretion of the Member executing that proxy.

Section 4.7 **Neighborhoods**.

(a) **Neighborhood Designation**. Each Lot and/or Building Site within the Property may be located within a Neighborhood. A Neighborhood Declaration, this Declaration and/or each Supplemental Declaration submitting Additional Property to this Declaration shall designate that portion of the Property as a Neighborhood (by name, tract and/or other identifying designation), which Neighborhood may be then existing or newly created. As long as Developer has the authority to subject Additional Property to this Declaration pursuant to Article 3 of this Declaration, the Developer may unilaterally amend this Declaration and/or any Supplemental Declaration to redesignate any Neighborhood boundaries; provided, however, two (2) or more existing Neighborhoods shall not be combined into a single Neighborhood without the approval of at least fifty-one percent (51%) of the combined Class A votes in the affected Neighborhoods.

(b) **Neighborhood Services**. Any Neighborhood, acting through a Neighborhood Association, may request that the Association provide a higher level of service and/or maintain additional areas and/or improvements than that which the Association generally provides to all Neighborhoods. Any Neighborhood, acting through a Neighborhood Association, may also request that the Association provide special services for the benefit of Owners in that particular Neighborhood. Upon the affirmative vote, written consent, or a combination thereof, of Owners of at least fifty-one percent (51%) of the Units within the Neighborhood and with the consent of the Board, the Association may provide the requested services. The cost of such services, maintenance and/or other benefits, which may include an administrative charge in such amount as the Board deems appropriate (provided that any such administrative charge shall apply at a uniform rate to all Neighborhoods receiving the same service, maintenance and/or

other benefit), shall be assessed against the benefited Owners within that Neighborhood as a Neighborhood Assessment.

(c) **Neighborhood Rules.** Each Neighborhood Association may propose to the Board for the Board's consideration reasonable rules designed to restrict the use of any Exclusive Common Area within that Neighborhood to Owners of Lots and/or Building Sites, and the family members, guests, tenants, employees, contractors, subcontractors, agents, licensees, visitors, and/or invitees of those Owners, within that Neighborhood. The Board shall consider such proposed rules at the next regularly scheduled Board meeting after the proposed rules are formally submitted by the Neighborhood Association to the Board. If the Board finds, in its sole and absolute discretion, that the proposed rules are acceptable, such rules (along with any modifications that the Board deems necessary or desirable) shall be adopted by the Board and shall thereafter be effective with respect to the Exclusive Common Area in question. Nothing in this Section 4.7(c) shall prevent the Board from adopting such Rules and Regulations governing any Exclusive Common Area on the Board's own initiative.

(d) **Neighborhood Documents.** In the event of a conflict between or among the Governing Documents and any Neighborhood Declaration and/or the provisions of any other articles of incorporation, bylaws, rules, regulations and/or policies of a Neighborhood, the Governing Documents shall control. Nothing in this Section 4.7(d) shall preclude any Neighborhood Declaration and/or Supplemental Declaration from containing additional restrictions, covenants, terms, conditions and/or provisions which are more restrictive than the provisions of this Declaration. The Association may, but shall not be obligated to, enforce any such Neighborhood Declaration and/or any other terms, documents, conditions, restrictions and/or provisions applicable to any Neighborhood.

(e) **Power of Association Relating to Neighborhoods.** The Association shall have the power to veto any action taken and/or contemplated to be taken by any Neighborhood Association which the Board reasonably determines in its sole and absolute discretion to be adverse to the interest of the Association, its Members and/or the Palencia North development. The Association shall also have the power to require specific action to be taken by any Neighborhood Association in connection with the Association's obligations and/or responsibilities, such as requiring specific maintenance, repairs, replacement and/or aesthetic changes to be effectuated and/or requiring that a proposed budget include certain items and that expenditures be made for those certain items. The Association may require a Neighborhood Association to take any reasonable action(s), and all similarly situated Neighborhoods shall be treated in the same manner by the Association.

(f) **Collection of Assessments.** The Association may require any Assessment imposed, levied and/or adopted by the Association on any Lot, Building Site and/or any Owner to be collected by the applicable Neighborhood Association for that Lot, Building Site and/or Owner. The Association shall notify each Neighborhood Association at least thirty (30) days prior to the coming Fiscal Year of the Association if that Neighborhood Association will be responsible to collect any Assessment imposed, levied and/or adopted by the Association. If the Association requires a Neighborhood Association to collect any Assessment imposed, levied and/or adopted against a Lot, Building Site and/or Owner, such Assessment(s), upon collection by the Neighborhood Association, shall be promptly forwarded, transferred and/or paid to the

Association. No Neighborhood Association shall retain, hold back, deduct, subtract and/or diminish in any way any Assessment collected by that Neighborhood Association on behalf of the Association. If a Neighborhood Association retains, holds back, deducts, subtracts and/or diminishes in any way any Assessment collected by that Neighborhood Association on behalf of the Association, the Association shall be entitled to add to the amount of any delinquent Assessment, and collect from that Neighborhood Association, interest at the rate of eighteen percent (18%) per annum (or the maximum permitted by Florida law), late charges, collection costs, Enforcement Costs and attorneys' and paralegals' fees, which fees and collection costs shall be recoverable whether or not suit is actually brought. The Association shall be entitled to all remedies available under Florida law to recover any delinquent Assessments retained, held back, deducted, subtracted and/or diminished in any way by a Neighborhood Association.

Section 4.8 **The CDD.** The Sweetwater Creek Community Development District (the "CDD") may, pursuant to its governing documents and other lawful authority, assume responsibility for the maintenance, operation, management, repair, cleaning and/or replacement of all or some portions of the Property and/or Common Area. To the extent required, the Association shall comply with any obligation to transfer property, grant access easements, grant drainage easements and/or take any other action that may be necessary in regard to cooperating with the CDD. Any transfer of property by the Association to the CDD shall not be a violation of Article 5, Section 5.2 of this Declaration. To the extent any maintenance, operation, management, repair, cleaning and/or replacement is not the responsibility and/or obligation of the CDD, the Association shall have the responsibility for any maintenance, operation, management, repair, cleaning and/or replacement; provided each Owner shall be responsible for the maintenance, operation, management, repair, cleaning and/or replacement of that Owner's Lot and/or Building Site. Further, if the CDD does accept responsibility for any maintenance, operation, management, repair, cleaning and/or replacement, and the CDD does not perform, fails to perform, does not provide and/or refuses to perform that maintenance, operation, management, repair, cleaning and/or replacement, the Association shall have the right, but not the obligation, to perform and/or provide that maintenance, operation, management, repair, cleaning and/or replacement.

BY ACCEPTANCE OF A DEED TO A LOT AND/OR BUILDING SITE, EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT ANY TAX, FEE AND/OR CHARGE IMPOSED BY THE SWEETWATER CREEK COMMUNITY DEVELOPMENT DISTRICT IS IN ADDITION TO ANY PROPERTY TAXES AND ASSESSMENTS THAT MAY BE IMPOSED ON THAT OWNER'S LOT AND/OR BUILDING SITE. ALL SUCH TAXES, FEES AND/OR CHARGES BY THE SWEETWATER CREEK COMMUNITY DEVELOPMENT DISTRICT ARE SUBJECT TO PERIODIC CHANGE. FURTHER, EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND AGREES THAT THERE WILL NOT BE A REDUCTION IN ANY PROPERTY TAXES AND/OR ASSESSMENTS DUE TO THE EXISTENCE AND/OR OPERATION OF THE SWEETWATER CREEK COMMUNITY DEVELOPMENT DISTRICT.

Section 4.9 **Relationships With Other Properties.** The Association may enter into contractual agreements and/or covenants to share costs with any neighboring properties, other association, the CDD and/or any other Person to contribute funds for, among other things, shared

or mutually beneficial property and/or services and/or a higher level of maintenance of any portion of the Property.

Section 4.10 Termination of CDD. In the event that the CDD terminates, dissolves, disbands, contracts and/or otherwise is no longer functioning, the duties, responsibilities, obligations and/or requirements in regard to the Property and/or Common Area shall be assumed by the Association. The Association specifically shall not be liable, shall not assume and/or shall not be responsible in any way for any debts, financial obligations, contracts with third parties and/or for any other item related to, arising from, associated with and/or in regard to the CDD. The Association's responsibility shall be specifically limited to the on-going, continued and/or future maintenance, operation, repair, cleaning, management and/or replacement of those portions of the Property and/or the Common Area previously maintained, operated, repaired, cleaned, managed and/or replaced by the CDD. The Association, through its Board, shall have the authority to adopt Rules and Regulations concerning those duties, responsibilities, obligations and/or requirements that the Association has assumed from the CDD.

Section 4.11 Service Areas. The Developer hereby reserves for itself and for the Association the right to designate a Lot, Lots, a Building Site, Building Sites, portions of one (1) or more Lots and/or portions of one (1) or more Building Sites through the filing of a Supplemental Declaration and/or amendment to this Declaration (a Service Area Supplemental Declaration) as Special Service Areas as set forth in this Declaration. The Service Areas shall be established in the discretion of the Developer and/or the Association for the Association to provide a higher level of services, special services, additional maintenance and/or other benefits not provided to all the Lots and Building Sites within the Property (collectively, "Special Services"). This includes, but is not limited to, the following: services and/or maintenance to parking areas; services and/or maintenance to landscape areas; services and/or maintenance to driveway areas and/or other portions of a Lot and/or Building Site not improved with Improvements; and/or maintain Association Improvements within these areas in accordance with Association standards. The Association may adopt, impose and collect Assessments on each Lot and/or Building Site within each Service Area and/or each Owner of a Lot and/or Building Site within each Service Area (the "Service Area Assessments") to fund the direct and indirect costs of providing the Special Services for that Service Area. A Lot and/or Building Site may be located within multiple Service Areas, and if Service Area Assessments are imposed for each of those Service Areas, that Lot and/or Building Site and the Owner of that Lot and/or Building Site shall be responsible for each such Service Area Assessment when each becomes due and payable. Each Service Area Assessment shall be collected pursuant to Article 6 of this Declaration.

Section 4.12 Creation of Service Areas. A Service Area may be created in one of the following methods:

(a) The Developer may designate a Service Area by recording a Service Area Supplemental Declaration or an amendment to this Declaration in the Public Records of the County. Any Service Area established by such a Service Area Supplemental Declaration or an amendment to this Declaration by the Developer may be dissolved or its boundary lines changed only in accordance with the provisions of such Service Area Supplemental Declaration or amendment;

(b) The Association may designate a Service Area by recording a Service Area Supplemental Declaration or an amendment to this Declaration in the Public Records of the County. Any such Service Area Supplemental Declaration or amendment to this Declaration shall be adopted in accordance with Section 13.2 of this Declaration. Any Service Area established by such a Service Area Supplemental Declaration or an amendment to this Declaration by the Association may be dissolved or its boundary lines changed only in accordance with the provision of such Service Area Supplemental Declaration or amendment; or

(c) The Owners of one hundred percent (100%) of the Lots and/or Building Sites that would be included in a Service Area may submit a written petition to the Association's Board of Directors to create a Service Area applicable only to those Lots and/or Building Sites. Upon receiving such a written petition, the Association's Board of Directors shall adopt a resolution at either a special meeting of the Board or at the Board's next regularly scheduled meeting to create a Service Area containing those Lots and/or Building Sites included in the written petition to provide the higher level of services, special services, maintenance and/or other benefits to those Lots and/or Building Sites. In the same resolution, the Board may adopt and levy a Service Area Assessment in order to cover the anticipated direct and/or indirect costs of providing the higher level of services, special services, maintenance and/or other benefits to that Service Area. Any Service Area established by the Association's Board of Directors upon petition of the Owners within that Service Area may be dissolved or its boundary lines changed as to reduce the number of Lots and/or Building Sites within that Service Area upon the Association receiving written consent from the Owners of at least seventy-five percent (75%) of the Lots and/or Building Sites within that Service Area. Upon receipt of the necessary number of written consents, the Board shall dissolve or change the boundary lines, as applicable, at a special meeting of the Board or at the Board's next regularly scheduled meeting.

Section 4.13 Dissolution of a Service Area. If a Service Area is dissolved, the Association shall immediately cease providing the Special Services that were being provided by the Association to that Service Area. The Board may use any remaining and/or excess Service Area Assessments collected from and/or for that Service Area for any lawful purpose of the Association, including but not limited to, transferring such funds to a reserve account or transferring such funds to the Association's general operating account.

Section 4.14 Alteration of a Service Area.

(a) If a Service Area's boundary lines are changed to reduce the number of Lots and/or Building Sites within that Service Area, the Association shall immediately cease providing the Special Services that were being provided to those Lots and/or Building Sites that are no longer within and/or a part of that Service Area. Any Service Area Assessments collected from those Lots and/or Building Sites that are no longer within and/or a part of that Service Area shall not be returned and shall remain in the applicable account of the Association.

(b) Any Service Area established by the Association's Board upon petition of the Owners within that Service Area may have its boundary lines changed to increase the number of Lots and/or Building Sites within that Service Area upon the Association receiving written consent from the Owners of at least seventy-five percent (75%) of the Lots and/or Building Sites within that Service Area. If the Association receives the written consents of the Owners of at

least seventy-five percent (75%) of the Lots and/or Building Sites within that Service Area to change the boundary lines of that Service Area in any manner that would increase the number of Lots and/or Building Sites within that Service Area, the Owner of each Lot and/or Building Site that would be added to that Service Area must consent in writing to be included as part of that Service Area. If an Owner of a Lot and/or Building Site that would be added to that Service Area does not consent in writing to be included as part of that Service Area, that particular Lot and/or Building Site shall not be included as part of that Service Area. Upon receipt of the necessary number of written consents and the consent(s) of the applicable Owner or Owners, the Board shall change the boundary lines of that Service Area to include the additional Lot(s) and/or Building Site(s) at a special meeting of the Board or at the Board's next regularly scheduled meeting. Any Lot and/or Building Site added to a Service Area and the applicable Owner of that Lot and/or Building Site shall be responsible for the payment of the prorated amount of any Service Area Assessment applicable to that Service Area based on the date that Lot and/or Building Site is added to that Service Area. The Association shall immediately begin providing the applicable Special Services to any Lot and/or Building Site added to that Service Area.

ARTICLE 5 **COMMON AREAS**

Section 5.1 Designation. Developer shall have the right and the power, in its sole and absolute discretion, to determine which real and/or personal property will be Common Area and to convey or transfer ownership of that Common Area to the Association for the uses and/or purposes set forth in this Declaration and/or in any plat of the Property that has been recorded in the Public Records of the County. The Association is obligated to accept ownership of all Common Areas designated by Developer in its "as is" condition when conveyed or transferred to the Association, without warranty by or recourse against Developer. Prior to the later conveyance of title to the Common Area to the Association or the conversion of Class B membership to Class A membership, Developer may change or cause the Association to change the configuration and/or legal description of any of the Common Area due to a change in Developer's development plans. For so long as the Developer retains Class B membership, the Developer may, at any time, withdraw, or cause to be withdrawn, land from the Common Area in the Developer's sole and absolute discretion; provided, however, such withdrawal of Common Area shall not materially and/or adversely affect access, availability of utilities and/or drainage to or from any Lot and/or Building Site. If such withdrawal of land from the Common Area does materially and/or adversely affect access, availability of utilities and/or drainage to or from any Lot and/or Building Site, the Developer shall not have the right to withdraw such Common Area without the consent and joinder of each Owner of the Lot(s) and/or Building Site(s) which is so affected.

Section 5.2 Transfer of Title. Developer shall convey to the Association fee simple title in and to all real property designated by Developer as Common Area; subject to, however, all taxes not then delinquent, the applicable plat, this Declaration and any other restrictions, limitations, conditions, reservations, easements and other matters then of public record. Developer shall also transfer and assign to the Association, by bill of sale or assignment, ownership of all personal property designated by Developer as Common Area. After conveyance and/or transfer to the Association, any real property owned by the Association may

not be mortgaged or further conveyed, sold and/or transferred by the Association without the consent of at least two-thirds (2/3) of the Voting Interests then existing in the Association.

Section 5.3 Association Responsibilities. The Association shall accept all conveyances, transfers and/or assignments of real and/or personal property from time to time designated by the Developer as Common Area. Subject to any conflicting rights of Developer and the Owners set forth in the Governing Documents or by law, the Association shall be solely responsible for the ownership, operation, management, maintenance, repair, cleaning, replacement, control and insurance of all of the Common Areas and any Improvements located on the Common Areas, and for the payment of all taxes on the Common Areas due and payable from and after the date this Declaration is recorded in the Public Records of the County. Any taxes assessed against the Common Areas shall be part of the Common Expense. No Owner nor any Owner's tenant, occupant, subtenant, invitee, agent, guest, licensee, visitor, family member, employee, vendor, contractor and/or subcontractor may construct any Improvement of any type in and/or on, install any Improvement of any kind in and/or on, modify, alter and/or change in any manner any portion of the Common Areas.

Section 5.4 Easements to Owners and Association. Developer hereby creates, reserves and declares to exist in favor of the Association, the CDD and each Owner (including, but not limited to, Developer) a perpetual, non-exclusive right and easement on, over, under and through the Common Area for the use and enjoyment of the Common Area for all lawful purposes not inconsistent with the Governing Documents or the rights and privileges granted and/or reserved to Developer pursuant to the Governing Documents. This easement in favor of each Owner shall be appurtenant to and pass with the title to each Lot and/or Building Site. All rights of use and enjoyment of the Common Areas are subject to the following:

(a) The right and duty of the Association to levy Assessments against each Lot, Building Site and/or Owner thereof for the purpose of maintaining the Common Areas and Improvements located on any portion of the Common Areas;

(b) The right of the Association to create and levy Assessments on Service Areas within the Property;

(c) The right of the Association to adopt at any time, and to enforce, reasonable Rules and Regulations governing the use of the Common Areas and/or Improvements located on any portion of the Common Areas. Any Rule and Regulation so adopted by the Association shall apply until rescinded and/or modified by the Association;

(d) The right of the Developer and/or the Association to have, grant and use either general or specific easements over, on, under and/or through the Common Areas and to modify, amend, terminate, supplement and/or relocate such easements; and

(e) The right of Developer and/or the Association to enter into agreements with other Persons with respect to the maintenance, management and/or operation of Common Areas within the Property, including but not limited to, the delegation and/or assignment of specific maintenance, management and/or operational responsibilities as the Developer or the Association may determine, from time to time.

Section 5.5 Easement for Further Improvements. Developer hereby creates, reserves and declares to exist in favor of Developer and its designated successors and assigns the right and easement over, under, on and through the Common Area to make and/or install, at Developer's expense and at any time and from time to time on or before the tenth (10th) anniversary of the date on which this Declaration is recorded in the Public Records of the County, additional Improvements to the Common Areas and any amenities, recreational and/or other Improvements located thereon. Upon the completion of any such additional Improvements, all right, title and interest therein may be transferred (subject to the rights and easements herein created and reserved) to the Association for the uses and purposes set forth in the Governing Documents, and the Association shall accept and thereafter operate, manage, maintain, repair, replace and insure those additional Improvements.

Section 5.6 Utility Easements. Developer hereby creates, reserves and declares to exist in favor of Developer and its designated successors and assigns and the CDD, perpetual, non-exclusive easements on, over, under and through the Common Areas and platted easements within the Property for the following purposes: (a) installation, maintenance, repair, replacement, connection with and use of wells, pumps, controls, poles, wires, fixtures, cables, conduits, pipes, lines, meters and/or other equipment and improvements for lighting, irrigation and utilities services (including, but not limited to, cable television, satellite television, internet service, intranet service, telephone, electric, natural gas, sewer, water, reuse or reclaimed water, and telecommunications) to serve any portion of the Property; (b) installation, maintenance, repair, operation, replacement, connection with and/or use of the surface water drainage detention, retention and conveyance structures and areas of the Master Drainage System in accordance with the District Permit and District requirements; and (c) irrigation of the Common Areas, which may be with pretreated effluent from a wastewater treatment facility.

Section 5.7 Easement for Special Events. Developer hereby reserves for itself, its successors assigns and designees, a perpetual, non-exclusive easement over, on and through the Common Areas for the purpose of conducting education, cultural, artistic, musical and/or entertainment activities and other activities of general community interest at such locations and times as Developer, in its sole and absolute discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Lot and/or Building Site, acknowledges, consents and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds and/or related inconveniences, and each Owner knowingly and voluntarily agrees on behalf of itself, and that Owner's occupants, tenants, family members, agents, employees, invitees, guests, licensees and/or visitors, to take no action, legal or otherwise, which would interfere with and/or prohibit the exercise of this easement.

Section 5.8 Temporary Easements Over Common Areas. Subject at all times to the terms, conditions, restrictions and requirements of all District Permits, Developer hereby creates, reserves and declares to exist in favor of Developer and its designated successors and assigns rights and easements on, over, under and through the Common Areas for the following purposes: (a) to permit pedestrian and/or vehicular ingress, egress, passage and/or parking incidental to development, construction, marketing and/or sale of any portion of the Property; (b) to cut trees, bushes and/or shrubbery; (c) to change the grade and/or elevation of any portion of the Property; and (d) such other rights and easements as may be reasonably necessary to permit the orderly and economic development, improvement, marketing and/or sale of any portion of the Property. The

rights and easements reserved in this Section 5.8 shall continue in existence until such time as Developer and its designated successors and assigns have sold all Lots and Building Sites to be developed and/or constructed within all portions of the Property.

Section 5.9 Easement for Maintenance of Master Drainage System. Developer hereby creates, reserves and declares to exist in favor of the Developer, the Association and the CDD a perpetual, non-exclusive easement over, under, on and through all portions of the Master Drainage System for access to operate, maintain, repair, manage and/or replace the Master Drainage System. By this easement, the Developer, the Association and the CDD shall have the right to enter upon any portion of any Lot and/or Building Site which is part of and/or adjacent to the Master Drainage System, at a reasonable time and in a reasonable manner, to operate, maintain, manage, repair and/or replace the Master Drainage System as required by the District Permit and/or any governmental agency or quasi-governmental body. Additionally, the Developer, the Association and the CDD shall have a perpetual, non-exclusive easement for drainage over the entire Master Drainage System, and the owner of the pumps, pipes and other apparatus comprising the Master Drainage System shall have an easement for access and maintenance as necessary for the operation, management, maintenance, repair and/or replacement of such equipment. No Person shall alter the drainage flow of and/or over any portion of the Master Drainage System, including but not limited to, buffer areas and swales, without first obtaining the written approval of the Association and the District. No Neighborhood Association shall cause and/or permit any interference with the access, maintenance, operation, management, repair and/or replacement of the Master Drainage System. This Section 5.9 shall not be amended in any way without the prior written approval of the District.

Section 5.10 Sign Easement. Developer reserves for itself, the Association and the CDD a non-exclusive easement over, upon, in, through and across all areas of the Property for the erection, installation, operation, maintenance, repair, placement and/or replacement of signs, walls, monuments, fencing, decorative improvements, entry features, gates, landscaping, lighting, utility and/or irrigation facilities within and/or adjacent to the Property. No Owner shall obstruct access to this easement, or install, build, construct and/or remove any plant or other improvement or installation of any kind that has been placed in this easement by the beneficiaries thereof. No Owner shall obstruct the view of the easement from any adjacent street right-of-way. All signs, walls, monuments, entry features, gates, landscaping, utilities, irrigation and/or other permanent Improvements installed, constructed, built and/or placed in this easement by the CDD may become the property of the CDD, and, if so, shall be maintained, operated, managed, monitored, cleaned, repaired and/or replaced by the CDD. In addition, Developer and/or any designee of Developer shall have the right, without requiring the prior approval of the Association and/or any Owner, within the Property, to erect, change, move, alter, remove, repaint, replace, maintain, operate and/or otherwise exercise complete and unfettered control over advertising, sales, promotional and/or marketing signs at all times prior to the sale of the last Lot and/or Building Site owned by Developer within the Property, and all such advertising, sales, promotional and/or marketing signs shall be and remain the exclusive property of Developer (or such designee of Developer) and shall not be deemed or considered part of the Common Area owned by the Association.

Section 5.11 **Easement for Irrigation Equipment.** If there is a master irrigation system for the Property, the Developer, the Association and the CDD shall have a perpetual, non-exclusive easement over, under, across and/or through all exterior portions of each Lot and/or Building Site, except any portion upon which buildings, structures and/or Residential Dwelling Units have been erected, for the purpose of installing, maintaining, repairing, operating and/or replacing all irrigation equipment, systems and/or lines serving all or any portion of the Lots, Building Sites and/or the Common Area. The easement contained in this Section 5.11 shall not impose any obligation on the Association, the CDD and/or the Developer to install any such irrigation equipment, systems and/or lines.

Section 5.12 **No Implied Obligation.** None of the reservations of rights and easements in Article 5 of this Declaration shall be interpreted to impose any obligation on Developer, its successors or assigns and/or the CDD to install, operate, build, construct, manage, maintain, repair, replace, connect with and/or use any of the Improvements or facilities referenced therein.

Section 5.13 **No Interference.** No Improvement or material may be placed in and/or upon any easement which may damage or interfere with the installation, operation, maintenance, repair and/or replacement of any utilities, or the easement area or that may alter and/or impede the direction and/or flow of drainage in any way.

Section 5.14 **No Reference Necessary.** The terms and provisions of this Declaration, including, but not limited to, the rights and easements granted and reserved in this Article 5, shall survive the delivery of each deed of Common Area to the Association, and said terms and provisions shall remain in full force and effect and shall bind the Common Area and the Association whether or not referred to or recited in any deed of Common Area to the Association.

Section 5.15 **Delegation.** Any Owner (including Developer) may grant the benefit of any easement, right or privilege conferred under this Declaration to their respective family members, officers, agents, employees, contractors, subcontractors, occupants, members, tenants, licensees, invitees and/or guests, but nothing herein shall be construed to create any rights, easements or privileges in the general public.

Section 5.16 **Community Systems and Services.** Developer reserves for itself, its successors and assignees, and the Association (after Developer no longer has Class B membership), the exclusive and perpetual right to provide and operate, and/or to permit others to provide and operate, within the Property, such telecommunication systems (including, without limitation, cable television, satellite television, community intranet, internet, telephone and other systems for receiving, distributing and transmitting electronic data, signals, and audio or visual communications), systems and services, utilities, and similar systems and services, including, without limitation, conduits, wires, amplifiers, towers, antennae, and other apparatus and equipment for the operation and/or provision thereof (collectively, the "Community Systems and Services") on a reasonably competitive basis, as Developer (and/or the Association, if applicable), in its discretion, deems appropriate. Such right shall include, without limitation, the right to select and contract with companies licensed to provide such services in the area where the Property is located, and to charge individual users a reasonable fee not to exceed the maximum allowable charge for such service, as from time to time is defined by the laws, rules,

and regulations of the relevant government authority, if applicable. Developer may receive, and shall be entitled to retain, any rebate, credit, fee, and/or incentive relating to the installation, operation, and/or provision of any Community Systems and Services. Developer may require that the Board enter into agreements for the provision of Community Systems and Services to all Lots and/or Building Sites as a Common Expense. If particular services or benefits are provided to particular Owners, Service Areas, Lots and/or Building Sites at their request, the benefited Owner(s) shall pay the service provider directly for such services, or the Association may assess the costs as an Individual Assessment. No Owner may avoid liability for the charges associated with the Community Systems and Services by electing not to utilize the Community Systems and Services. If particular services or benefits are provided to a particular Neighborhood at the request of the Neighborhood Association, the benefited Owner(s) in that particular Neighborhood shall pay the service provider directly for such services, or the Association may assess the costs as a Neighborhood Assessment.

Section 5.17 Easements of Encroachment. Developer grants easements of encroachment, and for the maintenance and use of any permitted encroachment, between each Lot, each Building Site and any adjacent Common Area and between adjacent Lots and/or Building Sites. Such easement shall permit encroachment only by a structure, Improvement, Residential Dwelling Unit, Commercial Improvement and/or fixture which has been constructed by Developer, or approved in advance in accordance with this Declaration, and which is constructed, installed, built, erected and/or placed on the property of another Person without the actual intention of encroaching on such property. An encroachment easement shall not exist if the encroachment results from willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such an easement.

Section 5.18 Easements to Serve Additional Property. Developer reserves for itself and its duly authorized agents, successors and assigns, an easement in, through, under and/or over the Common Area, each Lot and each Building Site for enjoyment, use, access and development of any other real property, whether such real property is actually made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over, under, in and/or through the Common Area, Lots and Building Sites for construction of roads and for connecting and installing utilities.

Section 5.19 Easements for Cross-Drainage. All portions of the Property shall be burdened with easements for drainage of stormwater runoff from other portions of the Property and/or any other real property subject to this Declaration; however, no Person other than Developer shall alter the drainage on any Lot and/or Building Site to increase materially the drainage of stormwater onto adjacent portions of the Property without the consent of the Owner(s) of the affected portions of the Property, the District and the Association.

