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DECLARATION OF
COVENANTS, CONDITIONS,
AND RESTRICTIONS

FOR

CASTELLINA

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
CASTELLINA

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this ____ day of _____, 2011, by Centex Homes, a Nevada general partnership.

ARTICLE I CREATION OF THE COMMUNITY

1.1 Purpose and Intent. Declarant (as defined in Article II), as the owner of the real property described in **Exhibit "A,"** intends, by recording of this Declaration, to establish a general plan of development for Castellina, a planned community (the "**Community**"). This Declaration, together with the other Governing Documents described in Section 1.3, provides for the overall development, administration, maintenance, and preservation of Castellina, and provides a flexible and reasonable procedure for its future expansion. An integral part of the development plan is the creation of the Castellina Homeowners' Association, Inc., (the "**Association**") to own, operate, and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents.

This document does not and is not intended to create a condominium under Florida law.

1.2 Binding Effect. This Declaration governs the property described in **Exhibit "A,"** and any other property submitted to this Declaration in the future pursuant to Article IX. This Declaration shall run with the title to such property and shall bind everyone having any right, title, or interest in any portion of such property, their heirs, successors, successors-in-title, and assigns. Declarant, the Association, any Owner (as defined in Article II), and their respective legal representatives, heirs, successors, and assigns, may enforce this Declaration. Each Owner shall automatically be a Member (as defined in Article II) of the Association.

This Declaration is intended to have perpetual duration, but shall be effective for a minimum of 30 years from the date it is recorded, subject to the right of Declarant and the Members to amend it as provided in Article XIX. After the initial 30-year period, it shall automatically be extended for successive 10-year periods in perpetuity unless, within the 12-month period preceding any extension, an instrument signed by the then Owners of at least 75% of the Lots (as defined in Article II) agreeing to terminate this Declaration is recorded. If any provision of this Declaration would be invalid under the Florida Uniform Statutory Rule Against Perpetuities, that provision shall expire 90 years after this Declaration is recorded. This section does not authorize termination of any easement created in this Declaration without the consent of the holder of such easement.

1.3 Governing Documents. The following chart identifies the documents which govern the Community (as they may be amended from time-to-time, the "**Governing Documents**") and describes, in part, the purpose of each. Every Owner and occupant of a Lot (as defined in Article II), and their respective guests, tenants, visitors and invitees, shall comply with the Governing Documents.

Declaration (Recorded)	creates obligations which are binding upon the Association and all present and future owners and occupants of, and others with any interest in, property in the Community
Supplemental Declaration (Recorded)	adds property to the Community; may impose additional obligations or restrictions on such property
Amendment to Declaration (Recorded)	modifies, adds or removes provisions of the Declaration
Articles of Incorporation (filed with the Secretary of State; initial Articles and the Articles of Amendment attached as Exhibit "C")	establish the Association as a not-for-profit corporation under Florida law
By-Laws (Board adopts; initial By-Laws attached as Exhibit "D")	govern the Association's internal affairs, such as voting rights, elections, meetings, officers, etc.
Architectural Guidelines (Declarant or Association may adopt)	establish architectural standards and guidelines for improvements and modifications to Lots, including structures, landscaping, and other items on Lots
Use Restrictions (initial set attached as Exhibit "B")	govern use of property and activities within the Community
Board Resolutions and Rules (Board may adopt)	establish rules, policies, and procedures for internal governance and Association activities; regulate operation and use of Common Area (as defined in Article II)

Additional covenants, conditions, and restrictions may be imposed on all or any portion of the Community, in which case the more restrictive provisions will be controlling. However, no Person (as defined in Article II) shall record any additional covenants, conditions, or restrictions affecting any portion of the Community without Declarant's prior written consent, during the Development and Sale Period (as defined in Article II), or without the Board's (as defined in Article II) consent thereafter. Any instrument recorded without the necessary consent is void and of no force or effect.

If there are conflicts between Florida law, the Declaration, the Articles, and the By-Laws, Florida law, the Declaration, the Articles, and the By-Laws (in that order) shall prevail. If any court determines that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or other applications of the provision.

ARTICLE II CONCEPTS AND DEFINITIONS

2.1 Defined Terms. The terms used in the Governing Documents are given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms are defined as follows:

"ACOE". United States Army Corps of Engineers.

"Affiliate". Any Person which (either directly or indirectly, through one or more intermediaries) controls, is in common control with, or is controlled by, another Person, and any Person that is a director, trustee, officer, employee, independent contractor, shareholder, agent, co-venturer, subsidiary, personal representative, or attorney of any of the foregoing. For the purposes of this definition, the term "control" means the direct or indirect power or authority to direct or cause the direction of an entity's management or policies, whether through the ownership of voting securities, by contract, or otherwise.

"Architectural Guidelines". The architectural, design, and construction guidelines and review procedures adopted pursuant to Article IV, as they may be amended from time to time.

"Architectural Review Board" or **"ARB"**. The committee established, upon delegation or termination of Declarant's authority under Article IV, to review plans and specifications for the construction or modification of improvements and to administer and enforce the architectural controls described in Article IV.

"Articles". The Articles of Incorporation of Castellina Homeowners' Association Inc., filed with the Secretary of State for the State of Florida, as they may be amended, and/or amended and restated, from time to time. A copy of the initial Articles and the Articles of Amendment and the annual report for 2011 are attached to this Declaration as **Exhibit "D,"** and their terms are incorporated herein by reference.

"Association". Castellina Homeowners' Association, Inc., a Florida not-for-profit corporation, its successors or assigns.

"Benefited Assessment". Assessments charged against a particular Lot or Lots for Association expenses as described in Section 8.4.

"Board of Directors" or **"Board"**. The body responsible for the general governance and administration of the Association, selected as provided in the By-Laws.

"By-Laws". The By-Laws of Castellina Homeowners' Association, Inc., as they may be amended from time to time. A copy of the initial By-Laws is attached to this Declaration as **Exhibit "E,"** and its terms are incorporated herein by reference.

"City". Village of Wellington, Palm Beach County, Florida.

"Class "B" Control Period". The time period during which the Class "B" Member may appoint a majority of the Board members. The Class "B" Control Period shall end when any one of the following occurs:

(a) within three (3) months after 90% of the Lots proposed under the Development Plan have been deeded to Class "A" Members;

- (b) seven (7) years from the date this Declaration is recorded; or
- (c) earlier, if the Class "B" Member, in its discretion so determines.

"Common Area". All real and personal property, including easements, which the Association owns, holds, leases, or otherwise has a right to possess or use for the common use and enjoyment of the Owners. Common Area includes the Surface Water and Storm Water Management System and the Limited Common Area, as defined below.

"Common Expenses". The actual and estimated expenses which the Association incurs, or expects to incur, for the general benefit of all Owners. Common Expenses include any reserves the Board finds necessary or appropriate.

"Common Maintenance Areas". The Common Area, together with any other area for which the Association has or assumes maintenance or other responsibilities.

"Community" or "Castellina". The real property described in **Exhibit "A,"** together with such additional property as is subjected to this Declaration in accordance with Article IX.

"Community Name". Castellina and/or such other name or names as Declarant shall designate for all or any portion of the Community.

"Community-Wide Standard". The standard of conduct, maintenance, or other activity generally prevailing from time-to-time throughout the Community, or the minimum standards established pursuant to the Architectural Guidelines, Use Restrictions, and Board resolutions, whichever is the highest standard. The Community-Wide Standard may contain objective elements, and subjective elements.

"County". Palm Beach County, Florida.

"Declarant". Centex Homes, a Nevada general partnership, or any successor or assign as developer of all or any portion of the Community that is designated as Declarant in a recorded instrument which the immediately preceding Declarant executes. On all matters, Declarant may act through any of its Affiliates. Any Person who at any time holds the rights of Declarant hereunder and subsequently transfers or assigns the rights of Declarant to another Person shall be known as a **"Predecessor Declarant"** and, unless otherwise agreed in writing, shall be entitled to the rights of a Predecessor Declarant established in this Declaration. Whether or not specifically stated, a Predecessor Declarant shall be afforded the same protection with respect to matters arising from actions taken during its tenure as Declarant as the Predecessor Declarant would have if it were still Declarant.

"Development Plan". The land use or site plan for the Community approved by Declarant, as it may be amended from time to time, which includes all of the property described in **Exhibit "A"** and all or a portion of the property to be annexed into and subjected to this Declaration as described in Article IX below. Declarant is not obligated to submit property shown on the Development Plan to this Declaration. In addition, Declarant may submit property to this Declaration that is not shown on the Development Plan. Reference should be made to Article X of this Declaration to the respective rights and obligations of Owners and Declarant with respect to the use and development of the Community.

“Development and Sale Period”. The period of time during which Declarant and/or its Affiliates own property subject to this Declaration or Declarant holds an unexpired right to unilaterally expand the Community pursuant to Section 9.1.

“District”. The water management district or districts having or asserting jurisdiction over the Community or portions thereof including, without limitation, the SFWMD, and the LWDD, as applicable.

“FDEP”. Florida Department of Environmental Protection.

“Governmental Authority”. Any federal, state, county, municipal or other governmental or quasi-governmental department, entity, authority, agency or instrumentality having or asserting jurisdiction over the Community or a portion thereof.

“HUD”. U.S. Department of Housing and Urban Development.

“Lakes” or **“Lake Parcels”**. Those portions of the Property designated on the Plat as lakes or water management, and shall always be kept and maintained as lakes for water retention, drainage, irrigation, littoral plantings and water management purposes in compliance with all applicable governmental, the District and other water management district requirements.

“Lake Lot”: A Lot within the Community abutting one of the Lakes.

“Legal Costs”. The costs which a Person entitled to reimbursement for “Legal Costs” under any provision of the Governing Documents incurs in pursuing legal action (regardless of whether suit is filed or whether arbitration or court action is taken) to enforce the Governing Documents, including, but not limited to, reasonable attorneys’ and paralegals’ fees, expert witness fees, and court costs at all tribunal levels.

“Limited Common Area”. A portion of the Common Area primarily benefiting one or more, but less than all, Lots or Neighborhood Service Areas, as described in Article XII.

“Limited Common Expenses”. The actual and estimated expenses which the Association incurs, or expects to incur, for the benefit of Owners of Lots benefiting from a Limited Common Area or within a particular Neighborhood Service Area, which may include a reserve for capital repairs and replacements and a administrative charge, as may be authorized pursuant to this Declaration or in the Supplemental Declaration(s) applicable to such Neighborhood Service Area or Lots.

“Lot”. A portion of the Community, whether improved or unimproved, which may be independently owned and conveyed, and which is improved, or intended by Declarant to be improved, with a single family residential dwelling. The term shall refer to the land, if any, which is part of the Lot as well as any improvements on the Lot. The boundaries of each Lot shall be shown on a Plat.

A parcel of land shall be deemed to be a single Lot until such time as a Plat subdivides all or a portion of the parcel. Thereafter, the subdivided portion shall contain the number of Lots shown on the Plat. Any portion not subdivided shall continue to be a single Lot.

Any Owner owning two adjoining Lots may, with the prior written approval of Declarant during the Development and Sale Period, and the Association thereafter, combine such Lots

into a single building site for the purpose of constructing one dwelling and such other improvements as are approved hereunder; however, each of the Lots so combined shall continue to be treated as a separate Lot for purposes of voting and assessment, unless the Plat creating such Lots is revised and recorded, with the prior consent of the Declarant or the Association, to combine them into a single Lot. Declarant or the Association, as applicable, may grant or withhold their approval to any such combination or plat revision in their sole discretion.

"LWDD". Lake Worth Drainage District.

"Member". A Person subject to membership in the Association, as described in Section 6.2. There initially are two membership classes: Class "A" and Class "B."

"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 held by an institutional lender. The term "Mortgagee" shall refer to a beneficiary or holder of a Mortgage. The term "Institutional Lender" shall include 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 Federal government, the Federal Investment Mortgage Association, the Federal Home Loan Mortgage Corporation, or similar governmental or quasi-governmental agencies.

"Neighborhood Service Area". A group of Lots designated as a separate Neighborhood Service Area pursuant to this Declaration or a Supplemental Declaration for purposes of sharing Limited Common Areas and/or receiving other benefits or services from the Association which are not provided to all Lots. A Neighborhood Service Area may be comprised of more than one housing type and may include noncontiguous parcels of property. A Lot may be assigned to more than one Neighborhood Service Area. Where the context permits or requires, the term "Neighborhood Service Area" shall also refer to a Neighborhood Service Area Committee established in accordance with the By-Laws to represent the interests of Owners of Lots within a Neighborhood Service Area. Neighborhood Service Area boundaries may be established and modified as provided in Section 7.11. Neighborhood Service Areas, if established, shall assess their members for their association expenses and shall be responsible for collecting their share of Common Expenses under this Declaration, unless the Association determines otherwise. When Neighborhood Service Areas are administered by the Association, the cost of managing such a Neighborhood Service Areas shall be borne by the Owners in such Neighborhood Service Areas as part of the Neighborhood Service Areas Expenses.

"Neighborhood Service Area Assessments". Assessments levied against the Lots in a particular Neighborhood Service Area to fund Limited Common Expenses, as described in Section 8.1(b).

"Owner". The record title holder to any Lot, but excluding, in all cases, anyone holding an interest merely as security for the performance of an obligation (e.g., a Mortgagee). If a Lot is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

"Permit". SFWMD Environmental Resource Permit No. 050407-4 attached hereto and incorporated herein as **Exhibit "F."**

"Person". An individual, a corporation, a partnership, a trustee, or any other legal entity.

“Plat”. Any recorded plat for all or any portion of the Community. As to a particular portion of the Community, the applicable Plat shall be deemed to be the Plat (and/or Plat amendment, replat, revision or similar instrument, as applicable) to which such portion of the community is subject or which otherwise affects such portion of the Community at the time this applicable determination is to be made.

“Property” or **“Properties”** shall mean and refer to the real property described on the attached **Exhibit “A”**, and such additions thereto as may be brought within the jurisdiction of the Association and made subject to this Declaration.

“Regular Assessment”. Annual assessments levied to fund Common Expenses for the general benefit of all Lots, as determined in accordance with Section 8.2(a).

“Reviewer”. For purposes of Article IV, the “Reviewer” is the Person having authority under Article IV for the review of materials, as provided in Article IV.

“Special Assessment”. Assessments levied against Lots in accordance with Section 8.3 to cover unbudgeted expenses or expenses in excess of those budgeted.

“Supplemental Declaration”. A recorded instrument which subjects additional property to this Declaration and/or imposes additional or modified restrictions and obligations on the land described in such instrument.

“Surface Water and Storm Water Management System”. A drainage system consisting of swales, inlets, culverts, retention ponds, detention ponds, lakes, outfalls, storm drains and other similar and/or related improvements, and all connecting pipes and easements, which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect quantity and quality of discharges from the system, as permitted pursuant to the Permit issued by the District. The Surface Water and Storm Water Management System facilities include, but are not limited to: all inlets, ditches, swales, culverts, water control structures, retention and detention ponds, lakes, flood plain compensation areas, Wetlands and any associated buffer areas and Wetland mitigation areas, all Drainage Easements, Lake Maintenance and Access Easements, Landscape Buffer Areas, Planted Littoral Zones and Littoral Zones shown on a Plat, all to the extent that any such facilities, areas, or conditions apply to the Community.

“SFWMD”. The South Florida Water Management District.

“Use Restrictions”. The initial use restrictions, governing the use and activities on the Lots and the Common Areas set forth in **Exhibit “C,”** as they may be changed in accordance with Article III or Article XIX or otherwise, as amended from time to time.