Section 5.20 Right of Entry. Developer hereby creates and reserves for itself and its duly authorized agents and the Association the right, but not the obligation, to enter upon any portion of the Property, including but not limited to, Lots and/or Building Sites, for emergency, security and/or safety reasons, and to inspect for the purpose of ensuring compliance with the Governing Documents; provided, however, nothing in this Section 5.20 shall authorize any Person to enter any structure, building and/or Residential Dwelling Unit constructed on a Lot and/or Building Site without permission of the Owner unless necessary to avoid an imminent

threat of personal injury and/or property damage. This right may be exercised by any member of the Board, any officer, manager, agent or employee acting with the permission of the Board and/or Developer, and all police, fire and/or similar emergency personnel in the performance of their respective duties. Except in an emergency situation to avoid an imminent threat of personal injury and/or property damage, entry into any portion of a Lot and/or Building Site not generally open to the public shall only be authorized during reasonable hours and after receipt of the Owner's, tenant's and/or occupant's consent. This right of entry pursuant to this Section 5.20 shall include the right of the Association and/or the Developer to enter upon a Lot and/or Building Site to perform maintenance and/or cure any condition which may increase the possibility of fire or other hazard, in the event the Owner fails and/or refuses to perform such maintenance and/or cure such condition within a reasonable time after request by the Board and/or Developer. Nothing in this Section 5.20 shall obligate and/or require the Association and/or the Developer to take any action to perform such maintenance and/or cure such condition.

Section 5.21 Easements for Lake and Pond Maintenance and Flood Water.

Developer reserves for itself, its successors, assigns and designees and the Association a perpetual, non-exclusive easement, but not the obligation, to enter upon and/or in the lakes, ponds, creeks and streams located within the Common Area to: (a) install, keep, maintain and replace pumps thereon in order to provide water therefrom for the irrigation of any of the Common Areas; (b) construct, maintain, operate and repair any retention pond, detention pond, dry detention area, wall, dam and/or any structure retaining water therein; and (c) remove trash and/or other debris therefrom and fulfill its maintenance responsibility as provided in this Declaration. Developer's rights and easement provided in this Section 5.21 shall be transferred to the Association, at Developer's option, at such time as Developer shall cease to own any portion of the Property, or such earlier time as Developer may decide, in its sole and absolute discretion, and transfer such rights by a written instrument. Developer, the Association and such transferee (if other than Developer), shall have an easement over and across any of the Lots and/or Building Sites abutting and/or containing any portion of any of the lakes, ponds, streams and creeks for the purpose of allowing Developer to exercise its rights and responsibilities herein and otherwise set forth; provided, however, Developer, its designees, the Association and such transferee (if other than Developer), shall use reasonable care in the exercise of such easement and shall repair any damage caused in the exercise of such easement.

There is further reserved herein and hereby, for the benefit of Developer and the Association, a perpetual, non-exclusive right and easement of access and encroachment over the Common Areas, Lots and Building Sites (but not the structures and buildings thereon) adjacent to or within fifty feet (50') of any lake, pond, stream and/or creek within the Property, in order to: (a) temporarily flood and back water upon and maintain water over such portions of the Property; (b) fill, drain, dredge, deepen, clean, fertilize, dye and generally maintain the lakes, ponds, streams and creeks within the Common Areas; (c) maintain and landscape any slopes and banks pertaining to such lakes, ponds, streams and creeks; and (d) enter upon and across such portions of the Lots and/or Building Sites to the extent reasonably necessary for the purpose of exercising its or their rights under this Section 5.21. Nothing herein shall be construed to make Developer, the Association and/or any other Person liable for damage resulting from flooding due to heavy rainfall, tropical storm, hurricane and/or any other natural occurrence.

Section 5.22 **Service Area Easements.** Developer hereby reserves to itself and the Association the right to create non-exclusive easements ("Service Area Easements") over, across, under and through portions of the Lots and/or Building Sites not improved with buildings regardless of the existence of any other Improvements, for the installation, construction, erection, location and/or placement of Association Improvements for landscaping, irrigation, lighting, signage, parking, driveways and/or utilities ("Association Improvements"), and for the construction, maintenance, repair, removal, replacement, modification, relocation and/or alteration of Association Improvements. Service Area Easements shall be created and encumber any Lot and/or Building Site upon the recording of a Service Area Supplemental Declaration (as that term is defined in this Declaration).

Section 5.23 **Exclusive Common Area.** Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of one (1) or more Neighborhoods. By way of illustration, but not as a limitation, Exclusive Common Area may include entry features, recreational facilities, amenities, landscaped medians, landscaped cul-de-sacs, lakes, ponds, and/or other portions of the Common Area within or in proximity to the particular Neighborhood(s) to which that Exclusive Common Area is assigned.

(a) **Assignment, Reassignment and/or Conversion.**

(i) **By Developer.** The Developer may assign a portion of the Common Area as Exclusive Common Area in the deed conveying such property to the Association and/or on the subdivision plat relating to such Common Area; provided, however, any such assignment shall not preclude the Developer from assigning use of the same Exclusive Common Area to additional Lots, Building Sites and/or Neighborhoods, so long as the Developer has a right to subject Additional Property to this Declaration pursuant to Article 3 of this Declaration.

(ii) **By the Association.**

(i) The Association may, by resolution of the Board, assign as Exclusive Common Area any portion of the Common Area not previously assigned, and may convert Exclusive Common Area to general Common Area, upon approval of: (A) the Board; and (B) at least fifty-one percent (51%) of the votes eligible to be cast by Members Eligible To Vote.

(ii) The Association may, by resolution of the Board, reassign Exclusive Common Area to one or more additional or other Neighborhoods upon approval of: (A) the Board; (B) at least fifty-one percent (51%) of the votes attributable to the Units in the Neighborhood(s) to which the Exclusive Common Area is currently assigned; and (C) at least fifty-one percent (51%) of the votes attributable to the Units in the Neighborhood(s) to which the Exclusive Common Area is to be reassigned.

(iii) As long as the Developer owns any portion of the Property, any such assignment, reassignment and/or conversion pursuant to this Section 5.20(a)(ii) shall also require the Developer's prior written consent.

(b) **Maintenance of Exclusive Common Area.** All costs and/or expenses which the Association incurs for maintenance, repair, replacement, operation, management and/or insurance of Exclusive Common Area which the Association maintains, repairs, replaces, operates, manages and/or insures shall be a Neighborhood Expense to be allocated among all Lots and/or Building Sites in the Neighborhood(s) to which that Exclusive Common Area is assigned. Notwithstanding the foregoing, the costs of insuring Exclusive Common Area shall be a Common Expense, unless that Exclusive Common Area results in a material, calculable addition to the insurance premium that the Association would otherwise pay for such insurance.

Section 5.24 Use by Others. The Association may, upon approval of the board(s) of directors of the Neighborhood Association(s) for each Neighborhood to which any Exclusive Common Area is assigned, permit Owners of Lots and/or Building Sites in other Neighborhoods and/or other portions of the Property to use all or a portion of that Exclusive Common Area upon payment of reasonable user fees, which fees shall be used to offset the Neighborhood Expense attributable to that Exclusive Common Area.

Section 5.25 Maintenance of Common Area.

(a) The Association shall operate, maintain, manage, clean, repair, replace and insure the Common Areas and all Improvements from time to time located on the Common Areas, subject at all times to obtaining all required governmental permits and/or approvals. The Association shall not be responsible for any utilities and/or utility service owned and/or maintained by a public or private utility company providing water, sewer, electrical, fire protection, cable television, telephone, internet, natural gas and/or similar utilities to any portion of the Property.

(b) If the Master Drainage System is part of the Association's Common Areas, the cost of the maintenance, operation, management, repair, replacement and insurance of the Master Drainage System (except for those portions located on a Lot and/or Building Site and required to be maintained by the Owner of that Lot and/or Building Site) shall be part of the Association's Common Expense. All such maintenance, operation, management, repair, replacement and insurance of the Master Drainage System shall be in accordance with the District Permit and the requirements of the District. Maintenance of the Master Drainage System shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the District. Any repair and/or reconstruction of the Master Drainage System shall be as permitted or, if modified, as approved by the District. In order to perform its obligations under this Section 5.25, the Association shall have a perpetual, non-exclusive easement over, upon, in, under and through all areas of the Master Drainage System for access to operate, maintain, manage, repair, replace and insure the Master Drainage System.

No Person shall, without the prior written approval of the Developer and the District, do any of the following in and/or on any part of the Master Drainage System: (a) use boats or watercraft of any type, fish and/or swim; (b) discharge any liquid and/or material other than natural drainage into any lake, pond, retention, detention or other water areas, and then only in accordance with the District Permit for the Master Drainage System; and/or (c) alter and/or obstruct any lakes, ponds, retention, detention and/or other water areas, or interfere with any

water control structures and/or apparatus which are part of the Master Drainage System.

The County shall have an emergency access easement to and over the Master Drainage System in the event that inadequate maintenance, repair or replacement of the Master Drainage System creates a hazard to the public health, safety and general welfare. However, this emergency access easement does not impose any obligation, burden, responsibility and/or liability upon the County to enter upon the Master Drainage System to take any action to repair, replace and/or maintain the Master Drainage System unless the same is dedicated to the County and the County specifically assumes the responsibility to take such action, repair, replacement and/or maintenance.

The Developer may have constructed a drainage swale upon each Lot and/or Building Site for the purpose of managing and/or containing the flow of excess surface water, if any, found upon that Lot and/or Building Site from time to time. Each Owner shall be responsible for the maintenance, operation and repair of the swale(s) located on that Owner's Lot and/or Building Site. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the District. Filling, excavation, construction of fences, placement of an Improvement, placement of any structure and/or otherwise obstructing the surface water flow in any swale is strictly prohibited. No alteration of any drainage swale shall be authorized and any damage to any drainage swale, whether caused by natural or human-induced phenomena, shall be promptly repaired and the drainage swale returned to its former condition as soon as possible by the Owner of the Lot and/or Building Site upon which that drainage swale is located.

The District shall have the right to enforce, by any proceeding at law, in equity, in an administrative action, or any combination of these, the provisions contained in this Declaration which relate to the maintenance, operation, management, repair and/or replacement of the Master Drainage System.

(c) In the event that the CDD shall for any reason fail to maintain the portions of the Master Drainage System for which the CDD is responsible, or any other portion of the Property or other property or improvements located in the vicinity of the Property, as required by law or this Declaration, the Association shall have the right to perform such maintenance on behalf of the CDD upon not less than fifteen (15) days prior written notice to the CDD. Any and all costs and expenses incurred by the Association in performing such maintenance on behalf of the CDD, shall be recoverable by the Association in accordance with applicable law.

Section 5.26 Easement for Maintenance Purposes. The Developer hereby reserves for itself, the Association, the CDD and their respective agents, employees, contractors, successors and assigns an easement for access in, on, over and upon those portions of the Property as may be reasonably necessary for the purpose of access to and maintenance of the Common Area, including the Surface Water or Stormwater Management System, or other portions of Property to be maintained by Association or the CDD, in accordance with the requirements of this Declaration or as provided by law. The easement reserved hereby shall not be exercised by any party in a manner which unreasonably interferes with the use, occupancy, or enjoyment of any improved portion of the Property. Further, in the event that any portion of the Property shall be

damaged or altered in any way as the result of the exercise of the easement rights reserved hereby, such portions of the Property shall be immediately restored to the condition that existed immediately prior to such damage or alteration by the party exercising such rights.

Section 5.27 Water Management. Each Owner acknowledges, understands and agrees that some or all of the water features which may be located in and/or adjacent to the Property are designed as water management areas and are not designed solely as aesthetic features. Due to fluctuations in water elevations and precipitation within the immediate area, water levels will rise and fall. Each Owner further acknowledges, understands and agrees that Developer does not have, and is not obligated to exert, control over any such water elevations. Therefore, each Owner agrees to, and does by purchase of a Lot and/or Building Site within the Property, release and discharge Developer from and against any and all losses, claims, suits, causes of action, demands, damages and/or expenses of whatever nature or kind, including without limitation, attorneys' fees, costs and expenses, related to, connected with and/or arising out of any claim relating to such fluctuations in water elevations. Owners shall not alter, modify, expand and/or fill any water features or wetlands that may be located within and/or in the vicinity of the Property without the prior written approval of the Developer, the CDD, the District and any local, state or federal regulatory or permitting authorities as may have relevant jurisdiction over such matters.

DEVELOPER, THE ASSOCIATION, THE CDD AND THE BOARD SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING BUT NOT LIMITED TO, LIFEGUARDS, FOR THE BODIES OF WATER THAT MAY BE LOCATED WITHIN AND/OR IN THE VICINITY OF THE PROPERTY. ANY INDIVIDUAL USING SUCH BODIES OF WATER SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS DEVELOPER, THE ASSOCIATION AND THE CDD HARMLESS FROM AND AGAINST ANY CLAIM, LOSS, PERSONAL INJURY, DAMAGE AND/OR DEATH ARISING FROM AND/OR RELATED TO SUCH USE.

EACH OWNER, BY THE ACCEPTANCE OF TITLE OR A DEED TO A LOT AND/OR BUILDING SITE, ACKNOWLEDGES AND AGREES THAT SUCH BODIES OF WATER MAY BE DEEP AND ARE LIKELY DANGEROUS. NEITHER DEVELOPER, THE ASSOCIATION, THE CDD NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS AND/OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE AND/OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF AND/OR IN ANY BODY OF WATER WITHIN THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY AND/OR DEATH OCCURRING IN, ARISING FROM AND/OR OTHERWISE RELATED TO, ANY BODY OF WATER. ALL PERSONS USING ANY BODY OF WATER WITHIN THE PROPERTY WITHIN THE PROPERTY KNOWINGLY AND VOLUNTARILY DO SO AT THEIR OWN RISK. ALL OWNERS, VISITORS, GUESTS, TENANTS, OCCUPANTS, FAMILY MEMBERS AND/OR USES OF ANY PORTION OF

THE PROPERTY SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, ANY PORTION OF THE PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ANY AND ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME WILDLIFE MAY HABITATE AND/OR ENTER INTO BODIES OF WATER WITHIN OR NEARBY THE PROPERTY, INCLUDING BUT NOT LIMITED TO, ALLIGATORS, AND SUCH WILDLIFE MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT, GUARANTEE AND/OR INSURE AGAINST, ANY DEATH, PERSONAL INJURY AND/OR PROPERTY DAMAGE CAUSED BY SUCH WILDLIFE.

Section 5.28 **Maintenance of Neighborhood Property.** Each Neighborhood Association shall maintain its Exclusive Common Area and any other property for which that Neighborhood Association has maintenance responsibility in a manner consistent with Article 11 of this Declaration. The requirements of Article 11 of this Declaration shall apply to any Neighborhood Association responsible for Exclusive Common Area and/or any other property within that Neighborhood in the same manner as if the Neighborhood Association were an Owner and the Exclusive Common Area and/or any other property were a Lot and/or Building Site.

Section 5.29 **Assumption of Neighborhood Responsibilities.** The Association may assume maintenance responsibility for property within any Neighborhood, in addition to that designated by any Supplemental Declaration, either by agreement with the applicable Neighborhood Association and/or because, in the sole and absolute opinion of the Board, the level and quality of service, maintenance, repair, cleaning, insurance and/or replacement then being provided by then applicable Neighborhood Association is not consistent with the approved Plans therefor and with the general appearance of the other Improvements, landscaping and/or signage in the Property as a whole when initially constructed and improved. All costs of maintenance, repair, cleaning, service, insurance and/or replaced pursuant to this Section 5.29 shall be assessed as a Neighborhood Assessment only against the Owners, Lots and Building sites within that Neighborhood to which the Association is providing service, maintenance, repair, cleaning, insurance and/or replacement.

ARTICLE 6 **COVENANTS FOR MAINTENANCE ASSESSMENTS**

Section 6.1 **Creation of the Lien and Personal Obligation of Assessments.** Each Owner of a Lot and/or Building Site within the Property, by acceptance of a deed or other conveyance of title to any Lot and/or Building Site, whether or not it shall be so expressed in that deed or other conveyance, and whether or not reference to this Declaration shall be made in such deed or other conveyance, is obligated and covenants and agrees to pay to the Association all Assessments, including: (1) Annual Assessments; (2) Initiation Assessments; (3) Special Assessments; (4) Individual Assessments; (5) Neighborhood Assessments; (6) Special Neighborhood Assessments; (7) Service Area Assessments; and (8) Special Service Area Assessments. Assessments shall be fixed, established, assessed and collected as provided in this

Declaration, the Articles and/or the Bylaws. Developer shall be excused from payment of Annual Assessments, Special Assessments, Neighborhood Assessments, Special Neighborhood Assessment, Service Area Assessments and Special Service Area Assessments for so long as Developer subsidizes the budget of the Association pursuant to Section 6.12 of this Declaration. Developer shall never be obligated to pay any Initiation Assessment.

Section 6.2 Lien and Personal Obligation. All Assessments, together with such interest and late charges as shall be imposed by the Board, and the cost of collection thereof, including without limitation, Enforcement Cost, court costs and reasonable attorneys' and paralegals' fees before trial, at trial and on appeal, and in all post-judgment proceedings, shall be a charge and continuing lien upon the Lot and/or Building Site against which such Assessment is made from and after the date on which such Assessment is due. Each Assessments, together with said interest, late charges, Enforcement Cost, costs and fees, shall also be the personal obligation of each Person who was an Owner of the Lot and/or Building Site at the time the Assessment became due and payable. In the case a Lot and/or Building Site is owned by more than one (1) Person, all such Owners shall be jointly and severally liable for the entire amount of the Assessment.

The liability for any Assessment may not be avoided by waiver of the use and/or enjoyment of the Common Areas, by waiver of the use and/or enjoyment of any Exclusive Common Area and/or by the abandonment and/or non-use of the Lot and/or Building Site against which any Assessment was made. No diminution or abatement of an Assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action and/or perform some function required to be taken and/or performed by the Association or Board under any of the Governing Documents, or for inconvenience or discomfort arising from the making of repairs and/or Improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any County, District, state, federal or other governmental authority.

Section 6.3 Nonpayment. If any Assessment or installment of any Assessment is not paid when due, then such Assessment shall be delinquent and the delinquent Assessment, together with all interest, late charges, collection costs and Enforcement Cost, shall be secured by a continuing lien on the Lot and/or Building Site as to which the Assessment accrued. The lien shall be prior to all other liens hereinafter created except taxes or assessments levied by governmental authority, and except as to the lien of any first Mortgage on the Lot and/or Building Site. The lien shall be prior to and superior in dignity to homestead status. The lien shall bind the Lot and/or Building Site during the ownership by the Owner who owned that Lot and/or Building Site at the time the Assessment fell due and the lien shall continue in effect following transfer of title to the relevant Lot and/or Building Site to each subsequent Owner until all amounts secured by the lien have been paid. The personal obligation of each Owner to pay any delinquent Assessment shall remain that Owner's personal obligation for the statutory limitations period and personal liability shall not pass to successors in title unless expressly assumed by them. If any Assessment or installment of any Assessment is not paid within thirty (30) days after the date when due, the delinquent amount shall bear interest at the highest lawful rate permitted in Florida from the date when first due until fully paid. The Association may record a notice of lien for delinquent Assessments in the Public Records of the County and foreclose the lien in the same manner as a mortgage. Upon recording, the lien shall secure the

amount of delinquency stated therein and all unpaid Assessments, interest, late charges, collection costs and Enforcement Cost thereafter until satisfied of record.

If any Owner is delinquent in the payment of any Assessment (including any installment), the Board may accelerate the entire balance of the applicable Fiscal Year's Assessments upon ten (10) days' prior written notice to that Owner and the filing of a claim of lien, and the then-unpaid balance of the applicable Fiscal Year's Assessments shall be immediately due and payable upon the date stated in the notice to that Owner, but not less than seven (7) days after delivery of the notice to that Owner, or not less than fourteen (14) days after the mailing of such notice to that Owner by certified mail, whichever event occurs first.

The Association shall have and may pursue any and all remedies available at law and in equity for the collection of delinquent Assessments, including, but not limited to, bringing an action for collection against the Owner personally obligated to pay the delinquent Assessment, recording a claim of lien (as evidence of its lien and lien rights as provided for in this Declaration) against the Lot and/or Building Site as to which the delinquent Assessment remains unpaid, and foreclosing the lien against the Lot and/or Building Site by judicial foreclosure in the same manner as foreclosure of a mortgage. The Association may pursue any one or more of its remedies at the same time or successively, and the Association does not waive its ability to foreclose on its lien on a Lot and/or Building Site by bringing an action for collection against the Owner of that Lot and/or Building Site. There shall be added to the amount of any delinquent Assessment the above-mentioned interest, late charges, collection costs, Enforcement Costs and attorneys' and paralegals' fees, which fees and collection costs shall be recoverable whether or not suit is actually brought. The Owner shall also be required to pay the Association any Assessments against the Lot and/or Building Site which become due during the period of collection and foreclosure. The Association shall have the right and power to bid at the foreclosure sale and to own, sell, lease, transfer, convey, encumber, use and otherwise deal with any Lot and/or Building Site acquired by the Association through foreclosure. During the period a Lot and/or Building Site is owned by the Association following foreclosure on that Lot and/or Building Site: (1) No right to vote shall be exercised on behalf of that Lot and/or Building Site; (2) No Assessment shall be assessed or levied on that Lot and/or Building Site; and (3) Each other Lot and/or Building Site shall be charged, in addition to its usual Assessment, its pro rata share of the Assessment that would have been charged to the Lot and/or Building Site had it not been acquired by the Association as a result of foreclosure. A suit to recover a money judgment for unpaid Assessments and attorneys' fees and costs shall be maintainable without foreclosing or waiving the lien securing the unpaid Assessments and attorneys' fees and costs.

Section 6.4 Exempt Property. The following property shall be exempt from the Assessments and liens created herein: (1) the Common Area; (2) lands dedicated to and/or owned by the County, the CDD or another governmental authority, any utility company or the general public; and (3) Lots and/or Building Sites owned by Developer during the period of time that Developer subsidizes the Common Expense of the Association pursuant to Section 6.12 of this Declaration. No other land or improvements in the Property shall be exempt from Assessments and liens created in this Declaration.

Section 6.5 Purpose. The Assessments levied by the Association may be used to promote the recreation, health, safety and welfare of the Owners, to perform the Association's

duties and to exercise the powers conferred on it, and to pursue any other lawful purpose deemed desirable or appropriate by the Board, including without limitation any one or more of the following: (a) payment of the Common Expense and Association operating and overhead expenses; (b) lighting, irrigation, maintenance, improvement and beautification of streets and easement areas, and acquisition, maintenance, repair and replacement of community identification signs and traffic control devices, and control and regulation of traffic in the Property; (c) payment, contest or compromise of real and personal property taxes and assessments separately levied upon or assessed against the Association and/or the Common Area; (d) improvement, operation, insurance, maintenance, repair and replacement of the Common Area and easement areas benefiting the Association; (e) repayment of any deficits previously incurred by the Association; (f) funding of reserves for future Common Expense or any other reserve account established by the Association; (g) procurement and maintenance of insurance and fidelity bonds; (h) employment of accountants, attorneys, management and other professionals to serve, represent and/or advise the Association; (i) payment of any Neighborhood Expense; (j) payment of any costs and expenses incurred and/or expected to be incurred in a Service Area; and (k) doing anything necessary or desirable in the judgment of the Board to keep the Property neat and attractive, to preserve or enhance the value thereof, to eliminate fire, health or safety hazards, or otherwise to benefit the Owners.

Section 6.6 Annual Assessments.

(a) **Operating Budget.** At least forty-five (45) days prior to the end of each Fiscal Year, to the extent possible, the Board shall prepare and approve a budget of the estimated Common Expense of the Association for the coming Fiscal Year, together with any amounts necessary to fund any deficits from prior years and to provide reserves for future expenses, including but not limited to the annual capital contribution approved by the Board under Section 6.6(c) of this Declaration. The Board shall determine and fix the amount of Annual Assessments for each Lot and/or Building Site to meet all the expenses of the Association (including the Common Expense) and the Board shall determine when the Annual Assessments are payable.

(b) **Capital Budget.** Each year, the Board shall approve a capital budget taking into account the number, type, useful life and expected major repair or replacement cost of major components for which the Association is responsible. The Board shall then set the required annual capital contribution in an amount sufficient to meet the projected capital needs of the Association on a timely basis. The annual capital contribution fixed by the Board shall then be included in the annual operating budget described in Section 6.6(a) of this Declaration.

(c) **Adoption of Operating Budget.** The Association shall mail to each Member a copy of the operating budget and projected Annual Assessments approved by the Board to be levied for the next Fiscal Year at least thirty (30) days, to the extent possible, prior to the end of the Association's current Fiscal Year. The operating budget and Annual Assessments shall become effective unless disapproved at a Special Meeting of the Members held not later than thirty (30) days after the proposed budget and Annual Assessments are mailed to the Members. There shall be no obligation to call a Special Meeting for the purpose of considering the budget and Annual Assessments, except upon written request by the Association's Members Eligible To Vote as provided for Special Meetings in the Bylaws. To be effective, Members Eligible To Vote representing at least two-thirds (2/3) of the total voting interests of the

Association, without regard to membership class, must disapprove of the proposed budget and Annual Assessments. If the Association's membership so disapproves the operating budget and Annual Assessments for the coming Fiscal Year, or if the Board fails to propose an operating budget, then the operating budget and Annual Assessments for the prior Fiscal Year shall continue in effect until a new operating budget and Annual Assessment amount are determined and adopted.

In the event that the Board is unable to adopt an operating budget and Annual Assessments for the coming Fiscal Year, the Board may call a Special Meeting of Members for the purpose of considering and adopting such an operating budget and Annual Assessments, which meeting shall be called and held in the manner provided in the Bylaws for a Special Meeting. The Board may also propose an operating budget and Annual Assessment in writing to the Members, and if such budget is adopted by the Members Eligible To Vote representing a majority of the total voting interests of the Association, and upon ratification by a majority of the entire Board, it shall become the operating budget and Annual Assessments for that coming Fiscal Year.

(d) **Allocation of Annual Assessments Among Lot and/or Building Sites.**

The Annual Assessment levied for the coming Fiscal Year against each Lot and/or Building Site shall be calculated in the following manner: Owners of Lots and/or Building Sites shall pay a prorata share of Annual Assessments based upon Assessment equivalents allocated among the Owners as provided in Section 6.6(d)(i) of this Declaration (the "Assessment Equivalents").

(i) The share of the total Annual Assessment shall be allocated among the Owners of the Lots and Building Sites as follows:

(1) Each Owner of a Lot shall pay Annual Assessments based upon one (1) Assessment Equivalent for each Lot owned by that Owner.

(2) Each Owner of a Building Site shall pay Annual Assessments based upon one (1) Assessment Equivalent for each five thousand (5,000) gross square feet of that Building Site, rounded to the nearest five thousand (5,000) square feet. If a Building Site is comprised of less than five thousand (5,000) gross square feet, that Building Site shall be allocated one (1) Assessment Equivalent.

(3) The Association will then calculate the total number of Assessment Equivalents within the Property. Then, taking the sum of the operating budget of the Association, including the Common Expense, any deficits carried over from previous Fiscal Years, the Capital Budget and any reserve accounts to be funded in that Fiscal Year, and dividing that sum by the total number of Assessment Equivalents within the Property to determine the Annual Assessment per Assessment Equivalent. That quotient (the Annual Assessment per Assessment Equivalent) is then multiplied by the number of Assessment Equivalents for each Lot and/or Building Site to determine the applicable Annual Assessment for each Lot and/or for each Building Site.

(4) As an illustration, and not as a limitation, if there are fifty (50) Lots within the Property and two (2) Building Sites within the Property each with ten thousand

(10,000) gross square feet, there would be a total of fifty (50) Assessment Equivalents for the Lots (based on one Assessment Equivalent per Lot) and a total of four (4) Assessment Equivalents for the Building Sites (based on one Assessment Equivalent for every five thousand gross square feet of a Building Site). Adding the two Assessment Equivalent figures together results in a total of fifty-four (54) Assessment Equivalents within the Property. Assuming the sum of the operating budget of the Association is Two Hundred Thousand Dollars (\$200,000), the Association would take that figure and divide it by the total number of Assessment Equivalents within the Property as follows:

$$\frac{200,000}{54} = 3,703.70$$

Therefore, each Assessment Equivalent for that Fiscal Year would be equal to Three Thousand Seven Hundred Three and 70/100 Dollars (\$3,703.70). That figure would then be multiplied by the number of Assessment Equivalents for each Lot and/or Building Site within the Property to determine the total Annual Assessment for that Lot and/or Building Site. Using the Lots and Building Site from above, each Lot would have an Annual Assessment of Three Thousand Seven Hundred Three and 70/100 Dollars (\$3,703.70) and each Building Site would have an Annual Assessment of Seven Thousand Four Hundred Seven and 40/100 Dollars (\$7,407.40).

Section 6.7 Initiation Assessments, Special Assessments, Individual Assessments, Neighborhood Assessments and Reserve Accounts.

(a) **Initiation Assessments.** At the closing of the first purchase of each Lot and/or Building Site by an Owner (other than Developer) who acquires the Lot and/or Building Site for any purpose other than to build and/or construct Improvements on that Lot and/or Building Site for resale in the ordinary course of business, the Owner shall pay to the Association a one-time Initiation Assessment in an amount to be determined by the Board, which may be adjusted and/or increased from time to time, per Lot and/or Building Site as a contribution to the capital of the Association. Initiation Assessments may be adjusted as to Additional Property as provided in the Supplemental Declaration applicable to such Additional Property. Initiation Assessments are not refundable and shall not be prorated. The Association may use Initiation Assessments for any purpose.

(b) **Special Assessments.** In addition to Annual Assessments, the Association may levy at any time a Special Assessment, if approved by a majority of the Members Eligible To Vote present, in person or by proxy, at a duly called Meeting of the Association's membership at which a quorum is present. If a Special Assessment is approved and levied by the Association, that Special Assessment shall be paid in such manner as the Board may require in the notice of the Special Assessment. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in the notice of adoption and levying of same. However, upon completion of such specific purpose or purposes, any excess funds will be considered surplus, and may, at the sole discretion of the Board be used for any other lawful purpose or deposited into one of the other existing accounts of the Association (for example, the general operating account or a reserve account) to be used for any other expense of the

Association. A Special Assessment may be levied for any lawful purpose and/or duty of the Association.

Any Special Assessment levied in accordance with Article 20, Section 20.5 of this Declaration may be levied by the Board alone without needing the approval of a majority of the Members Eligible To Vote.

All Special Assessments shall be allocated and levied in the same manner as an Annual Assessment. A Special Assessment shall be assessed against all Owners and their respective Lots and/or Building Sites based upon the Assessment Equivalents. Developer shall not be obligated to pay any Special Assessment while Developer retains Class B membership.

(c) **Individual Assessments.** The Board may levy an Individual Assessment against any Owner and that Owner's Lot and/or Building Site in order to cover costs incurred by the Association due to that Owner's failure to maintain that Owner's Lot and/or Building Site pursuant to the standards set forth in this Declaration, or to reimburse the Association for loss and/or damage to the Association or to any Common Area or easement area caused by that Owner or that Owner's tenant, family member, employee, agent, contractor, subcontractor, licensee, invitee and/or guest, and not covered by insurance, or for any other purpose expressly authorized by this Declaration.

The Board may also levy an Individual Assessment against any Owner and that Owner's Lot and/or Building Site to reimburse the Association for costs incurred pursuant to this Declaration in bringing an Owner and/or that Owner's Lot and/or Building Site into compliance with the provisions of this Declaration, the Articles, the Bylaws, any Rules and Regulations, and any amendments to any of these. This includes but is not limited to Enforcement Cost, attorneys' fees and costs.

Developer shall not be obligated to pay any Individual Assessments while Developer retains Class B membership.

(d) **Neighborhood Assessments.** At least forty-five (45) days before the beginning of each Fiscal Year, the Board shall prepare a separate budget covering the estimated Neighborhood Expense for each Neighborhood on whose behalf a Neighborhood Expense is expected to be incurred during the coming Fiscal Year (the "Neighborhood Budget"). Each such Neighborhood Budget shall include any costs and/or expenses for any additional services and/or any higher level of services which the Owners in that Neighborhood have approved pursuant to this Declaration, any deficit carried over from prior Fiscal Years and any contribution to any reserve account created by the Association that relates to that Neighborhood. Each Neighborhood Budget shall also reflect the sources and estimated amounts of funds to cover the Neighborhood Expense, which may include any surplus to be applied from prior Fiscal Years, any income expected from sources other than Neighborhood Assessments and the amount required to be generated through Neighborhood Assessments in that Neighborhood. The Board shall also determine when the Neighborhood Assessments are payable.

The Association is authorized to levy Neighborhood Assessments against all Lots and/or Building Sites in that Neighborhood subject to Neighborhood Assessments based upon the

Assessment Equivalent method used to calculate Annual Assessments, however the Neighborhood Assessment would use the Neighborhood Budget; provided, however, Developer shall not be subject to any Neighborhood Assessment on any Lot and/or Building Site owned by Developer while Developer subsidizes the Common Expense of the Association pursuant to Article 6, Section 6.9 of this Declaration.

The Association shall mail a copy of the Neighborhood Budget and projected Neighborhood Assessments approved by the Board to be levied for the next Fiscal Year to each Owner in that particular Neighborhood at least thirty (30) days, to the extent possible, prior to the end of the Association's current Fiscal Year. The Neighborhood Budget and Neighborhood Assessments shall become effective unless disapproved at a Special Meeting of the applicable Neighborhood Association held not later than thirty (30) days after the proposed Neighborhood Budget and Neighborhood Assessments are mailed to those Members. There shall be no obligation to call a Special Meeting for the purpose of considering the Neighborhood Budget and Neighborhood Assessments, except upon written request by the Neighborhood Association's Members Eligible To Vote as provided for Special Meetings in that Neighborhood Association's bylaws. To be effective, that Neighborhood Association's Members Eligible To Vote representing at least two-thirds (2/3) of the total voting interests of the Association, without regard to membership class, must disapprove of the proposed Neighborhood Budget and Neighborhood Assessments. If that Neighborhood Association's membership so disapproves the Neighborhood Budget and Neighborhood Assessments for the coming Fiscal Year, or if the Board fails to propose a Neighborhood Budget, then the Neighborhood Budget and Neighborhood Assessments for the prior Fiscal Year shall continue in effect until a new Neighborhood Budget and Neighborhood Assessment amount are determined and adopted. The right to disapprove a proposed Neighborhood Budget shall only apply to those certain line items in the proposed Neighborhood Budget which are attributable to services and/or benefits requested by that Neighborhood, and shall not apply to any item which the Governing Documents require to be assessed as a Neighborhood Assessment.

The Board may revise the Neighborhood Budget for any Neighborhood and the amount of any Neighborhood Assessment from time to time during the Fiscal Year, subject to the notice requirements and the right of Owners in the affected Neighborhood to disapprove the revised budget as set forth in this Section 6.7(d).

(e) **Special Neighborhood Assessments.** In addition to other authorized Assessments, the Association may levy and/or impose a Special Neighborhood Assessment to cover unbudgeted costs, unbudgeted Neighborhood Expenses and/or Neighborhood Expenses in excess of those previously budgeted. Any such Special Neighborhood Assessment shall be levied and/or imposed against the Lots and/or Building Sites within the applicable Neighborhood if approved by at least a majority of that Neighborhood Association's Members Eligible To Vote present, in person or by proxy, at a duly called Meeting of that Neighborhood Association's membership at which a quorum is present. If a Special Neighborhood Assessment is approved and levied by the Association, that Special Neighborhood Assessment shall be paid in such manner as the Board may require in the notice of the Special Neighborhood Assessment. The funds collected pursuant to a Special Neighborhood Assessment shall be used only for the specific purpose or purposes set forth in the notice of adoption and levying of same. However, upon completion of such specific purpose or purposes, any excess funds will be considered

surplus, and may, at the sole discretion of the Board be used for any other lawful purpose related to only that Neighborhood to be used for any other Neighborhood Expense. A Special Neighborhood Assessment may be levied for any lawful purpose and/or duty of the Association.

All Special Neighborhood Assessments shall be allocated and levied in the same manner as a Neighborhood Assessment. A Special Neighborhood Assessment shall be assessed against all Owners and their respective Lots and/or Building Sites based upon the Assessment Equivalents. Developer shall not be obligated to pay any Special Neighborhood Assessment while Developer retains Class B membership.

(f) **Reserve Accounts.** The Board may establish reserve accounts which the Board, in its sole and absolute discretion, determines are necessary and/or desirable. Any reserve account established by the Board shall be part of the Common Expense and included as part of the Annual Assessment for each Fiscal Year.

Section 6.8 **Determination of Allocation of Assessments.** The number of Lots and/or Building Sites used for the calculations of any Annual Assessment, Special Assessment, Neighborhood Assessment and/or Special Neighborhood Assessment shall be determined as of the ownership of record existing sixty (60) days prior to the commencement of each Fiscal Year of the Association, and once so determined shall be controlling and used for that entire Fiscal Year.

Section 6.9 **Commencement Dates; Initial Annual Assessments; Due Dates.** Annual Assessments on the Lots and/or Building Sites shall commence on the date this Declaration is recorded in the Public Records of the County. The Annual Assessments for the Lots and/or Building Sites in each Additional Property shall commence on the date the applicable Supplemental Declaration is recorded in the Public Records of the County. At the closing of the sale of each Lot and/or Building Site in the Property by Developer to the first purchaser from Developer, the purchaser shall pay to the Association the entire Annual Assessment for the Fiscal Year of the closing, prorated on a per diem basis from the date of closing through the end of that Fiscal Year. Thereafter, Annual Assessments shall be due, in advance, on or before the commencement of the Association's Fiscal Year for which imposed; but the Board may elect in its sole discretion to collect Annual Assessments in semi-annual, monthly or quarterly installments. Annual Assessments which commence to accrue as to any Lot and/or Building Site other than on the first day of the Fiscal Year shall be prorated for the balance of that Fiscal Year.

Neighborhood Assessments on Lots and/or Building Sites within a Neighborhood shall commence on the date a Neighborhood Declaration is recorded in the Public Records of the County. At the closing of the sale of each Lot and/or Building Site in a Neighborhood by Developer to the first purchaser from Developer, the purchaser shall pay to the Association the entire Neighborhood Assessment for the Fiscal Year of the closing, prorated on a per diem basis from the date of closing through the end of that Fiscal year. Thereafter, Neighborhood Assessments shall be due, in advance, on or before the commencement of the Association's Fiscal Year for which imposed; but the Board may elect in its sole discretion to collect Neighborhood Assessments in semi-annual, monthly or quarterly installments. Neighborhood Assessments which commence to accrue as to any Lot and/or Building Site other than on the first day of the Fiscal Year shall be prorated for the balance of that Fiscal Year.

Section 6.10 **Certificate.** Upon request, the Association shall furnish to any Owner a certificate setting forth whether all required Assessments have been paid. Such certificate shall be conclusive evidence of the payment to the Association of any Assessment therein stated to have been paid.

Section 6.11 **Subordination.** The lien for Assessments provided for in this Declaration shall be subordinate to the lien of any first Mortgage. However, such subordination shall apply only to the Assessments which have become due and payable prior to a sale, conveyance or transfer of a Lot and/or Building Site pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve that Lot and/or Building Site from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment. Any Mortgagee or other acquirer who obtains title to a Lot and/or Building Site through foreclosure of a first Mortgage, or by voluntary conveyance or any other transfer in lieu of such foreclosure, shall not be liable for the uncollected Assessments or interest, late charges or collection costs pertaining to such Lot and/or Building Site, or due from the former Owner thereof, which became due prior to the acquisition of title by said Mortgagee or other acquirer. Any Mortgagee or other acquirer who obtains title to a Lot and/or Building Site through foreclosure of a first Mortgage, or by voluntary conveyance or any other transfer in lieu of such foreclosure, shall be liable for any and all Assessments that come due while that Mortgagee or other acquirer holds title to that Lot and/or Building Site.

Section 6.12 **Funding by Developer.** Notwithstanding anything contained in this Declaration to the contrary, Developer shall not be obligated to pay any Annual Assessment, Neighborhood Assessment, Special Neighborhood Assessment and/or Special Assessment as to any Lot and/or Building Site owned by Developer during the period of time that Developer has Class B membership, but Developer must pay any operating expenses of the Association incurred that exceed the Assessments receivable from other Owners and other income of the Association (commonly referred to as "Deficit Funding the Association"), as more particularly described in this Section 6.12. While Developer has Class B membership, Developer may choose to pay the Common Expense actually incurred over and above the income derived from Initiation Assessments, Annual Assessments, Special Assessments, Neighborhood Assessments, Special Neighborhood Assessments and/or Individual Assessments due from the other Owners pursuant to this Declaration. For purposes of this subsidy arrangement, the Association's budget deficit is the difference between (i) the amount of Annual Assessments levied on Class "A" Member-owned Lots and/or Building Sites, plus any other anticipated income of the Association during that Fiscal Year (including, but not limited to, Special Assessments, Initiation Assessments, Neighborhood Assessments, Special Neighborhood Assessments and/or Individual Assessments), and (ii) the amount of the Common Expenses and the Association's anticipated expenditures during that Fiscal Year, excluding contributions to reserves and/or reserve accounts and also excluding Special Assessments arising as a result of any loss or liability. For purposes of this subsidy arrangement, Developer need not subsidize, contribute to and/or pay any reserves, replacement reserves, reserve accounts and/or capital expenditures. Developer, at its option and while Developer has Class B membership, may elect by written notice delivered to the Association at any time to abandon the subsidy approach and commence payment of the Annual Assessments, any Special Assessments, Neighborhood Assessments and any Special Neighborhood Assessments thereafter falling due for the Lots and/or Building Sites then owned by Developer, prorated as of the date of such written notice.

ARTICLE 7
UTILITY PROVISIONS

Section 7.1 **Water System**. The central water supply system provided for the service of the Property shall be used as sole source of potable water for all water spigots and outlets located within and/or on all structures, buildings and Improvements located within the Property. Each Owner shall pay water meter charges of the supplier thereof and shall maintain and repair all portions of the water lines which are located within, or which serve, the portions of the Property owned by that Owner. No individual potable water supply system or well for consumptive or irrigation purposes shall be permitted on any Lot and/or Building Site without the prior written consent of the Association.

Section 7.2 **Sewage System**. The central sewage system provided for the service of the Property shall be used as the sole sewage system for all structures, buildings and Improvements located within the Property. Each Owner shall maintain and repair all portions of the sewer lines located within, or which serve, the portions of the Property owned by that Owner, and shall pay when due the periodic charges or rates for the furnishing of such sewage collection and disposal services made by the operator thereof. No sewage shall be discharged onto the open ground or into any wetland, lake, pond, park, ravine, drainage ditch or canal or roadway and no septic tank or drain field shall be placed, installed, built, constructed, permitted and/or allowed within any portion of the Property.

Section 7.3 **Solid Waste Recycling**. Each Owner shall participate in any available solid waste recycling program instituted by the Developer, St. Johns County, Florida and/or the solid waste collection provider. Solid waste collection receptacle pads constructed within the Property, if any, shall be designed so as to include space for recycling bins compatible with the applicable recycling program collection equipment.

Section 7.4 **Utility Services**. It shall be the responsibility of each Owner to make direct arrangements with the suppliers of electricity, water, sewer, telephone, telecommunications, internet and any other utility services for service to the portions of the Property owned by that Owner.

ARTICLE 8
USE RESTRICTIONS AND RIGHTS AND EASEMENTS
RESERVED BY DEVELOPER

Section 8.1 **Common DRI and PUD**. Due to the integrated nature of the Property, no Owner, or any other Person or entity shall construct any Improvements upon and/or within the Property, nor take any action, which in the sole opinion of the Developer, would result in a modification of the terms and provisions of existing governmental approvals for the Property, as the same may be amended from time to time, without the prior written consent of the Developer.

Section 8.2 **Compliance with Laws**. All Owners and other occupants and users of the Property shall at all times comply with the terms of all environmental, land use, marketing and consumer protection ordinances, statutes and regulations applicable to the Property or to any Improvements constructed thereon, as well as all governmental rules, regulations, statutes and ordinances applicable to each Owner in connection with operation of Improvements located within the Property. However, the Association and Developer are not empowered, nor have been created, to act as entities which enforce or ensure compliance with the laws of the United States, State of Florida, the County or any other jurisdiction, or an entities that prevent tortious activities.

Section 8.3 **Platting and Additional Restrictions**. The Developer shall be entitled at any time, and from time to time, to plat or replat all or any part of the Property, and to file any covenants and restrictions, or amendments to this Declaration, with respect to any portion or portions of the Property owned by the Developer, without the consent or joinder of any other party.

Section 8.4 **Reservation of Right to Release Restrictions**. If a building or other Improvement has been or is proposed to be erected within the Property in such a manner as to constitute a violation of, variance from, or encroachment into, the covenants and restrictions set forth in, or easements granted or reserved by, this Declaration, the Developer shall have the right to waive or release the violation, variance or encroachment without the consent or joinder of any Person so long as the Developer, in the exercise of its sole discretion, determines in good faith that such waiver or release will not materially and/or adversely affect the health and safety of Owners, the value of adjacent portions of the Property, and the overall appearance of the Property.

Section 8.5 **Easements for Ingress, Egress, Utilities and Drainage**. The Developer reserves for itself, its successors, assigns and designees, a right-of-way and perpetual, nonexclusive easement for ingress and egress and to erect, maintain and use utilities, electric, telephone and street lighting poles, wires, cables, conduits, storm sewers, sanitary sewers, water mains, gas, sewer, water lines, drainage ways and structures, or other public conveniences or utilities, on, in and over, (i) any portion of the Common Area; and (ii) any area designated as an easement, private street or right-of-way area on any plat of all or any portion of the Property.

Section 8.6 **Drainage Flow**. Drainage flow shall not be obstructed or diverted from drainage easements. The Developer or the Association may, but shall not be required to, cut drainways for surface water wherever and whenever such action may appear to be necessary to maintain reasonable aesthetic standards relative to the Property and surrounding properties. These easements include the right to cut any trees, bushes or shrubbery, make any grading of the land, or to take any other reasonable action necessary to install utilities and to maintain reasonable aesthetic standards, but shall not include the right to disturb any permanent Improvements erected upon a Lot or Building Site which are not located within the specific easement area designated on the plat or otherwise reserved in this Declaration. Notwithstanding any provision of this Section 8.6 to the contrary, neither the Developer nor the Association shall take any action which shall alter the Master Drainage System beyond maintenance in its original condition without the prior written approval of the District.

Section 8.7 **Future Easements**. Developer reserves the right to impose further restrictions and to grant or dedicate additional easements and rights of way on any portions of the Property owned by Developer. In addition, Developer hereby expressly reserves the right to grant easements and rights-of-way over, under and through the Common Area so long as Developer shall own any portion of the Property. The easements granted by Developer shall not materially or adversely affect any Improvements or unreasonably interfere with the enjoyment of the Common Area.

Section 8.8 **Additional Easements**. The Developer reserves for itself, and its successors and assigns, a perpetual, exclusive easement for the installation, maintenance and operation of cables for the transmission of cable television, radio, internet, or other electronic communications and/or data of any form, for propane or natural gas pipes, mains and related equipment, or for any Improvements used in connection with providing cellular telephone service on, in, and over (i) any area designated as an easement, private street, or right of way on any plat of all or any portion of the Property, and (ii) any portion of the Common Area. All cables located within the Property shall be installed and maintained underground. For purposes of this Section 8.8, the term "cables" shall include without limitation, all wire, coaxial, fiber optic, or other cable types intended for the transmission of electronic communications and/or data of any type.

Section 8.9 **Rules and Regulations**. The Association, acting through its Board, shall have the right to adopt and amend reasonable rules and regulations pertaining to the use, appearance, condition and/or occupancy of all portions of the Property, which shall be consistent with the provisions of this Declaration. Without limiting the foregoing, the Association shall have the right to adopt specific rules and regulations pertaining to the installation and maintenance of all landscaping and natural areas which shall promote and protect aesthetic and environmental values within and in the vicinity of the Property.

ARTICLE 9 **ARCHITECTURAL CONTROL**

Section 9.1 **Architectural Review Board**. All portions of the Property, including all Lot and/or Building Sites, are subject to architectural review by the Association's Architectural Review Board (the "ARB").

Section 9.2 **Membership of ARB**. So long as Developer has Class B membership, Developer shall be entitled to appoint all members of the ARB, none of whom shall be required to be Members of the Association. When Developer's Class B membership terminates, the membership of the ARB shall be determined and selected by the Board, and all ARB members selected by the Board shall be Members of the Association. The ARB shall consist of no less than three (3) members, and may contain such additional number of members as may be determined from time to time by the Board. Decisions of the ARB shall be made by majority vote or action. No member of the ARB shall be entitled to compensation for services performed, but the ARB may employ professional advisors and pay reasonable compensation to such advisors at Common Expense. Members of the ARB may be reimbursed by the Association for any out-of-pocket expenses incurred as a result of the performance of that member's service on the ARB, and such reimbursement shall be a Common Expense. Members of the ARB serve at

the pleasure of the Board and any member of the ARB may be removed by the Board at any time with or without cause. Notice of ARB meetings shall be pursuant to the Articles and/or Bylaws.

Section 9.3 Prior Approval Requirement. Absolutely no site work, construction, excavation, staking, landscaping, repair, replacement, modification, utility installation or extension, drainage improvement, paving, driveway, swimming pool, pool enclosure, building, fence, wall, sidewalk, mailbox, lighting, decoration, equipment, or any other physical or structural Improvement in the Property, any Lot and/or any Building Site, nor any exterior alteration, modification, repair, replacement and/or addition to any portion of the Property, any Lot or any Building Site, shall be permitted, commenced, modified, erected, built, placed, planted and/or maintained until the ARB has received and approved in writing the Plans therefore. All construction, Improvements, alterations, modifications, repairs, replacements and/or additions shall also comply with all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees. It shall also be the responsibility of each Owner at the time of construction, placement, building and/or permitting of any improvement, alteration, modification, repair, replacement and/or addition on that Owner's Lot and/or Building Site to comply with the approved construction plans for the Master Drainage System on file with the District, the applicable portions of the District Permit and all other District requirements. Until the Plans for any construction, Improvement, alteration, modification, repair, replacement and/or addition have been submitted to and approved by the ARB, the Owner shall not make application (directly or through any other agent, servant, contractor, subcontractor or family member) to any governmental agency for any building or other permit for the proposed construction, Improvement, alteration, modification, repair, replacement and/or addition. Nothing herein shall limit the right of an Owner to finish or alter the interior of that Owner's Residential Dwelling Unit and/or Commercial Improvement as that Owner desires, provided that no such finishing or alteration increases the premium on any insurance policy obtained by the Association and/or that no such finishing or alteration is visible from the exterior of that Owner's Residential Dwelling Unit and/or Commercial Improvement.

Section 9.4 Submissions. Unless waived in advance by the ARB, all Plans shall be prepared by an architect or engineer employed by and at the expense of the submitting Owner. Two (2) complete sets of all Plans shall be submitted to the ARB.

Section 9.5 Approval or Disapproval. Except as otherwise expressly provided in the Governing Documents, all construction, Improvements, alterations, modifications, repairs, replacements and/or additions must conform to the Governing Documents, and no Plans shall be approved by the ARB if they are not in conformity with the Governing Documents. If for any reason, including purely aesthetic reasons, the ARB determines that any proposed construction, Improvement, alteration, modification, repair, replacement and/or addition is not consistent with the Governing Documents, Developer's development plan or the best interests of Palencia North, then such construction, Improvement, alteration, modification, repair, replacement and/or addition shall not be made. The ARB's approval of Plans may be withheld not only because of noncompliance with any of the specific conditions, covenants, terms, provisions and restrictions contained in the Governing Documents, but also by virtue of the dissatisfaction of the ARB with the location of the construction, Improvement, alteration, modification, repair, replacement and/or addition on the Lot and/or Building Site, the elevation, color scheme, finish, design, proportions, architecture, drainage plan, shape, height, style and appropriateness of the proposed

construction Improvement, alteration, modification, repair, replacement and/or addition, the materials to be used therein, the materials, design, size, height and/or location of vegetation and/or any landscaping on the Lot and/or Building Site, or because of the ARB's reasonable dissatisfaction with any other matter or thing which, in the judgment of the ARB, will render the proposed construction, improvement, alteration, modification, repair, replacement and/or addition aesthetically displeasing or inharmonious with the Governing Documents, Developer's development plan, architectural scheme of the Property, architectural pattern of Property and/or the best interests of Property.

Submittals and resubmittals of Plans shall be approved or disapproved within forty-five (45) days after receipt by the ARB of all required Plans. The forty-five (45) day time period does not begin to run until the ARB has received all Plans and any other documents required by the ARB from the requesting Owner. The ARB approval or disapproval shall be in writing and shall be accompanied by one (1) copy of the Plans approved or disapproved. Failure of the ARB to respond in writing to any submission or re-submission of any Plans within the forty-five (45) day period shall automatically be deemed to be an approval of the Plans as submitted or resubmitted. Whenever the ARB disapproves any Plans, the ARB may, but is not obligated to, specify the reasons for that disapproval. Any approval by the ARB may be conditional in nature or may impose additional requirements to be met by the Owner. If the conditions or additional requirements are not met by an Owner, the ARB approval will automatically be withdrawn, considered null and void and that Owner must resubmit Plans and obtain prior approval from the ARB for any proposed construction, Improvement, alteration, modification, landscaping, repair, replacement and/or addition. The ARB may grant partial approval to any proposed construction, Improvement, alteration, modification, landscaping, repair, replacement and/or addition.

Any approval or disapproval given in writing by the ARB shall be final. An Owner cannot appeal any decision of the ARB to the Board. Each Owner, by accepting any interest in any portion of the Property, acknowledges, understands and agrees that determinations and/or decisions of the ARB are purely subjective, and opinions may vary as to the desirability and/or attractiveness of particular construction, Improvements, alterations, modifications, landscaping, repairs, replacements and/or additions.

Section 9.6 Delegation of ARB Review. The ARB may delegate the initial review and recommendation responsibilities described in Article 9 of this Declaration as to a particular Neighborhood to the Neighborhood Association or the Neighborhood Association's ARB, so long as the ARB has determined that such Neighborhood Association and/or Neighborhood Association's ARB has in force and effect review procedures and appropriate standards compatible with those of the ARB. Such delegation of initial review and recommendation responsibilities shall be made by resolution of the Board or the ARB, and may be revoked and jurisdiction reassumed by the ARB at any time by written notice to the applicable Neighborhood Association. If the ARB delegates the initial review and recommendation responsibilities described in Article 9 of this Declaration to a Neighborhood Association or a Neighborhood Association's ARB, an Owner shall submit the application, Plans and any other documents required and/or requested under Article 9 of this Declaration to the Neighborhood Association or the Neighborhood Association's ARB, as applicable, which shall make an initial review and submit its recommendation with that Owner's application to the ARB for a final review and decision, which shall be pursuant to Article 9 of this Declaration.

Section 9.7 **Commencement.** If any construction, Improvement, alteration, modification, landscaping, repair, replacement and/or addition that has been approved by the ARB does not commence within six (6) months from the date of the ARB approval, such approval shall automatically expire and it shall be necessary for the Owner to reapply for ARB approval before the construction, Improvement, alteration, modification, landscaping, repair, replacement and/or addition can begin. Any and all construction, Improvement, alteration, modification, landscaping, repair, replacement and/or addition must be completed in the time set forth in this Declaration.

Section 9.8 **Violations.** All work must be performed strictly in accordance with the approved Plans. If after Plans have been approved, the approved construction, Improvement, alteration, modification, landscaping, repair, replacement and/or addition is altered, erected, constructed, built, placed, installed, planted, modified and/or maintained upon the Lot and/or Building Site other than as approved by the ARB, then the construction, Improvement, alteration, modification, landscaping, repair, replacement and/or addition shall be deemed to have been undertaken without ARB approval. After two (2) years from completion of any construction, Improvement, alteration, modification, landscaping, repair, replacement and/or addition, it shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to comply with the Governing Documents unless a notice of such noncompliance has been issued by either the ARB or the Board, or legal and/or administrative proceedings shall have been instituted to enjoin the noncompliance and/or to enforce compliance with the Governing Documents.

Section 9.9 **Variances.** The ARB may grant variances from compliance with the architectural provisions of the Governing Documents, including but not limited to restrictions upon height, size or placement of structures, buildings, landscaping and/or Improvements, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may reasonably require or permit. The granting of any variance shall not operate to waive any of the terms and provisions of the Governing Documents for any purpose except as to the particular Lot and/or Building Site and the particular provision covered by the specific variance being granted, nor shall it affect the Owner's obligation to comply with all governmental requirements, including the District Permit and other requirements of the District. Such variances may only be granted when mitigating or unique circumstances exist on a particular Lot and/or Building Site, no variance shall be effective unless in writing, and no variance shall be deemed to preclude or estop the ARB from denying a variance in similar circumstances in the future.