“VA”. U.S. Department of Veterans Affairs.

“Wetland”. Any area within the Community identified or designated as habitat for wetland species of plants and/or animals by the District, or by the City, or by the ACOE, or by any other agency of the State of Florida or the United States government, whether or not such area is included within the Surface Water and Storm Water Management System, or is an isolated area that is not connected to the Surface Water and Storm Water Management System.

2.2 Interpretation of Certain References.

(a) Recording. All references in the Governing Documents to a “recorded” legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed, or the filing of a legal instrument, in the public records of the County, or such other place designated as the official location for filing documents affecting title to real estate in the City in order to make them a matter of public record.

(b) Consent or Approval. All references in the Governing Documents to “consent” or “approval” shall refer to permission or approval which, unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required.

(c) Discretion and Determinations. All references in the Governing Documents to “discretion” or to the right to “determine” any matter shall refer to the sole and absolute power, right, and/or discretion to decide or act and, unless otherwise expressly limited in the Governing Documents, a Person entitled to exercise its discretion or make a determination may do so without regard to the reasonableness of, and without the necessity of justifying, the decision, determination, action or inaction.

ARTICLE III USE AND CONDUCT

3.1 Restrictions on Use, Occupancy, and Alienation. In addition to the initial Use Restrictions set forth **Exhibit “B”** which may be modified as provided herein, the Lots shall be subject to the following restrictions set forth in this Section, which may be amended only in accordance with Section 3.2, Article XIX and other applicable provisions of this Declaration.

(a) Residential and Related Uses. Lots shall be used primarily for residential and related purposes (including, without limitation, use as a home office). No business shall be conducted in, on, or from any Lot, except that an occupant using the dwelling on a Lot primarily for residential purposes may also conduct business activities on such Lot ancillary to their primary residential use, if the business activity, as determined in the Board's discretion:

(i) is not apparent or detectable by sight, sound, or smell from outside of a permitted structure;

(ii) complies with applicable zoning and other legal requirements and other requirements of this Declaration;

(iii) does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees, or door-to-door solicitation within the Community; and

(iv) is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the use and enjoyment of other Lots by the Owner thereof or the security or safety of others within the Community.

“**Business**” shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of

whether (A) such activity is engaged in full or part time, (B) such activity is intended to or does generate a profit, or (C) a license is required.

No Lot shall be re-zoned to any classification allowing commercial, institutional, or other non residential use without the express written consent of the Association and Declarant, which either may withhold in its discretion. Notwithstanding anything in this Article to the contrary, Declarant or the Association may enforce this covenant by obtaining an injunction against any unapproved re-zoning at the expense of the party pursuing the unapproved re-zoning, in addition to and not in limitation of Declarant's or the Association's other rights and remedies.

This Section shall not apply to restrict Declarant's or Declarant's Affiliates' activities, nor shall it restrict the activities of Persons Declarant approves with respect to the development, construction, and sale of property in the Community. This Section shall not apply to Association activities related to the provision of services or to operating and maintaining the Community, including, without limitation, the Community's recreational and other amenities.

(b) No Short Term Leasing. For purposes of this Declaration, "short term leasing" is the regular, exclusive occupancy of a dwelling by any Person other than the Owner, for which the Owner receives any consideration or benefit, including, without limitation, a fee, service, or gratuity, for a period of time less than thirty (30) days. The improvements on the Lot may not be leased for short term leasing.

(c) Occupants Bound. Every Owner shall cause anyone occupying or visiting his or her Lot to comply with the Governing Documents and shall be responsible for all violations of the Governing Documents and any damage they cause to the Common Maintenance Areas, notwithstanding the fact that such Persons also are personally responsible for complying and may be sanctioned for any violation.

(d) Subdivision of a Lot. Lots may not be subdivided or their boundary lines changed except with Declarant's or the Board's prior written approval. Declarant may subdivide, change the boundary lines of, and replat any Lot it owns without Board approval. In addition, during the Development and Sale Period, Declarant, or any Declarant Affiliate, may convert Lots it owns into Common Area and may convert portions of Common Area into Lots.

(e) Lodging; Timeshares. No Lot may be used as a rooming house, hostel, or hotel. Timesharing or other arrangements involving more than three ownership interests in a Lot (including, without limitation, ownership by more than three Persons as joint tenants or tenants-in-common), or assigning separate use periods of less than 180 consecutive days' duration, are prohibited.

(f) For Sale or Lease Signs. Signs advertising Lots or dwellings (or any portion thereof) for sale or lease which are erected or visible outside of the exterior of any dwelling, including signs posted in any window or door of a dwelling, shall not be permitted during the Development and Sale Period, provided, however, that signs used by Declarant, Declarant's Affiliates and their successors and assigns, for advertising and marketing during the Development and Sale Period of the Community and other signs authorized by Declarant or its Affiliates shall be exempt from this restriction.

The Use Restrictions and the restrictions set forth in this Section 3.1 are subject to enforcement action by the Association pursuant to Section 7.4, including, but not limited to, imposition of monetary fines and liens, suits to enjoin violations and exercise of self-help

remedies and other remedies as provided in Section 7.4. Any act of any occupant, broker, agent, employee or invitee of an Owner shall be deemed to be an act done by or on behalf of such Owner.

3.2 Amendment to Use Restrictions.

(a) The Declarant may change (*i.e.*, modify, cancel, limit, create exceptions to, or add to) the Use Restrictions during the Class "B" Control period. Thereafter, the Use Restrictions may be changed in accordance with the provisions of Article XIX, or as otherwise provided in this Declaration. The Board shall send the Members notice of any proposed change at least five business days before the meeting at which such change will be considered. The Members shall have a reasonable opportunity to be heard at such meeting.

(b) Any change in the Use Restrictions shall be recorded. The Board shall send a copy of the new or changed Use Restriction to each Owner or otherwise distribute copies through electronic means or post to the Association's webpage. The change shall become effective upon recording in the public records of the County. The Association shall provide to any requesting Member or Mortgagee, at no charge, a copy of the Use Restrictions then in effect.

(c) In the event of a conflict between the Architectural Guidelines and the Use Restrictions, the Architectural Guidelines shall control. In the event of a conflict between the Use Restrictions and any provision within this Declaration (exclusive of the Use Restrictions), the Declaration provision shall control.

(d) The procedures described in this Section 3.2 are not intended to apply to reasonable rules and regulations, which the Board may adopt by resolution, or other administrative rules, unless the Board chooses, in its discretion, to submit to such procedures, provided all such rules and regulations shall be subject to Declarant's written consent during the Development and Sale Period.

(e) Except as may be set forth in this Declaration (either initially or by amendment) or in the initial Use Restrictions set forth in **Exhibit "C,"** the Association's actions with respect to Use Restrictions and rules must comply with the following:

(i) Displays. Owners' rights to display religious and holiday signs, symbols, and decorations, signs indicating that the Lot is receiving monitoring services and signs required to comply with or obtain the benefit of applicable laws (e.g. beware of bad dog signs) on their Lots of the kinds normally displayed in residential neighborhoods with homes of comparable type, quality, and price range to those in the Community shall not be further abridged, except that the Association may adopt time, place, size, number, and manner restrictions with respect to such displays.

(ii) Signs. To the extent that signs are permitted under Article IV, the Association shall not regulate the content of political signs; however, it may regulate the time, place, size, number, and manner of posting such signs (including design criteria). Provided further that signs, regardless of size, used by Declarant and Declarant's Affiliates advertising and marketing during the construction and sale of the Community shall be exempt from the foregoing restrictions.

(iii) Activities Within Dwellings. The Association shall not interfere with activities carried on within a dwelling, except that it may prohibit activities not normally associated with residential property, and it may restrict or prohibit activities that create monetary costs for the Association or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, that create undesirable odors noticeable to persons outside the dwelling, that are an unreasonable source of annoyance, or that violates a provision of the Governing Documents.

(iv) Alienation. The Association shall not prohibit transfer of any Lot, or require the Association's or the Board's consent prior to transferring a Lot. The Association may impose a reasonable review or administrative fee on the transfer of any Lot.

(v) Right to Develop. The Association may not impede Declarant's or Declarant's Affiliates' rights to develop, market, or sell the Property described on **Exhibit "A"** or any Additional Property (defined below).

The limitations in paragraphs (i) through (v) of this subsection (e) shall not apply to amendments to this Declaration adopted in accordance with Article XIX.

3.3 Owners' Acknowledgment and Notice to Purchasers. Each Owner, by accepting a deed, acknowledges and agrees that the use, enjoyment, and marketability of his or her Lot is limited and affected by the terms of the Governing Documents, including Use Restrictions and Board rules, which may change from time to time. All Lot purchasers are on notice that the Association may have adopted changes to the Use Restrictions and that such changes may or may not be set forth in a recorded document. Copies of the current Use Restrictions and Board rules may be obtained from the Association.

ARTICLE IV ARCHITECTURE AND LANDSCAPING

4.1 General. Except for work done by or on behalf of Declarant or any Declarant Affiliate, no structure or thing shall be placed, erected, or installed upon any Lot, and no improvements of any kind or other work (including, without limitation, staking, clearing, excavation, grading and other site work, exterior alterations or additions, or planting or removal of landscaping) shall take place within the Community, except in compliance with this Article and the Architectural Guidelines.

Any Owner may remodel, paint, or redecorate the interior of any structure on his or her Lot without approval hereunder. However, modifications to the interior of screened porches, patios, and any other portions of a Lot or structure visible from outside a structure are subject to approval under this Article.

Improvements shall be constructed only by qualified Persons acceptable to the Reviewer (as defined in Section 4.2(c)). Owners shall be responsible for obtaining all permits and approvals from the City and other governmental agencies.

This Article does not apply to Declarant's or its Affiliates' activities during the time period specified in Section 4.2, nor to the Association's activities during the Class "B" Control Period.

4.2 Architectural Review.

(a) By Declarant. Declarant shall have exclusive authority to administer and enforce architectural controls and to review and act upon all applications for architectural and other improvements within the Community. Declarant's rights under this Article shall continue until five years after termination of the Development and Sale Period, unless Declarant earlier terminates its rights in a recorded instrument. Declarant may designate one or more Persons to act on its behalf in reviewing any application. In reviewing and acting upon any request for approval, Declarant or its designee acts solely in Declarant's interest and owes no duty to any other Person.

Declarant may from time to time delegate or assign all or any portion of its rights under this Article to any other Person or committee, including the Architectural Review Board. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

(b) Architectural Review Board. Upon Declarant's delegation or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the ARB, shall assume jurisdiction over architectural matters. When appointed, the ARB shall consist of at least three, but not more than five, persons. Members of the ARB need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as the Board may establish. The ARB members shall serve and may be removed and replaced in the Board's discretion.

Unless and until such time as Declarant delegates any of its reserved rights to the ARB or Declarant's rights under this Article terminate, the Association shall have no power over matters governed by this Article IV.

(c) Reviewer. For purposes of this Article, the "Reviewer" is the Person having jurisdiction under this Section in a particular case.

(d) Fees; Assistance. The Reviewer may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may include, without limitation, the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals the Reviewer employs or with whom it contracts. The Board may include the compensation of such Persons in the Association's annual operating budget.

4.3 Guidelines and Procedures.

(a) Architectural Guidelines. Declarant may prepare and make available the initial Architectural Guidelines, which may contain general provisions applicable to all of the Community as well as specific provisions that may vary according to location within the Community or product type. The Architectural Guidelines, are intended to provide guidance to Owners regarding matters of particular concern to the Reviewer. The Architectural Guidelines are not the exclusive basis for the Reviewer's decisions, and compliance with the Architectural Guidelines does not guarantee an application's approval.

If the same exist, Declarant shall have sole and absolute and full authority to amend the Architectural Guidelines, from time to time, during the Development and Sale Period. Declarant's right to amend shall continue even if its reviewing authority is delegated to the ARB, unless Declarant also delegates the power to amend to the ARB. Upon termination or delegation to the ARB of Declarant's right to amend, the Board may amend the Architectural Guidelines, subject to Declarant's veto right under Section 4.2(a) (if still applicable).

If the same exist, amendments to the Architectural Guidelines shall be prospective only. They shall not require modifications to or removal of structures, improvements, and other things previously approved once the approved construction or modification has begun. However, any new work or improvements must comply with the Architectural Guidelines as amended.

In Declarant's discretion, the Architectural Guidelines may be recorded, in which event the recorded version, as it may be amended from time to time, shall control in the event of any dispute as to which version of the Architectural Guidelines was in effect at any particular time.

(b) Procedures. Unless the Architectural Guidelines provide otherwise, no construction activities or other activities described in Section 4.1 may begin until a written request is submitted to and approved in writing by the Reviewer. The request must be in writing and be accompanied by plans and specifications and other information the Reviewer and/or the Architectural Guidelines require. Plans and specifications shall show, as applicable, site layout, structural design, exterior elevations, exterior materials and colors, landscaping, drainage, exterior lighting, irrigation, and other features of proposed construction or other activity as the Reviewer deems relevant.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed design with surrounding structures and environment and preservation of views or line of sight for surrounding Lots or structures to open space, landscape, lake or stormwater management, buffer, conservation or similar areas. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to review so long as they are made in good faith and in accordance with the required procedures.

The Reviewer shall make a determination on each application within 45 days after receipt of a completed application and all other information the Reviewer requires. The Reviewer may permit or require that an application be submitted or considered in stages, in which case, a final decision shall not be required until 45 days after the final, required submission stage. The Reviewer may (i) approve the application, with or without conditions; (ii) approve a portion of the application, with or without conditions, and disapprove other portions; or (iii) disapprove the application. The Reviewer shall notify the applicant in writing of a final determination on any application. In the case of disapproval, the Reviewer may, but shall not be obligated to, specify the reasons for any objections and/or offer suggestions for curing any objections.

After the initial 45-day period has elapsed, if the Owner has not received notice of the Reviewer's determination, the Owner may make a second written request for approval of the plans previously submitted which shall be marked "**Second Request**." If the Reviewer fails to respond within seven business days from receipt of the Second Request, approval shall be

deemed given. However, no approval (or improvement governed by such approval), whether expressly granted or deemed granted, shall be inconsistent with the Architectural Guidelines or other Governing Documents unless a written variance has been granted pursuant to Section 4.5.

Notwithstanding anything to the contrary in this Declaration or the By-Laws, Owners shall send any such **"Second Request"** via the U. S. Postal Service, certified mail, return receipt requested, or by commercial overnight carrier that obtains a signed receipt upon delivery. A Second Request shall be deemed made, and the seven business day time period shall commence running, on the date of the Reviewer's actual receipt of the Second Request, as evidenced by its signature on the return receipt provided by the U. S. Postal Service or in the records of the overnight carrier, as applicable.

As part of any approval, the Reviewer may require that construction, landscaping, and other approved activities in accordance with approved plans commence and be completed within a specified time period. If such actions do not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities within the scope of this Article. Once commenced, such activities must be diligently pursued to completion. All elements of the approved activities and/or plans shall be completed within one year of commencement unless a shorter or longer period is otherwise specified in the notice of approval or the Architectural Guidelines, or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action by the Association or Declarant.

Any approvals granted under this Article are conditioned upon completion of all elements of the approved work, unless written approval to modify any application has been obtained.

Declarant or the ARB, by resolution, may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

4.4 No Waiver of Future Approvals. Each Owner acknowledges that the people reviewing applications under this Article will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Architectural Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be feasible to identify objectionable features until work is completed, at which time, it may or may not be unreasonable to require that such objectionable features be changed. However, the Reviewer may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the Reviewer's right to withhold approval of similar applications, plans, or other matters subsequently or additionally submitted for approval.