Section 9.10 **Waiver of Liability.** None of Developer, the ARB, any Neighborhood ARB, a Neighborhood Association, the members of the Board or the Association, or any Director, officer, agent, servant, attorney or employee thereof, shall be liable to anyone submitting Plans for approval or to any Owner, or any Owner's family members, tenants, invitees, licensees, employees, visitors, contractors, subcontractors, occupants and/or guests by reason of and/or in connection with approval or disapproval of any Plans, or for any defect in any Plans submitted, revised and/or approved in accordance with the requirements of the ARB, or for any structural and/or other defect in any work done according to such Plans. Approval of Plans, or any other approvals, variances or consents, are given solely to protect the values and aesthetics of the Property in the judgment of the ARB and shall not be deemed a warranty, representation, guarantee or covenant that any action taken in reliance thereon complies with

applicable laws, codes, ordinances, rules or regulations, nor shall ARB approval be deemed approval of any Plan or design from the standpoint of safety or conformity with building, zoning or other codes. Every Owner who submits Plans for approval agrees, by submission of such Plans, and every family member, tenant, invitee, visitor, Person, contractor, subcontractor, employee, licensee, occupant and/or guest of any Owner agrees, by acquiring title thereto or an interest therein, or by entering the Property, that he, she or it will not bring any action, proceeding, claim and/or suit to recover any such damages and shall be deemed to have automatically, knowingly and voluntarily agreed to hold harmless and indemnify the Developer, the Association, the ARB, all Neighborhood Associations, all Neighborhood ARBs, the Board, and the Association's officers and Directors from and for any loss, claim, property damage, personal injury, death and/or any other damages connected with any aspects of the construction, Improvements, alterations, modifications, landscaping, repairs, replacements and/or additions to any Lot, Residential Dwelling Unit, Building Site and/or Commercial Improvement.

Section 9.11 **Enforcement.** Developer (while Class B membership exists) and/or the Association shall have standing and authority on behalf of the Association to enforce in courts of competent jurisdiction and/or any applicable administrative agency the decisions of the ARB. In addition to any other remedy to which Developer or the Association may be entitled, Developer and the Association shall also be entitled to recover their Enforcement Cost from the violating Owner. Should any Owner fail to comply with the requirements of Article 9 of this Declaration within thirty (30) days after receipt of written demand for compliance, Developer and the Association both shall have the right, but not the obligation, to enter upon that Owner's Lot and/or Building Site, make such corrections, repairs, replacements, alterations and/or modifications as are necessary, or remove anything in violation of the provisions of the Governing Documents, and charge the cost thereof to that Owner as an Individual Assessment. Neither the Developer, the Association, nor any of their respective Directors, officers, employees, servants, invitees, contractors, attorneys and/or agents, shall have any liability to the Owner or to any of that Owner's family members, tenants, invitees, contractors, subcontractors, employees, visitors, licensees, occupants and/or guests for any trespass, damages, injury to property or person(s) for any action taken hereunder unless caused by gross negligence or intentional wrongdoing. Any such entry upon that Owner's Lot and/or Building Site shall not be considered a trespass and any corrections, repairs, replacements, alterations, modifications and/or removals from that Lot and/or Building Site shall not be considered criminal activity of any kind, including, but not limited to, theft, criminal mischief, and burglary, and shall not be considered the basis of any civil claim, including, but not limited to, conversion and any tort claim.

Section 9.12 **Exemption.** Developer shall be exempt from the architectural control provisions of Article 9 of this Declaration as long as Class B membership exists. Developer shall be entitled to construct, build, erect, place and/or install any new Improvement, any landscaping and/or structure of any kind, and to change, modify, replace and/or add to any existing Improvement, building, landscaping and/or structure, without submitting Plans to and/or obtaining the approval of the ARB.

Section 9.13 **No Waiver of Future Approval Rights.** The approval of any Plans by the ARB or the approval of or consent to any other matter requiring the review, approval or consent of the ARB, shall not be deemed to constitute a waiver of the right to withhold approval and/or

consent as to any similar Plans or matters subsequently and/or additionally submitted to the ARB for its review, approval and/or consent.

Section 9.14 **ARB Rules.** The ARB may adopt reasonable rules of procedure and/or Design Guidelines for the submission and review of any matter to be brought before it and the inspection and final approval of any completed work done pursuant to Plans approved by the ARB. Such rules and/or Design Guidelines shall be: (a) subject to the prior approval of the Board of Directors; (b) not inconsistent with the covenants and restrictions set forth in this Declaration; and (c) published or otherwise made available to the Owners. Compliance with the Design Guidelines does not guarantee any Plans of an Owner will be approved by the ARB. The Design Guidelines will be taken into account during the review of any Plans that are submitted to the ARB, but the ARB is not bound to approve any Plans that comply with the Design Guidelines. Each Owner by acceptance of a deed agrees, acknowledges and understands that any Plans may be rejected and/or disapproved by the ARB, even if those Plans are consistent with the Design Guidelines. Meetings of the ARB shall be held in accordance with the provisions of the Bylaws.

ARTICLE 10

NOTICE OF PERMIT REQUIREMENTS

Section 10.1 **Jurisdictional Areas and Permits.** THE PROPERTY HAS BEEN OR WILL BE DEVELOPED IN ACCORDANCE WITH REQUIREMENTS OF PERMIT NUMBER 199800 984 (IP-ME) ISSUED BY THE ARMY CORPS OF ENGINEERS AND PERMIT NUMBER 4-109-0216-ERP, ISSUED BY THE DISTRICT (THE "PERMITS"), AS SUCH PERMITS MAY BE AMENDED FROM TIME TO TIME. THE PERMITS ARE OR WILL BE OWNED BY THE CDD AND/OR THE ASSOCIATION AND THE CDD AND THE ASSOCIATION HAVE THE OBLIGATION TO ASSURE THAT ALL TERMS AND CONDITIONS THEREOF ARE ENFORCED. THE CDD AND THE ASSOCIATION SHALL HAVE THE RIGHT TO BRING AN ACTION, AT LAW OR IN EQUITY, AGAINST ANY OWNER VIOLATING ANY PROVISION OF THE PERMITS.

FURTHER, ANY OWNER OWNING A LOT OR BUILDING SITE WHICH CONTAINS OR IS ADJACENT TO JURISDICTIONAL WETLANDS OR CONSERVATION AREAS AS ESTABLISHED BY THE ACOE OR SJRWMD OR BY ANY APPLICABLE CONSERVATION EASEMENT SHALL BY ACCEPTANCE OF TITLE TO THE LOT OR BUILDING SITE, BE DEEMED TO HAVE ASSUMED THE OBLIGATION TO COMPLY WITH THE REQUIREMENTS OF THE PERMITS AS THE SAME RELATE TO SUCH OWNER'S LOT OR BUILDING SITE AND SHALL AGREE TO MAINTAIN SUCH JURISDICTIONAL WETLANDS AND CONSERVATION AREAS 114 THE CONDITION REQUIRED UNDER THE PERMITS. IN THE EVENT THAT AN OWNER VIOLATES THE TERMS AND CONDITIONS OF THE PERMITS AND FOR ANY REASON THE DEVELOPER, THE CDD OR THE ASSOCIATION IS CITED THEREFORE, THE OWNER AGREES TO INDEMNIFY AND HOLD THE DEVELOPER, THE CDD AND THE ASSOCIATION HARMLESS FROM ALL COSTS ARISING IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION ALL COST AND ATTORNEYS' FEES, AS WELL AS ALL COSTS OF CURING SUCH VIOLATION. NO PERSON SHALL ALTER THE DRAINAGE FLOW OF THE MASTER DRAINAGE SYSTEM OR ANY

PORION OF THE JURISDICTIONAL WETLANDS OR CONSERVATION AREAS, INCLUDING WITHOUT LIMITATION, ANY BUFFER AREAS, SWALES, TREATMENT BERMS OR SWALES, WITHOUT THE PRIOR WRITTEN APPROVAL OF THE DISTRICT OR ARMY CORPS OF ENGINEERS, AS APPLICABLE.

ARTICLE 11 EXTERIOR MAINTENANCE

Section 11.1 Owner's Responsibility. Each Owner shall keep and maintain that Owner's Lot and/or Building Site and all buildings, structures, Residential Dwelling Units, Commercial Improvements, Improvements and landscaping located on that Owner's Lot and/or Building Site in good repair and in a neat and attractive condition at all times, unless such maintenance responsibility and/or obligation is otherwise assumed by or assigned to the Association, a Neighborhood Association and/or the CDD pursuant to any Supplemental Declaration, Neighborhood Declaration and/or any other restrictive covenants applicable to such portions of the Property. The minimum, but not exclusive, standard for maintenance of improvements shall be consistency with the approved Plans therefore and with the general appearance of the other occupied Improvements, Residential Dwelling Units or Commercial Improvements in the Property as a whole when initially constructed and improved. The maintenance obligation of each Owner as to buildings, structures, Residential Dwelling Units, Commercial Improvements and any other Improvements shall include, without limitation, maintenance of all exterior surfaces and roofs, fascias and soffits, awnings, trellises, decorative facades, gutters, screens, windows and doors. Owners shall clean, repaint and/or restain, as appropriate, the exterior portions and/or surfaces of any building, structure, Residential Dwelling Unit, Commercial Improvement and Improvement (with the same colors as initially approved or with other colors that have first been submitted to and approved by the ARB), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards. Each Owner shall also keep, maintain and irrigate the trees, shrubbery, grass and any other landscape material located on that Owner's Lot and/or Building Site in good repair and in a neat and attractive condition. The minimum, but not exclusive, standard for maintenance of landscaping shall be consistency with the approved Plans therefore and with the general appearance of the other Lots and/or Building Sites in the Property as a whole when initially landscaped (taking into account, however, the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained). Landscape maintenance shall include, without limitation, irrigation, fertilization, weeding, mowing, trimming, edging, keeping the Lot and/or Building Site free of trash and debris of any type, spraying for insects and disease, and the periodic and timely replacement of any dead, damaged and/or diseased plantings and/or sod. To the extent not included in the areas required to be maintained by the Association pursuant to this Declaration, each Owner shall, at that Owner's expense, mow and keep free of trash and debris, on a routine basis, those portions of the Master Drainage System located on that Owner's Lot and/or Building Site (whether or not included in a platted drainage easement). When required, all major repairs to, and major maintenance and reconstruction of, all components of the Master Drainage System in the Property may be performed by the CDD, and if not by the CDD, then by the Association at Common Expense.

Each Owner's exterior maintenance responsibility as set forth in this Section 11.1 is mandatory and shall be complied with in its entirety even if an Owner does not reside on, use

and/or occupy that Owner's Lot and/or Building Site. An Owner may not waive or otherwise avoid this exterior maintenance responsibility by abandonment of that Owner's Lot and/or Building Site.

The Association shall have the right, but not the obligation to provide maintenance, repair, operation, cleaning and/or replacement on any Lot and/or Building Site, and any Improvement, structure, landscaping, Residential Dwelling Unit, Commercial Improvement and/or building located thereon. Any maintenance, repair, operation, cleaning, irrigation and/or replacement performed and/or assumed by the Association shall be a Common Expense and/or a Neighborhood Expense, as applicable.

Section 11.2 Owner Fails to Meet Responsibilities. The Association shall have the right, but not the obligation, to provide for the repair, replacement, cleaning and/or maintenance on any Lot and/or Building Site, and any Improvement, structure, Residential Dwelling Unit, Commercial Improvement, landscaping or building thereon, in the event of default by any Owner in the duties imposed by Section 11.1 of this Declaration. Prior to the Association performing repair, replacement, cleaning and/or maintenance on any Lot and/or Building Site that is the responsibility of the Owner, the Board shall determine that repair, replacement, cleaning and/or maintenance is needed, that such repair, replacement, cleaning and/or maintenance is the responsibility of the Owner, and that the failure of the Owner to perform such repair, replacement, cleaning and/or maintenance, in the sole opinion of the Board, detracts from the overall appearance or quality of the Property. Except in emergency situations, prior to commencement by the Association of any repair, replacement, cleaning and/or maintenance on any Lot and/or Building Site that is the responsibility of the Owner, the Board must furnish written notice to the Owner to the effect that, unless specified repairs, replacement, cleaning and/or maintenance are commenced within ten (10) days from the date of the notice, and thereafter diligently pursued to completion, the Association may perform, or have performed, said repairs, replacement, cleaning and/or maintenance. Upon the Owner's failure and/or refusal to properly and timely commence and pursue diligently the required repairs, replacement, cleaning and/or maintenance, the Association and its agents, employees, servants and/or contractors shall have the right to enter in and/or upon the Lot and/or Building Site to perform the repairs, replacement, cleaning and/or maintenance specified in the notice to that Owner. For example and not as a limitation, the Association shall have the right to clean, remove debris, remove trash, paint, resurface, repair, replace and provide maintenance to any and all exterior surfaces, roofs, chimneys, gutters, downspouts, pools, pool enclosures, fences, walls, driveways, walks, sidewalks, parking areas, landscaping (including but not limited to mowing, edging, trimming, watering, fertilizing and caring for trees, shrubs, grass, repairing sprinkler systems and providing shoreline maintenance), swales, berms and other drainage improvements. Neither the Developer, the CDD, any Neighborhood Association nor the Association, nor any of their respective Directors, officers, employees, contractors, servants, invitees, attorneys and/or agents, shall have any liability to the Owner or to any family member, tenant, occupant, invitee, employee, visitor, licensee, occupant, agent and/or guest of that Owner for any trespass, damages and/or injury to property or person(s) for any action taken hereunder unless caused by gross negligence or intentional wrongdoing. Any such entry upon that Owner's Lot and/or Building Site shall not be considered a trespass and any corrections, repairs, replacements, cleaning, alterations, modifications and/or removals from that Lot and/or Building Site shall not be considered criminal activity of any kind, including, but not limited to, theft, criminal mischief,

and burglary, and shall not be considered the basis for any civil action, including, but not limited to, conversion and any tort claim.

Section 11.3 Assessment of Cost. The cost of any work performed by or at the request of the Association pursuant to Section 11.2 of this Declaration shall be assessed as an Individual Assessment against the Owner of the Lot and/or Building Site upon which such work is done, if the Owner has defaulted in regard to responsibility and/or obligation for that work. This Individual Assessment shall be assessed against the Owner even if the Owner is not then occupying, using and/or residing upon that Lot and/or Building Site. The Owner of the Lot and/or Building Site upon which such work is done pursuant to Section 11.2 of this Declaration knowingly and voluntarily agrees to indemnify and hold the Association, its Directors, officers, shareholders, Members, employees and agents harmless for any claim, suit, damages, and/or action of any kind for personal injury, property damage, and/or death that occurs to the Association's contractors, employees, attorneys, vendors and/or servants while performing such work on that Owner's Lot and/or Building Site.

Section 11.4 Access. In order to perform the repairs, replacement, cleaning and/or maintenance authorized by Sections 11.1 and/or 11.2 of this Declaration, the Association and/or the Association's agents, employees, vendors, servants and/or contractors may enter upon any Lot and/or Building Site during reasonable hours on any day except Sundays and legal holidays on which financial institutions are closed, except that in an emergency situation, as determined by the Board in its sole and absolute discretion, entry may be made at any time. An Owner of the Lot and/or Building Site may grant permission for entry on any day, including Sundays and legal holidays on which financial institutions are closed.

ARTICLE 12 **USE RESTRICTIONS**

Section 12.1 General Use and Design Restrictions. All Lots and/or Building Sites within the Property shall be subject to the following general use and design restrictions:

(a) **Land Use and Development Approvals.** All Lots and/or Building Sites shall be used only for such purposes as are permitted by applicable governmental approvals, subject to such further restrictions as may be set forth in this Declaration. Each Owner shall fully comply with the governmental approvals which pertain to such Owner's Lot and/or Building Site. No land use designation shall be changed without the consent of Developer so long as Developer owns any portion of the Property.

(b) **Nuisances.** No portion of the Property shall be used, in whole or in part, for the storage of any property or thing that will cause such portion of the Property to appear to be in an unclean, unsightly, unhealthy or unkempt condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon, nor shall any use or practice be allowed upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise, vibration, fumes, dust, smoke or pollution outside the Lot and/or Building Site, or unreasonable risk of fire or explosion, or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of the Property. No noxious or offensive activity shall be carried on or conducted upon any portion of the Property.

Any activity which violates local, state or federal laws, ordinances, rules or regulations is strictly prohibited on and/or within the Property; however, the Board shall have no obligation to take enforcement action in the event of any such violation. The Association, the Board and Developer are not empowered, nor have they been created, to act as an entity which enforces or ensures compliance with the laws of the United States, the State of Florida, the County or any other jurisdiction. The Association, the Board and Developer are not empowered, nor have they been created, to act as an entity to prevent tortious activities.

(c) **Adult Entertainment** The following uses and/or businesses are strictly prohibited on any Lot, Building Site and/or any portion of the Property: Adult businesses of any type, including but not limited to, adult newsstands, adult magazine stands, adult novelty stores, strip clubs, escort services, adult websites, adult internet services, adult video stores and any business that sells, carries, stores, transports, transmits and/or distributes pornographic material of any type and/or form.

(d) **Temporary Structures**. No structure of a temporary character, or trailer, mobile home or recreational vehicle, shall be permitted on any Lots and/or Building Sites within the Property at any time or used at any time as a residence, either temporarily or permanently. No gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any Building or on or about any ancillary building. The foregoing restrictions on gas tanks, gas containers and gas cylinders, shall not apply to medical gases safely used within buildings according to applicable laws, codes and regulations, service stations or similar facilities or any other lawful commercial uses, however, any such uses shall be subject to prior written approval of Developer and the Association. Further, this paragraph shall not apply to temporary construction or marketing trailers maintained on a Lot and/or Building Site during construction of a building so long as such trailers satisfy all applicable governmental laws, codes, ordinances, and regulations.

(e) **Signs**. No signs, flags, banners, advertisements, billboards, logos, contact information, solicitation or advertising structures or materials of any kind shall be displayed and/or placed upon any Parcel without the prior written approval of the ARB. No signs, flags, banners, advertisements, billboards, logos, contact information, solicitation or advertising structures or materials of any kind shall be displayed and/or placed in the interior of any Improvement so that it is visible from the exterior of that Improvement (as an illustration, but not a limitation, placing a sign in the window of the Improvement so that it is visible from the sidewalks, streets or adjacent Parcels within the Property). Developer and/or the Association may enter upon any Lot and/or Building Site and remove and destroy any object which violates this Section 12.1(d). This Section 12.1(d) shall not apply to Developer.

(f) **Exterior Antennas**. No unscreened exterior antennas, satellite dishes or similar equipment shall be permitted on any Lot, Building Site, Residential Dwelling Unit, Commercial Improvement and/or any Improvement thereon.

(g) **Irrigation**. Irrigation from lakes and other water bodies within the Property or by wells shall not be permitted. No irrigation device shall be visible above or from the surface of the applicable water body. Any Person using irrigation shall be financially and otherwise responsible (and may be specially assessed) for any negative impact on water quality,

water level or vegetation control caused by such irrigation use, and for repair or replacement of any discolored surfaces with which water comes into contact. If required by the Association or the ARB, the applicable irrigation equipment shall contain iron or other filtration devices or components. All irrigation shall comply with any irrigation plan for the Property or any appropriate portion thereof and all requirements of the District.

(h) **Utility Connections.** Permanent building connections for all utilities installed after the date hereof, including, but not limited to, water, electricity, telephone, cable television, satellite television, internet and television, shall be run underground from the proper connecting points to the building structure in such a manner to be acceptable to the applicable utility authority.

(i) **Garbage Collection, Storage and Meter Areas.** All garbage collection and storage areas of any kind upon any Lot and/or Building Site, and all meters and similar areas located upon any Lot and/or Building Site, shall be completely screened from view from the exterior of the Lot and/or Building Site.

(j) **Hazardous Materials.** No Owner shall use, generate, store, or dispose of hazardous materials on the Property or discharge or release any hazardous material on, above, or under the Property except in compliance with any program which may be developed by the Developer or the Association for identification, storage and disposal of hazardous materials (the "Hazardous Materials Management Plan"), and all applicable laws, regulations, ordinances and permits. "Hazardous Materials" means materials, substances, gases, or vapors identified as hazardous, toxic or radioactive by any applicable federal, state or local laws, regulations or ordinances.

Each Owner shall:

- disclose to the Board of Directors or its designee all Hazardous Materials proposed to be stored, used or generated upon or within a Lot and/or Building Site (other than janitorial supplies and similar domestic use Hazardous Materials used in the ordinary course of maintenance of Improvements);
- permit inspection by the Board of Directors or its designee of those portions of a Lot and/or Building Site where Hazardous Materials are stored, used or generated;
- provide all equipment and facilities in the Lot and/or Building Site necessary to participate in any mandatory point of origin collection service for Hazardous Materials;
- comply with all applicable laws and regulations, and rules adopted by the Board of Directors regarding maintenance, operation and monitoring of the Hazardous Materials Management Plan, including procedures followed in case of accidental spills; and
- guarantee financial responsibility for spill cleanup. In connection with such financial responsibility, each Owner hereby agrees to hold the Developer, the Association, its officers, directors, agents, attorneys and employees harmless from any financial responsibility, costs, or expenses related to, arising from and/or connected with any spill or spill

cleanup of Hazardous Materials which occurs on the Owner's Lot and/or Building Site or elsewhere within the Property or the Common Areas through the acts or omissions of the Owner, its employees, contractors, subcontractors, visitors, guests, licensees, invitees and/or agents.

(k) **Completion of Work.** Upon commencement of any construction, Improvements, repairs, replacements, modifications, structures, buildings, landscaping, alterations and/or additions on any Lot and/or Building Site (collectively for purposes of this Section 12.1(k), the "work"), the Owner of that Lot and/or Building Site shall diligently prosecute the work to the end so that all work shall be completed as expeditiously as is reasonable, but in no event shall last longer than twelve (12) consecutive months. If an unforeseen event occurs that would prevent such work from being completed in that twelve (12) month time period, the Owner of that Parcel shall apply to the ARB for an extension of time to complete the work. The Owner of that Parcel shall provide the ARB a good faith estimate of the time required to complete the work, but the length of any extension shall be in the sole discretion of the ARB. There shall be no more than two (2) extensions for each approved work project. If the work remains incomplete after the second extension, the Association shall have all available rights and remedies under Florida law or the Governing Documents. The Owner of the Lot and/or Building Site on which Improvements, repairs, replacements, modifications, structures, buildings, landscaping, alterations and/or additions are being made shall keep the streets, sidewalks, drainage structures and all areas adjacent to that Lot and/or Building Site free from damage, dirt, mud, garbage, trash, refuse, building materials and/or other debris occasioned by construction.

(l) **Excavation.** No clearing and/or excavation shall be made except incident to construction, maintenance and/or repair of any Improvement, structure, building, replacement, modification, alteration and/or addition; and upon completion thereof exposed openings shall be back-filled, and disturbed ground shall be leveled, graded and covered with mature sod in accordance with the approved landscape plan. Notwithstanding the foregoing, no Lot and/or Building Site shall be increased in size by filling in any drainage areas or other portions of the Master Drainage System. No Owner shall fill, dike, rip-rap, block, divert, and/or change the established drainage area and/or the Master Drainage System that have been or may be created by easement without the prior written consent of the Association, the County and the District, its successors and assigns.

No oil, gas or mineral drilling, refining, quarrying or mining operations of any kind shall be permitted upon and/or in the Property, nor shall oil, gas or mineral equipment, wells, tunnels, excavations or shafts be permitted upon and/or in the Property. The operations and activities of Developer in developing the Property and of the Association in operating, maintaining, managing, repairing and replacing the Master Drainage System in accordance with the District Permit and District requirements are exempt from the provisions of this Section 12.1(l).

(m) **Sidewalk Sales and Outdoor Storage.** Any displays, signs, merchandise, sale and/or business to be located and/or placed on any part of the Common Areas, including but not limited to sidewalks, must first be approved in writing by the Association.

There shall be no exterior storage, placement, installation and/or retention of materials, tools, supplies, inventory, equipment and/or substances of any kind, unless the written approval of the ARB is first obtained.

(n) **Holiday Displays.** Owners shall be permitted to display religious and/or holiday signs, symbols and decorations on their respective Lots and/or Building Sites of the kinds normally displayed inside or outside. However, the Association may adopt reasonable time, place and manner restrictions, including but not limited to, design criteria and length of time the display is visible, for the purpose of minimizing damage, preventing an unsightly appearance and/or minimizing disturbance to other Owners, tenants, visitors and/or occupants.

(o) **Use of the Phrase "Palencia North."** No person or entity may use the phrase "Palencia North" or any derivative in any printed or promotional material without Developer's prior written consent, as long as Developer has Class B membership in the Association. However, Owners may use the words "Palencia North" in printed or promotional matter where such terms are used solely to specify that particular property which is located within "Palencia North" and the Association will be entitled to use the words "Palencia North" in its name.

Section 12.2 **Developer Reservation.** Because of its size and dependence upon market conditions, the development of the Property may extend for several years. Incident to the development process, the quiet enjoyment of the Property by the Owners, their tenants, occupants, employees, invitees, licensees, contractors, subcontractors, visitors and guests may be interfered with by construction and/or sales operations. Each Owner expressly consents to such construction and sales operation and acknowledges, covenants and agrees that Developer and the Association will have no liability for any disturbance to quiet enjoyment by any Owner, occupant, tenant, visitor, employee, invitee, licensee, contractor, subcontractor and/or guest of the Property due to construction and/or sales activities.

Any provision of this Declaration to the contrary notwithstanding, until Developer has completed all of the contemplated Improvements and closed the sales of all of the Lots and/or Building Sites, neither the Owners nor the Association shall interfere with the completion of Developer's planned Improvements and/or the sale of the Lots and/or Building Sites. Developer may make such lawful use of the unsold Lots and/or Building Sites and of the Common Areas, without charge, as may facilitate such completion and sale, including, but not limited to, maintenance of sales and construction trailers and offices, the showing of the Lots and/or Building Sites and the display of signs and the use of Lots and/or Building Sites for vehicular parking. Without limiting the generality of the foregoing, except only when the express provisions of this Declaration prohibit the Developer from taking a particular action, nothing in this Declaration shall be understood and/or construed to prevent or prohibit Developer from any of the following:

(a) Doing on any property owned by Developer whatever Developer determines to be necessary and/or advisable in connection with the completion of the development of the Property, including without limitation, the alteration of its construction plans and designs as Developer deems advisable in the course of development (all models, plans or

sketches showing plans for future development of the Property, as same may be expanded, may be modified by Developer at any time and from time to time, without notice); or

(b) Erecting, constructing and maintaining on any property owned or controlled by Developer such structures as may be reasonably necessary for the conduct of its business of completing development of the Property and disposing of the same by sale, lease or otherwise; or

(c) Conducting on any property owned or controlled by Developer, its business of developing, subdividing, grading and constructing Improvements in the Property and of disposing of Lots and/or Building Sites therein by sale, lease or otherwise; or

(d) Determining in Developer's sole discretion the nature of any type of Improvements to be initially constructed as part of the Property; or

(e) Maintaining such sign or signs on any property owned or controlled by Developer as may be necessary or desired in connection with the operation of any Lots and/or Building Sites owned by Developer and/or the sale, lease, marketing and/or operation of Lots and/or Building Sites; or

(f) Filing Supplemental Declarations which add Additional Property and/or withdraw portions of the Property as provided in this Declaration; or

(g) Filing amendments to this Declaration which create Service Areas and/or filing Service Area Supplemental Declarations which create Service Areas.

(h) Taking any action which may be required of Developer by the County or any other federal, state or local governmental or quasi-governmental agency in connection with the development and continuing operation of the Property; or

(i) Developer modifying, changing, re-configuring, removing or otherwise altering any improvements located on the Common Area or utilizing any Lots, Building Sites or the Common Area for construction access or staging (provided that same does not impair existing access or utility services to any Lots and/or Building Sites);

(j) Developer causing utilities to be available to all portions of the Property, including, but not limited, to the granting of easements and rights of way as may be necessary to locate, install and maintain facilities and connections; and

(k) Developer holding, hosting, advertising, permitting and/or allowing festivals and/or special events of any kind on any portion of the Common Areas.

Section 12.3 Condominium. No form of condominium or cooperative may be established, created and/or declared on any Lot and/or Building Site and/or any portion of a Lot and/or Building Site without the express written consent of the Developer, which consent is in Developer's sole and absolute discretion. A condition of the formation and establishment of a condominium or cooperative shall be that the proposed declaration of condominium or enabling document of the cooperative shall provide that the owners and/or members of a proposed

condominium or cooperative shall be individually liable for their respective share of the Assessments and fees which may be imposed upon a Lot and/or Building Site by the Association pursuant to this Declaration.

Section 12.4 **Additional Restrictions.** All Lots and/or Building Sites shall also be subject to such further restrictions as Developer may impose under and by virtue of deeds to Owners. Restrictions identified in any such deed as being enforceable by the Association shall be enforceable by the Association, acting through the Board of Directors, in the same manner as if such restrictions were set forth in this Declaration.

No Owner may impose any additional covenants, conditions and/or restrictions on any part of the Property without the prior written approval of Developer, for so long as Developer has Class B membership, and thereafter without the prior written approval of the Board. This Section 12.4 shall not prevent any of the Governing Documents from being properly amended pursuant to the provisions of this Declaration when the proposed amendment(s) would impose additional covenants, conditions and/or restrictions on the Property.

Section 12.5 **Waiver and Variances.** No delay in enforcing any of the terms, conditions, restrictions and provisions of this Declaration or any of the Governing Documents as to any breach and/or violation thereof shall impair, damage or waive the right of Developer and/or the Association to enforce this Declaration and/or any of the Governing Documents. No delay will impair, damage or waive the right of Developer and/or the Association to obtain relief against or recovery for continuation and/or repetition of any such breach and/or violation or of any similar breach and/or violation of this Declaration and/or any of the Governing Documents at a later time or times.