4.5 Variances. The Reviewer may authorize variances from compliance with the Architectural Guidelines and any procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require or permit. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; (c) prevent the Reviewer from denying a variance in other circumstances; or (d) if during the Development and Sale Period, be effective without Declarant's written consent. A variance requires Declarant's written consent during the Development and Sale Period and, requires the Board's written consent.

4.6 Release of Liability. This Article establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of the Community. Review and approval of any application pursuant to this Article may be based on purely aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that every dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

Each Owner releases Declarant, Declarant's Affiliates, any predecessor Declarant, the Association, its officers, the Board, the ARB, the Association's managing agent, any committee, or any member of any of the foregoing for the approval of, disapproval of, or failure to approve or disapprove any plans; soil conditions, drainage, or other general site work related to approved work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any owner or their contractor or their subcontractors, employees, or agents; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction or activities on or modifications to any Lot. In all such matters or claims related therefrom, the Association shall defend, indemnify and hold harmless the Declarant, Declarant's affiliates, any predecessor Declarant, Board, the ARB, the members of each, and the Association officers as provided in the Articles.

4.7 Enforcement. Any construction, alteration, improvement or other work done in violation of this Article or the Architectural Guidelines is subject to enforcement action pursuant to Section 7.4. Any act of any contractor, subcontractor, agent, employee, or invitee of an Owner shall be deemed to be an act done by or on behalf of such Owner.

ARTICLE V MAINTENANCE AND REPAIR

5.1 Maintenance of Lots.

(a) Each Owner must maintain his or her Lot, including, without limitation, all structures, landscaping to the extent not maintained by the Association as provided in Section 5.1(b) below, irrigation and other improvements comprising the Lot, in a manner consistent with the Governing Documents, the Community-Wide Standard, the ARB and any other applicable covenants, except to the extent that such maintenance responsibility is assigned to or assumed by the Association or assigned to the Association pursuant to this Declaration or any Supplemental Declaration or additional covenants applicable to such Lot. In addition, each Owner shall maintain the sidewalk and landscaping located between the boundary of such Owner's Lot and edge of pavement of the adjacent private roadway, and the back-of-curb of any public or private roadway lying adjacent to or within 15 feet of the boundary of his or her Lot, unless the Association assumes all or part of such maintenance responsibility, and then only to the extent not assumed by the Association. Such maintenance by Owner shall include periodic pressure cleaning of driveways, sidewalks, and exterior surfaces, including the roof, of all structures on his or her Lot, and repair or replacement of any damaged garage door, exterior door, exterior door hardware, and any damaged windows.

(b) The Association shall be responsible for:

(i) maintenance (including, mowing, cutting, edging, fertilizing, watering, pruning, and replacing, and controlling disease and insects), of all lawns and landscaping installed on the Lot as part of the initial construction on the Lots, specifically

excluding landscaping located within any enclosed courtyard, patio, fenced or other area not readily accessible from outside the dwelling; and

(ii) operation, maintenance, repair and replacement of any irrigation equipment (including, without limitation, any sprinklers, pumps, wells, water lines and time clocks, wherever located) serving the Lots, except that the Association shall have no responsibility for any sprinklers or other irrigation equipment installed by the Owner or occupant of any Lot.

The Association shall not be responsible for any maintenance or repairs to any screening, anything contained within any dwelling, garage, or courtyard, or any improvements, or modifications added or made to any Lot after (i) construction of a completed dwelling upon such Lot (as evidenced by issuance of a certificate of occupancy) and (ii) the conveyance of the Lot to an Owner other than Declarant or Declarant's Affiliates.

All other portions of the Lots (and the improvements located thereon) shall be the responsibility of the respective Owners, including, without limitation, maintenance, repair, and replacement, as necessary, of all pipes, lines, wires, conduits, or other apparatus which serve only the Lot, whether located within or outside the Lot's boundaries (including all utility lines and courtyard drain and associated pipes serving only the Lot).

(c) Declarant, Declarant's Affiliates or a builder may have constructed or installed drainage swales, drainage lines, and/or other equipment on a Lot for the purpose of managing and/or containing the flow of excess surface water, if any, found upon such Lot from time to time. Except to the extent that such responsibility is assigned to or assumed by the Association pursuant to this Declaration or any Supplemental Declaration, each Owner shall be responsible for the maintenance, operation, and repair of such drainage swale(s), drainage lines, and other equipment on his or her Lot. Maintenance, operation, and repair shall mean and include, without limitation, the exercise of practices, such as mowing and erosion repair, which allow the drainage swales, drainage lines, and other equipment to provide drainage, water storage, conveyance, or other storm water management capabilities as permitted by the District. Filling, excavation, construction of fences, or otherwise obstructing the surface water flow in or into the drainage swales, drainage lines, and other equipment is prohibited. No alteration of a drainage swale, drainage lines, and other equipment shall be authorized and any damage to any drainage swale, drainage lines, and other equipment, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale, drainage lines and other equipment returned to its former condition as soon as possible by the Owner(s) of the Lot upon which the drainage swale, drainage lines, and other equipment is located.

(d) Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance includes responsibility for repair and replacement. The maintenance, repair, replacement, and other obligations of the Association and Owner specified in this Declaration shall be performed as and when the Board determines it necessary to maintain the property to a level consistent with the Community-Wide Standard.

5.2 Insurance on Lots; Casualty Losses. Each Owner shall maintain property insurance providing fire and extended coverage at full replacement cost, less a reasonable deductible, on all insurable improvements located on such Owner's Lot. In addition, every Owner shall be obligated to obtain and maintain at all times insurance covering consequential damages to any other Lot or the Common Area due to occurrences originating within the

Owner's Lot caused by the negligence of the Owner, the failure of the Owner to maintain the Lot, and any other casualty within the Lot which causes damage to the Lots or the Common Area. Such insurance policy or policies shall name the Association as an additional insured. Unless a Mortgagee is named as the loss payee under any such policy, the Association shall be named as the loss payee.

Each Owner shall provide a certificate evidencing such insurance to the Association within 10 days of any written request from the Board of Directors. In addition, if the Board so requests, each Owner shall file with the Association a copy of the individual policy or policies covering his or her Lot. Each Owner shall promptly notify the Board in writing in the event such policy on his or her Lot is canceled. In the event that an Owner fails to obtain any insurance which the Owner is required to obtain hereunder, or permits such insurance to lapse, the Association may, but shall not be obligated to, obtain such insurance on behalf of the Owner and assess the costs thereof to the Owner and the Owner's Lot as a Benefited Assessment.

Regardless of whether the insurance required hereunder is obtained by the Association or the Owners, in the event of a casualty loss, the Association shall be entitled to file a claim against such insurance for the cost of any repair or reconstruction to the Lot and improvements thereon which is the Association's responsibility, and the Owner shall pay the amount of any deductible and shall be responsible for any deficiency in the insurance proceeds. The Association shall be entitled to adjust with the insurance provider the amount of any proceeds payable to the Association and the Owner thereunder, based upon the amount necessary to enable the Owner and the Association each to repair and replace those portions of the Lot and improvements thereon which are their respective responsibilities.

If the Owner is required to obtain insurance hereunder and such insurance is insufficient, the Association shall be relieved of any obligation to maintain, repair, and replace damaged or destroyed portions of the Owner's Lot, to the extent of such insufficiency. Alternatively, the Association may perform required repairs, whether the responsibility of the Association or the Owner, and assess all costs to the Owner and the Owner's Lot as a Benefited Assessment pursuant to Section 8.4.

In the event of damage to or destruction of a structure on a Lot, the Owner shall promptly repair or reconstruct the structure in a manner consistent with the original construction or other plans and specifications approved in accordance with Article IV.

ARTICLE VI THE ASSOCIATION AND ITS MEMBERS

6.1 Function of Association. The Association is the entity responsible for management, maintenance, operation, and control of the Common Maintenance Areas. The Association also has primary responsibility for administering and enforcing the Governing Documents. The Association shall perform its functions in accordance with the Governing Documents and Florida law. The Board shall be responsible for management of the Association and may contract with a property manager for such purposes. The Board is appointed or elected as provided in the By-Laws. Membership in the Association is appurtenant to and may not be severed from the Lot. The rights and obligations of a Member may not be assigned or delegated except as provided in this Declaration, the Articles of Incorporation, or By-Laws of the Association, and shall automatically pass to the successor-in-interest of any Owner upon conveyance of such Owner's interest in the Lot.

6.2 Membership. The Association initially shall have two classes of membership, Class "A" and Class "B." Class "A" Members are all Owners except the Class "B" Member. The sole Class "B" Member shall be Declarant. The Class "B" membership shall terminate upon the earlier of (i) 3 months after and conveyance to Owners (other than Declarant or Declarant's Affiliates) of 90% of Lots permitted under the Development Plan, or (ii) earlier, if Class "B" Member, in its discretion, so determines.

Notwithstanding the above, there shall be only one Class "A" membership per Lot. If a Lot is owned by more than one Person, each co-Owner shares the privileges of the membership, subject to reasonable Board regulation and the voting restrictions described in Section 6.3(a) and in the By-Laws. Co-Owners are jointly and severally obligated to perform the responsibilities of an Owner. The membership rights of an Owner that is not an individual (e.g., a corporation) may be exercised by any officer, director, partner, or trustee, or by an individual the Owner designates from time to time in a written instrument provided to the Association's Secretary.

6.3 Voting.

(a) Class "A". Class "A" Members have one equal vote for each Lot they own, except that there is only one vote per Lot. No vote shall be exercised for any property which is exempt from assessment under Section 8.9. In any situation where there is more than one Owner of a Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it.

(b) Class "B". The Class "B" Member shall not have any specific number of votes, but may appoint all the Board members during the Class "B" Control Period, as specified in the By-Laws, and may exercise the additional rights specified throughout the Governing Documents. Upon termination of the Class "B" membership, Declarant shall be a Class "A" Member entitled to one Class "A" vote for each Lot it owns.

ARTICLE VII ASSOCIATION POWERS AND RESPONSIBILITIES

7.1 Acceptance and Control of Association Property.

(a) The Association may acquire, hold, mortgage or otherwise encumber, lease (as landlord or tenant), operate, and dispose of tangible and intangible personal property and real property, subject to the provisions of Section 15.9. The Association may enter into leases, licenses, or operating agreements, for payment or no payment, as the Board deems appropriate, permitting use of portions of the Common Area by others.

(b) Declarant or its designees may, from time to time, transfer to the Association, and the Association shall accept, personal property and/or fee title or other property interests in any improved or unimproved real property included within the Property and/or any Additional Property. Upon Declarant's request, the Association shall transfer back to Declarant or its designees, without any payment by Declarant or such designee, any real property which has not been improved by a structure intended for residential occupancy, whether or not such property has been improved by landscaping, decorative walls, signs, irrigation, utilities, or other improvements, if originally conveyed to the Association by Declarant,

any Declarant Affiliate, any governmental Authority or other third party for no or nominal payment.

(c) The Association is responsible for management, operation, and control of the Common Area, subject to any covenants, easements, or restrictions set forth in the deed or other instrument transferring the property to the Association. The Board may, from time to time, adopt such reasonable rules regulating use of the Common Area as it deems appropriate, provided such rules shall be subject to Declarant's written approval during the Development and Sale Period. The Association may enter into a property management agreement with any Person, including Declarant or any Declarant Affiliate.

(d) Declarant may elect to construct or install certain improvements or facilities upon portions of the Common Area, but is not obligated to do so and may elect to leave portions of the Common Area in their natural unimproved state. Declarant shall have the absolute right and power to determine what improvements or facilities, if any, will be located on the Common Area during the Development and Sale Period.

(e) Declarant hereby reserves the right, at all times after conveyance of the Common Area to the Association, to enter the Common Maintenance Areas, without prior notice, and to inspect the condition thereof and the improvements and facilities thereon, if any. If Declarant determines, in its sole judgment, that the Association has failed to maintain any portion of the Common Maintenance Areas in a manner consistent with the Community-Wide Standard, it may so notify the Association, in writing, and the Association shall promptly perform the required maintenance or repairs. Failure of the Association to maintain the Common Maintenance Areas in a manner consistent with the Community-Wide Standard shall relieve Declarant, Declarant's Affiliates and any Predecessor Declarant of any liability to the Association or to any Member for any condition of the Common Maintenance Areas. Declarant shall have the right to make a record of its inspections by any means available, including, but not limited to, photographing and/or videotaping the Common Maintenance Areas, and shall have the right to perform tests or examinations to determine the condition of the Common Maintenance Areas. Notwithstanding the foregoing, Declarant shall have no obligation to perform inspections of the Common Maintenance Areas and the Association shall not be relieved of its obligation to maintain the Common Maintenance Areas because of the election of Declarant or any Predecessor Declarant to inspect or not to inspect or report to the Association the condition of the Common Maintenance Areas.

7.2 Maintenance of Common Maintenance Areas. The Association shall maintain the Common Maintenance Areas in accordance with the Community-Wide Standard. The Common Maintenance Areas shall include, but are not limited to (a) the Common Area, including landscaping, signage, perimeter walls, fencing structures, and other improvements located on the Common Area, as well as any private streets and entry gates serving the Community; (b) landscaping within public rights-of-way within or abutting the Community or wetlands if not the obligation of Owners; (c) such portions of Lots as are specifically identified as the Association's responsibility under Section 5.1 or any Supplemental Declaration; (d) such portions of any additional property as may be dictated by Declarant, this Declaration, any Supplemental Declaration, any Plat, or any contract, covenant, or agreement for maintenance entered into by, or for the benefit of, the Association; and (e) all ponds, streams, ditches, culverts, and/or wetlands located within the Community which serve as part of the Surface Water and Storm Water Management System, other than those portions located on a Lot and to be maintained by the Owner of such Lot in accordance with Section 5.1 including, without limitation, associated improvements and equipment, any other wetland (whether located in

Common Area or a Lot), but not including any such areas, improvements, or equipment maintained by the City, a community development district, or any other governmental or quasi-governmental body.

The Association shall maintain the littoral shelf, if any, of all culverts, ditches, or waterways serving as part of the Surface Water and Storm Water Management System, which maintenance may include, without limitation, appropriate landscaping and plantings.

The Association may maintain other property that it does not own, including, without limitation, property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard and the owner of such other property consents. The Association shall not be liable for any damage or injury occurring on or arising out of the condition of property which it does not own except to the extent that it has been grossly negligent in performing its maintenance responsibilities.

The Association shall maintain the facilities and equipment within the Common Maintenance Areas in continuous operation, except for any periods necessary, as the Board may determine in its discretion, to perform required maintenance, repairs, or replacement, unless Members representing at least 75% of the Class "A" votes agree in writing to discontinue such operation (which may include closing and/or demolishing such facilities or equipment). Notwithstanding the above, the Common Maintenance Areas may not be reduced, nor shall operation of its facilities and equipment be discontinued, without Declarant's prior written approval during the Development and Sale Period.

Unless otherwise provided in this Declaration or any applicable Supplemental Declaration, the costs associated with maintenance, repair, and replacement of the Common Maintenance Areas shall be a Common Expense, except that such costs associated with Limited Common Areas shall be a Limited Common Expense. However, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Common Maintenance Areas pursuant to this Declaration, a Supplemental Declaration, or other recorded covenants or agreements.

Unless Declarant expressly agrees in writing with the Association to pay the costs of maintaining any portion of the Common Maintenance Areas, Declarant shall have no such obligation, regardless of any inferences which may be drawn from promotional or other materials.