The Board shall have the right and power to grant variances from the provisions of Article 12 of this Declaration and from the Association's Rules and Regulations that have been adopted for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the provisions of this Article 12 in any instance in which such variance is not granted.

Section 12.6 **Restrictions on Lots and Residential Dwelling Units.** All Lots and Residential Dwelling Units within the Property shall be subject to the following use and design restrictions:

(a) **Residential Use.** No Lot or Residential Dwelling Unit shall be used except for single family, residential purposes. No business, commercial, industrial, trade, professional or any other non-residential activity or use of any nature or kind shall be conducted on any Lot or in any Residential Dwelling Unit. However, an Owner, tenant or occupant may conduct business activities within a Residential Dwelling Unit so long as: (1) the existence and/or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Residential Dwelling Unit; (2) the business activity conforms to all zoning requirements for the Property; (3) the business activity conforms to the applicable governmental approvals; (4) the business activity does not involve Persons coming onto the Property who do not reside within the Property; (5) the business activity does not involve door-to-door solicitation of other Owners, tenants and/or occupants of the Property; and (6) the business activity is

consistent with the residential character of the Lots and does not constitute a nuisance, or a hazardous or offensive use, and/or threaten the security or safety of other Owners, tenants and/or occupants of the property. No Lot and/or Residential Dwelling Unit may be used in any way which does not conform to St. Johns County, Florida zoning ordinances. Notwithstanding anything to the contrary in this Declaration, Developer or its successors or assigns shall be permitted to use any portion of the Property, including any Lot and/or Residential Dwelling Unit owned by Developer or its successors or assigns, for model homes, sales displays, parking lots, sales offices, construction offices, any other type of office, or any combination of such uses.

The terms "business" and "trade", as used in this Section 12.6(a), shall be construed to have their ordinary, generally accepted meanings, and shall include without limitation, any occupation, work or activity undertaken on an on-going basis which involves the provision of goods and/or services to Persons other than the provider's family and for which the provider may receive a fee, compensation and/or other form of consideration, regardless of whether: such activity is engaged in full or part time; such activity is intended to or does generate a profit; or a license is required for the activity.

(b) **Lot Coverage and Living Area.** The maximum ground area to be occupied by Residential Dwelling Units and/or Improvements to be constructed upon the Lots and the minimum square footage of heated and air conditioned space within single family residences to be constructed thereon shall be as stated in the Design Guidelines which may be adopted by the ARB or the Association, as applicable.

(c) **Setbacks.** The building setbacks applicable to the Lots and the method of measurement thereof shall be as stated in the Design Guidelines adopted by the ARB or the Association, as applicable.

(d) **Landscaping.** Landscaping shall be installed on each Lot as stated hereafter:

(i) A detailed landscaping plan for each Lot must be submitted to and approved by the ARB at the time of initial construction of a residence on such Lot, pursuant to Article 9 of this Declaration. All plant material shall be of Florida Grade Number One or better. Maximum utilization of existing trees and shrubs, and natural landscaping techniques shall be encouraged. Sodding with St. Augustine, Bermuda or Paspalum grass varieties only will be required on all Lots. No seeding and/or sprigging shall be permitted. An underground automatic sprinkler system of sufficient size and capacity to irrigate all sodded and landscaped areas must be installed and maintained in good working order on all Lots. All Lots that are not landscaped or left in a natural wooded state shall be sodded and irrigated to the paved roadway and/or water's edge where such Lot abuts a roadway and/or body of water.

(ii) A minimum of fifty percent (50%) of all shrub material used in landscaping each Lot shall be drought resistant. Preservation of existing, native plants shall be encouraged.

(e) **Lakes.** Only the Developer, the Association and the CDD shall have the right to pump or otherwise remove any water from any lake, pond or other body of water

adjacent to, within or near the Property for the purpose of irrigation or other use, or to place any refuse in such lake, pond or other body of water. The Developer, the Association and the CDD shall have the sole and absolute right (but no obligation) to control the water level of such lakes, ponds and/or other bodies of water to control the growth and eradication of plants, fowl, reptiles, animals, fish and fungi in or on any such lakes, ponds and/or other bodies of water. No gas or diesel driven boat shall be permitted to be operated on any lake, pond or other body of water. All Lots which now or may hereafter be adjacent to or include a portion of a lake, pond or other body of water (the "water parcels") shall be maintained so that such grass, planting or other lateral support to prevent erosion of the embankment adjacent to the lake, pond or other body of water and the height, grade and contour of the embankment shall not be changed without the prior written consent of the Association. Further, all shoreline vegetation, including cattails and the like, shall be maintained and controlled by the Owner of any water parcel. If the Owner of a water parcel fails to maintain the embankment or shoreline vegetation as part of that Owner's landscape maintenance obligations in accordance with the foregoing, the Association shall have the right, but no obligation; to enter upon any such water parcel to perform such maintenance work which may be reasonably required, all at the expense of the Owner of such water parcel pursuant to the provisions of this Declaration. Title to any water parcel shall not include ownership of any riparian rights associated therewith. No docks, bulkheads, Improvements and/or other structures shall be constructed on such embankments unless and until same shall have been approved by the Developer. The Association shall have the right to adopt reasonable Rules and Regulations from time to time in connection with use of the surface waters of any lake, pond and/or other body of water within the Property. The Association shall have the right to deny such use to any Person who in the sole and absolute opinion of the Association may create or participate in the disturbance or nuisance on any part of the surface waters of any such lake, pond and/or other body of water. The use of the surface waters of any such lake, pond and/or other body of water shall be subject to rights granted to other Persons pursuant to the Rules and Regulations of the Association.

(f) **Obnoxious or Offensive Activity.** No activity or use shall be allowed upon the Property which is a source of annoyance, embarrassment and/or discomfort to the Owners or their family members, tenants, occupants, visitors, invitees and/or guests, or which interferes with the peaceful possession and proper use and enjoyment of the Property, nor shall any improper, unsightly, offensive and/or unlawful use be made of any Lot, Residential Dwelling Unit, CDD property and/or the Common Area, and all laws, ordinances, codes, rules and regulations of all applicable governmental bodies shall be observed. The Property shall be used, enjoyed and occupied in such manner as not to cause or produce any of the following effects discernible outside any Residential Dwelling Unit: noise or sound that is objectionable because of its volume, duration, beat, frequency or shrillness; smoke; noxious, toxic or corrosive fumes, chemicals and/or gases; obnoxious odors; trash; debris; construction materials; dust, dirt or fly ash; fire or explosive hazards; vibration; or interference with normal television, radio, telephone and/or other telecommunication reception by other Owners.

(g) **Animals and Pets.** No animals, livestock, reptiles, pets or poultry of any kind may be kept in and/or on any Lot and/or Residential Dwelling Unit or brought onto the Property by any Owner and/or that Owner's family members, tenants, guests, occupants, invitees, agents, and/or employees other than domesticated dogs, domesticated cats, fish and/or caged birds, all of which are usually and commonly kept as household pets (collectively "pets").

These pets may only be kept, maintained and/or allowed to reside in and/or on a Lot and/or Residential Dwelling Unit provided that such pets are: (a) in full compliance with the applicable law, ordinances and the Governing Documents; (b) under the control of the applicable Owner and/or that Owner's family members, tenants, guests, occupants, invitees, agents or employees at all times when the pet is on any Common Area and/or the pet is outside of that Owner's Residential Dwelling Unit; (c) not left unattended on any balconies, terraces, lanais, garages and/or covered patios; (d) quiet, inoffensive and generally not a nuisance and/or safety concern to any other Owners, tenants and/or occupants of another Lot; (e) not kept or raised for commercial purposes; and (f) not being boarded in exchange for compensation of any type. The Lot Owner and/or that Owner's family members, tenants, guests, occupants, invitees, agents and/or employees shall promptly pick up all solid waste material from their pet and dispose of that solid waste material appropriately. No solid waste material from any pet shall remain on any Common Area or any portion of the Property. Solid waste material from pets shall not be placed in trash containers maintained by the Association. Each Lot Owner and/or any family members, tenants, guests, occupants, invitees, agents and/or employees agree to fully pay for, and/or reimburse the Association for, all extermination costs necessitated by any pet. The Developer, the Association, the Board and the Association's property management company (if any) shall not be liable for any personal injury, death and/or property damage resulting from a violation of the restrictions on pets and animals. Any Owner, and/or that Owner's family member, tenant, guest, occupant, invitee, agent and/or employee committing any violation of the restrictions on pets and animals shall fully indemnify and hold harmless the Developer, the Association, the Board, each other Lot Owner and the Association's property management company in such regard. A violation of any rule or restriction on pets and animals shall entitle the Association to all of the Association's rights and remedies, including, but not limited to, the right to fine the applicable Owner and/or to require any pet or animal to be permanently removed from the Property. No Owner, and/or that Owner's family members, tenants, guests, occupants, invitees, agents and/or employees may keep more than three (3) of the permitted pets in and/or on any Lot. No reptiles, insects, livestock, poultry, swine or wildlife of any type shall be kept anywhere in and/or on the Property, including any Lot, Residential Dwelling Unit and any garage.

No pet shall be permitted to remain on the Property if that pet disturbs the tranquility of the Property, other Owners, tenants or occupants of any Lot, if a pet is unlawful, dangerous, aggressive, annoying, and/or a nuisance to or destructive of wildlife, or if that pet has been specifically excluded from the Property by the Board after notice. The Board may, in its sole discretion, have any pet removed and/or banned from the Property.

The Association may, from time to time, publish and impose additional reasonable rules and regulations regarding pets on the Property.

(h) **Garbage and Trash.** No trash, debris, lumber, metals, bulk materials, garbage or other waste material or refuse shall be kept, placed, stored and/or allowed to accumulate on any part of the Property, except building materials during the course of construction of any approved Residential Dwelling Unit. If trash, debris, waste, garbage and/or any other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, it may be placed by Owners in covered or sealed containers approved by the ARB. All such containers may be placed in the open the Owner not earlier than the evening

preceding pick-up at the end of a driveway on that Owner's Lot to be accessible to persons making such pick-up. All Owners shall remove the containers from sight no later than the evening of the pick-up. At all other times, all such containers must be stored within each dwelling or concealed by means of a wall, fence, landscape, hedges or other enclosure previously approved by the ARB, so that the containers cannot be seen from the sidewalks, streets and surrounding Lots. The Board or the ARB may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and/or type of containers permitted and/or the manner of storage of those containers.

(i) **Exterior Equipment.** All exterior air conditioning equipment, water treatment systems, well pumps, sprinkler pumps, pool and spa equipment and heaters, and other mechanical fixtures and equipment, all wood piles, and all exterior fuel tanks and other storage receptacles, shall be installed only within approved accessory buildings and/or screened areas so as not to be visible from any street and surrounding Lots, and they shall also comply with any additional standards established from time to time by the ARB and applicable law. Window air conditioning units are strictly prohibited. No wall-mounted air conditioning equipment will be permitted unless first approved by the ARB. All Plans for any exterior equipment, fixtures, pumps, tanks and/or storage of any type shall first be submitted to and approved by the ARB.

(j) **Burial of Pipe and Tanks.** No water pipe, gas pipe, sewer pipe, drainage pipe and/or storage tank shall be installed or maintained on the Property above the surface of the ground, except removable hoses and moveable pipes used on a temporary basis for irrigation purposes.

(k) **Weeds and Underbrush.** No weeds, trash, refuse, garbage, debris, underbrush and/or other unsightly growths shall be permitted to grow and/or remain upon any portion of the Property and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere on the Property. If any Owner fails and/or refuses to keep his or her Lot free of weeds, trash, refuse, garbage, debris, underbrush, sight obstruction, refuse piles and/or any other unsightly growths or objects, the Association may enter upon that Lot and remove the same at the expense of that Owner, pursuant to the provisions of Article 11 of this Declaration.

(l) **Vehicles and Parking.** The Board may, from time to time, promulgate Rules and Regulations, in addition to the provisions contained in this Declaration, relating to parking anywhere in and/or on the Property, including rules which restrict, limit and/or prohibit the use of any driveway, parking area or streets which may be in front of, adjacent to or part of any Lot as a parking place for any and all vehicles, including, but not limited to, personal passenger vehicles, trucks, commercial vehicles, trailers, recreational vehicles, sports utility vehicles, self-propelled motor homes, motorcycles, vans, buses, scooters, mini-motos, mopeds and/or boats (collectively "vehicles"). Such rules, if and when promulgated, shall have the same force and effect as if promulgated and initially made a part of this Declaration.

(i) **General Parking Requirements:**

1. No vehicles may be parked on any street within Palencia North and/or the Property. The intent of the Association is to restrict on-street parking for a more

aesthetic streetscape and safer vehicle access. Notwithstanding the above, the following exceptions shall exist: (a) Guests and visitors shall be permitted to park on the streets for no longer than six (6) continuous hours in any one day and then must park in the same fashion as is required for Owners, tenants and occupants. While parking within the Property, guests and visitors shall follow all parking rules and regulations; and (b) the Board may grant temporary exceptions when it deems appropriate (for example, but not limited to, large parties, holidays, parade of homes, special events at a dwelling, and special events at a Unit).

2. No vehicle shall ever be parked on any lawn, landscaped portion of any Lot, landscaped portion of the Common Area, CDD property and/or any other portion of the Property which is not specifically designed and intended for the parking of vehicles. No other parking pad or driveway may be built, installed, constructed, poured and/or created on any Lot without the prior written approval of the ARB.

3. Any signs, flags and/or banners that are prohibited under this Declaration or any rule adopted by the Board shall likewise be prohibited on vehicles parked anywhere on or traveling anywhere through the Property.

(ii) Permitted and Prohibited Vehicles/Exceptions:

1. Vehicles, no matter their size or length, with a camper top, bed enclosure, tool box, work racks and/or any other appendages attached to it, must be parked or stored so that they will not be visible from any street and not visible from any other Unit within the Property.

2. Commercial vehicles (which for purposes of this provision are defined as vehicles not designed and used for normal personal/family transportation, vehicles with work racks, tool racks and/or visible equipment, and/or vehicles bearing lettering, graphics, contact information, logos, advertising and/or any other commercial insignia) must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property. Even a vehicle used for normal personal/family transportation shall be considered a commercial vehicle for purposes of this provision and must be parked or stored completely out of sight if it has any lettering, graphics, contact information, logos, advertising and/or any other commercial insignia. Such lettering, graphics, contact information, logos, advertising and/or any other commercial insignia may also be completely covered with a magnetic or other type of covering of the same color of the vehicle, so that no portion of the lettering, graphics, contact information, logos, advertising and/or other commercial insignia is visible from the street and/or visible from any other Lot within the Property. Notwithstanding anything to the contrary contained in this Declaration, law enforcement vehicles (police, sheriff's office, highway patrol) shall not be deemed and/or considered to be commercial vehicles.

3. Unregistered, derelict and/or inoperable vehicles or trailers of any kind must be parked or stored so that they will not be visible from any street and not be visible from any other Lot within the Property. For purposes of this provision, derelict or inoperable vehicles, include but are not limited to, vehicles with no current license plate, vehicles with no current registration, and a vehicle incapable of self-propulsion.

4. Recreational vehicles (RV's), including a camper, mobile home, and motor home, no matter their size, all-terrain vehicles (ATV's or ATC's), dune buggies, scooters, go-carts, mini-motorcycles, boats and trailers of all types, must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property.

5. Delivery vans, service vans and buses, no matter their size, must be parked or stored so that they will not be visible from any street and not visible from any other Lot within the Property.

6. Motorized scooters, dune buggies, mini-motorcycles, mopeds, motorized skateboards, go-carts and all-terrain vehicles shall not be operated and/or used on any sidewalk, street, landscaped portions of the Common Area.

7. Notwithstanding the restrictions contained in this Section 12.6(l)(ii), all commercial and public service vehicles (including construction vehicles and vehicles owned by construction workers) present on and/or within the Property while performing work and/or services for or on behalf of Owners will be permitted on a temporary basis during the period of time that the work is being actually performed. However, this does not permit any overnight parking of any of these vehicles.

(iii) In addition to all other enforcement tools available to the Association, in accordance with Section 715.07 of the Florida Statutes, the Association and Developer shall have the right to tow violating vehicles at the owner's expense.

(m) **Visibility of Intersections.** No obstruction to visibility at street intersections shall be permitted; provided that the Association shall not be liable in any manner to any Person or entity, including but not limited to any Owner, family member, tenant, occupant, servant, employee, agent, contractor, subcontractor, licensee, visitor invitee and/or guest, for any loss or damage to property or personal injury arising from any violation of this section.

(n) **Flagpoles and Antennas.** Without the prior written approval of the ARB, no unscreened exterior radio, television, dish antenna, satellite television receiver, citizens band (CB) or amateur (ham) radio antenna, pole, mast, tower or any other antenna or device for sending or receiving electromagnetic or telecommunication signals may be built, placed, installed, located, erected, constructed and/or maintained on any Lot and/or Residential Dwelling Unit. Notwithstanding the foregoing, Developer and the Association shall be permitted to construct and/or maintain a master antenna system or systems within the Property without first receiving approval in writing by the ARB.

Without the prior written approval of the ARB, no flagpole will be permitted on any Lot and/or Residential Dwelling Unit; provided, however, an Owner may display on any given day only one (1) portable, removable United States flag or one (1) portable, removable official flag of the State of Florida in a respectful manner on that Owner's Lot. An Owner may also display on that Owner's Lot portable, removable official flags, no larger than four and one-half feet (4 1/2') by six feet (6'), which represent the United States Army, Navy, Air Force, Marine Corps,

or Coast Guard in a respectful manner on only the following days: Armed Forces Day, Memorial Day, Flag Day, Independence Day and Veterans Day.

(o) **Clothes Drying Area.** No portion of the Property shall be used as a drying or hanging area for laundry of any kind unless that area is fully screened from view by fencing and/or landscaping. No drying or hanging area for laundry shall be permitted to be visible from the streets or from any other Lot within the Property.

(p) **Temporary Structures.** No tents, trailers, vans, shacks, sheds, storage sheds, storage crates, portable storage devices, tanks, buildings, improvements, and/or structures of a temporary and/or portable character shall be permitted in and/or on the Property. This prohibition is subject to the qualification that Developer and any residential builder or development contractor authorized by Developer may erect and maintain temporary structures, staging and storage areas, trailers and mobile vehicles in the Property for the purpose of facilitating development, construction and sale of the Property, Lots and Residential Dwelling Units.

(q) **Underground Wires.** No lines and/or wires for communication and/or the transmission of electrical current and/or electromagnetic pulses shall be constructed, placed, run, laid and/or permitted to be placed on any Lot unless they are underground, or unless specifically approved and permitted in advance by the ARB.

(r) **Signs.** No signs, flags (other than those in Section 12.6(n) of this Declaration), banners, advertisements, billboards, logos, contact information, solicitation or advertising structures or materials of any kind shall be displayed and/or placed upon any Lot and/or Residential Dwelling Unit. Notwithstanding the foregoing, one (1) sign used solely in connection with the marketing of the Lot and/or Residential Dwelling Unit for sale or lease shall be permitted to be displayed on that Lot, but only after Developer is no longer selling any Lot and/or Residential Dwelling Unit within the Property in the ordinary course of business and such sign has first been approved by the ARB. The ARB shall have the authority to adopt Rules and Regulations regarding the appearance, size, display and any other details regarding for sale signs and/or for rent signs. No signs, flags, banners, advertisements, billboards, logos, contact information, solicitation or advertising structures or materials of any kind shall be displayed and/or placed on any vehicle on a Lot, other than those permitted under other sections of this Declaration. No signs, flags, banners, advertisements, billboards, logos, contact information, solicitation or advertising structures or materials of any kind (other than the one (1) sign used in connection with the marketing of the Lot for sale or lease after Developer is no longer selling any Unit within the Property in the ordinary course of business as described in this Section 12.6(r)) shall be displayed and/or placed in the interior of any Residential Dwelling Unit so that it is visible from the exterior of that Residential Dwelling Unit (as an illustration, but not a limitation, placing a sign in the window of the Residential Dwelling Unit so that it is visible from the sidewalks, streets or adjacent Lots within the Property). Developer and/or the Association may enter upon any Unit and remove and destroy any object which violates this Section 12.6(r). This Section 12.6(r) shall not apply to Developer or to any residential builder doing business in the Property provided that any such builder first obtains Developer's written approval of any such structures and/or materials prior to installing any structures and/or materials, such approval to be granted or denied by Developer in Developer's sole discretion.

(s) **Drainage.** Unless first approved by the ARB, the CDD and the District in writing, no Owner other than the Developer (and then only to the extent first approved by the District in writing) may obstruct, alter, change, redirect or in any way modify the method and/or structures of drainage utilized and/or installed by Developer, the CDD and/or the Association from, on or across any Lot, Common Area, CDD property and/or easement area; nor shall any structure or material be erected, placed and/or maintained which shall in any way obstruct such drainage devices or facilities, including buffer areas or swales, or impede their efficient operation. No elevation changes shall be permitted on any Lot which materially adversely affects the drainage of or to any neighboring Lot, portion of the Property and/or portion of the Common Area.

An Owner of a Lot within which any easement for drainage or retention lines are located shall be responsible for the maintenance of such areas to permit the flow and retention of water in accordance with the drainage and retention system plan required and approved by the applicable governmental agencies. If any Owner fails and/or refuses to comply with any part or all of the restrictions contained in this Section 12.6(s), the Association shall notify that Owner in writing, have the right to correct such failure and/or refusal, assess and collect the costs thereof as an Individual Assessment and the Association shall have a lien upon the Lot upon which the work was performed.

(t) **Cable Television.** Developer, its successors or assigns, and the Association shall have the right, but not the obligation, to install, or enter into contracts for the installation of, a cable television and/or satellite television system to provide cable and/or satellite television service(s) to the Lots. In connection with the installation, maintenance and/or operation of such systems, Developer and the Association reserve access, installation and service easements over, across, on, through and/or under the Property necessary to provide such cable and/or satellite television service(s) to the Lot. Such easements shall be reasonably located, if possible, by Developer and/or the Association so as to not unreasonably impair the value of use of any Lot.

(u) **Hedges, Walls and Fences.** There shall be no hedge, shrubbery, fence or wall constructed, built, placed, planted, erected and/or installed on any Lot or other portion of the Property unless the height, location, design, color and component materials are first submitted to and approved in writing by the ARB in accordance with Article 9 of this Declaration. Incidental to the approval of any hedge, fence or wall, the ARB may impose conditions and/or requirements applicable to such hedge, fence or wall, such as but not limited to a requirement for a landscape buffer on the exterior side of such hedge, fence or wall. Notwithstanding anything herein to the contrary, so long as any builders or contractors designated by Developer maintain any staging, storage and/or parking areas within the Property, they shall be entitled to hedge, fence or wall off any such area for only the term of such use, provided that Developer's written approval of each such hedge, fence or wall is obtained prior to construction, planting, placing and/or installation of the hedge, fence or wall. Hedges, fences and walls constructed, planted, placed and/or installed by Developer are exempt from compliance with this Section 12.6(u). Notwithstanding anything to the contrary contained herein, construction of any fence or wall, whether by the Developer or otherwise, which obstructs the surface water flow in swales shall be strictly prohibited.

(v) **Yard Accessories and Play Structures.** No temporary or permanent basketball hoop or backboard, skateboard or bicycle ramp, swing set, jungle gym, and/or other game or play structure of any type may be placed, built, located, constructed, erected and/or installed on any Lot without the prior written approval of the ARB. All such equipment must be not be placed, built, located, constructed, erected and/or installed on the front yard of any Lot, and all such equipment shall be completely screened from view so as not to be visible from any street or from any other Lot within the Property.

(w) **Leasing.** No Residential Dwelling Unit and/or Lot may be leased and/or rented for a term shorter than twelve (12) consecutive months. Any lease and/or rental agreement shall specifically provide that the lessee, tenant and all occupants of the leased Residential Dwelling Unit and/or Lot shall be bound by the terms of the Governing Documents.

(x) **Pools and Spas.** Swimming pools and/or spas may not be located in the front or side yard of any Lot, nor nearer than the Residential Dwelling Unit to any side street lot line. Location of any swimming pool and/or spa on any Lot must be first be submitted to and approved by the ARB. No above-ground swimming pools are permitted within the Property. Any above-ground spa and/or hot tub must first be submitted to and approved by the ARB. All materials, design and construction of swimming pools and/or spas shall meet standards generally accepted by the industry and shall comply with all applicable governmental regulations.

(y) **Tree Removal and Landscaping.** Except by Developer, existing trees measuring six inches (6") or more in diameter at three feet (3') or more above ground level shall not be cut and/or removed without the prior written consent of the ARB. More restrictive arbor ordinances and/or environmental laws shall control in the event of any conflict with this Declaration. There shall be no removal of trees or clearing, other than clearing of underbrush, until the ARB has approved in writing a landscape plan that designates those existing trees to be retained and preserved on the Lot.

(z) **Solar Heating Equipment.** Solar heating equipment of any type may not be installed, placed, built, constructed and/or mounted without the prior written consent of the ARB. In addition, no solar heating equipment will be permitted on the ground, and no solar heating equipment will be permitted on any roof areas that constitute part of the front elevation of a Lot and/or a side elevation of a Lot that is readily visible from any adjacent street or any other Lot.

(aa) **Oil, Gas and Minerals.** No oil, gas or mineral drilling, refining, quarrying or mining operations of any kind shall be permitted upon or in the Property, nor shall oil, gas or mineral equipment, wells, tunnels, excavations or shafts be permitted upon or in the Property. The operations and activities of Developer in developing the Property and of the Association and the CDD in operating, maintaining, repairing and replacing the Master Drainage System and/or any portion of the Property are exempt from the provisions of this Section 12.6(aa).

(bb) **Compliance with Laws.** Any activity which violates local, state or federal laws, ordinances, rules or regulations is prohibited on and/or in the Property; however, the Board shall have no obligation to take enforcement action in the event of any violation. The

Association, the Board and Developer are not empowered, nor have they been created, to act as an entity which enforces or ensures compliance with the laws of the United States, the State of Florida, the County or any other jurisdiction, or to prevent tortious activities.

(cc) **Mailboxes.** Before occupying a Lot in the Property, the Owner thereof shall install or have installed a mailbox of such type, design and decoration, and in such location on the Lot, as shall hereafter be designated by Developer and/or approved by the ARB. No other mailbox, paper box or other receptacle of any kind for use in the delivery of mail, newspapers, magazines and/or similar material(s) shall be placed, located, constructed and/or installed on any Lot. No mailbox may be altered, changed, modified, repaired and/or replaced without the prior written approval of the ARB.

(dd) **Security Bars and Hurricane Shutters.** No security bar system may be installed on the interior and/or exterior of any window or door of any dwelling in the Property, unless first approved in writing by the ARB. No hurricane shutters or any similar protective covering for the windows of a dwelling may be installed unless first approved in writing by the ARB. All hurricane shutters or similar protective window coverings shall be aesthetically pleasing or harmonious with the Governing Documents, Developer's development plan, the architectural pattern of the Property and/or the architectural scheme of the Property.

Severe storm weather has occurred in St. Johns County, Florida, and the following shall apply to temporary measures that may be taken by any Owner: Storm shutters, hurricane shutters, plywood, tape and/or similar protective window coverings of any type may be applied, installed and/or placed no sooner than three (3) days before the arrival of a named storm based on the projected arrival time of that named storm by the National Weather Service and/or the National Hurricane Center. All storm shutters, hurricane shutters, plywood, tape and/or similar protective window coverings of any type must be removed, taken down and/or taken off no later than five (5) days after the specific named storm and/or threat of that named storm has passed the Palencia North area.

(ee) **Window Treatments.** Any window treatments of any kind that are visible from the exterior of a Residential Dwelling Unit shall be compatible with the exterior design and color of that Residential Dwelling Unit. The following shall not be used as window treatments and/or window coverings: sheets, towels, flags, aluminum foil and/or any material not specifically designed to be a window treatment, which shall be determined by the ARB in its sole and absolute discretion.

(ff) **Irrigation of Lots.** All Owners shall install and/or have installed an underground, fully automatic irrigation system, unless local governmental agencies and/or the Association preclude or waive in writing such installation. Any irrigation system and applicable Plans must first be submitted to and approved by the ARB. The Plans relating to any irrigation system shall, at a minimum, indicate the location, type and size of water meter, backflow prevention device, automatic and manual valves, valve boxes, spray heads, rotor heads, mainline piping, lateral zone piping with sizes indicated, time clock, automatic rain sensor/shut-off device, sleeves and wiring for irrigation distribution lines.

(gg) **Lighting.** No exterior lighting fixtures of any kind shall be installed on any Lot and/or Residential Dwelling Unit without adequate and proper shielding of those fixtures. No lighting fixture shall be installed that may be and/or may become an annoyance and/or a nuisance to the Owners and/or occupants of adjacent Lots. All exterior lighting, excluding that which may be installed initially by Developer, must first be submitted to and approved by the ARB. No colored light source of any kind shall be permitted within the Property, except for holiday lighting which must comply with any rules, regulations and/or Design Guidelines regarding such lighting that may be adopted by the Association and/or the ARB, including but not limited to, length of time to be displayed on any Lot and/or Residential Dwelling Unit.