7.3 Insurance.

The Association shall keep all improvements, facilities, and fixtures located within the Common Areas insured against loss or damage by fire or other casualty for the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters) and may obtain insurance against such other hazards and casualties as the Association may deem desirable.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect any or all of the following types of insurance, as deemed necessary or advisable in the Board's business judgment and as may be reasonably available: (i) blanket property insurance covering all insurable improvements within the Common Maintenance Areas to the extent that the Association has responsibility for repair or reconstruction in the event of a casualty or assumes such responsibility pursuant to Section

5.2, regardless of ownership with full replacement coverage; (ii) commercial general liability insurance on the Common Maintenance Areas insuring against liability for bodily injury, death, and property damage arising from the activities of the Association or with regards to Common Maintenance Areas, including, without limitation, if obtainable, a cross liability endorsement insuring each Member against liability to each other Member and the Association and vice versa; (iii) directors and officers liability coverage; (iv) commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount at least equal to three months of Regular Assessments, plus all reserve funds; (v) to the extent any insurable improvements to Common Maintenance Areas are within an "A" flood zone, flood insurance in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Common Maintenance Areas or the maximum amount of coverage available under the National Flood Insurance Program; and (vi) such additional insurance as the Board, in its business judgment, determines advisable. Notwithstanding the foregoing, Declarant may obtain insurance for multiple communities which it is developing and/or other projects under a blanket policy instead of obtaining a separate policy for the Association, and charge a reasonable portion of the cost thereof to the Association.

In addition, the Association shall, if so specified in a Supplemental Declaration applicable to any Neighborhood Service Area, obtain and maintain property insurance on the insurable improvements within such Neighborhood Service Area. Any such policies shall provide for a certificate of insurance to be furnished upon request to the Owner of each Lot insured.

Unless designated as a Limited Common Area or otherwise provided in a Supplemental Declaration, premiums for Common Maintenance Area insurance shall be a Common Expense.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Association may contain provisions, or be accompanied by endorsements, for agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction. All insurance policies shall contain standard mortgagee clauses, if applicable.

The policies may contain a reasonable deductible which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3(a). In the event of an insured loss, the deductible shall be treated as a Common Expense or Limited Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or tenants, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Benefited Assessment.

(c) Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property for which the Association maintains insurance coverage, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to

substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

(d) Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Members, Declarant, Declarant's Affiliates any Predecessor Declarant, and the directors, trustees, officers, shareholders, attorneys, agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said Persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Damaged improvements on the Common Area shall be repaired or reconstructed unless Members representing at least 80% of the total Class "A" votes in the Association, if general Common Area, or 80% of the Class "A" votes of Lots to which the Limited Common Area is assigned, if Limited Common Area, and the Declarant during the Development and Sale Period, decide, within 90 days after the loss, not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 90-day period, then the period may be extended until 90 days after such funds or information are available. No Mortgagees shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

The Association shall deposit any insurance proceeds remaining after paying the costs of repair or reconstruction, or after an agreed-upon settlement, in a capital improvements account for the benefit of the Members. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

7.4 Enforcement.

(a) The Association, acting through the Board, may impose sanctions for violation of the Governing Documents, subject to the notice and hearing procedures set forth in the By-Laws, as applicable and/or as required under applicable law. Such sanctions may include, without limitation:

(i) imposing monetary fines, up to the maximum, if any, permitted by applicable laws, which may accrue from the date of notice and which shall constitute a lien upon the violator's Lot (in the event that any occupant, guest or invitee of a Lot violates the Governing Documents and a fine is imposed, the fine shall first be assessed against the violator; however, if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board); and

(ii) suspending the vote attributable to the violating Owner's Lot if permitted and then in accordance with applicable law; and

(iii) suspending the violator's and any guest or invitee of the violator's right to use any recreational facilities within the Common Maintenance Area if permitted and then in accordance with applicable law; and

(iv) suspending any services which the Association provides to an Owner or the Owner's Lot if the Owner is delinquent in paying any assessment or other charge owed to the Association for longer than 90 days (or such longer period as is required by HUD or VA if either such agency is insuring or guaranteeing the Mortgage on any Lot or has granted project approvals for such Mortgages); and

(v) without liability to any Person, precluding any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Article IV and/or the Architectural Guidelines from continuing or performing any further activities in the Community; and

(vi) levying Benefited Assessments pursuant to Section 8.4 to cover costs which the Association incurs to bring a Lot into compliance with the Governing Documents, including Legal Costs, or costs incurred as a consequence of the conduct of an Owner or occupant of a Lot, their guests or invitees.

(b) In addition, but without limitation of the Association's other rights and remedies, the Association, acting through the Board or its designee, may take the following action to enforce the Governing Documents without, to the extent permitted by applicable law, the necessity of compliance with the notice and hearing procedures set forth in the By-Laws and as required under applicable law:

(i) requiring an Owner, at its own expense, to perform maintenance on such Owner's Lot, to complete any construction or modification approved pursuant to Article IV, or to remove any structure, item or improvement on such Owner's Lot in violation of the Governing Documents and to restore the Lot to its previous condition; or

(ii) entering the property pursuant to the easement granted in Section 11.5 and exercising self-help to remove or cure a violating condition, including, without limitation, failure of an Owner to maintain Owner's Lot as required under Section 5.1, or to complete any construction or modification approved pursuant to Article IV which was begun and not completed within the required time period, upon failure of an Owner to take action as required pursuant to subsection (i) above within 10 days after the Board's mailing of written notice to do so, and any such entry shall not be deemed a trespass; or

(iii) exercising self-help in any situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations and removing signs in violation of signage rules and regulations); and/or

(iv) bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both, subject to the procedures set forth in Article XIV, if applicable.

(c) All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents whether brought by the Association, Declarant, Declarant's Affiliates or any Owner, the prevailing party shall be entitled to recover all Legal Costs incurred in any such action.

(d) The Association's decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case:

(i) the Association's position is not certain enough giving current law to justify taking any or further action; or

(ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; or

(iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or

(iv) it is not in the Association's best interests, considering, among other things, hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under the same or other circumstances or preclude the Association from enforcing any other covenant, restriction, or rule.

(e) The Association, by contract or other agreement, may enforce applicable governmental regulations and permit a Governmental Authority to enforce ordinances, rules, statutes, or laws within the Community for the benefit of the Association and its Members.

(f) The District and the Association shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration that relate to the maintenance, operation, and repair of the Surface Water or Storm Water Management System.

(g) Declarant shall be entitled to exercise all of the rights and powers granted to the Association under Sections 7.4(a), 7.4(b) and 7.4(c), and shall be entitled to recover all costs that it incurs in so doing from the responsible Owner.

(h) Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity and may be instituted as provided in the Governing Documents by Declarant, its successors and assigns, Declarant's Affiliates, their successors and assigns, the Association, its successors or assigns, or any Owner, against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Association, any Owner, Declarant or Declarant's Affiliates to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter. Further, the Association shall have the right of self-help to cure any violations that remain uncured after any required notice is given.

7.5 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly or by reasonable implication from the Governing Documents, and may take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Governing Documents or by law, all of the Association's rights and powers may be exercised by the Board without a vote of the membership.

The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Maintenance Areas, enforcement of the Governing Documents, or any other civil claim or action. However, the Board has no legal duty to institute litigation on

behalf of or in the name of the Association or the Members. In exercising the Association's rights and powers, making decisions on the Association's behalf, including, without limitation, deciding whether to file a lawsuit under any circumstances, and conducting the Association's affairs, Board members and the Association's officers are subject to, and their actions shall be judged in accordance with, the standards set forth in the By-Laws.

7.6 Provision of Services to Lots. The Association may provide, or provide for, services and facilities for all or any of the Members and their Lots, and may enter into contracts or agreements with other entities, including, without limitation, Declarant or its Affiliates, to provide such services and facilities. The Board may charge use or service fees for any such services and facilities, or may include the costs in the Association's budget as a Common Expense and assess it as part of the Regular Assessment, if provided to, or determined by the Board to be a benefit to all Lots. By way of example, such services and facilities might include landscape maintenance, fertilizing, irrigation, sprinkler system maintenance, exterior doors, windows, driveways, sidewalks, pest control service, cable television service, telephone, internet access, security monitoring, caretaker, transportation, fire protection, utilities, trash collection and recycling, and other services and facilities.

Each Owner shall also maintain, mow, irrigate, replace, sod, and prune all landscaping lying within the right-of-way of adjacent streets and alleys between the Lot boundary and the curb of such street or alley, and between the Lot boundary and any adjacent easements for pedestrian paths or sidewalks, in a manner consistent with the Community-Wide-Standard unless responsibility for maintaining such landscaped areas has been assigned to or assumed by the Association.

Nothing in this Section shall be construed as a representation by Declarant, Declarant's Affiliates or the Association as to what, if any, services or facilities shall be provided. In addition, subject to the contract terms, the Board may modify or cancel existing contracts for services in its discretion, unless the services are otherwise required by the Governing Documents. Non-use of services or facilities provided to Owners or Lots as a Common Expense or a Limited Common Expense, shall not exempt any Owner from the obligation to pay assessments for such services or facilities.

7.7 Municipal Service Taxing Units. In order to perform the services contemplated by this Declaration, the Association or Declarant, in conjunction with the City, may seek the formation of special purpose municipal service taxing units ("**MSTUs**"). The MSTUs will have responsibilities defined in their enabling resolutions which may include, but are not limited to, maintaining roadways, roadway informational signs, traffic control signs, benches, trash receptacles, and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage canals, ponds and structures, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefiting the Community. In the event such MSTUs are formed, the Community will be subject to assessment for the cost of services performed within the MSTU and personnel working for or under contract with the City shall have the right to enter upon lands within the Community to affect the services contemplated. Each Owner, by acquiring lands within the Community, agrees to pay each and every MSTU assessment imposed upon the Owner or the Owner's land in a timely manner, failing which such assessments and special charges shall be a lien upon those lands. The Association retains the right to contract with the City to provide the services funded by the MSTUs. Services performed by an MSTU that would otherwise be performed by the

Association and for which the MSTU imposes assessments on the Owners shall be removed from the Association's budget and the Board shall reduce the Regular Assessment accordingly.

7.8 Relationships with Other Properties. The Association may enter into contractual agreements or covenants to share costs with any neighboring properties to contribute funds for, among other things, shared or mutually beneficial property or services and/or a higher level of maintenance of Common Maintenance Areas.

7.9 Relationship with Governmental and Tax-Exempt Organizations. The Association may enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to, state or local governments, public or private utility providers, and non-profit, tax-exempt organizations for the benefit of the Community, the Association, and the Members. The Association may contribute money, real property (including, without limitation, Common Area), personal property, or services to any such entity. Any such contribution may be a Common Expense and included as a line item in the Association's annual budget. For the purposes of this Section, a "**tax-exempt organization**" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("**Code**"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.

7.10 Right To Designate Sites for Governmental and Public Interests. During the Development and Sale Period, Declarant may, but is not obligated to, designate sites within the Community for government, education, or religious activities and interests, including, without limitation, fire, police, and utility facilities, schools and educational facilities, houses of worship, parks, and other public facilities. Subject to the approval requirements set forth in Section 15.9, the sites may include Common Area, in which case the Association shall take whatever action is required to permit such use, including dedication or conveyance of the site, if so directed by Declarant.

7.11 Provision of Services to Neighborhood Service Areas.

(a) Declarant may designate a portion of the Property and/or any Additional Property as one or more Neighborhood Service Areas (by name or other identifying designation), as Declarant deems appropriate, in Declarant's discretion, by stating such designation in an amendment to the Declaration or a Supplemental Declaration submitting additional property to this Declaration. Neighborhood Service Areas may be then existing or newly created, and may require that the Association provide benefits or services to the Lots within such Neighborhood Service Area in addition to those which the Association generally provides to all Lots. Until termination of the Class "B" Control Period, Declarant may unilaterally amend this Declaration or any Supplemental Declaration to designate or redesignate Neighborhood Service Area boundaries. All costs associated with the provision of services or benefits to a Neighborhood Service Area shall be assessed against the Lots within the Neighborhood Service Area as a Neighborhood Service Area Assessment.

(b) The Board may, by resolution, designate a group of Lots as a Neighborhood Service Area and levy Neighborhood Service Area Assessments against such Lots to fund the costs of operating, maintaining, repairing, replacing and/or insuring certain portions of the Common Maintenance Area within or adjacent to such Neighborhood Service Area. This may include, without limitation, the costs of maintaining any signage, entry features, right-of-way, and greenspace between the Neighborhood Service Area and adjacent public roads, private streets within the Neighborhood Service Area, and lakes or ponds within the

Neighborhood Service Area, regardless of ownership and regardless of the fact that such maintenance may be performed by the Association; however, all similarly situated Lots shall be treated the same. Any such designation shall require the consent of Declarant during the Development and Sale Period.

7.12 Responsibilities Under Governmental Permits. Declarant shall have the right to assign, delegate or otherwise transfer to the Association, at any time and from time to time, any of its continuing obligations and/or responsibilities under governmental permits and approvals with respect to the Community, including, without limitation, its continuing obligations with respect to the Surface Water and Storm Water Management System under the Permit. The Association shall accept and assume such obligations and responsibilities without condition or consideration. Such assignment or transfer and assumption shall be effective without the consent of, or any further action by the Association, but upon Declarant's request, the Association shall promptly execute any documents which Declarant requests to evidence the assignment, delegation or transfer and assumption of such obligations and/or responsibilities. If not earlier assigned and transferred, Declarant shall be deemed to have assigned and transferred, and the Association shall be deemed to have accepted and assumed, all of Declarant's continuing obligations and/or responsibilities under all governmental permits and approvals with respect to the Community, including, without limitation, its continuing obligations with respect to the Surface Water and Storm Water Management System under the Permit, upon termination of the Class "B" Control Period. The Association shall comply in all respects with the terms of, and shall not undertake any activity inconsistent with, such permits and approvals. The Association shall indemnify, defend and hold Declarant harmless from any claims or losses arising out of the violation or failure to comply with any permit(s), or out of the operation, maintenance or use of any improvement or facility authorized by the permit(s), provided such claim or loss first occurs after the effective date of the assignment, delegation, transfer (or tender of the assignment, delegation, or transfer, if wrongfully refused by an Association).

7.13 Waterways; Water Level and Use. With respect to any waterways now existing or which may hereafter be contained within or adjoining the Community, only Declarant (and after termination of the Class "B" Control Period, the Association) shall have the right to pump or otherwise remove any water from such waterways for the purposes of irrigation or other use or to place any matter or object in such waterways. No docks, moorings, pilings, boat shelters, or other structure shall be erected on or over the waterways, except as may be erected or approved in writing by Declarant, the District, if applicable (and following the termination of the Class "B" Control Period, the Association or the ARB). No boats or other water vehicle or craft shall be permitted on such waterways. Subject to the provisions of this Declaration and applicable law, the Association shall have the right, and to the extent required by the terms of Section 7.13 or any applicable governmental permit or ordinance, the obligation, to control the growth and eradication of plants, fowl, reptiles, animals, fish, fungi and other growth in, on and around such waterways.

7.14 Surface Water and Storm Water Management System. The Declarant has caused or will cause to be constructed within the geographic area shown by the Plat drainage canals, lakes and drainage retention/detention ponds. These drainage structures are part of the overall drainage plan for the Property. The Association shall have unobstructed ingress to and egress from all retention/detention ponds and lakes within the Property at all reasonable times to maintain said ponds and lakes in a manner consistent with its responsibilities. No Owner shall cause or permit any interference with such access and maintenance. Should the Association fail to sufficiently maintain any portion of the Surface Water and Storm Water Management System

within its boundaries (or any portion of a surface water management system which connects with the Surface Water and Storm Water Management System), the Association shall have the authority to maintain such portion and the cost of such maintenance shall be assessed against and become a debt of the Owner to the Association as a special assessment and shall become immediately due and payable as provided for other assessments of the Association. Consequently, no Owner shall utilize, in any way, any of the drainage facilities or incorporate such facilities in the Owner's development plans, without the express prior written consent of the Declarant and the Association. Further, where an Owner of a Lot is contiguous to any of the drainage facilities, the Owner shall prepare its site plan so that the utilization of its property will not adversely affect the drainage facilities and structures and so as to be aesthetically compatible with such drainage facilities and structures.

(a) Water Levels. Water levels in the waterways may rise and fall significantly due to among other things, fluctuations in ground water elevations within the surrounding areas. Accordingly, Declarant has no control over such water levels and/or ground water elevations. Each Owner, by acceptance of title to a Lot, hereby releases Declarant and Declarant's Affiliates from and against any and all losses, claims, demands, liabilities, damages, costs and expenses of whatever nature or kind (including, without limitation, attorneys' fees and courts costs at trial and all appellate levels), related to, arising out of and/or resulting from water levels in the waterways.

(b) No Supervision. **DECLARANT, DECLARANT'S AFFILIATES AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS, FOR THE WATERWAYS. ANY INDIVIDUAL USING THE WATERWAYS SHALL DO SO AT HIS/HER OWN RISK AND HEREBY HOLDS DECLARANT, DECLARANT'S AFFILIATES AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS ARISING FROM SUCH USE.**

EACH OWNER, BY THE ACCEPTANCE OF TITLE TO A LOT, ACKNOWLEDGES THAT THE WATERWAYS ARE DEEP AND DANGEROUS. NEITHER DECLARANT, DECLARANT'S AFFILIATES, THE ASSOCIATION NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY WATERWAY WITHIN THE COMMUNITY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DO SO AT THEIR OWN RISK. ALL OWNERS AND USERS OF ANY PORTION OF THE COMMUNITY SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM 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 HABITAT OR ENTER INTO WATER BODIES, WITHIN OR NEAR THE COMMUNITY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

(c) Fishing. Fishing in the waterways shall not be permitted; however, notwithstanding anything contained herein to the contrary, an Owner, to the extent permitted to do so under this Declaration, if any, shall only access the Lakes from the "Lake Maintenance and Access Easement" shown on the Site Plan, Plat and/or Additional Plat, if any, which immediately abuts such owner's Lot if the Owner's Lot is a Lake Lot ("**Lake Lot Owner**"). If an Owner is not a Lake Lot Owner, there shall be no access to the Lakes. In addition, no Owner shall be permitted access to or to fish in any Lake Maintenance and Access Easement, lake bank area which immediately abuts a Lake Lot owned by another.

(d) Restrictions. No planting, fencing or other improvements or additions within the Lake Maintenance and Access Easement is permitted, except that planting shall be permitted in any portion of a Lake Maintenance and Access Easement which is also subject of a Landscape Easement or a Landscape and Drainage Easement. No installation of sand or other materials intended to simulate a beach shall be permitted along the Lake banks or within the Lake Maintenance and Access Easement or rear yards of Lake Lots. Swimming in the Lake is prohibited, and boating, including without limitation the operation of motorized or non-motorized watercraft of any kind, in the Lake is prohibited. The foregoing prohibition on watercraft shall not act to prohibit the use of watercraft for any maintenance, monitoring or other similar activities of the Association, the District, the City, the ACOE or the State of Florida as required or permitted under this Declaration or any applicable permit, code, statute or ordinance. Only watercraft which are permitted, if any, to be used within the Lake, may be stored within the backyards of Lake Lots. In addition to the use of any Lake Maintenance and Access Easement by any owner, as described above, the Lake Maintenance and Access Easement are for the use of the Association, the City, the District and any other governmental agency for access to the Lake for maintenance of the Lake and any littoral plantings and other proper purposes. No removal or damage to littoral or wetland plantings, if any, is permitted.

An imaginary line will be extended from the side property lines at the back of each Lake Lot down to the water's edge. The area encompassed between the rear property line and the water's edge between these imaginary lines shall be defined as the "**Lake Bank Zone**" as to each Lake Lot.

(e) Maintenance, Operation, and Monitoring. The Association shall be responsible for the maintenance, operation, repair, and replacement of the Surface Water and Storm Water Management System. Maintenance of the Surface Water and Storm Water Management System(s) shall mean the exercise or practices which allow the systems to provide drainage, water storage, conveyance, or other surface water or storm water management capabilities as permitted by the District. Any repair or reconstruction of the Surface Water and Storm Water Management System shall be as permitted or, if modified, as approved by the District. Notwithstanding anything contained herein to the contrary, the Association shall maintain embankments so that grass, planting, or other lateral support shall prevent erosion of the embankment. The height, grade, and contour of such embankments shall not be changed without the prior written consent of the District, Declarant or the Architectural Review Board.

The Association shall maintain, as part of the Common Maintenance Areas, the Surface Water and Storm Water Management System and shall comply with conditions of the permits from the District, the ACOE, the City, or the State of Florida for the Surface Water and Storm Water Management System and wetlands within the Community. The Association, shall, when requested by Declarant, apply for the issuance of, or accept assignment of, all the District, ACOE, the City and State of Florida permits for the Community (as the Community may be expanded by the annexation of additional phases as herein contemplated) and shall be

designated as the "permittee" thereof. The conditions of the permits include monitoring and record keeping schedules, and maintenance. The following additional conditions shall apply:

(i) If and to the extent required as a condition of issuance of a permit, the Association shall hold and save the District, ACOE, the City and the State of Florida, as the case may be, harmless from any and all damages, claims, or liabilities which may arise by reason of the operation, maintenance, or use of any improvement or facility authorized by the permits.

(ii) The Association shall at all times properly operate and maintain the systems of treatment and control (and related appurtenances) that are installed or used to achieve compliance with conditions of the permits, as required by the District, ACOE, the City, and/or the State of Florida. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permits and when required by the SFWMD, ACOE, City, and State of Florida rules.

(iii) The Association specifically agrees to allow authorized the District, ACOE, the City, and State of Florida personnel, upon representation of credentials or other documents as may be required by law, access to the Common Maintenance Areas where the permitted activity is located or conducted at all reasonable times for the purposes of inspection and testing to determine compliance with the permits and the District, ACOE, the City and the State of Florida regulations, such as:

(1) having access to and copying any records that must be kept under the conditions of the permits; and

(2) inspecting the facilities, equipment, practices, or operations regulated or required under the permits; and

(3) sampling or monitoring any substances or parameters at any location reasonably necessary to assure compliance with the permits or the District, ACOE, the City and State of Florida rules; and

(4) gathering of data and information.

Reasonable time may depend on the nature of the concern being investigated.

(iv) Establishment and survival of littoral areas, if any provided for storm water quality treatment in wet detention systems shall be assured by proper and continuing maintenance procedures designed to promote viable wetlands plant growth of natural diversity and character. Following as-built approval, perpetual maintenance shall be provided for the permitted system.

(v) The Association shall submit inspection reports in the form required by the District, ACOE, the City, and State of Florida, in accordance with the following schedule unless specified otherwise here or in permit applications:

(1) for systems utilizing effluent filtration or exfiltration, the inspection shall be performed 18 months after operation is authorized and every 18 months thereafter; and

(2) for systems utilizing retention and wet detention, the inspections shall be performed two years after operation is authorized and every two years thereafter.

(vi) It shall be the responsibility of each Owner at the time of construction of a building, residence, or other structure on such Owner's Lot, to comply with the construction plans for the Surface Water and Storm Water Management System pursuant to Chapter 40D, F.A.C., approved and on file with the District.

(vii) It is the Owner's responsibility not to remove native vegetation (including cattails) that become established within the wet detention ponds abutting their Lot. Removal includes dredging, the application of herbicide, the introduction of carp grass and cutting. If the Community includes a wetland mitigation area or wet detention pond, no vegetation in such area shall be removed, cut, trimmed, or sprayed with herbicide without specific written approval from the District and ACOE, if an ACOE permit has been issued for the Surface Water and Storm Water Management System. Owners should address any question regarding authorized activities within any wet detention pond to the District and ACOE.

(viii) No Owner may construct or maintain any building, residence, or structure or undertake or perform any activity in the wetland(s), wetland mitigation area(s), buffer area(s), upland conservation area(s), and drainage easement(s) described in approved permits and recorded Plats, unless prior approval is received from both the District Regulation Department pursuant to Chapter 40D, F.A.C., and from the City. If such activities are subject to ACOE, or State of Florida permits, approval of those agencies shall also be obtained before any such activity is commenced.

(ix) Neither the Association nor any Owner shall engage in any construction related activities within any part of the Surface Water and Storm Water Management System or wetlands unless such activities have been approved in writing by the District, or are specifically authorized by the conditions of the applicable permits. Without limitation, the following activities are deemed construction related and are prohibited unless authorized in accordance with this subsection: digging or excavation; depositing fill, debris, or any other material or item; constructing or altering any water control structure; or any other construction to modify the Surface Water and Storm Water Management System or wetland facilities. If such activities are subject to the District, ACOE, the City, or State of Florida permits, approval of those agencies shall also be obtained before any such activity is commenced.

(x) The Association, through its Board, shall be responsible for enforcing the provisions of this Declaration; however, in addition to enforcement by the Association, Declarant hereby reserves unto itself, and grants to the City and the District, the non-exclusive right, but not the obligation, to enforce the provisions of this Declaration concerning compliance with the Surface Water and Storm Water Management System and wetland permits, all applicable federal, state, and local laws, ordinances, and regulations, and all applicable rules and regulations of the Association against any person or entity in violation including the Owners, the Association, Builders, Affiliates of Declarant, and Declarant by the exercise of any remedies available at law or in equity, or otherwise provided in this Declaration for the protection and benefit of the Association, its Members, and the Community. Notwithstanding anything in this Declaration to the contrary, in the event that the City or the District elects to take enforcement action against any Owner, Declarant, Declarant Affiliate, the Association, or any other Person for violation of the terms of any permit, law, ordinance, rule, or

regulation, such enforcement shall not be subject to the dispute resolution provision of Article XIV of this Declaration.

(f) Effect of Dissolution. In the event of the termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the Surface Water and Storm Water Management System and Wetlands must be transferred to and accepted by an entity which would comply with Section 40D, Florida Administrative Code, and be approved by the District prior to such termination, dissolution or liquidation. In the event that no other entity exists to receive such transfer, the obligations of the Association shall be deemed assumed by the Owners, and all such Owners shall be jointly and severally responsible for operation and maintenance of the Surface Water and Storm Water Management System and Wetlands in accordance with the requirements of the permits.

(g) Shared Facilities. It is expected that certain portions of the Surface Water and Storm Water Management System may serve the drainage needs of adjacent lands not owned by Declarant and not within the Community. Declarant reserves the right to grant such drainage and/or use such easements and rights as Declarant may deem necessary or appropriate for accomplishing the drainage needs of the Community and/or lands owned by others provided that such agreements shall not unreasonably interfere with the use of the system by the Owners or unreasonably increase the cost of maintenance of the system by the Association.

(h) Surface Water Management Plan. It shall be the responsibility of each Lot Owner within the subdivision at the time of construction of a building, residence, or structure, to comply with the construction plans for the surface water management system pursuant to Chapter 40D, F.A.C., approved and on file with the District.

(i) Notice to Owners; Non-Disturbance; and Maintenance. Certain Lots may include, or be adjacent to wet detention ponds, jurisdictional wetlands, designated mitigation areas or designated conservation easements. It is the Lot Owner's responsibility not to remove native vegetation that becomes established within the wet detention ponds, jurisdictional wetlands, designated mitigation areas or designated conservation easements abutting their property. Removal includes dredging, the application of herbicide, and cutting. Lot Owners should address any question regarding authorized activities within the wet detention ponds, jurisdictional wetlands, designated mitigation areas or designated conservation easements to the District, Environmental Resource Regulation Department. The District may authorize removal of certain exotic or nuisance vegetation upon application by Lot Owners or the Association. Each Lot Owner, by acceptance of the deed conveying title to the Owner, is deemed thereby to have accepted the partial assignment of the surface water permit(s) affecting the Lot and to have agreed to abide by all conditions of the permit(s) including, but not limited to, agreement of the Lot Owner not to violate the conditions of the permit(s) regarding dumping of household trash, fill or landscape trimmings or planting or removal of plant life. Lot Owners are hereby notified that activities such as planting grass, sodding, planting any shrub, tree or flower, trimming or removing dead or damaged vegetation, filling low areas, distributing dirt more evenly, digging drainage ways, erecting fences, paving, constructing playhouses or treehouses, or in any other way disturbing the wetlands or preserve areas is subject to strict regulation, and no such activities should occur unless a valid permit has been first obtained.

(j) Prior Approval. No Owner of a Lot within the subdivision may construct or maintain any building, residence, or structure, or undertake or perform any activity in the wet detention ponds, jurisdictional wetlands, designated mitigation areas or designated conservation

easements described in the approved permit and recorded Plats of the subdivision, unless prior approval is received from the District pursuant to Chapter 40D, F.A.C.

(k) Special Amendments Relating to Surface Water and Storm Water Management System. Any amendment to this Declaration which alters the Surface Water and Storm Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Property, must have the prior written approval of the District. This section may not be amended without the consent of such District.

(l) Littoral Areas. Establishment and survival of littoral areas provided for storm water quality treatment in wet detention systems shall be assured by proper and continuing maintenance procedures designed to promote viable wetlands plant growth of natural diversity and character. Following as-built approval, perpetual maintenance shall be provided for the permitted system.

7.15 Lakes. No swimming is permitted. No boating, including without limitation any motorized or non-motorized watercraft of any kind, is permitted. Declarant and the Association shall not be obligated to provide supervisory personnel for the lakes. No lakefront property shall be increased in size by filling in the water which it abuts; no lake or waterway shall be dug or excavated into any lakefront property; and no slope or abutting lakefront shall be altered in any manner whatsoever. **ANY INDIVIDUAL USING THE LAKES SHALL DO SO AT HIS/HER OWN RISK AND HEREBY HOLDS DECLARANT, DECLARANT'S AFFILIATES AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS ARISING FROM SUCH USE.**

7.16 Docks. Docks, ramps or floats are prohibited in any of the water bodies or lake banks within the Community. Any permanent disturbance to the existing natural shoreline is not permitted. This prohibition does not apply to the Declarant or the Association for a Common Area installation.

7.17 Lake Maintenance and Access Easement. Any structure or improvement on a Lot which is placed within a Lake Maintenance and Access Easement, if any, shall be removed, if required by the Declarant or the Association. The cost of such removal shall be paid by the Lot Owner(s) of such dwelling.

7.18 Fertilizing. In an effort to minimize the amount of phosphorus being discharged from the Community, the Owners are prohibited from applying fertilizers over areas planted in turfgrass. All turfgrass fertilizer applications shall be made under the direction of the Declarant or the Association and in accordance with Section 30-154, Best Management Practices for the Application and Storage of Fertilizers, as contained in Ordinance No. 2000-18 of the City, including, without limitation:

(a) All fertilizers shall be stored in a dry storage area protected from rainfall and ponding.

(b) No fertilizer containing in excess of 2% phosphate/phosphorus (P_2O_5) per guaranteed analysis label (as defined by Chapter 576, Florida Statutes) shall be applied to turfgrass, pastures, paddocks, or used in nurseries unless justified by a soil test.