(hh) **Firearms.** Discharge of firearms of any type is prohibited on and/or in the Property; provided, Developer, the Association, the Board, the Association's Directors, officers, employees and agents shall not have any duty to become physically involved to stop any such discharge. For purposes of this Section 12.6(hh), "Firearms" shall include, but are not limited to the following: handguns, rifles, shotguns, BB guns, crossbow, paintball guns and any other type of weapon that expels a projectile of any type.

(ii) **Wildlife.** There shall be no capturing, trapping, and/or killing of any wildlife within the Property (other than by or on behalf of the Association or Developer, or by a representative or designee of a governmental agency), except in circumstances posing an imminent threat to the safety of any person or entity within the Property.

Any activities by any Person or entity other than Developer or its designees which materially disturb and/or destroy the vegetation, wildlife and/or air quality within the Property shall be prohibited within the Property (except as approved pursuant to this Declaration). Any activity which uses excessive amounts of water and/or which results in unreasonable levels of sound or light pollution is prohibited within the Property.

(jj) **Timeshares.** No Lot and/or Residential Dwelling Unit shall be owned and/or used in multiple or timeshare ownership requiring registration pursuant to the provisions of Florida law.

(kk) **Holiday Displays.** Owners shall be permitted to display religious and/or holiday signs, symbols and decorations on their respective Lots and/or Residential Dwelling Units of the kinds normally displayed inside or outside of dwellings located in a residential community. However, the Association may adopt reasonable time, place and manner restrictions, including but not limited to design criteria and length of time the display is visible, for the purpose of minimizing damage, preventing an unsightly appearance and/or minimizing disturbance to other Owners, tenants and/or occupants.

(ll) **Ornamentation and Statuaries.** Ornaments, statuaries and lawn decorations of any size or type, including but not limited to bird feeders, statues, fountains, gazing balls, gnomes, planters and signs may not be installed without first obtaining the approval of the ARB. Because ornaments, statuaries and/or lawn decorations become an integral part of the overall landscape aesthetics of the Property, no such items may be installed, placed, planted and/or located on a Lot without first obtaining the approval of the ARB. To implement this

requirement, the ARB may adopt and amend, from time to time, standards for such ornaments, statuary, and/or lawn decorations.

(mm) **Natural Gas Service.** Each Residential Dwelling Unit shall be plumbed with natural gas connections suitable for connection with the central natural gas distribution system and lines that are located or to be located within the Property, so as to permit natural gas heating systems and appliances to be installed within each Residential Dwelling Unit. Further, each Residential Dwelling Unit shall be initially constructed with an energy efficient natural gas home heating system, an energy efficient natural gas water heater, and the necessary piping, equipment and facilities to permit the installation of an energy efficient, pilotless, natural gas range and natural gas dryer. The appliances in this Section 12.6(mm) shall be deemed to be "energy efficient" if such appliances qualify for payment of allowances by Peoples Gas System (a division of Tampa Electric Company) pursuant to its energy conservation plan on file with and approved by the Florida Public Service Commission at the time of installation. The Association shall have the right in the case of reasonable hardship, in its sole and absolute discretion, to waive the requirements and provisions of this Section 12.6(mm).

(nn) **Waiver.** No delay in enforcing any of the terms, conditions, restrictions and provisions of this Declaration or any of the Governing Documents as to any breach and/or violation thereof shall impair, damage or waive the right of Developer and/or the Association to enforce this Declaration and/or any of the Governing Documents. No delay will impair, damage or waive the right of Developer, the CDD and/or the Association to obtain relief against or recovery for continuation and/or repetition of any such breach and/or violation or of any similar breach and/or violation of this Declaration and/or any of the Governing Documents at a later time or times.

(oo) **Variances.** The Board shall have the right and power to grant variances from the provisions of Section 12.6 of this Declaration and from the Association's Rules and Regulations that have been adopted for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the provisions of this Section 12.6 in any instance in which such variance is not granted.

ARTICLE 13 **AMENDMENT**

Section 13.1 **By Developer.** Until termination of the Class B membership, Developer specifically reserves for itself, its successors and assigns, the absolute and unconditional right to alter, modify, change, revoke, rescind, amend, and/or cancel any part of all of this Declaration or the restrictive covenants contained in this Declaration or hereinafter included in any subsequent Declaration. No approval or joinder in any such alteration, modification, change, revocation, rescission, amendment and/or cancellation from either the Association or any Owner will be required. No modification, change, alteration, revision, and/or amendment required by any governmental agency will be deemed to materially or adversely affect Owners or any other interested party.

Section 13.2 **By Members.** This Declaration may be amended at any time by the affirmative vote or written consent, or any combination thereof, of Members Eligible To Vote representing at least two-thirds (2/3) of the total votes in the Association (without regard to class). A vote on any proposed amendment(s) may occur at any duly called and noticed meeting of the Association's membership at which a quorum is present, and the Members Eligible To Vote may vote either in person or by proxy. If any proposed amendment to this Declaration is approved by the Members Eligible To Vote, the President and Secretary of the Board shall execute a Certificate of Amendment which shall set forth the text of the amendment, the effective date of the amendment, the date of the meeting of the Association's membership at which such amendment was adopted, the date that notice of the meeting was given, the total number of Members Eligible To Vote 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. The Association must record this Certificate of Amendment in the Public Records of St. Johns County, Florida. The Certificate of Amendment shall be conclusive as to all parties, and all parties of any nature whatsoever shall have the full right to rely upon that Certificate of Amendment.

Notwithstanding anything in this Section 13.2 to the contrary, no amendment may remove, revoke and/or modify any right and/or privilege of Developer (while Developer has Class B membership) without the written consent of Developer or the successor in interest or assignee of such right and/or privilege. No amendment may impair the validity and/or priority of the lien of any Mortgage held by a Mortgagee or impair the rights granted to Mortgagees herein without the prior written consent of such Mortgagees. Any amendment to this Declaration which alters any provision relating to any portion of the Master Drainage System (including environmental conservation areas of the Common Area and the water management portions of the Common Area), beyond maintenance in its original condition, must first be submitted to and approved by the CDD (if the CDD is responsible for the operation and maintenance of the Master Drainage System) and the District, and if written consent from the CDD and the District is not obtained, any such amendment will not be implemented.

Section 13.3 **Proposal of Amendments.** A proposed amendment may be initiated and/or proposed by Developer, the Board, or a petition signed by forty percent (40%) of the Owners. If a proposed amendment is to be adopted by Members pursuant to Section 13.2 of this Declaration, a written copy of the proposed amendment shall be furnished to each Owner at least thirty (30) days but not more than ninety (90) days prior to the meeting where the vote on that proposed amendment will take place.

Section 13.4 **Effective Date.** If a different effective date is not specified, any amendment to this Declaration shall be effective upon the recording of the amendment (if by Developer) or the Certificate of Amendment (if by Members) in the Public Records of St. Johns County, Florida. Any procedural challenge to an amendment must be made within three (3) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

ARTICLE 14

THIRD PARTY APPROVAL RIGHTS

Section 14.1 **HUD, FHA or VA.** Notwithstanding anything in this Declaration to the contrary, as long as Class B membership exists, if any one or more of HUD, FHA or VA requires approval and/or consent by it or them to annexation of Additional Property, any merger or consolidation involving the Association, the placing of any Mortgage lien on the Common Area, dedication to the public of any Common Area, any amendment of this Declaration, or dissolution of the Association, by any one or more of said agencies as a condition of making, insuring or purchasing loans on Lots, Residential Dwelling Units, Commercial Improvements and/or Building Sites within the Property, and any such loan has been approved, insured or purchased by the applicable agency at the time of the proposed annexation, merger, consolidation, mortgaging, dedication, amendment or dissolution, then the required consent or approval shall be obtained.

Section 14.2 **District.** Any amendment to this Declaration which alters any provisions relating to any portion of the Master Drainage System, including but not limited to, those contained in the District Permit, beyond maintenance in their respective original conditions, including the water management portions of the Common Area, must have the prior written approval of the District.

ARTICLE 15 **ENFORCEMENT**

Section 15.1 **Compliance by Owners.** Every Owner and all family members, tenants, guests, agents, contractors, subcontractors, servants, employees, visitors, licensees and invitees of each Owner shall comply with the Governing Documents.

Section 15.2 **Enforcement.** If any Owner, or any family member, tenant, occupant, agent, employee, invitee, contractor, subcontractor, visitor and/or guest of an Owner violates, fails to comply with and/or refuses to comply with any of the restrictions, terms, conditions, covenants, rules, regulations, and/or any provisions contained in any of the Governing Documents, as they may be amended from time to time, the Association shall be entitled to:

- (a) Take any action or remedy at law;
- (b) Take any action or remedy to recover damages;
- (c) Take any action or remedy in equity;
- (d) Seek injunctive relief;
- (e) Seek or take any declaratory action;
- (f) Seek arbitration;
- (g) Seek mediation;
- (h) Take any administrative action or remedy (including, but not limited to mediation and arbitration through the applicable agency of the State of Florida);

- (i) Levy a fine pursuant to Section 15.5 of this Declaration;
- (j) Impose a suspension of Common Area use rights pursuant to Section 15.5 of this Declaration;
- (k) Utilize self-help, where permitted by the Governing Documents, including but not limited to towing vehicles, entering upon any Lot and/or Building Site to perform maintenance, repair, replacement and/or cleaning and entering upon any Lot and/or Building Site to remove any construction, Improvement, modification, alteration, repair, replacement and/or addition that was not approved by the ARB; or
- (l) Do any combination of Section 15.2(a) through and including Section 15.2(k).

The remedies recited in this Section 15.2 shall be cumulative of all other legal, administrative and equitable remedies now or hereafter provided by Florida law or the Governing Documents and all such remedies may be exercised and pursued singly, sequentially or in any combination. The failure of Developer, the Association, the CDD or any Owner to enforce any covenant, condition, term, provision, restriction, obligation, rule, regulation, right, power, privilege and/or reservation contained in any of the Governing Documents, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation occurring prior or subsequent thereto.

Section 15.3 Entitlement to Attorneys' Fees. The prevailing party in any action at law, action for damages, action in equity, action for injunctive relief, administrative action, declaratory action, or any combination thereof, for any violation of any of the conditions, covenants, terms, rules, regulations and/or provisions of any of the Governing Documents shall be entitled to recover all of its Enforcement Cost, reasonable attorneys' fees, paralegal fees, legal assistant fees, costs, expenses, appellate attorneys' fees, appellate costs, and appellate expenses.

Section 15.4 Enforcement by District. The District and the CDD shall also have the right to enforce, by a proceeding at law or in equity, the provisions of this Declaration which relate to maintenance, operation and repair of the Master Drainage System.

Section 15.5 Fines and Suspensions. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board, a fine or fines may be imposed upon an Owner for failure and/or refusal of an Owner and/or that Owner's tenants, occupants, licensees, invitees, employees, contractors, subcontractors, visitors and/or guests to comply with any covenant, condition, term, provision, restriction, rule or regulation contained in any of the Governing Documents. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board, a suspension of the ability to use Common Area (and any facilities that may be located on the Common Area) may be imposed upon an Owner and/or any tenant, agent, guest, employee, contractor, subcontractor, visitor or invitee of that Owner for the failure and/or refusal of an Owner and/or that Owner's tenants, guests, employees, agents, contractors, subcontractors, visitors and/or invitees to comply with any covenant, condition,

term, provision, restriction, rule or regulation contained in any of the Governing Documents. Fine(s) and/or suspension(s) may be imposed provided the following procedures are adhered to:

(a) **Notice.** The Association shall notify the Owner of the alleged violation(s) and the proposed fine(s) and/or the proposed suspension(s). Included in the notice shall be the date and time of a meeting of the Association's Covenant Enforcement Committee ("CEC") at which time the Owner may present reasons why the proposed fine(s) and/or suspension(s) should not be imposed. At least fourteen (14) days' notice of such meeting shall be given to the Owner. Notice will be deemed to have been given when it is either personally delivered or deposited in the United States Mail, postage prepaid, and sent to the address of that Owner on file in the official records of the Association. The Association may provide a single notice and opportunity for a hearing to an Owner for any alleged violation(s) of a continuing nature.

(b) **Covenants Enforcement Committee.** All hearings regarding the proposed fine(s) and/or suspension(s) shall be conducted by the Covenants Enforcement Committee ("CEC"). The CEC shall consist of at least three (3) members who are appointed by the Board. The members of the CEC serve at the pleasure of the Board and may be removed at any time with or without cause. Members of the CEC cannot neither be officers, Directors or employees of the Association, nor the spouse, parent, child, brother or sister of any officer, Director or employee of the Association.

(c) **Hearing.** The alleged violation(s) shall be presented to the CEC by the Board and/or an agent designated by the Board after which the CEC shall hear reasons why the proposed fine(s) and/or suspension(s) should not be imposed. A written decision of the CEC shall be submitted to the Owner no later than thirty (30) days after the date of the CEC meeting. The Owner shall have a right to be represented by counsel and to cross-examine witnesses. Failure by an Owner to contest and/or object to any proposed fine(s) and/or suspension(s) in accordance with these procedures shall constitute a waiver of that Owner's rights to further contest the proposed fine(s) and/or suspension(s). The CEC, by majority vote, must approve any proposed fine(s) and/or suspension(s) in order for the fine(s) and/or suspension(s) to be imposed.

(d) **Amounts of Fine(s).** The Board may recommend, and the CEC impose, fine(s) in the following amounts:

(i) One Hundred Dollars and no cents (\$100.00) for each violation. A fine or fines may be levied on the basis of each day of a continuing violation.

(ii) No fine or fines for a continuing violation shall exceed Five Thousand Dollars and no cents (\$5,000.00) in the aggregate.

(e) **Payment and Collection of Fines.** A fine or fines that are imposed on an Owner by the CEC shall be paid to the Association within thirty (30) days of the date of the written decision of the CEC. In any action to recover a fine or fines, the prevailing party shall be entitled to collect its reasonable attorneys' fees and costs.

(f) **Application of Proceeds.** All monies received from a fine or fines shall be allocated and/or used as determined by the Board.

(g) **Non-exclusive Remedy.** Any fine or fines imposed shall not be construed to be an exclusive remedy, and shall exist in addition to all other rights and remedies to which the Association may be otherwise entitled to under Florida law or the Governing Documents; provided, however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

(h) **Length of Suspension.** The Board may recommend, and the CEC impose a suspension or suspension(s) for a period of time which is the longer of sixty (60) days or during the term of a continuing violation. Any suspension or suspensions imposed shall not be construed to be an exclusive remedy, and shall exist in addition to all other rights and remedies to which the Association may be otherwise entitled to under Florida law or the Governing Documents.

(i) **Exceptions.** This Section 15.5 shall not apply to any suspension of voting rights of a Member imposed by the Board when that Member fails to pay Assessments when they are due. This Section 15.5 shall also not apply to any fine or fines imposed by the Board when an Owner fails to pay Assessments or any other charges when they are due.

Section 15.6 Agreement to Encourage Resolution of Disputes Without Litigation.

(a) The Developer, the Association (and its officers, Directors and committee members), each Neighborhood Association (and their respective officers, directors and committee members), all Owners, all Persons subject to this Declaration and any Person not otherwise subject to this Declaration who agrees to submit to this Section 15.6 (collectively, the "Bound Parties"), agree that it is in the best interest of all concerned to encourage the amicable resolution of disputes involving the Property without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees to not file a claim and/or lawsuit of any type in any court with respect to a Claim (as that term is defined in Section 15.6(b) of this Declaration), unless and until that Bound Party has first submitted that Claim to the alternative dispute resolution procedures set forth in Section 15.7 of this Declaration in a good faith effort to resolve such Claim.

(b) As used in Sections 15.6 and 15.7 of this Declaration, the term "Claim" shall mean and refer to any claim, grievance and/or dispute arising out of or relating to:

- (i) the interpretation, application and/or enforcement of the Governing Documents;
- (ii) the rights, obligations, responsibilities and/or duties of any Bound Party under the Governing Documents; and/or
- (iii) the design and/or construction of any improvements, building, structures, landscaping, facilities, and/or amenities within the Property, other than matters of aesthetic judgment as set forth in Article 9 of this Declaration, which shall not be subject to review and shall not be subject of Sections 15.6 and 15.7 of this Declaration.

(c) The following shall not be considered "Claims" unless all Bound Parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 15.7 of this Declaration:

(i) any suit, action, lawsuit, litigation, and/or any enforcement proceeding to collect Assessments and/or other amounts due from any Owner;

(ii) any suit, action, lawsuit and/or any enforcement proceeding to obtain a temporary restraining order, emergency equitable relief and/or such ancillary relief as a court may deem necessary in order to maintain the status quo and/or preserve the Association's ability to enforce the terms, provisions, covenants, conditions and/or restrictions of this Declaration, including but not limited to, Rules and Regulations regarding maintenance of the Property and/or community standards;

(iii) any suit, action, lawsuit and/or enforcement proceeding that does not include the Developer and/or the Association as a party, if such suit, action, lawsuit and/or enforcement proceeding asserts a Claim that would constitute a cause of action independent of the Governing Documents;

(iv) any dispute that affects the material rights and/or obligations of a Person who is not a Bound Party and has not agreed to submit to the procedures set forth in Section 15.7 of this Declaration; and

(v) any suit, action, lawsuit, claim and/or enforcement proceeding as to which any applicable statute of limitations would expire within one hundred eighty (180) days of giving the Notice required by Section 15.7 of this Declaration unless the Person or Persons against whom the Claim is made agree to toll, or extend, the Claim's statute of limitations to comply with Sections 15.6 and 15.7 of this Declaration.

Section 15.7 **Dispute Resolution Procedures.**

(a) The Bound Party asserting a Claim (the "Claimant") against another Bound Party (the "Respondent") shall give written notice ("Notice") by mail or personal delivery to each Respondent and to the Board of Directors, stating plainly and concisely:

(i) the nature of the Claim, including the Persons involved and the Respondent's role in the Claim;

(ii) the legal basis of the Claim (as an example, but not as a limitation, the specific authority out of which the Claim arises);

(iii) the Claimant's proposed resolution and/or remedy; and

(iv) the Claimant's desire to meet with the Respondent to discuss, in good faith, ways to resolve the Claim.

(b) The Claimant and Respondent shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested

in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the parties in negotiating a resolution of the Claim.

(c) If the parties have not resolved the Claim through negotiation within thirty (30) days of the date the Notice was mailed or personally delivered to the applicable Respondent (or within such other agreed upon period of time), the Claimant shall have thirty (30) additional days to submit the Claim to mediation with an entity designated by the Association (if the Association is not a party to the Claim) or to an independent agency providing dispute resolution services in the St. Johns County area. Each Bound Party shall present the mediator with a written summary of the Claim.

If the Claimant does not submit the Claim to mediation within such time, or does not appear for and/or participate in good faith in the mediation when that mediation is scheduled, the Claimant shall be deemed to have waived the Claim, and the Respondent shall be relieved of any and all liability to the Claimant (but not to third parties, if any) on account of such Claim.

If the parties do not settle the Claim within thirty (30) days after submission of the matter to mediation or within such time as determined reasonable by the mediator, the mediator shall issue a notice of termination of the mediation proceedings indicating that the parties are at an impasse and the date that mediation was terminated. The Claimant shall thereafter be entitled to file suit and/or to initiate administrative proceedings on the Claim, as appropriate.

Each Bound Party shall bear its own costs of the mediation, including but not limited to, attorneys' fees, and each Bound Party shall pay an equal share of the mediator's fees.

Notwithstanding anything contained in this Section 15.7(c), in any dispute as to which the Association is a party, the parties may waive mediation by mutual agreement and proceed to file suit and/or initiate other proceedings.

(d) Any settlement of the Claim through negotiation and/or mediation shall be documented in writing and signed by the parties. If any Bound Party thereafter fails to abide by the terms of such an agreement, then any other party may file suit and/or initiate administrative proceedings to enforce such agreement without the need to comply again with the procedures set forth in Section 15.7 of this Declaration. In such an event, the party taking action to enforce the agreement and/or award shall, upon prevailing, be entitled to recover from the non-complying party (or if more than one (1) non-complying party, from all such non-complying parties in equal proportions) all costs incurred in enforcing such agreement and/or award, including but not limited to, attorneys' fees, court costs and expenses.

(e) Any dispute between an Owner and the Developer, including Claims which remain after conclusion of the dispute resolution procedures described in Section 15.7 of this Declaration, shall be resolved by final and binding arbitration in accordance with this Section 15.7(e). Such disputes shall not be submitted as a lawsuit and/or any other proceeding in any state court of Florida and/or any federal court. Notwithstanding the foregoing, disputes affecting the material rights and/or obligations of a third party who is not a party to or bound by such arbitration shall not be subject to this Section 15.7(e). This Section 15.7(e) is an agreement to arbitrate and is specifically enforceable under Florida law. Judgment may be entered upon the

arbitration award in any court of competent jurisdiction to the fullest extent permitted under Florida law.

The Owner and/or Developer, as applicable, shall have until expiration of the applicable statute of limitations under Florida law (as would apply to the same claim being brought in a Florida and/or federal court) to submit the dispute to the American Arbitration Association for arbitration in St. Johns County, Florida. The American Arbitration Association shall appoint one (1) neutral arbitrator to conduct the arbitration in accordance with its rules, unless all of the parties to such dispute agree to a greater number of arbitrators. The arbitrator(s) shall render a written judgment accompanied by findings of fact and conclusions of law.

If not timely submitted to arbitration and/or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and the Respondent shall be released and discharged from any and all liability to the Claimant arising out of the dispute. The parties shall share equally the costs of conducting the arbitration until a prevailing party is determined; provided, the prevailing party shall be entitled to recover all of its costs incurred in the action, including but not limited to, reasonable attorneys' fees, costs and expenses.

(f) Any dispute between the Association and the Developer, including Claims which remain after conclusion of the dispute resolution procedures described in Section 15.7 of this Declaration, shall be resolved by final and binding arbitration in accordance with this Section 15.7(f). Such disputes shall not be submitted as a lawsuit and/or any other proceeding in any state court of Florida and/or any federal court. Notwithstanding the foregoing, disputes affecting the material rights and/or obligations of a third party who is not a party to or bound by such arbitration shall not be subject to this Section 15.7(f). This Section 15.7(f) is an agreement to arbitrate and is specifically enforceable under Florida law. Judgment may be entered upon the arbitration award in any court of competent jurisdiction to the fullest extent permitted under Florida law.

The Association and/or Developer, as applicable, shall have until expiration of the applicable statute of limitations under Florida law (as would apply to the same claim being brought in a Florida and/or federal court) to submit the dispute to the American Arbitration Association for arbitration in St. Johns County, Florida. The American Arbitration Association shall appoint one (1) neutral arbitrator to conduct the arbitration in accordance with its rules, unless all of the parties to such dispute agree to a greater number of arbitrators. The arbitrator(s) shall render a written judgment accompanied by findings of fact and conclusions of law.

If not timely submitted to arbitration and/or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and the Respondent shall be released and discharged from any and all liability to the Claimant arising out of the dispute. The parties shall share equally the costs of conducting the arbitration until a prevailing party is determined; provided, the prevailing party shall be entitled to recover all of its costs incurred in the action, including but not limited to, reasonable attorneys' fees, costs and expenses.

(g) Any dispute between any Neighborhood Association and the Developer, including Claims which remain after conclusion of the dispute resolution procedures described in Section 15.7 of this Declaration, shall be resolved by final and binding arbitration in accordance with this

Section 15.7(g). Such disputes shall not be submitted as a lawsuit and/or any other proceeding in any state court of Florida and/or any federal court. Notwithstanding the foregoing, disputes affecting the material rights and/or obligations of a third party who is not a party to or bound by such arbitration shall not be subject to this Section 15.7(g). This Section 15.7(g) is an agreement to arbitrate and is specifically enforceable under Florida law. Judgment may be entered upon the arbitration award in any court of competent jurisdiction to the fullest extent permitted under Florida law.

The Neighborhood Association and/or Developer, as applicable, shall have until expiration of the applicable statute of limitations under Florida law (as would apply to the same claim being brought in a Florida and/or federal court) to submit the dispute to the American Arbitration Association for arbitration in St. Johns County, Florida. The American Arbitration Association shall appoint one (1) neutral arbitrator to conduct the arbitration in accordance with its rules, unless all of the parties to such dispute agree to a greater number of arbitrators. The arbitrator(s) shall render a written judgment accompanied by findings of fact and conclusions of law.

If not timely submitted to arbitration and/or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and the Respondent shall be released and discharged from any and all liability to the Claimant arising out of the dispute. The parties shall share equally the costs of conducting the arbitration until a prevailing party is determined; provided, the prevailing party shall be entitled to recover all of its costs incurred in the action, including but not limited to, reasonable attorneys' fees, costs and expenses.

Section 15.8 **Initiation of Litigation by Association.** In addition to compliance with the alternative dispute resolution procedures as set forth in Sections 15.6 and 15.7 of this Declaration, if applicable, the Association shall not initiate any judicial and/or administrative proceeding unless first approved by at least seventy-five percent (75%) of all Members Eligible to Vote, and such vote is held at a duly called meeting of the Association's Members at which a quorum has been attained. Notwithstanding the foregoing approval requirement, no such approval shall be required for actions and/or proceedings:

- (a) initiated while Developer has Class B membership;
- (b) initiated to enforce the terms, provisions, covenants, conditions and/or restrictions of this Declaration, including but not limited to, collection of Assessments and foreclosure of liens;
- (c) initiated to challenge *ad valorem* taxation and/or condemnation proceedings;
- (d) initiated against any contractor, vendor and/or supplier of goods and/or services arising out of, related to and/or connected with a contract for services, supplies and/or goods; and/or
- (e) to defend claims filed against the Association and/or to assert counterclaims in proceedings instituted against the Association.

This Section 15.8 shall not be amended unless such amendment is first approved by the same percentage of votes necessary to institute any judicial and/or administrative proceedings (seventy-five percent (75%) of all Members Eligible to Vote).

ARTICLE 16 **MORTGAGE PROTECTION**

Section 16.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage on a Lot and/or Building Site who provides a written request to the Association (such request must state the name and address of such holder, insurer or guarantor and the Lot and/or Building Site number, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of the following:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot and/or Building Site on which there is a first Mortgage held, insured or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of Assessments and/or charges owed by an Owner of a Lot and/or Building Site subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any Eligible Holder, upon written request, is entitled to written notice from the Association of any default in the performance of an Owner of a Lot and/or Building Site of any obligation under the Governing Documents which is not cured within sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specific percentage of Eligible Holders.

(e) The Association's failure to provide the written notice to an Eligible Holder pursuant to this Section 16.1 shall not subject the Association to damages and/or otherwise diminish the Association's rights under this Declaration.

Section 16.2 Taxes and Other Charges. After forty-five (45) days' written notice to the Association, any holder, insurer or guarantor of a first Mortgage on a Lot and/or Building Site shall have the right to pay, singly or jointly, taxes and/or other charges that are delinquent and have resulted or may result in a lien against or loss of the Association's title to any portion of the Common Area, and to receive prompt reimbursement from the Association.

Section 16.3 Insurance Premiums. After forty-five (45) days' written notice to the Association, any holder, insurer or guarantor of a first Mortgage on a Lot and/or Building Site shall have the right to pay, singly or jointly, any overdue premiums on any casualty insurance policy covering the Common Area and/or obtain, singly or jointly, new casualty insurance coverage on the Common Area upon the lapse of a policy and, in either case, receive prompt reimbursement from the Association.

Section 16.4 **Voting Rights of Mortgagee.** For purposes of this Section 16.4, an Eligible Holder of a first Mortgage shall be entitled to one (1) vote for each first Mortgage held, insured or guaranteed.

(a) Unless at least two-thirds (2/3) of the first Mortgagees or Members Eligible To Vote representing at least two-thirds (2/3) of the total votes of the Association (other than Developer) approve, the Association shall not:

(i) By act or omission abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly. The granting of easements for public utilities and/or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this Section 16.4(a)(i);

(ii) Change the method of determining the obligations, Assessments, dues and/or other charges which may be levied against an Owner. A decision by the Board, including but not limited to contracts, shall not be subject to this provision where such decision is otherwise authorized by this Declaration;

(iii) By act or omission change, waive, abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots, Building Sites, Residential Dwelling Units, Commercial Improvements and the Common Area. The issuance and amendment of architectural standards, procedures, rules and regulations, and/or use restrictions shall not constitute a change, waiver, and/or abandonment within the meaning of this provision;

(iv) Fail to maintain any insurance required by this Declaration

(v) Use casualty insurance proceeds for any Common Area losses for any purpose other than the repair, replacement and/or reconstruction of such Common Area. However, any surplus or net funds remaining following the repair, replacement and/or reconstruction of such Common Area may be allocated and/or used for any purpose as determined by the Board.