(c) Fertilizer containing in excess of 2% phosphate/phosphorus (P_2O_5) per guaranteed analysis label shall not be applied within 5 feet of the edge of water or within 5 feet of a drainage facility.

(d) All fertilizer shall be applied such that spreading of fertilizer on all impervious surfaces is minimized.

(e) Liquid fertilizers containing in excess of 2% phosphate/phosphorus (P_2O_5) per guaranteed analysis label shall not be applied through an irrigation system within 10 feet of the edge of water or within 10 feet of a drainage facility.

(f) Liquid fertilizers containing in excess of 2% phosphate/phosphorus (P_2O_5) per guaranteed analysis label shall not be applied through high or medium mist application or directed spray application within 10 feet of the edge of water or within 10 feet of a drainage facility.

ARTICLE VIII ASSOCIATION FINANCES

8.1 Budgeting and Allocating Common Expenses.

(a) Calculation of Regular Assessments. Before the beginning of each fiscal year, the Board shall prepare a budget of the estimated Common Expenses which it expects to incur for the coming year, including any contributions to be made to reserves pursuant to Section 8.2 for periodic major maintenance, repair and replacement of items that the Association maintains as a Common Expense. The budget shall reflect the anticipated sources and estimated amounts of funds to cover the Common Expenses.

The Association is authorized to levy Regular Assessments to fund the Common Expenses against all Lots subject to assessment under Section 8.5, in the proportions described in Section 8.5. In determining the Regular Assessment rate, the Board may consider any assessment income expected to be generated from any property anticipated to become subject to assessment during the fiscal year.

Declarant may, but shall not be obligated to, reduce the Regular Assessment for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.7(b)) which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's sole and absolute discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate Declarant to continue paying a subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

After approval each year, the Board shall send written notice to each Owner that a copy of the annual budget is available upon request by the Member at no charge to the Member. There shall be no obligation to call a meeting of the Members for the purpose of considering the budget except upon petition of the Members as provided for special meetings in Section 2.5 of the By-Laws. Any such petition must be presented to the Board within 14 days after mailing of the budget and notice of the Regular Assessment. If the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined. The Board may revise the budget and adjust the Regular Assessment from time to time during the year, subject to the notice requirements set forth above and applicable law.

(b) Calculation of Neighborhood Service Area Assessments. Before the beginning of each fiscal year, the Board shall prepare a separate budget for each Neighborhood Service Area of the estimated Limited Common Expenses which it expects to incur on behalf of such Neighborhood Service Area for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2 for periodic major maintenance, repair and replacement of items that the Association maintains on behalf of the Neighborhood Service Area as a Limited Common Expense. The budget shall reflect the anticipated sources and estimated amounts of funds to cover the Limited Common Expenses.

The Association is authorized to levy Neighborhood Service Area Assessments to fund the Limited Common Expenses for each Neighborhood Service Area against all Lots in the Neighborhood Service Area that are subject to assessment under Section 8.5, in the proportions described in Section 8.5, except that, unless otherwise specified in the applicable Supplemental Declaration, any portion of the assessment intended for exterior maintenance of structures, insurance on structures, or replacement reserves which pertain to particular structures, may be levied on each of the benefited Lots in proportion to the benefit received, as the Board may reasonably determine. In determining the Neighborhood Service Area Assessment rate for any Neighborhood Service Area, the Board may consider any assessment income expected to be generated from any property in the Neighborhood Service Area reasonably anticipated to become subject to assessment during the fiscal year.

Declarant may, but shall not be obligated to, reduce the Neighborhood Service Area Assessment applicable to any Neighborhood Service Area by payment of a subsidy (in addition to any amounts paid by Declarant under Section 8.6(b)) which may be either a contribution, an advance against future assessments due from Declarant, or a loan, in Declarant's discretion. Any such subsidy shall be disclosed as a line item in the income portion of the budget. The payment of such subsidy in any year shall not obligate Declarant to continue paying a subsidy in future years, unless otherwise provided in a written agreement between the Association and Declarant.

After approval each year, the Board shall send written notice to each Owner that a copy of the annual budget is available upon request by the Member at no charge to the Member. There shall be no obligation to call a meeting of the Members for the purpose of considering the budget except upon petition of the Members as provided for special meetings in Section 2.5 of the By-Laws. Any such petition must be presented to the Board within 14 days after mailing of the budget and notice of the Neighborhood Service Area Assessment.

If any proposed budget is disapproved, or if the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

All amounts that the Association collects as Neighborhood Service Area Assessments shall be expended solely for the benefit of the Neighborhood Service Area for which they were collected and shall be accounted for separately from the Association's general funds.

8.2 Budgeting for Reserves. The Board shall prepare and periodically review reserve budgets for the Common Maintenance Area and for each Neighborhood Service Area for which the Association maintains capital items as a Limited Common Expense which take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost of capital items under each budget. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1(a), or the Neighborhood

Service Area budgets adopted pursuant to Section 8.1(b), as appropriate, reserves in an amount which the Board, in the exercise of its business judgment, deems sufficient to meet the projected needs under each budget with respect to both amount and timing by annual contributions over the budget period.

Reserve funds shall be held in a separate account or accounts from the operating and other funds of the Association. Reserve funds collected for each Neighborhood Service Area shall be segregated from reserves collected for Common Maintenance Areas or other Neighborhood Service Areas.

The reserve funds held in each account may be expended only for major maintenance, repair, or replacement of or other actions related to those assets covered by the reserve budget pursuant to which they were collected. Subject to such limitation, the Board may adopt resolutions regarding the expenditure of any reserve funds including, without limitation, policies designating the nature of assets for which reserve funds may be expended. Neither the Association membership nor the Board shall adopt, modify, limit, or expand such policies without Declarant's prior written consent during the Development and Sale Period.

8.3 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses, or against the Lots within any Neighborhood Service Area, if such Special Assessment is for Limited Common Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of a majority of the Board, and the affirmative vote or written consent of Declarant during the Development and Sale Period. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4 Benefited Assessments. The Association may levy Benefited Assessments against one or more particular Lots as follows:

(a) to cover the costs, including, without limitation, overhead and administrative costs, of providing services to a Lot upon request of the Owner pursuant to any menu of special services which the Association may offer (which might include the items identified in Section 7.6 or Section 8.11) or pursuant to a Supplemental Declaration. Benefited Assessments for special services may be levied in advance of the provision of the requested service; and

(b) to cover costs incurred in bringing a Lot into compliance with the Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests, including, without limitation, Legal Costs, subject to the limitations of Section 7.4, as applicable.

8.5 Assessment Rate; Commencement of Assessments; Time of Payment. The obligation to pay assessments commences as to each Lot on the first day of the month following: (a) the month in which the Lot is made subject to this Declaration, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. Regular and Special Assessments for Common Expenses shall be allocated equally among all Lots subject to assessment, except that until the earlier of (i) such date as a

certificate of occupancy or similar approval is issued for a Lot, *inclusive of Lots owned by Declarant) or (ii) two years after the date of conveyance to an Owner, the Lot shall be assessed at 25% of the rate of Regular or Special Assessment that such Lot would otherwise bear. Except as otherwise provided in Section 8.1(b) or in any applicable Supplemental Declaration, Neighborhood Service Area Assessments shall be allocated equally among all Lots subject to assessment in the benefited Neighborhood Service Area, except that until the earlier of (i) such date as a certificate of occupancy or similar approval is issued for a Lot or (ii) two years after the date of conveyance to an Owner, whichever is sooner, the Lot shall be assessed at 25% of the rate of the Neighborhood Service Area Assessment that such Lot would otherwise bear. The first annual Regular Assessment and Neighborhood Service Area Assessment, if any, levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot.

Owners shall pay assessments in the manner and on the dates the Board establishes. The Board may require advance payment of assessments at closing of the transfer of title to a Lot and may impose special requirements for Owners who have failed to pay, on a timely basis, two or more payments, in any 12 month period, of any nature, due under the Governing Documents, or with a history of delinquent payment. If the Board so elects, assessments may be paid in quarterly or monthly installments. Unless the Board otherwise provides, the Regular Assessment and Neighborhood Service Area Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his or her Lot, the Board may require that the outstanding balance on all assessments be paid in full immediately.

8.6 Obligation for Assessments.

(a) Personal Obligation. Each Owner, by accepting a deed or entering into a recorded contract of sale for any Lot, covenants and agrees to pay all assessments levied in accordance with the Governing Documents for each Lot owned. All assessments, together with interest (computed from the assessment's due date at a rate of 18% per annum or the maximum rate permitted by law, whichever is less), late charges as determined by Board resolution, and Legal Costs, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board's failure to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Regular Assessments and Neighborhood Service Area Assessments, if any, on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner is exempted from liability for assessments by non-use of Common Maintenance Area, abandonment of his or her Lot, or any other means. The obligation to pay assessments is a separate and independent covenant by each Owner. No reduction or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some required function, or for inconvenience or discomfort arising from making repairs or improvements, or for any other reason.

Following a written request, the Association shall furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

(b) Declarant's Option to Fund Budget Deficits. Notwithstanding anything to the contrary contained in this Declaration, to the extent permitted by Florida law, during the Class "B" Control Period, Declarant may satisfy the obligation for assessments on Lots which are owned by Declarant or Declarant's Affiliates, either by paying assessments in the same manner as any other Owner or by funding the budget deficit. The budget deficit is the difference between (i) the amount of assessments levied on Class "A" Member-owned Lots, plus any other income received during the fiscal year, and (ii) the amount of the Association's actual expenditures during the fiscal year, excluding contributions to reserves and excluding special assessments arising as a result of any unusual loss or liability. Unless Declarant otherwise notifies the Board in writing at least 30 days before the beginning of the fiscal year, Declarant shall continue paying on the same basis as during the previous fiscal year.

Regardless of Declarant's election, Declarant's assessment obligations may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these, the value of which shall be reasonably determined by Declarant. After termination of the Class "B" Control Period, Declarant shall pay assessments on Lots which it or its Affiliates own in the same manner as any other Owner.

(c) Declarant's Right to Loan or Advance Funds. Declarant may (but is not obligated to) loan, advance or otherwise make payments to the Association to assist the Association in meeting its financial obligations, in addition to Declarant's obligation to pay assessments or fund the deficit under Section 8.5 or 8.6(b). Notwithstanding anything to the contrary contained in this Article 8, if Declarant loans, advances or otherwise pays assessments in excess of its obligations under Sections 8.5 or 8.6(b) then any such sums shall be repaid to the Declarant prior to the termination of the Class B Control Period.

8.7 Lien for Assessments. The Association may record a lien against any Lot, including Declarant's Lots, to secure payment of assessments that remain unpaid for a period of 30 days or longer after becoming due. For purposes of this Section, assessments shall include interest, late charges (subject to Florida law), and Legal Costs. Such lien shall be superior to all other liens, except (a) the lien or charge of any recorded first Mortgage (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value, and (b) other recorded liens or encumbrances which by law would be superior. The Association's lien may be enforced by suit, judgment, and/or judicial or nonjudicial foreclosure, unless prohibited by applicable law.

Notwithstanding the above, and subject to applicable law, the Board may designate assessments or charges levied solely for the purpose of funding Common Expenses related to acquisition, development, or construction of infrastructure or capital improvements serving the Community (or to pay the cost to underwrite, service, and repay any debt incurred to finance any such acquisition, development, or construction) as a "**Capital Improvement Assessment,**" and the lien therefor shall be superior to (a) the Association's lien for other Common Expenses and Limited Common Expenses, and (b) all other liens except those deemed superior under federal or Florida law and which may not be made subordinate by this provision.

At a foreclosure sale, the Association may bid for the Lot and acquire, hold, lease, mortgage, and convey the Lot. The Association may sue for unpaid assessments and other charges without foreclosing or waiving its assessment lien.

Sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure by the first Mortgagee (or pursuant to a deed in lieu of foreclosure to a first mortgage) extinguishes the lien relating to any amounts due prior to the Mortgagee's foreclosure or the deed in lieu of foreclosure. The purchaser of such foreclosed Lot shall not be personally liable for assessments on such Lot due prior to the foreclosure sale. Such unpaid assessments shall be a Common Expense collectible from Owners of all Lots subject to assessment under Section 8.6, including, without limitation, such purchaser, its successors and assigns.

Notwithstanding the above, while the Association owns a Lot: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association.

8.8 Exempt Property. The following property shall be exempt from payment of Regular Assessments, Neighborhood Service Area Assessments, and Special Assessments:

- (a) All Common Area and other portions of the Community which are not Lots; or
- (b) Any property dedicated to and accepted by any governmental authority or public utility.

8.9 Transfer Assessment. The Association hereby establishes a transfer assessment (the "Transfer Assessment") applicable to each Lot, in such amount as determined in the Board's discretion, not to exceed 100% of the full Regular Assessment per Lot levied for the year in which the Transfer Assessment is due and payable. The Transfer Assessment shall become due and payable upon first occupancy of such Lot as a place of residence by a Class "A" Member or upon the first conveyance of the Lot with a completed dwelling, whichever occurs first and shall thereafter be due on the transfer of a Lot by an Owner to a third party. Such Transfer Assessment may be used to fund the Association's operating expenses or to help fund reserves, in the Board's discretion. The Transfer Assessment may be referred to by another name, such as Working Capital Contribution, Working Fund Contribution or some other name, in marketing and disclosure materials.

8.10 Use and Consumption Fees; Licenses and Royalties. The Board may charge use and consumption fees to any Person using Association services or facilities and may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (e.g., Owners and non-Owners). Any such fees charged to Owners shall be considered a Benefited Assessment against the Lots of such Owners under Section 8.5(a).

As set forth in Section 10.7, the Association may enter into license agreements with Declarant, Declarant's Affiliates or other parties to permit the Association's use of trade names or service marks (e.g., use of the name "Castellina"). To the extent permitted by such license agreements, the Board may enter into sub-license agreements, under negotiated terms, which

permit others within the Community to use such trade names and/or service marks. The Association may charge fees and collect royalties in connection with such sub-license agreements; provided, Declarant and any Declarant's Affiliates shall retain the absolute right to use such trade names and service marks without payment of any license fees. Any such fees and royalties shall be considered a Benefited Assessment under Section 8.5(a).

ARTICLE IX EXPANSION OF THE COMMUNITY

9.1 Annexation by Declarant. Declarant may, from time to time, subject to this Declaration all or any portion of real property located adjacent to or in the vicinity of the Property ("**Additional Property**") by recording a Supplemental Declaration describing the property being subjected. A Supplemental Declaration recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

Declarant's right to annex property pursuant to this Section expires when six (6) months after all Lots have been sold to Owners, or fifteen (15) years after this Declaration is recorded, whichever is earlier. Until then, Declarant may transfer or assign this right, in whole or in part, to any Person who is the developer of at least a portion of the real property described in **Exhibit "A"** or the Additional Property. Any such transfer shall be memorialized in a recorded instrument executed by Declarant.

Declarant intends to develop the Community in accordance with the Development Plan, but hereby reserves the right to modify the Development Plan and any Plat from time to time in its discretion and at its option. Declarant shall not be required to follow any predetermined order of improvement and development within the Plat or Community; and it may annex additional lands and develop them before completing the development of the Community.

9.2 Annexation by the Association. The Association also may annex property to the provisions of this Declaration by recording a Supplemental Declaration describing the additional property. Annexation by the Association shall require the affirmative vote or written consent of Members representing more than 50% of the Class "A" votes and the consent of the property owner. In addition, during the Development and Sale Period, Declarant's written consent is required. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the owner of the property, and by Declarant, if Declarant's written consent is required.

In the event that either the U.S. Department of Housing and Urban Development or the U.S. Department of Veterans Affairs insures or guarantees any Mortgage encumbering a Lot, and the regulations or procedures of such agency require under such circumstances approval of annexations by such agency or determination by such agency that such annexation is consistent with the general plan of development for the Community, then such approval or determination as described in Section 14.9 shall be a prerequisite to such annexation.

9.3 Additional Covenants and Easements. By Supplemental Declaration, Declarant may impose additional covenants, restrictions and easements on portions of the Community, including, without limitation, covenants obligating the Association to maintain and insure specific property and authorizing the Association to recover its costs through Benefited Assessments or through Neighborhood Service Area Assessments. If someone other than Declarant owns the property, then such Owner's consent and execution of the Supplemental Declaration is required. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify

the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4 Effect of Filing Supplemental Declaration. A Supplemental Declaration shall be effective upon recording. Unless otherwise specified in the Supplemental Declaration, the Lots subjected to this Declaration by such Supplemental Declaration shall have equal voting rights in the Association and equal pro rata liability for Regular Assessments with all other Lots.

ARTICLE X ADDITIONAL RIGHTS RESERVED TO DECLARANT

10.1 Withdrawal of Property. Declarant reserves the right to amend this Declaration, until termination of the Development and Sale Period, to remove from the coverage of this Declaration any property which has not been improved by a structure intended for occupancy, whether or not such property has been improved by landscaping, decorative walls, signs, irrigation, utilities, or other improvements. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not Declarant. Except as provided in Section 7.1(b), if the property is Common Area, the Association's consent is required for such withdrawal.

10.2 Marketing and Sales Activities. Notwithstanding anything in the Governing Documents to the contrary, Declarant, its Affiliates, and their assigns and builders authorized by Declarant may construct, maintain, and operate upon portions of the Common Area and property they own, such facilities, activities, and things as, Declarant, in its discretion, may deem to be required, convenient, or incidental to the construction or sale of Lots in this Community and in any other Community developed by Declarant. Such permitted facilities, activities, and things shall include, without limitation, business offices, signs, flags (whether hung from flag poles or attached to a structure), model homes, sales offices, holding or sponsoring special events, and exterior lighting features or displays. In addition, if reasonably required, convenient, or incidental to construction or sales activities, Declarant, Declarant's Affiliates, and their assigns, and authorized builders may park vehicles in areas other than garages or driveways, including, without limitation, on streets.

10.3 Right to Develop. Declarant and its Affiliates and their respective employees, agents, and designees, shall have a right of access and use and an easement over, upon, and under all of the Common Area for the purpose of making, constructing, and installing such improvements to the Common Area, the Property, and any Additional Property as Declarant deems appropriate in Declarant's discretion.

Each Owner acknowledges that the development of the Community may extend over a number of years, and agrees and consents to all changes in (a) uses or density of Lots or dwellings within the Community, and/or (b) the Development Plan.

Notwithstanding anything contained in any written letter, document or materials, or oral statement received by any Owner, each Owner acknowledges and agrees that the present plans and themes for the Community's development may change and that such Owner has not relied on any representation, warranty, or assurance by any Person (a) that any Lots, or other property or facilities will be added, modified, or eliminated within the Community; or (b) as to the financial or other impact of such action on any Owner. Each Owner acknowledges and agrees that it is not entitled to rely upon and has not received or relied upon any representations, warranties, or guarantees whatsoever as to the current or future: (a) the design, construction, completion, development, use, benefits, or value of property within the Community; (b) the

number, types, sizes, prices, or designs of any residential or non-residential structures or improvements built or to be built in any part of the Community; or (c) as to the use or development of any property adjacent to or within the vicinity of the Community.

10.4 Right to Approve Changes in the Community Standards. No amendment to or modification of any Use Restrictions, rules, or the Architectural Guidelines during the Development and Sale Period shall be effective without prior notice to and the written approval of Declarant.

10.5 Right to Transfer or Assign Declarant Rights. Any or all of Declarant's rights and obligations set forth in this Declaration or the By-Laws may, except to the extent restricted by Florida law, be transferred, in whole or in part, from time to time, to other Persons. No such transfer or assignment shall be effective unless it is in a recorded instrument signed by Declarant. Declarant may allow other Persons to exercise, on a one-time or limited basis, any Declarant right without transferring the entire right. In such case, a recorded instrument is not required.

10.6 Community Systems and Services. Declarant reserves for itself, its successors and assignees, and grants to the Association (after Declarant no longer owns any property described on **Exhibit "A"** or at such earlier time as Declarant elects in writing) the exclusive and perpetual right to provide and operate, or to permit others to provide and operate, within the Community, such telecommunication systems (including, without limitation, cable television, community intranet, internet, and other systems for receiving, distributing, and transmitting electronic data, signals, and audio or visual communications), security systems and services, utilities, trash collection, and other systems and services, including, without limitation, conduits, wires, amplifiers, towers, antennae, and other apparatus and equipment for the operation or provision thereof (collectively, the **"Community Systems and Services"**) as Declarant, in its discretion, deems appropriate. Such right shall include, without limitation, the right to select and contract with companies licensed, if applicable, to provide such services in the vicinity of the Community, and to charge individual users a 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. Declarant may receive, and shall be entitled to retain, any rebate, credit, fee, or incentive relating to the installation, operation, or provision of any Community Systems and Services.

During the Development and Sale Period, Declarant may require that the Association enter into agreements for the provision of Community Systems and Services to all Lots as a Common Expense, or to Lots within a particular Neighborhood Service Area as a Neighborhood Service Area Expense. If particular services or benefits are provided to particular Owners or Lots at their request, the benefited Owner(s) shall pay the service provider directly for such services, or the Association may assess the costs as a Benefited Assessment.

10.7 Rights To Use Names; License Agreements. The names "Castellina," "Centex Homes," "Pulte", "Divosta" and all similar or derivative names, along with all logos associated therewith, are the proprietary trade names and service marks of Declarant, or their Affiliates. No Person shall use such trade names or service marks for advertising or any other purpose in any promotional material, whether printed, audio, video, or otherwise, in any signage, or in any logo or depiction or in any other fashion or manner without the prior written consent of the Person who owns such mark in each instance. In addition, due to the integrated nature of the Community as a planned community, and the public identification of the Lots with the Community, any name or "logo" to be used in connection with or displayed on any Lot, and any

10.11 Exclusion of Declarant's Other Properties. By accepting a deed to a Lot, each Owner specifically acknowledges that nothing contained in this Declaration shall, in any way, either expressly or by implication, restrict, limit, or otherwise affect the use or disposition by Declarant or any Declarant Affiliate of any property either of them owns, whether contained within or contiguous to the Community. Declarant and its Affiliates shall have full, free, and unrestricted use of its and their other lands, notwithstanding any incompatibility of such use with restrictions this Declaration imposes upon the Lots. By accepting a deed to a Lot, each Owner, specifically and expressly disclaims any reciprocal negative easement in any property Declarant owns.

ARTICLE XI EASEMENTS

11.1 Easements in Common Area. Subject to the provisions below, every Owner shall have a right to use, and an easement of enjoyment in and to the Common Area or Limited Common Area together with an easement of access to and from the Common Area or Limited Common Area, which shall be appurtenant to and shall pass with the title to the Lot owned by such Owner. Declarant grants to each Owner a right and easement of use, access, and enjoyment in and to the Common Area, as stated in this Section 11.1:

- (a) The Governing Documents and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying the property to the Association;
- (c) The Board's right to:
 - (i) adopt rules regulating Common Area use, including, without limitation, rules limiting the number of guests who may use the Common Area, and charge use fees for such use;
 - (ii) suspend the right of an Owner and its guests and invitees to use any Common Maintenance Area amenity (A) for any period during which any assessment or other charge against the Owner's Lot remains delinquent, and (B) for a period not to exceed 30 days for a single violation, or for a longer period in the case of any continuing violation, of the Governing Documents;
 - (iii) dedicate or transfer all or any part of the Common Area, subject to any approval requirements set forth in this Declaration;
 - (iv) rent any portion of the Common Area on an exclusive or non-exclusive short-term basis to any Person;
 - (v) permit use by the general public, which use may, but need not, be subject to admission charges, membership fees, or other user fees established in the Board's discretion (except to the extent inconsistent with any easement agreement relating thereto); and
 - (vi) mortgage, pledge, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred, subject to the approval requirements set forth in Section 15.9.

(d) The rights of certain Owners to the exclusive use of those portions of the Common Area designated "**Limited Common Areas**," if any, as described in Article XIII.

Any Owner may extend his or her right to use the Common Area to the members of his or her family, tenants, and social invitees, as applicable, subject to reasonable Board regulation.

Each Owner has a perpetual, non-exclusive ingress and egress easement to their Lot over the Common Area roadways.

11.2 Easements of Encroachment. Declarant grants easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area and between adjacent Lots. Such easement shall permit encroachment only by a structure, improvement, or fixture which has been constructed by Declarant or Declarant's Affiliates or approved in accordance with Article IV of this Declaration and which is constructed on another's property 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 easement.

11.3 Easements for Utilities, Etc.

(a) Installation and Maintenance. Declarant reserves for itself, its duly authorized agents, successors and assigns, so long as Declarant or any Declarant Affiliate owns any property described in **Exhibit "A"** or any part of the Additional Property and grants to the Association, subject to Declarant's rights under Section 10.6, perpetual, non-exclusive easements throughout the Community (but not through a structure) to: (i) install utilities and infrastructure to serve the Community, including, without limitation, water, sewer, telephone, electric, gas, irrigation, cable and other systems for sending and receiving data and/or other electronic signals, drainage structures, facilities and systems, and security and similar systems and other Community Systems and Services; (ii) install walkways, pathways and trails, curb cuts, driveways and paved areas, street lights, and signage on property which Declarant or the Association owns or within public rights-of-way or easements reserved for such purpose (or for the installation of landscaping or utilities) on a Plat; (iii) inspect, maintain, repair, and replace the utilities, infrastructure, and other improvements described above; (iv) access and read utility meters; and (v) for any other purpose in Declarant's sole discretion. The right, license, or easement granted to a utility supplier shall include the non-exclusive right to ingress and egress over any streets for access and maintenance of its equipment and facilities.

Declarant reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

(b) Specific Easements. Declarant also reserves for itself the non-exclusive right and power to record such specific easements anywhere in the Community (except through a structure) as may be necessary or appropriate, in Declarant's sole discretion, to assist in the development and operation of the Community.

(c) Interference. All work associated with the exercise of the easements described in subsections (a) and (b) of this Section shall be performed in such a manner as to minimize, to the extent reasonably practicable, interference with the use and enjoyment of the property burdened by the easement. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably practicable, to the condition

existing prior to the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

11.4 Easements to Serve Additional Property. Declarant reserves for itself and its duly authorized agents, successors, assigns, and Mortgagees, an easement over the Common Area and Lots for enjoyment, use, access, and development of the property described in **Exhibit "B,"** whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area and Lots for construction of roads and for connecting and installing utilities.

If the above easement is exercised for permanent access to any property which is not submitted to this Declaration, Declarant, or its successors or assigns, shall enter into an agreement with the Association to share the cost of maintenance that the Association provides for the benefit of the easement holder, except to the extent such easement was created prior to the recordation of this Declaration.

11.5 Easements for Maintenance, Emergency, and Enforcement. Declarant grants to the Association easements over the Community as necessary for the Association to fulfill its maintenance responsibilities under this Declaration and any Supplemental Declaration. The Association shall also have an easement and the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforcing the Governing Documents. Such easement and right may be exercised by the Association through its officers, directors, committee members, employees, contractors, or agents in their capacities as such and by all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

Declarant grants to the Association, subject to any required notice, an easement and right to enter a Lot to abate a Governing Document violation and/or to remove any structure, thing, or condition that violates the Governing Documents. Any costs incurred, including Legal Costs, shall be assessed against the Lot Owner as a Benefited Assessment.

11.6 Easements for Maintenance of Bodies of Water and Flooding. Declarant reserves for itself, the Association, the District, and their successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and Wetlands located within the Common Maintenance Areas and the Community to (a) install, operate, maintain, repair, and replace pumps and other equipment (but not ducts and wells) to supply irrigation water to the Common Maintenance Areas; (b) construct, maintain, repair, and replace structures and equipment used for retaining, detaining, and otherwise controlling water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard and applicable legal requirements. Declarant, the Association, the District, and their successors, assigns, and designees shall have an access easement over and across any portion of the Community which abuts or contains bodies of water or Wetlands to the extent reasonably necessary to exercise their rights under this Section.

Declarant further reserves for itself, the Association, the District, and their successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Maintenance Area and Lots (but not inside a dwelling or other structure) adjacent to or within 25 feet of bodies of water and Wetlands within the Community, in

order to (a) temporarily flood and back water upon and maintain water over such portions of the Community; (b) alter in any manner and generally maintain the bodies of water and Wetlands within the Common Maintenance Areas; and (c) maintain and landscape the slopes and banks pertaining to such areas. Anyone exercising these easements shall use reasonable care in and repair any damage resulting from their intentional exercise of the easements. Nothing herein shall be construed to make Declarant or any other Person liable for damage resulting from flooding due to natural occurrences or for other occurrences not reasonably foreseeable or under the control of Declarant or such other Person.

11.7 Lake Maintenance and Access Easement. There is hereby reserved for the benefit of all Owners, the Declarant, the Association, the District, the City, and all other governmental authorities an easement (herein referred to as the "**Lake Maintenance and Access Easement**") over, upon and across an area twenty feet (20') wide adjacent to and parallel with the boundaries of the Lots and Parcels shared with each lake as shown on the Plat of Castellina.

Neither the Association, the Declarant, nor any Owner shall obstruct access to the Lake Maintenance and Access Easement, and no fence, hedge, landscaping or other improvement that would impair or restrict access to the Lake Maintenance and Access Easement shall be installed or permitted to remain within said Lake Maintenance and Access Easement. Neither the Association, the Declarant, nor any Owner shall install any bulkhead, pier or other structure within any Lake or Lake Maintenance and Access Easement, and all Owners whose Lots abut the Lake Maintenance and Access Easement shall be responsible for maintaining their Lots, including the repair or prevention of erosion, within the Lake Maintenance and Access Easement, subject to the obligations of the Association to perform landscape maintenance set forth elsewhere in this Declaration. The beneficiaries of the Lake Maintenance and Access Easement, including, but not limited to all Owners, shall have the right to enter the Lake Maintenance and Access Easement at all reasonable times for the purposes of maintenance of the Lake Maintenance and Access Easement.

11.8 Easements for Cross-Drainage. All portions of the Community shall be burdened with easements for drainage of storm water runoff from other portions of the Community; however, no Person other than Declarant shall alter the drainage on any Lot to increase materially the drainage of storm water onto adjacent portions of the Community without the consent of the Owner(s) of the affected property, the Board, the District, if applicable, and Declarant during the Development and Sale Period.

11.9 Rights to Storm Water Runoff, Effluent, and Water Reclamation. Declarant reserves for itself and its designees all rights to ground water, surface water, storm water runoff, and effluent located or produced within the Community, and each Owner agrees, by acceptance of a deed to a Lot, that Declarant shall retain all such rights. Such rights shall include the reservation of an easement over the Community for access, and for installation and maintenance of facilities and equipment to capture and transport such water, runoff, and effluent. This Section may not be amended without Declarant's consent, and the rights created in this Section shall survive termination of this Declaration.