(b) Any election to terminate the Association shall require: the approval of at least fifty-one percent (51%) of the Eligible Holders if the election to terminate the Association is the result of substantial destruction or a substantial taking in condemnation or eminent domain of the Property; or the approval of at least seventy-five percent (75%) of the Members Eligible To Vote representing the total votes of the Association and two-thirds (2/3) of the Eligible Holders.

(c) If a portion of the Property is either condemned, destroyed or damaged by a hazard that is insured against, restoration, replacement and/or repair shall be performed substantially in accordance with the provisions of this Declaration and the original plans and specifications for the Property unless fifty-one percent (51%) of the Eligible Holders approve the taking of some other action by the Association.

Section 16.5 **No Priority.** No provision of this Declaration or any of the Governing Documents gives and/or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of a Lot and/or Building Site in the case of distribution to such Owner of insurance proceeds or condemnation payments or awards for losses to and/or a taking of the Common Area.

Section 16.6 **Notice to Association.** Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder, insurer, or guarantor of any Mortgage encumbering such Owner's Lot(s) and/or Building Site(s).

Section 16.7 **Applicability of this Article 16.** Nothing contained in this Article 16 shall be construed and/or interpreted to reduce the percentage vote that must be obtained under this Declaration, the Articles, the Bylaws or Florida law for any of the acts set out in this Article 16.

Section 16.8 **Failure of Mortgagee to Respond.** Any Mortgagee who receives a written request from the Association to respond to and/or consent to any action shall be deemed to have automatically approved such action if the Association does not receive a written response from that Mortgagee within thirty (30) days of the date of the Association's request.

ARTICLE 17 **DURATION AND TERMINATION**

This Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by Developer, the Association and any Owner, and their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded in the Public Records of the County. Upon the expiration of the initial twenty-five (25) year period, this Declaration and each Supplemental Declaration shall be automatically renewed and extended for successive periods of ten (10) years. 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. However, there shall be no renewal or extension of this Declaration if during the last year of any ten (10) year renewal period, Members Eligible To Vote representing at least eighty percent (80%) of the total votes of the Association vote in favor of termination this Declaration at the end of its then-current term, and both the City and the St. Johns River Water Management District approve such termination in writing.

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 that meeting. If the required number of Members Eligible To Vote approve the termination of this Declaration, the President and Secretary of the Board shall execute a Certificate which sets forth the resolution of termination adopted by the Association, the date of the meeting of the Association's Members at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members Eligible To Vote, the total number of votes required to constitute a quorum at a meeting of the Association's Members, the total number of votes necessary to adopt a resolution to terminate this Declaration,

the total number of votes cast in favor of such a resolution and the total number of votes cast against such a resolution.

This Certificate shall be recorded in the Public Records of St. Johns County, Florida, 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 any termination.

Should the Members Eligible To Vote terminate this Declaration as provided in this Article 17, all Common Area owned by the Association at such time shall be transferred to another association or appropriate public agency having a similar purpose. If no other association or public agency will accept such property, then it will be conveyed to a Trustee appointed by the Circuit Court of St. Johns County, Florida, which Trustee shall sell the Common Area free and clear of the limitations imposed hereby and upon terms established by the Circuit Court of St. Johns County, Florida. That portion of the Property consisting of the Master Drainage System cannot be altered, changed and/or sold separate from the lands it serves and without the prior approval of the District. The proceeds of such a sale shall first be used for the payment of any debts and/or obligations constituting a lien on the Common Area, then for the payment of any obligations incurred by the Trustee in the operation, management, maintenance, repair, replacement, cleaning and/or upkeep of the Common Area. The excess of proceeds, if any, from the sale of Common Area shall be distributed among Owners in a proportion which is equal to the proportionate share of such Owners in the Common Expense. In the event of termination, dissolution or final liquidation, and if the Association has the responsibility for the operation and maintenance of the Master Drainage System, those portions of the Master Drainage System must be transferred to and accepted by an entity which would comply with Section 40C-42.027 of the Florida Administrative Code, and be approved by the District prior to any such termination, dissolution or liquidation.

ARTICLE 18

GENERAL PROVISIONS

Section 18.1 **Notice.** Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postage prepaid, to the last known address of the person who appears as Member or Owner in the official records of the Association at the time of such mailing.

Section 18.2 **Assignment of Rights and Duties.** Any and all of the rights, powers and/or reservations of the Association and/or Developer may be assigned to any Person, corporation or association which will assume the duties of the Association and/or Developer pertaining to the particular rights, powers and/or reservations assigned. Upon such assignee evidencing its consent in writing to accept such assignment and assume such duties, the assignee shall (to the extent of the assignment) have the same rights and powers and be subject to the same obligations and duties as are herein given to and/or assumed by the Association and/or Developer. Further, the Association and/or Developer may from time to time delegate any and

all of their rights, powers, discretion and/or duties hereunder to such agent or agents as it may nominate, unless prohibited by Florida law or any of the Governing Documents.

Section 18.3 Zoning Variances. Unless the written consent of the Association is first obtained, no Owner shall file a request for zoning variances, special exceptions and/or zoning changes affecting and/or relating to any real property located within the Property.

Section 18.4 Relationships with Other Properties. The Association may enter into contractual agreements and/or covenants to share costs with any neighboring properties, other associations, the CDD and/or any other Person to contribute funds for, among other things, shared or mutually beneficial property and/or services and/or a higher level of maintenance of any portion of the Property.

Section 18.5 Reclaimed Water. If an Owner of a Lot and/or Building Site has an irrigation system capable of using reclaimed water for irrigation purposes, and reclaimed water becomes available to the Property, then in such events, the Association and/or the CDD may require that Owner to use the reclaimed water for irrigation purposes. The Association and/or the CDD may charge a reasonable uniformly applied fee for the use of such reclaimed water. Costs of connection to the Reclaimed Water Source shall be paid by Developer or the CDD, if Developer or CDD has requested such a connection for the Property, or by the Association, if the Association has requested such a connection for the Property.

Section 18.6 Interpretation. The Article and Section headings have been inserted in this Declaration for convenience only, and shall not be considered or referred to in resolving questions and/or for interpretation or construction of this Declaration. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine and neuter genders shall each include the others. The Board shall have the right, except as limited by any other provisions of the Governing Documents, to determine all questions arising in connection with this Declaration and to construe and interpret its provisions, and the Board's determination, construction and/or interpretation shall be final and binding.

Section 18.7 Indemnification. The Association shall indemnify every officer, Director, Committee member, employee of the Association and agent of the Association pursuant to the terms of the Governing Documents.

Section 18.8 Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

Section 18.9 Effective Date. This Declaration shall become effective upon its recordation in the Public Records of the County.

Section 18.10 Conflict. This Declaration shall take precedence over conflicting provisions in any Neighborhood Declaration, unless the provisions in the applicable Neighborhood Declaration are more restrictive than the provision in this Declaration, in which case the most restrictive provision shall control. This Declaration shall take precedence over

conflicting provisions in the Articles and Bylaws, and said Articles shall take precedence over the Bylaws and any Rules and Regulations hereinafter promulgated. The Bylaws shall take precedence over any Rules and Regulations hereinafter promulgated.

Section 18.11 **Cooperation.** Each Owner, by acceptance of a deed therefore or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to cooperate in, and support, any and all zoning, administrative, governmental and/or quasi-governmental filings, applications, requests, submissions and other actions necessary or desired for development and/or improvement of the Property, including, without limitation, signing any required applications, plats, etc. as the owner of any portion of the Property owned or controlled thereby when necessary or requested.

Notwithstanding the foregoing, to the extent that said documents require the joinder of Owners, Developer by its duly authorized officers may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents and the Owners, by virtue of their acceptance of deeds or other instrument of transfer or conveyance, irrevocably nominate, constitute and appoint Developer, through its duly authorized officers, as their proper and legal attorneys-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section 18.11 shall recite that it is made pursuant to this Section 18.11.

Section 18.12 **Easements.** Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners hereby designate the Developer and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. All parties using easements granted in this Declaration shall use reasonable efforts to minimize interference with all other permitted uses of the easements and the property subject thereto and shall restore any damage to such property caused in the exercise of any rights granted in any such easement.

Section 18.13 **No Public Right or Dedication.** Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Common Area to the public and/or for any public use.

Section 18.14 **Constructive Notice and Acceptance.** Every Person who owns, occupies or acquires any right, title, estate or interest in or to any Lot and/or Building Site, shall be conclusively deemed to have consented and agreed to every limitation, restriction, rule, regulation, provision, easement, reservation, condition, lien and covenant contained in this Declaration, whether or not any reference to this Declaration is contained in the deed or any other instrument by which such person or entity acquired an interest in such Lot and/or Building Site.

ARTICLE 19 DISCLAIMERS

Section 19.1 **Disclaimer of Representations or Warranties.** EXCEPT AS EXPRESSLY PROVIDED IN THIS DECLARATION, NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, HAS BEEN GIVEN OR MADE BY DEVELOPER OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH THE PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF. IF ANY SUCH WARRANTY CANNOT BE DISCLAIMED, AND AS TO ANY CLAIMS WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

Section 19.2 **General.** Notwithstanding anything contained herein or in the Articles, Bylaws and Rules and Regulations of the Association or any other document governing or binding the Association, Developer, the CDD or the Property (collectively for purposes of this Section 19.2, the "constituent documents"), neither the Association nor the Developer shall be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any Owner, occupant, tenant or user of any portion of the Property including, without limitation, residents and their families, agents, employees, visitors, subcontractors, licensees, contractors, guests or invitees, or for any property of any such persons. Without limiting the generality of the foregoing:

(a) it is the express intent of the constituent documents that the various provisions thereof which are enforceable by the Association, the CDD and/or Developer or which govern the uses of the Property, have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof;

(b) the Association is not empowered, nor has been created, to act as an entity which enforces or ensures compliance with the laws of the United States, State of Florida, the County, the City or any other jurisdiction, or prevents tortious activities; and

(c) any provisions of the constituent documents setting forth the uses of Assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the uses of Assessment funds and not as creating a duty of the Association to protect or further the health, safety or welfare of any person(s), even if Assessment funds are chosen to be used for such reason.

Each Owner (by virtue of his acceptance of title to its, his or her Lot and/or Building Site) and each other Person having an interest in or lien upon, or making any use of, any portion of the Property (by virtue of accepting such interest or lien or making such uses) shall be bound by Article 19 of this Declaration and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association, the CDD and/or Developer

and arising from, resulting from, related to and/or connected with any matter for which the liability of the Association, the CDD and/or Developer has been disclaimed in this Article 19 or in this Declaration generally.

As used in this Article 19, the words "Association", "CDD" and "Developer" shall each include within their meanings all of the respective Directors, officers, Committees and board members, employees, agents, attorneys, contractors (including without limitation management companies), and successors and assigns of each.

Section 19.3 No Liability For Acts of Others. Owners, their family members, tenants, guests, agents, invitees, employees, contractors, subcontractors, visitors, licensees and any occupants of Lots and/or Building Sites, are responsible for their own personal safety and for their property in and/or on the Property. The Association may, but is not obligated to, maintain or support certain activities within the Property which are intended to promote or enhance safety or security within the Property. However, the Association, the Board, the CDD and Developer shall not in any way be considered insurers and/or guarantors of safety or security within the Property, nor shall they be held liable for any loss, damage, personal injury and/or death by reason of failure to provide adequate security or ineffectiveness of any security measures that may be undertaken.

No representation or warranty is made that any systems or measures, including, without limitation, fire protection, burglar alarm, video cameras, or other security monitoring systems, (or if there is any gate, barrier and/or other mechanism or system for limiting access to the Property), cannot be compromised or circumvented, nor that any such systems or measures undertaken will prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, agrees and shall be responsible for informing that Owner's family members, tenants, guests, invitees, agents, employees, contractors, subcontractors and all occupants of that Owner's Lot and/or Building Site that the Association, the Board and its committees, the CDD and Developer are not insurers and/or guarantors of security or safety and that each Person within the Property has voluntarily assumed all risks of personal injury, death and loss or damage to property, including Lots, Building Sites, Residential Dwelling Units, Commercial Improvements and the contents of Lots, Building Sites, Residential Dwelling Units and Commercial Improvements, resulting from acts of others. Any gate, barrier, video camera and/or other mechanism or system for limiting access to the Property, if any, are solely intended to regulate vehicle access, and are not intended and/or designed to be a security feature, a safety feature, provide protection to persons and/or property, a warranty of personal safety, a guarantee of personal safety, a warranty of the safety of personal property and/or a guarantee of the safety of personal property. Any gate, barrier, video camera and/or other mechanism or system for limiting access to the Property may, at Developer's discretion, be left open and/or unattended, from time to time or at any time, to facilitate access by contractors, subcontractors, inspectors, brokers, salespersons and any others to any sales office, Lots and/or Building Sites that are under construction and/or for sale.

Section 19.4 View Impairment. Neither Developer nor the Association guarantee or represent that any view over, through and/or across the Lots, the Building Sites, any open space

or any other portion of the Property within the Property will be preserved without impairment. Neither Developer nor the Association shall be obligated to relocate, prune, or thin trees or other landscaping. The Association (with respect to the Common Area) and Developer have the right to relocate, prune, thin, or add trees and other landscaping from time to time subject to applicable law. Any express or implied easements for view purposes and/or for the passage of light and air are hereby expressly disclaimed.

Section 19.5 Notices and Disclaimers as to Signal Reception. In recognition of the fact that interruptions in cable television, radio and/or satellite television will occur from time to time, neither Developer nor the Association shall in any manner be liable for, and no Owner shall be entitled to refund, rebate, discount, or offset in applicable fees, for any interruption in any such services, regardless of whether or not such interruption is caused by reasons within the service provider's control. Developer or Association shall be entitled to retain any rebate, discount, or other compensation received from the provider of any such services in connection with the installation and/or operation of such systems within the Property.

Section 19.6 Construction Activities. All Owners, occupants, tenants and users of Lots and/or Building Sites are hereby placed on notice that Developer and/or its agents, contractors, subcontractors, licensees, and other designees, successors, or assigns, shall continue, from time to time, to conduct construction activities within the Property. By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest in a Lot and/or Building Site, and/or by using any portion of a Lot and/or Building Site or the Property generally, Owners, occupants, tenants and users of Lots and/or Building Sites acknowledge, stipulate, and agree: (a) such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other Persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise), any property within or in proximity to the Lot, Building Site or any other portion of the Property where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night, a holiday or otherwise during non-working hours); (c) that Developer and all of its agents, contractors, subcontractors, licensees, and other designees, successors, and assigns, shall not be liable for any losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from and/or relating to any breach of this covenant; (d) that any purchase or use of any portion of a Lot and/or Building Site has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a material inducement to Developer to sell, convey, lease, and/or allow the use of Lots and/or Building Sites within the Property.

Section 19.7 Natural Conditions. The Property may contain a number of manmade, natural, and environmentally sensitive areas that may serve as habitats for a variety of native plants and wildlife, including, without limitation, insects, venomous and non-venomous snakes, alligators, other reptiles, raccoons, foxes, wild dogs, wild cats, and other animals, some of which may pose hazards to persons and/or pets coming in contact with them. Each Owner and occupant of any Lot and/or Building Site, and every Person entering the Property: (a) acknowledges and agrees that such plants and wildlife are indigenous to the area and are not restrained or restricted in their movements within and/or through the Property; and (b) knowingly and voluntarily assumes all risk of property damage, personal injury and/or death arising from the presence of such plants and wildlife within the Property. Neither the

Association, Developer, nor the members, partners, affiliates, officers, directors, shareholders, attorneys, agents, and/or employees of any of the foregoing, shall have any duty to take action to control, remove, or eradicate any plant or wildlife within the Property, nor shall they have any liability for any property damage, personal injury and/or death resulting from the presence, movement, and/or propagation of any plant or wildlife within or through the Property. The areas described in this Section 19.7 may also contain ponds, lakes, retention ponds, dry detention areas, detention ponds, intermittent pools of water, muddy areas and/or buffer areas, among other things, all of which are important to the ecological balance and maintenance of the area as a wildlife habitat. No Owner or occupant of a Lot and/or Building Site shall enter upon, or permit their guests, family members, invitees, agents, tenants, employees, contractors, subcontractors, visitors or any other Person acting on that Owner's behalf to enter upon and/or disturb any such areas in any way without the prior written approval of the Association.

ARTICLE 20

INSURANCE AND CASUALTY LOSSES

Section 20.1 **Insurance.** The Board shall have the authority to and may obtain blanket all-risk casualty insurance, if reasonably and commercially available, for the Common Areas, including without limitation, any structures, Improvements, amenities and/or facilities that may be located on the Common Areas. If blanket all-risk coverage is not reasonably available, then an insurance policy providing fire, hurricane, casualty and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair and/or reconstruction in the event of damage and/or destruction from any insured hazard.

To the extent available on commercially reasonable terms and conditions, the Board may also obtain a public liability policy covering the Common Area, the Association and its Members for all damage and/or injury caused by the negligence of the Association or any of its employees, Members and/or agents. The public liability shall have at least a One Million Dollar (\$1,000,000.00) limit for bodily injury, personal injury, death and property damage from a single occurrence, and, if reasonably available, a Five Million Dollar (\$5,000,000.00) umbrella liability policy.

The Board may, in its discretion, also obtain additional insurance, including without limitation, fidelity bond coverage, Worker's Compensation insurance, flood insurance and directors and officers liability insurance. The insureds, deductibles, provisions and coverage types and amounts shall be determined by the Board, in the Board's discretion. Any fidelity bond coverage obtained by the Board shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification or non-renewal. The Association may self-insure against any risk.

In addition, the Association may obtain and maintain insurance in such amounts as the Board determines appropriate (including, but not limited to, blanket all-risk casualty insurance, fire insurance, hurricane insurance, casualty insurance, extended coverage, public liability policy, fidelity bond coverage and flood insurance), to the extent each is reasonably and commercially available, for any Neighborhood within the Property.

Premiums for any insurance coverage obtained by the Association shall be a Common Expense and shall be included in the Annual Assessment, as described in Article 6 of this Declaration; provided, however, premiums for insurance Exclusive Common Area within a Neighborhood shall be a Neighborhood Expense.

Any insurance policy obtained by the Board may contain a reasonable deductible, and, in the case of casualty insurance, the amount of the deductible shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total. Any such deductible shall be a Common Expense or a Neighborhood Common Expense in the same manner as the premiums for the applicable insurance coverage.

All insurance coverage obtained by the Board shall be written in the name of the Association as trustee for the respective benefited parties. Such insurance shall be governed by the following provisions:

(a) All insurance policies shall be written with a company licensed to do business in the State of Florida;

(b) All insurance policies on the Common Area shall be for the benefit of the Association, its Members and Mortgagees providing construction financing on the Common Area.

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

(d) In no event shall the insurance coverage obtained and maintained by the Board be brought into contribution with insurance purchased by individual Owners, occupants, tenants, or their respective Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons.

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

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

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

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

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

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

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

Section 20.2 Insurance Obtained by Owners. By virtue of taking title to a Lot and/or Building Site, each Owner agrees to carry blanket all-risk casualty insurance on that Owner's Lot and/or Building Site and any building, Residential Dwelling Unit, Commercial Improvement, structure, Improvement and landscaping constructed, placed, built and/or located on that Lot and/or Building Site. The insurance to be obtained by each and every Owner shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair and/or reconstruction in the event of damage or destruction from any insured hazard. Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of the buildings, structures, Residential Dwelling Units, Commercial Improvements, Improvements, and/or landscaping on that Owner's Lot and/or Building Site, the Owner shall proceed promptly to repair and/or to reconstruct the damaged structure in a manner consistent with the original construction or such other plans and specifications as are or may be approved in accordance with this Declaration. The Owner shall pay any costs of repair and/or reconstruction which are not covered by insurance proceeds. If the Residential Dwelling Unit and/or Commercial Improvement is totally destroyed, the Owner may decide not to rebuild and/or to reconstruct, in which case the Owner shall clear the Lot and/or Building Site of all debris and return that Lot and/or Building Site to substantially the natural state in which it existed prior to the beginning of construction, and thereafter that Owner shall continue to maintain the Lot and/or Building Site in a neat and attractive condition consistent with the terms, conditions and provisions of this Declaration.

Section 20.3 Damage and Destruction.

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

(b) Any damage and/or destruction to the Common Area shall be promptly repaired and/or reconstructed unless the Members Eligible To Vote representing at least seventy-five percent (75%) of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair and/or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage and/or destruction, and/or reliable and detailed estimates of the costs of repair and/or reconstruction are not made available to the Association within the sixty (60) day time period, then the period shall be extended until such information is made available to the Members. However, such extension shall not exceed one hundred twenty (120) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage and/or destruction to Common Area shall be repaired and/or reconstructed. This provision shall not apply to construction Mortgagees providing construction financing for such damaged property.

(c) If determined in the manner described above that the damage and/or destruction to the Common Area shall not be repaired and/or reconstructed, and no alternative improvements are authorized, then and in that event the affected portion of the Property shall be restored to their natural state that existed prior to the development and shall be maintained by the Association in a neat and attractive condition consistent with the terms, conditions and provisions of this Declaration.

Section 20.4 Disbursement of Proceeds. If the damage and/or destruction for which the proceeds of insurance policies are paid is to be repaired and/or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs and/or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair and/or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in either the Association's general operating account or any reserve account that has been established by the Association. If no repair and/or reconstruction is made, any proceeds remaining after making settlements necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) shall be retained by and for the benefit of the Association and placed in either the Association's general operating account or any reserve account that has been established by the Association. This is a covenant for the benefit of any Mortgagee of a Lot and/or Building Site and may be enforced by such Mortgagee.

Section 20.5 Repair and/or Reconstruction. If the damage and/or destruction to the Common Area for which insurance proceeds are paid is to be repaired and/or reconstructed, and such insurance proceeds are not sufficient to defray the cost of such repair and/or reconstruction, the Board shall, without the necessity of a vote of the Members Eligible To Vote, levy a Special Assessment against all Owners calculated in the same manner as the Annual Assessments. The damaged and/or destroyed portions of the Common Area shall be repaired and/or reconstructed to substantially the same condition in which that Common Area existed prior to the damage and/or destruction, allowing for any changes and/or improvements necessitated by changes in the then-applicable building codes.

Section 20.6 Negligence or Willful Misconduct. Each Owner shall be liable to the Association for the costs to repair, replace and/or reconstruct any portions of the Common Area damaged by reason of the negligence or willful misconduct of any Owner or that Owner's tenants, guests, invitees, employees, visitors, contractors, subcontractors, agents and/or servants.

In this situation, the Owner shall be liable to the Association for any amount not fully covered by any insurance policy of the Association, including but not limited to any deductible. In addition, the Association shall have the right to charge any Owner for the increase, if any, in the insurance premium attributable to damage caused by such Owner or that Owner's tenants, guests, invitees, employees, visitors, contractors, subcontractors, agents and/or servants. The sums due from an Owner under this Section 20.6 shall be an Individual Assessment against the Owner and that Owner's Lot and/or Building Site and may be collected as provided elsewhere in this Declaration for the collection of Individual Assessments.

Section 20.7 Condemnation of Common Area. Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation) by any authority having the power of condemnation and/or eminent domain, each Owner shall be entitled to notice thereof. The award, payment and/or settlement made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as herein provided:

If the taking involves a portion of the Common Area on which Improvements have been constructed, then unless within ninety (90) days after such taking Developer (so long as Developer has Class B membership) and Members Eligible To Vote representing at least two-thirds (2/3) of the total vote of the Association otherwise agree not to restore, repair and/or replace such Improvements, the Association shall restore, repair and/or replace such Improvements taken on the remaining land included in the Common Area to the extent lands are available therefore. If such Improvements are to be repaired, restored and/or replaced, the provisions of Article 20 of this Declaration regarding the disbursement of funds in respect to casualty damage and/or destruction which is to be repaired, replaced and/or restored shall apply. If the taking does not involve any Improvements on the Common Area, or if there is a decision made by not to repair, replace and/or restore, or if there are net funds or surplus remaining after any such restoration, repair and/or replacement is completed, then such award, settlement, payment, surplus and/or net funds shall be disbursed to the Association and used for any purposes as the Board shall determine.

Section 20.8 No Partition. Except as is permitted in this Declaration or any amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person, Owner or entity acquiring any interest in the Property or any part thereof seek any judicial partition unless the Property has been removed from the provisions of this Declaration. This Section 20.8 shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property or from acquiring title to real property which may or may not be subject to this Declaration.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Developer has executed this Declaration on this 22nd day of August, 2006.

Signed, sealed and delivered
in the presence of:

INTERVEST CONSTRUCTION OF JAX, INC.,
a Florida corporation

Print Name: Tiffany M. Pryor

Print Name: NICOLE KEELEY

By: [Signature]

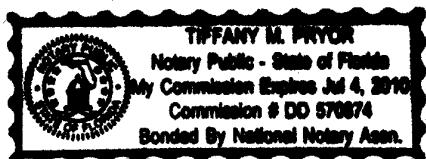
Print Name: Charlene B. Irland

Title: Vice President

STATE OF Florida
COUNTY OF Volusia

The foregoing instrument was acknowledged before me this 22nd day of August, 2006, by Charlene B. Irland as Vice President (title) of **INTERVEST CONSTRUCTION OF JAX, INC.,** a Florida corporation, on behalf of the corporation. He/She ☒ is personally known to me OR ☐ has produced (type of identification) as identification.

NOTARY SEAL:



[Signature]
Notary Public, State of Florida

Print Name: TIFFANY M. PRYOR

Commission No.: DD 570874

My Commission Expires: July 4, 2010

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

COPY

COPY

COPY

Exhibit "A"

A portion of fractional Sections 28 and 33, a portion of Section 29, a portion of the Marshall or Leonardi Grant, Section 60 and a portion of the Rogue Leonardi Grant, Section 61, all lying in Township 5 South, Range 29 East, St. Johns County, Florida, being more particularly described as follows:

For a Point of Reference, commence at the corner common to Sections 19, 20, 29 and 30 of said Township 5 South, Range 29 East; thence North $89^{\circ}09'44''$ East, along the Northerly line of said Section 29, a distance of 5291.00 feet to the corner common to Sections 20, 21, 28 and 29 of said Township and Range; thence continue North $89^{\circ}09'44''$ East, along the Northerly line of said Section 28, a distance of 519.11 feet to the Point of Beginning.

From said Point of Beginning, continue North $89^{\circ}09'44''$ East, along the Northerly line of said Section 28, a distance of 1198.79 feet to its intersection with the Westerly line of said Rogue Leonardi Grant, Section 61; thence South $19^{\circ}57'07''$ East, along said Westerly line, 367.25 feet to a point referred to as Reference Point "A"; thence continue South $19^{\circ}57'07''$ East, along said Westerly line and along the Easterly line of said Section 28, a distance of 23 feet, more or less to its intersection with the Southerly Ordinary High Water Line of Sweetwater Creek; thence along the meanderings of said Southerly Ordinary High Water Line and along the meanderings of the Easterly Ordinary High Water Line of said Sweetwater Creek the following five approximate courses: East Northeasterly, 1970 feet more or less; thence Southeasterly, 750 feet more or less; thence East Northeasterly, 1430 feet more or less; thence Northeasterly, 830 feet more or less; thence Northerly, 1260 feet more or less to the convergence of said Easterly Ordinary High Water Line with the Easterly Mean High Water Line of said Sweetwater Creek; thence North Northeasterly along the meanderings of said Easterly Mean High Water Line, 1100 feet more or less to its intersection with the Southerly line of those lands described and recorded in Official Records Book 1291, page 930 of the Public Records of said county; thence North $88^{\circ}36'45''$ East, departing said Easterly Mean High Water Line and along said Southerly line of the lands of Official Records Book 1291, page 930, and along the Southerly line of the lands described and recorded in Official Records Book 268, page 448 of said Public Records, a distance of 14 feet more or less to a point which bears North $47^{\circ}47'39''$ East, 2772.58 feet from said Reference Point "A"; thence continue North $88^{\circ}36'45''$ East, along the Southerly line of said lands and along the Southerly line of the lands described and recorded in Official Records Book 268, page 448 of said Public Records, a distance of 1900.00 feet to the Southeasterly corner of last said lands; thence North $02^{\circ}09'25''$ West, along the Easterly line of said lands, 423.55 feet to its intersection with the Southerly line of those lands described and recorded in Deed Book 76, page 192 of said Public Records; thence South $88^{\circ}50'53''$ East, along said Southerly line, 348.52 feet; thence South $10^{\circ}00'00''$ East, departing said Southerly line, 1632.50 feet; thence North $86^{\circ}00'00''$ West, 88.99 feet; thence South $04^{\circ}00'00''$ West, 60.00 feet; thence South $86^{\circ}00'00''$ East, 104.08 feet; thence South $20^{\circ}00'00''$ East, 3457.77 feet to a point, said point also being Reference Point "B"; thence continue South $20^{\circ}00'00''$ East, 65 feet, more or less to its intersection with the Westerly Mean High Water Line of the Tolomato River; thence Southwesterly along the meanderings of said Westerly Mean High Water Line 586 feet, more or less; thence South $00^{\circ}02'39''$ West, departing said Westerly Mean High Water Line, 35 feet, more or less to a point which bears South $32^{\circ}03'56''$ West, 620.33 feet from said Reference Point

"B"; thence continue South $00^{\circ}02'39''$ West, 229.50 feet to its intersection with the Northerly line of those lands described and recorded in Official Records Book 1431, page 504 of said Public Records; thence North $89^{\circ}57'21''$ West, along said Northerly line, 3535.31 feet to a point lying on the Westerly line of said lands of Official Records Book 1431, page 504, said point also lying on the line dividing said Sections 60 and 61 of said Township and Range; thence South $14^{\circ}22'35''$ West, along said Westerly line and along said dividing line and along the Westerly line of Section 53 of the Theresa Marshall Grant, of said Township and Range, a distance of 3982.09 feet; thence North $17^{\circ}01'55''$ West, departing said Westerly line of Section 53, a distance of 1047.70 feet; thence North $25^{\circ}20'13''$ East, 269.25 feet; thence North $28^{\circ}27'37''$ West, 656.99 feet; thence North $01^{\circ}27'47''$ West, 374.84 feet to a point lying on the Northerly line of said Section 33; thence North $19^{\circ}39'52''$ West, departing said Northerly line, 598.52 feet; thence North $28^{\circ}19'23''$ East, 240.68 feet; thence North $16^{\circ}42'41''$ West, 1270.16 feet; thence North $46^{\circ}43'34''$ West, 320.92 feet; thence North $08^{\circ}41'41''$ West, 920.26 feet; thence North $74^{\circ}52'04''$ West, 460.34 feet; thence South $30^{\circ}45'00''$ West, 1555.61 feet to a point of curvature of a curve concave Northwesterly, having a radius of 540.00 feet; thence Southwesterly along the arc of said curve through a central angle of $39^{\circ}06'02''$, an arc length of 368.52 feet to a point on said curve, said arc being subtended by a chord bearing and distance of South $50^{\circ}18'01''$ West, 361.41 feet; thence North $20^{\circ}08'58''$ West, 80.00 feet to a point on a curve concave Northwesterly, having a radius of 460.00 feet; thence Northeasterly along the arc of said curve through a central angle of $39^{\circ}06'02''$, an arc length of 313.92 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North $50^{\circ}18'01''$ East, 307.86 feet; thence North $30^{\circ}45'00''$ East, 1570.67 feet; thence North $48^{\circ}35'01''$ West, 126.37 feet; thence North $08^{\circ}32'25''$ West, 1975.75 feet to the Point of Beginning.

Containing 694.49 acres, more or less.

COPY

EXHIBIT B

COMMON AREA

No Common Area is designated by the Developer as of the date of this Declaration. The Developer reserves the right to designate Common Area in the future pursuant to Section 4.3 of this Declaration.

COPY

COPY

COPY

CONSENT AND JOINDER OF MORTGAGEE

NATIONAL CITY BANK ("Mortgagee") is the holder of that certain Real Estate Mortgage ("Mortgage") recorded in Official Records Book 2690, at page 514 and Official Records Book _____, at page _____ of the public records of St. Johns County, Florida. Mortgagee joins in the foregoing Declaration of Covenants and Restrictions for Palencia to which this Consent is attached ("Declaration") to evidence its consent and joinder to the provisions of the Declaration and its agreement that its security interest as evidenced by the Mortgage shall be subordinated thereto.

Signed, sealed and delivered
in the presence of:

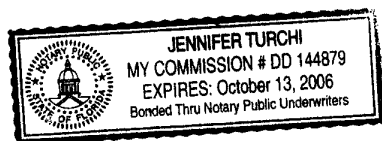
NATIONAL CITY BANK

Sharon E. Ondercik
Sharon E. Ondercik
Jennifer Turchi
Jennifer Turchi

By: Robin A. Carr
Its: Robin A. Carr, Senior Vice President

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this 24th day of August, 2006, by Robin A. Carr of NATIONAL CITY BANK, a national banking association, on behalf of the Bank. He is personally known to me or has produced _____ as identification.



Jennifer Turchi
NOTARY PUBLIC, State of Florida

COPY

Public Records of St. Johns County, FL Clerk # 2011048741, O.R. 3478 PG 606,
09/30/2011 at 10:59 AM REC. \$17.00 SUR. \$18.50

This instrument was prepared by
Please return to:
J. Andrew Hagan, Esq.
2379 Beville Road
Daytona Beach, FL 32119

**FIRST AMENDMENT WITH ANNEXATION AND SUPPLEMENTAL
DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
PALENCIA NORTH**

This instrument executed this 27th day of Sept., 2011, is executed by **INTERVEST CONSTRUCTION OF JAX, INC.**, a Florida corporation, as Developer of Palencia North, to be recorded in the Public Records of St. Johns County, Florida. All references to recording data herein are to the Public Records of St. Johns County, Florida.

W I T N E S S E T H:

WHEREAS, Intervest Construction of Jax, Inc., is the Developer under the Declaration of Covenants and Restrictions for Palencia North Subdivision recorded in Official Records Book 2779, Page 267 (the "Declaration"); and

WHEREAS, Article 3 of the Declaration permits the Developer to annex additional lands within the Palencia North Subdivision to the Declaration and Section 8.3 of the Declaration permits the Developer to file amendments to the Declaration; and

WHEREAS, Developer desires and intends to annex subject to the provisions of the Declaration, and to the jurisdiction of Palencia North Homeowners Association, Inc., a Florida not-for-profit corporation, the property located within the Palencia North Subdivision and which is described on Exhibit "A" attached hereto; and

WHEREAS, Developer also desires to amend the Declaration to fix a typographical error in Section 2.15 and to add a new Section 5.30 as described below; and

NOW THEREFORE, the following amendment to the Declaration is hereby adopted, and each transferee, mortgagee or lienor of any property within the Palencia North Subdivision and their respective heirs, successors and assigns, shall be bound by and subject to such amendment, to wit:

1. Developer hereby annexes the real property described on Exhibit "A" attached hereto (hereinafter the "Property") and declares the Property subject to the jurisdiction of Palencia North Homeowners Association, Inc., and to all of the terms and conditions of the Declaration, as if the Property were originally set forth therein; and the Property shall be held, sold, transferred and conveyed subject to all of the terms, conditions, obligations, covenants, rights, privileges, and immunities for the Declaration, and the covenants of the same shall constitute covenants running with the land.

2. Section 2.15 contained a typographical error and is hereby deleted in its entirety and replaced with the following:

Section 2.15 **Developer**. Intervest Construction of Jax, Inc., a Florida corporation, its successors or assigns. No successor or assignee of Developer shall have any rights or obligations of Developer under this Declaration except to the extent any such rights and obligations are specifically set forth in an instrument of succession and/or assignment, or unless such rights pass by operation of law. Reference in this Declaration to Intervest Construction of Jax, Inc. as the Developer of the Property is not intended, and shall not be construed, to impose upon Intervest Construction of Jax, Inc., its officers, directors, employees, agents and/or attorneys any obligations and/or responsibility, legal or otherwise, for the acts and/or omissions of third parties who purchase Lots and/or Building Sites within the Property.

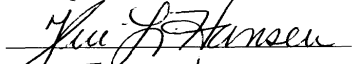
3. **Sidewalks**. A new Section 5.30 is hereby added to the Declaration as follows:

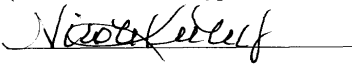
Sidewalks." The Owner of a Lot building a Residential Dwelling Unit on such Lot shall be responsible for constructing a sidewalk on or in front of such Lot, in accordance with the subdivision construction plans submitted to and approved by St. Johns County (the "Plans"). Such sidewalk shall be completed in accordance with the Plans prior to the issuance of a certificate of occupancy for a Dwelling Unit on a Lot.

4. **Ratification**. Except as specifically amended hereby, all of the terms and provisions of the Declaration shall remain unchanged and in full force and effect.

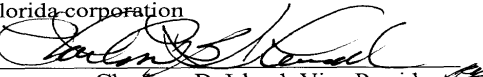
IN WITNESS WHEREOF, Developer has hereunto set its hand and seal the day and year first written above.

Signed, sealed and delivered
In the presence of:


TERILL HANSEN
(Name Printed or Typed)


NICOLE KEEFE
(Name Printed or Typed)

INTERVEST CONSTRUCTION OF JAX, INC.,
a Florida corporation

By: 
Charlene B. Irland, Vice President

OR BK 3478 PG 608

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing instrument was acknowledged before me this 27th day of Sept., 2011, by Charlene B. Irland, Vice President of Intervest Construction of Jax, Inc., a Florida corporation, and who is personally known to me.



NOTARY PUBLIC:

Sign: Teri L. HansenPrint: TERI L. HANSEN

State of Florida at Large

(Seal)

My Commission Expires: May 3, 2012

Title/Rank:

Commission Number: DD 782428

OR BK 3478 PG 609

EXHIBIT "A"

LEGAL DESCRIPTION

That certain real property more fully described as all of the lands within PALENCIA NORTH PHASE II A, according to Plat thereof recorded in Plat Book 65, Page 10, of the Public Records of St. Johns County, Florida

Page 4 of 4

Instr #2016025088 BK: 4181 PG: 1015, Filed & Recorded: 4/25/2016 11:19 AM #Pgs:6
 Hunter S. Conrad, Clerk of the Circuit Court St. Johns County FL Recording \$52.50

PREPARED BY AND RETURN TO:

Christian F. O'Ryan, Esq.
 Stearns Weaver Miller Weissler
 Alhadeff & Sitterson, P.A.
 401 East Jackson Street, Suite 2200
 Tampa, Florida 33602

-----SPACE ABOVE THIS LINE RESERVED FOR RECORDING DATA-----

**SECOND AMENDMENT AND SUPPLEMENTAL DECLARATION
 TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR PALENCIA NORTH**

THIS SECOND AMENDMENT AND SUPPLEMENTAL DECLARATION TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR PALENCIA NORTH (this "**Second Amendment and Supplement**") is made on this 14th day of April, 2016, by LENNAR HOMES, LLC, a Florida limited liability company (the "**Developer**"), joined by PALENCIA NORTH HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (the "**Association**").

RECITALS

A. Developer, by virtue of that certain "Assignment of Developer's Rights," recorded in Official Records Book 3822, Page 642, is the "Developer" under that The Declaration of Covenants and Restrictions for Palencia North recorded in O.R. Book 2779, Page 267 of the Public Records of St. Johns County, Florida (the "**Original Declaration**"), as amended by the First Amendment with Annexation and Supplemental Declaration of Covenants and Restrictions for Palencia North, recorded in Official Records Book 3478, Page 606 of the Public Records of St. Johns County, Florida ("**First Amendment and Supplement**"). This Second Amendment and Supplement together with the Original Declaration and the First Amendment and Supplement shall be referred to as the "**Declaration**."

B. Pursuant to Section 3.3 of the Declaration, the Developer may annex additional land without the joinder or consent of any person or entity by recording a Supplemental Declaration.

C. Pursuant to Section 13.1 of the Declaration, the Developer may amend the Declaration without the joinder or consent of any person or entity by recording an amendment to the Declaration.

NOW THEREFORE, the Developer hereby amends and supplements the Declaration as set forth herein.

Words in the text which are lined through (——) indicate deletions from the present text; words in the text which are double-underlined indicate additions to the present text. The text will not be double-underlined or stricken when whole sections or paragraphs are added or deleted in their entirety.

BK: 4181 PG: 1016

1. The foregoing Recitals are true and correct and are incorporated into and form a part of this Second Amendment and Supplement. All initially capitalized terms not defined herein shall have the meanings set forth in the Declaration.

2. In the event there is a conflict between this Second Amendment and Supplement and the Declaration, this Second Amendment and Supplement shall control. Whenever possible, this Second Amendment and Supplement and the Declaration shall be construed as a single document. Except as modified hereby, the Declaration shall remain in full force and effect.

3. The Declaration is hereby amended by the addition of the real property legally described in Schedule A, attached hereto and incorporated herein by this reference (the "Additional Property"). The Additional Property shall be subject to each and every term, condition, covenant, easement and restriction of the Declaration as it exists and as it may be amended from time to time.

4. Section 4.3(c) is hereby amended as follows:

(c) Conversion of Class B Membership. Developer's Class B membership shall continue in effect during the period from the date of this Declaration until the earlier of the following events:

(i) Three months after ninety percent (90%) of all Lots within the Property have been conveyed or transferred to Owners other than Developer, excluding conveyances and/or transfers to builders, developer, contractors and/or any others who purchase a Lot for the purpose of constructing Improvements thereon for resale; or

(ii) ~~Ten (10) years after the date on which this Declaration is recording in the Public Records of St. Johns County, Florida; or~~

(iii) ~~At such earlier time as Developer, in its sole and absolute discretion, may so elect by recording a notice of such election in the Public Records of St. Johns County, Florida.~~

5. The Declaration, as amended, is hereby incorporated by reference as though fully set forth herein and, except as specially amended hereinabove, is hereby ratified and confirmed in its entirety.

7. This Second Amendment and Supplement shall be a covenant running with the land and shall be effective immediately upon its recording in St. Johns County, Florida.

[Signatures on the Following Page]

BK: 4181 PG: 1017

IN WITNESS WHEREOF, the Developer has caused this Second Amendment and Supplement to be executed by its duly authorized representative and has affixed its company seal as of this 14th day of April, 2016.

WITNESSES:

"DEVELOPER"

LENNAR HOMES, LLC, a Florida limited liability company


 Print Name: Cynthia Arnold

By: 
 Name: Scott Keiling
 Title: Vice President


 Print Name: Danielle Foreman

[Company Seal]

STATE OF FLORIDA)
 COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this 14th day of April, 2016, by Scott Keiling, as Vice President of LENNAR HOMES, LLC, a Florida limited liability company. He [is personally known to me] [has produced as identification].




 Notary Public
 Print Name: KRISTINA DODS
 My Commission Expires: 7/14/17

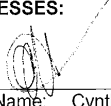
BK: 4181 PG: 1018

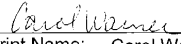
JOINDER

PALENCIA NORTH HOMEOWNERS ASSOCIATION, INC., a Florida not for profit corporation (the "**Association**") does hereby join in the SECOND AMENDMENT AND SUPPLEMENTAL DECLARATION TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR PALENCIA NORTH (the "**Second Amendment and Supplement**"), to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. The Association agrees this joinder is for the purpose of evidencing the Association's acceptance of the rights and obligations provided in the Second Amendment and Supplement and does not affect the validity of the Second Amendment and Supplement as the Association has no right to approve the Second Amendment and Supplement.

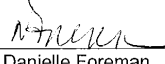
IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 14th day of April, 2016.

WITNESSES:


Print Name: Cynthia Arnold


Print Name: Carol Warner

PALENCIA NORTH HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation

By: 

Name: Danielle Foreman

Title: President

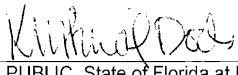
{CORPORATE SEAL}

STATE OF FLORIDA)
COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this 14th day of April, 2016, by Danielle Foreman, as President of PALENCIA NORTH HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, on behalf of the corporation, who is personally known to me ~~or who has produced~~ as identification.

My commission expires: 7/14/17




NOTARY PUBLIC, State of Florida at Large

Print Name: Kristina Dods

BK: 4181 PG: 1019

Schedule ALegal Description

PART OF THE ROGUE LEONARDI GRANT, SECTION 61, TOWNSHIP 5 SOUTH, RANGE 29 EAST, ST. JOHNS COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF TRACT "J", PALENCIA NORTH PHASE II D, ACCORDING TO MAP BOOK 73, PAGES 89 THROUGH 97, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID PALENCIA NORTH PHASE II D, RUN THE FOLLOWING 12 COURSES: 1) NORTH 90°00'00" EAST, A DISTANCE OF 500.00 FEET; 2) NORTH 00°00'00" EAST, A DISTANCE OF 163.86 FEET; 3) NORTH 22°00'00" WEST, A DISTANCE OF 215.34 FEET; 4) NORTH 18°00'00" EAST, A DISTANCE OF 85.63 FEET; 5) NORTH 44°00'00" EAST, A DISTANCE OF 225.00 FEET; 6) NORTH 46°00'00" WEST, A DISTANCE OF 71.09 FEET; 7) NORTH 44°00'00" EAST, A DISTANCE OF 60.00 FEET; 8) NORTH 46°00'00" WEST, A DISTANCE OF 12.14 FEET; 9) NORTH 44°00'00" EAST, A DISTANCE OF 140.00 FEET; 10) SOUTH 46°00'00" EAST, A DISTANCE OF 253.23 FEET; 11) NORTH 44°00'00" EAST, A DISTANCE OF 175.00 FEET; 12) NORTH 68°00'00" EAST, A DISTANCE OF 381.45 FEET TO A POINT ON THE WESTERLY LINE OF RIO DEL NORTE, ACCORDING TO MAP BOOK 73, PAGES 62 THROUGH 70, OF SAID PUBLIC RECORDS, SAID POINT HEREINAFTER REFERRED TO AS REFERENCE POINT "A"; RETURN THENCE TO THE POINT OF BEGINNING; THENCE RUN SOUTH 27°42'21" EAST, A DISTANCE OF 582.72 FEET; THENCE SOUTH 84°17'40" EAST, A DISTANCE OF 343.34 FEET; THENCE SOUTH 10°35'01" EAST, A DISTANCE OF 470.00 FEET; THENCE NORTH 83°24'56" EAST, A DISTANCE OF 100.13 FEET; THENCE SOUTH 40°00'00" EAST, A DISTANCE OF 130.00 FEET; THENCE SOUTH 50°00'00" WEST, A DISTANCE OF 20.26 FEET; THENCE SOUTH 40°00'00" EAST, A DISTANCE OF 60.00 FEET; THENCE NORTH 50°00'00" EAST, A DISTANCE OF 25.00 FEET TO A POINT OF A CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 25.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 39.27 FEET (SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 85°00'00" EAST AND A CHORD DISTANCE OF 35.36 FEET) TO A POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 40°00'00" EAST, A DISTANCE OF 25.00 FEET; THENCE NORTH 50°00'00" EAST, A DISTANCE OF 60.00 FEET; THENCE NORTH 40°00'00" WEST, A DISTANCE OF 25.00 FEET TO A POINT OF A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 25.00 FEET; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 39.21 FEET (SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 04°56'08" EAST AND A CHORD DISTANCE OF 35.32 FEET) TO A POINT OF A REVERSE CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 230.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 88.04 FEET (SAID ARC BEING SUBTENDED BY A CHORD BEARING OF NORTH 38°54'17" EAST AND A CHORD DISTANCE OF 87.51 FEET); THENCE SOUTH 70°48'52" EAST, A DISTANCE OF

BK: 4181 PG: 1020

69.03 FEET TO A POINT ON A CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 60.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 45.12 FEET (SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 18°27'33" EAST AND A CHORD DISTANCE OF 44.06 FEET) TO A POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 40°00'00" EAST, A DISTANCE OF 116.07 FEET TO A POINT OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 340.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 72.66 FEET (SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 46°07'20" EAST AND A CHORD DISTANCE OF 72.52 FEET) TO A POINT OF A REVERSE CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 540.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 184.88 FEET (SAID ARC BEING SUBTENDED BY A CHORD BEARING OF SOUTH 42°26'11" EAST AND A CHORD DISTANCE OF 183.98 FEET) TO A POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 32°37'42" EAST, A DISTANCE OF 128.16 FEET; THENCE SOUTH 18°46'42" EAST, A DISTANCE OF 23.93 FEET; THENCE SOUTH 65°54'44" EAST, A DISTANCE OF 613 FEET, MORE OR LESS, TO THE WESTERLY MEAN HIGH WATER LINE OF THE TOLOMATO RIVER; THENCE ALONG SAID LINE, IN A GENERAL NORTHEASTERLY DIRECTION, FOLLOWING THE MEANDERINGS THEREOF, A DISTANCE OF 318 FEET, MORE OR LESS, TO A POINT ON SAID WESTERLY LINE OF RIO DEL NORTE, SAID POINT BEARING SOUTH 20°00'00" EAST, A DISTANCE OF 2525 FEET, MORE OR LESS, FROM SAID REFERENCE POINT "A"; THENCE ALONG SAID WESTERLY LINE, NORTH 20°00'00" WEST, A DISTANCE OF 2525 FEET, MORE OR LESS, TO SAID REFERENCE POINT "A".

CONTAINING 63.7 ACRES MORE OR LESS.

SAID LANDS SITUATED, LYING AND BEING IN ST. JOHNS COUNTY, FLORIDA.

#4847207 v1

PREPARED BY AND RETURN TO:

Christian F. O'Ryan, Esq.
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
401 East Jackson Street, Suite 2200
Tampa, Florida 33602

-----SPACE ABOVE THIS LINE RESERVED FOR RECORDING DATA-----

**THIRD SUPPLEMENTAL DECLARATION TO
DECLARATION OF COVENANTS AND RESTRICTIONS FOR PALENCIA NORTH**

THIS THIRD SUPPLEMENTAL DECLARATION TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR PALENCIA NORTH (this "**Third Supplement**") is made on this 10th day of October, 2016, by LENNAR HOMES, LLC, a Florida limited liability company (the "**Developer**"), joined by PALENCIA NORTH HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation (the "**Association**").

RECITALS

A. Developer, by virtue of that certain "Assignment of Developer's Rights," recorded in Official Records Book 3822, Page 642, is the "Developer" under the Declaration of Covenants and Restrictions for Palencia North recorded in O.R. Book 2779, Page 267 of the Public Records of St. Johns County, Florida (the "**Original Declaration**"), as amended by the First Amendment with Annexation and Supplemental Declaration of Covenants and Restrictions for Palencia North, recorded in Official Records Book 3478, Page 606 of the Public Records of St. Johns County, Florida ("**First Amendment and Supplement**"), and the Second Amendment and Supplemental Declaration of Covenants and Restrictions for Palencia North, recorded in Official Records Book 4181, Page 1015 of the Public Records of St. Johns County, Florida ("**Second Amendment and Supplement**"). This Third Supplement together with the Original Declaration, the First Amendment and Supplement and the Second Amendment and Supplement, shall be referred to as the "**Declaration**."

B. Pursuant to Section 3.3 of the Declaration, the Developer may annex additional land without the joinder or consent of any person or entity by recording a Supplemental Declaration.

C. Declarant wishes, in accordance with Section 3.3 of the Declaration, to file of record this Third Supplement for the purposes of annexing additional land to Palencia North.

NOW THEREFORE, the Developer hereby amends and supplements the Declaration as set forth herein.

1. The foregoing Recitals are true and correct and are incorporated into and form a part of this Third Supplement. All initially capitalized terms not defined herein

shall have the meanings set forth in the Declaration.

2. In the event there is a conflict between this Third Supplement and the Declaration, this Third Supplement shall control. Whenever possible, this Third Supplement and the Declaration shall be construed as a single document. Except as modified hereby, the Declaration shall remain in full force and effect.

3. The Declaration is hereby amended by the addition of the real property legally described in **Schedule A**, attached hereto and incorporated herein by this reference (the "**Additional Property**"). The Additional Property shall be subject to each and every term, condition, covenant, easement and restriction of the Declaration as it exists and as it may be amended from time to time.

4. The Declaration, as amended, is hereby incorporated by reference as though fully set forth herein and, except as specially amended hereinabove, is hereby ratified and confirmed in its entirety.

5. This Third Supplement shall be a covenant running with the land and shall be effective immediately upon its recording in St. Johns County, Florida.

[Signatures on the Following Page]

IN WITNESS WHEREOF, the Developer has caused this Third Supplement to be executed by its duly authorized representative and has affixed its company seal as of this 10th day of October, 2016.

WITNESSES:

"DEVELOPER"

LENNAR HOMES, LLC, a Florida limited liability company

Danielle Mayors
Print Name: Danielle Mayors

Cynthia Arnold
Print Name: Cynthia Arnold

By: *Scott Keiling*
Name: Scott Keiling
Title: Vice President

[Company Seal]

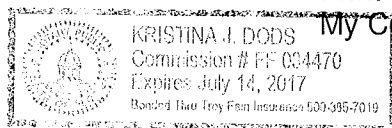
STATE OF FLORIDA)
COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this 25th day of October, 2016, by Scott Keiling, as Vice President of LENNAR HOMES, LLC, a Florida limited liability company. He [is personally known to me] ~~has~~ produced _____ as identification].

Kristina Dods
Notary Public

Print Name: KRISTINA DODS

My Commission Expires: 7/14/17



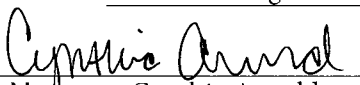
JOINDER

PALENCIA NORTH HOMEOWNERS ASSOCIATION, INC., a Florida not for profit corporation (the "**Association**") does hereby join in the THIRD SUPPLEMENTAL DECLARATION TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR PALENCIA NORTH (the "**Third Supplement**"), to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. The Association agrees this joinder is for the purpose of evidencing the Association's acceptance of the rights and obligations provided in the Third Supplement and does not affect the validity of the Third Supplement as the Association has no right to approve the Third Supplement.

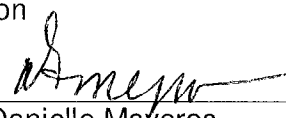
IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 10th day of October, 2016.

WITNESSES:


Print Name: Scott Keiling


Print Name: Cynthia Arnold

PALENCIA NORTH HOMEOWNERS ASSOCIATION, INC., a Florida not-for-profit corporation

By: 
Name: Danielle Mayoros
Title: President

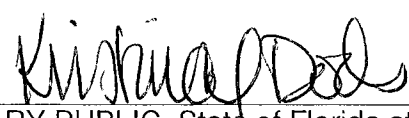
{CORPORATE SEAL}

STATE OF FLORIDA)
COUNTY OF DUVAL)

The foregoing instrument was acknowledged before me this 25th day of October, 2016, by Danielle Mayoros, as President of PALENCIA NORTH HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, on behalf of the corporation, who is personally known to me or who has produced _____ as identification.

My commission expires: 7/14/17




NOTARY PUBLIC, State of Florida at Large

Print Name: KRISTINA DODS

Schedule A

Legal Description

A portion of fractional Section 28, Township 5 South, Range 29 East, St. Johns County, Florida, being more particularly described as follows:

For a Point of Beginning, commence at the Southwest corner of Tract "BB", Palencia North Phase I, according to Map Book 62, pages 77 through 102, of the Public Records of said County, said corner also lying on the Northwestern right-of-way line of Las Calinas Boulevard, a variable width right of way as presently established and shown on said plat; thence Southwesterly, along said Northwestern right of way line, run the following nine (9) courses: Course 1, South 30°45'38" West, 346.29 feet to the point of curvature of a non-tangent curve concave Northwesterly, having a radius of 225.00 feet; Course 2, Southwesterly along the arc of said curve, through a central angle of 09°18'39", an arc length of 36.56 feet, said arc being subtended by a chord bearing and distance of South 35°48'04" West, 36.52 feet; Course 3, South 39°26'45" West, 24.86 feet to the point of curvature of a non-tangent curve concave Southeasterly, having a radius of 500.00 feet; Course 4, Southwesterly along the arc of said curve, through a central angle of 09°15'00", an arc length of 80.72 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 35°23'08" West, 80.63 feet; Course 5, South 30°45'38" West, 91.83 feet to the point of curvature of a curve concave Southeasterly, having a radius of 500.00 feet; Course 6, Southwesterly, along the arc of said curve, through a central angle of 08°45'00", an arc length of 76.36 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 26°23'08" West, 76.28 feet; Course 7, South 22°00'38" West, 44.52 feet to the point of curvature of a curve concave Northwesterly, having a radius of 75.00 feet; Course 8, Southwesterly along the arc of said curve, through a central angle of 08°45'00", an arc length of 11.45 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 26°23'03" West, 11.44 feet; Course 9, South 30°45'38" West, 2.01 feet to the most Easterly corner of Las Calinas Parcel 3D Unit 5, according to Map Book 69, pages 94 through 97, of said Public Records; thence along the easterly line of said plat, North 48°35'01" West, 126.37 feet; thence continue along said Easterly line and then along the Westerly line of those lands described and recorded in Official Records Book 2627, page 282, of said Public Records, North 08°32'09" West, 1975.96 feet to the Northwest corner of said Official Records Book 2627, page 282, said corner also being the Northeast corner of said Official Records Book 2455, page 1052, said corner also lying on the Northerly line of said fractional Section 28; thence along said Northerly line of fractional Section 28, and along the Northerly line of said Official Records Book 2627, page 282, North 89°13'11" East, 416.60 feet to the Northwest corner of said Palencia North Phase I; thence along the Westerly line of said Palencia North Phase I, run the following 2 courses: 1) South 20°01'10" East, 474.58 feet; 2) South 10°00'00" East, 1000.00 feet to the Point of Beginning.

Containing 20.83 acres more or less.

Said lands situated, lying and being in St. Johns County, Florida.