11.10 Easement for Maintenance of Surface Water and Storm Water Management System. The Declarant and the Association shall have a perpetual, non-exclusive easement over all portions of the Surface Water and Storm Water Management System for access to operate, maintain, repair, or replace the system. By this easement, the Association shall have the right to enter upon any portion of any Lot which is a part of or adjacent to the Surface Water

and Storm Water Management System, at a reasonable time and in a reasonable manner, to operate, maintain, repair, or replace the system as the City or any governmental agency or quasi-governmental body requires or permits. Additionally, the Association shall have a perpetual, non-exclusive easement for drainage over the entire Surface Water and Storm Water Management System, and the owner of the pumps, pipes, and other apparatus comprising the system shall have an easement of access and maintenance as necessary for the operation, maintenance, repair, and replacement of such equipment. No Person other than Declarant shall alter the drainage flow of or over the Surface Water and Storm Water Management System, including, without limitation, buffer areas or swales, without the Association's prior written approval, and, during the Development and Sale Period, Declarant's prior written consent.

11.11 Sign Easement. Declarant reserves for itself and the Association an easement (herein referred to as the **"Entry, Sign and Landscape Easement"**) over, upon, and across all areas designated as **"Buffer," "Landscape Tract," "Signage Tract," "Landscape Area," "Landscape Buffer Area," "Landscape Easement," "Entryway Feature Easement Area or Tract"** or **"Open Space"** or identified by similar designation, on any Plat, for erection, installation, operation, maintenance, repair, and replacement of Community signs, walls, monuments, fencing, decorative improvements, entry features, together with landscaping, lighting, utility, and irrigation facilities. No Owner shall obstruct access to the Entry, Sign and Landscape Easement, or install or remove any plant or other improvement or installation placed in the Entry, Sign and Landscape Easement by the beneficiaries thereof, or obstruct the view of the Entry, Sign and Landscape Easement from the adjacent street right-of-way. All signs, walls, monuments, entry features, landscaping, utility, irrigation and other permanent improvements installed in the Entry, Sign and Landscape Easement by Declarant shall become the Common Area of the Association upon conveyance from Declarant, and the Association shall maintain such Entry, Sign and Landscape Easement and the improvements therein as part of the Common Area. In addition, Declarant and any designee of Declarant shall have the right, without the prior approval of the Association or any Owner, within the Entry, Sign and Landscape Easement, erect, change, move, remove, repaint, maintain, and otherwise exercise complete and unfettered control over marketing signs at all times prior to the sale of the last Lot owned by Declarant or any designee of Declarant in the Community, and all such marketing signs shall be and remain the exclusive property of Declarant (or such designee of Declarant) and shall not be deemed part of the Common Area owned by the Association.

11.12 Easement for Irrigation Equipment. The Declarant and the Association shall have a perpetual, non-exclusive easement over, under and through all exterior portions of each Lot, except any area upon which buildings have been erected by Declarant or otherwise in accordance with Article IV, and all Irrigation Easements shown on the Plat, for the purpose of installing, maintaining, repairing, replacing and operating all irrigation equipment, systems and lines serving all or any portion of the Lots and/or Common Area. The foregoing easement shall not impose any obligation on the Association and/or Declarant to install any such improvements; however, once installed, the Association upon designation by Declarant, shall have the obligation to maintain, repair and replace as needed all irrigation facilities in, on and under the Irrigation Easements.

11.13 Private Roadways.

(a) The private roadways within the Community (**"Roadways"**), as depicted on any Plat, shall be owned by the Association as part of the Common Area and shall not be dedicated to the City or to public use by recordation of such Plat. Use of such Roadways shall be subject to and in accordance with any rights and easements shown on the Plats and such

reasonable Use Restrictions and Rules as the Association may adopt from time to time consistent with this Declaration, the Plat, and any law, ordinance, or regulation governing the Community.

(b) Declarant hereby reserves unto itself, Declarant's Affiliates and the agents, employees, successors, and assigns of Declarant and Declarant's Affiliates an easement over the Roadways for the purpose of constructing, maintaining, repairing, or rebuilding any subdivision improvements installed or to be installed in the Community and for performing any other work within the Community (including Lots) which Declarant deems reasonably necessary, in its discretion, or which Declarant is required to perform pursuant to a contract with any Owner or pursuant to the requirements of any government agency having jurisdiction over the Community. With regard to construction on any of the Lots by the Owners thereof, the contractors, subcontractors, laborers, materialmen, and other Persons providing construction services and materials to any such Lots shall have access to such Lots over the Roadways subject to such rules as the Association may adopt; however, during the Class "B" Control Period, Declarant shall have the right to prohibit the use of the Roadways by such Persons and to designate alternate access easements for such Persons.

(c) The Declarant hereby creates a perpetual, nonexclusive easement for access, ingress, and egress over the Roadways for Owners, for law enforcement, fire fighting, paramedic, rescue, and other emergency vehicles, equipment, and personnel; for school buses; for U.S. Postal Service delivery vehicles and personnel; and for vehicles, equipment, and personnel providing garbage collection service to the Community provided that such easement shall not authorize any such Persons to enter the Community except while acting in their official capacities.

The existence of this easement shall not preclude the Association from maintaining gates or other devices or systems designed to limit general vehicular access to the Community, provided that the Association at all times maintains systems and/or procedures to permit the uncontested entry of Persons authorized to exercise the easements granted in this subsection without unreasonable interference or delay.

11.14 Easement to Public Right-of-Way. Notwithstanding anything to the contrary set forth in this Declaration, to the extent necessary, each Owner shall have a nonexclusive easement for vehicular and pedestrian access to and from his Lot over the private streets to a public right-of-way. The easement herein granted shall be subject to the reasonable regulation of traffic by the Association, including but not limited to: speed limits; one-way streets; stop signs; yield signs; and other common traffic control signs and devices. The Association shall not have the right to restrict access to the private streets to Owners, resident members of the Owner's household, invited guests, commercial delivery services, government officials, including but not limited to, postal, police, fire and safety officials, vendors, contractors and tradesmen engaged by an Owner, Club Owner, or the Declarant. The Association shall have the right, but not the obligation, to require nonresidents requesting entry to the private streets to stop at the entry gate and provide evidence of authorization from an Owner. The right of the Owner to use the private streets for access to the Owner's Lot may not be suspended or withheld for any reason, including nonpayment of assessments or failure to obey traffic regulations, however, the Association shall have the right to exercise all other remedies available at law or in equity to recover from any such Owner all unpaid assessments, and to enforce all traffic regulations, and, in the event the Association incurs any expense in so doing, in addition to any other relief obtained by the Association, either voluntarily, by agreement, through arbitration or court action, the Owner shall reimburse the Association for all its costs and expenses, including, but not

limited to, all reasonable attorney's fees, expert witness fees, investigation costs and other expenses incurred by the Association at the pre-trial, trial or appellate levels.

11.15 General Development Easements. The Declarant reserves for itself, its successors or assigns, a blanket easement throughout the entire Community, to allow it to take whatever action it determines is necessary or beneficial to the development or operation of the Community. This blanket easement is to allow the Declarant to construct all of its improvements in the Community, whether on Common Area or on Lots, in the manner that it deems necessary. This means that the Declarant has access and use of any Lot or Common Area as is necessary to construct any improvement within the Community. It also is reserved for the purpose of allowing the Declarant, if it deems necessary, to repair, relocated, construct, or maintain any of the improvements installed in the Community.

ARTICLE XII CONSERVATION EASEMENTS, NATURAL CONDITIONS, AND PRESERVES

12.1 Conservation Easements.

(a) Establishment of Conservation Easements. The provisions of Section 704.06, Florida Statutes establish the right of the District and/or the City (the "**Easement Grantee**") to accept easements for the preservation of the natural habitat (such easements shall be referred to herein as the "**Conservation Easements**"). There are no Conservation Easements established by this Declaration; however, Declarant reserves unto itself, and to the Association the right to grant such easements over and upon portions of the Common Area or Lots unto the Easement Grantee pursuant to the provisions of Section 704.06, Florida Statutes. Any Conservation Easements so granted shall be subject to the requirements of Section 704.06, Florida Statutes, and the following provisions. For the purposes of this Declaration, any portion of the Common Area encumbered by a Conservation Easement shall be referred to as the "**Conservation Easement Property**."

(b) Purpose. The purpose of a Conservation Easement is to assure that the Conservation Easement Property will be retained forever in its existing natural condition and to prevent any use of the Conservation Easement Property that will impair or interfere with the environmental value of the Conservation Easement Property.

(c) Prohibited Acts and Uses. Any activity on or use of the Conservation Easement Property inconsistent with the purpose of a Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited:

(i) constructing or placing buildings, roads, signs, billboards, or other advertising, utilities or other structures on or above the ground;

(ii) dumping or placing soil or other substances or material as landfill or dumping or placing of trash, waste or unsightly or offensive materials;

(iii) removing, mowing, trimming or destroying trees, shrubs, or other vegetation;

(iv) excavating, dredging, or removing loam, peat, gravel, soil, rock, or other material substances in such a manner as to affect the surface;

(v) using the surface area of the Conservation Easement Property, except for purposes that permit the land or water area to remain predominantly in its natural condition;

(vi) activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation;

(vii) acting upon or using the Conservation Easement Property in a manner detrimental to such retention of land or water areas;

(viii) acting upon or using the Conservation Easement Property in a manner detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or cultural significance;

(ix) constructing or installing utilities on, below, or above the ground without appropriate local, state, and federal permits or other authorization; and

(x) applying of herbicides, pesticides, or fertilizers.

(d) Reserved Rights. The owner of record title to the Conservation Easement Property reserves unto itself, and its successors and assigns, all rights accruing from its ownership of the Conservation Easement Property, including, without limitation, the right to engage in or permit or invite others to engage in all uses of the Conservation Easement Property that are not expressly prohibited herein and are not inconsistent with the purpose of the Conservation Easement.

(e) Rights of Easement Grantee. To accomplish the purposes stated herein, the owner of record title to the Conservation Easement Property shall, grant the following rights to the Easement Grantee and Declarant:

(i) to enter upon and inspect the Conservation Easement Property in a reasonable manner and at reasonable times to determine if the Association, the Owners and Declarant or its successors and assigns are complying with the covenants and prohibitions contained in the Conservation Easement; and

(ii) to proceed at law or in equity to enforce the provisions of the Conservation Easement and the covenants set forth therein, to prevent the occurrence of any of the prohibited activities set forth herein, and require the restoration of areas or features of the Conservation Easement Property that may be damaged by any activity inconsistent with the Conservation Easement.

(f) Easement Grantee's Discretion. The Easement Grantee may enforce the terms of the Conservation Easement at its discretion, but if the Association, Declarant, or any Owner, breaches any term of the Conservation Easement and the Easement Grantee does not exercise its rights under the Conservation Easement, the Easement Grantee's forbearance shall not be construed to be a waiver by the Easement Grantee of such term, or of any subsequent breach of the same, or any other term of the Conservation Easement, or of any of the Easement Grantee's rights under the Conservation Easement. No delay or omission by the Easement Grantee in the exercise of any right or remedy upon any breach by the Association, Declarant or any Owner shall impair such right or remedy or be construed as a waiver. The Easement

Grantee shall not be obligated to Declarant, or to any other person or entity, to enforce the provisions of the Conservation Easement.

(g) Easement Grantee's Liability. The owner of the fee interest in the Conservation Easement Property shall retain all liability for any injury or damage to the person or property of third parties that may occur on the Conservation Easement Property. Neither Declarant, nor any Owner, nor any person or entity claiming by or through Declarant or any Owner, shall hold the Easement Grantee liable for any damage or injury to person or personal property that may occur on the Conservation Easement Property.

(h) Acts Beyond Declarant's Control. Nothing contained in the Conservation Easement shall be construed to entitle the Easement Grantee to bring any action against Declarant or the Association for any injury to or change in the Conservation Easement Property resulting from natural causes beyond Declarant or Association's control, including, without limitation, fire, flood, storm and earth movement, or from any necessary action taken by Declarant under emergency conditions to prevent, abate, or mitigate significant injury to the Conservation Easement Property or to persons resulting from such causes.

(i) Recordation. Declarant shall record any Conservation Easement in a timely fashion and Declarant and the Owners of any Lots encumbered by the Conservation Easement shall re-record it by separate instrument at any time the Easement Grantee may require to preserve its rights. The Owners of any Lots encumbered by the Conservation Easement shall pay all recording costs and taxes necessary to record the Conservation Easement. Declarant will hold the Easement Grantee harmless from any recording costs or taxes necessary to record the Conservation Easement.

(j) Successors. The covenants, terms, conditions, and restrictions of the Conservation Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Conservation Easement Property.

(k) Restrictive Covenants Affecting Conservation Easements. No Owner or other person shall cut, remove, destroy, or otherwise disturb any plant, shrub, tree, or other vegetation within any Conservation Easement Property, nor shall any person, including, but not limited to any Owner, Declarant, and the Association, deposit dirt, fill, grass clippings, trash, rubbish, tree trimmings, building materials, or other waste within such easements without the prior written consent (as evidenced by any required permit or other official certification) of the Association, Declarant, the City, and the District.

12.2 Natural Conditions.

(a) The Community 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 and other reptiles, alligators, and other animals, some of which may pose hazards to persons or pets coming in contact with them. Each Owner and occupant of any Lot, and every Person entering the Community (i) acknowledges that such plants and wildlife are indigenous to the area and are not restrained or restricted in their movements within or through the Community; and (ii) assumes all risk of personal injury arising from the presence of such plants and wildlife within the Community. Neither the Association, Declarant, Declarant's Affiliates, any Predecessor Declarant, any builder, nor the members, partners, affiliates, officers, directors, shareholders,

attorneys, agents, or employees of any of the foregoing, shall have any duty to take action to control, remove, or eradicate any plant or wildlife in the Community, nor shall they have any liability for any injury resulting from the presence, movement, or propagation of any plant or wildlife within or through the Community.

(b) The natural areas described in subsection (a) above may also contain creeks, ponds, or intermittent pools of water, muddy areas, and underbrush, 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 shall enter upon, or permit their guests or any other person acting on their behalf to enter upon, or disturb such areas in any way without the Association's or Declarant's prior written approval.

12.3 Preserves. As may be depicted on any Plat, certain parcels may be identified as "Preserve" or "Private Preserve." Unless otherwise approved in writing by Declarant, the District, the City and any other governmental authorities having jurisdiction, the Preserve areas shall be maintained in their natural state in perpetuity. No Owner, member of an Owner's household, or any other Person acting, or purporting to act, on behalf of any Owner, or for whom any Owner shall be responsible pursuant to this Declaration, shall disturb the natural environment of the Preserve areas in any way without first obtaining the written consent of the Board properly approved by the adoption of a resolution describing in detail the exact activities to be conducted within the Preserve areas, the times and dates when such activities are authorized to occur, and the identities of the Persons who are authorized to so act, together with the written consent of Declarant and any governmental authority having jurisdiction over the proposed activity.

This restrictive covenant is intended in the broadest sense, and includes, but is not limited to, trimming, cutting, or mowing grass, shrubs, trees or other plants; placing grass clippings, landscape debris, household trash or other materials; storing materials, equipment, vehicles, boats, motor homes, trailers, or other items; erecting children's playhouses, tree houses, swings, or other permanent or temporary improvements; planting trees, shrubs, grass, or ground cover; releasing birds, snakes, reptiles, insects, or other animals; grading or excavating; cultivating or gardening; or dumping dirt, sand, rocks, gravel, or other inorganic or organic material on any part of a Preserve area. No hunting or animal trapping, carrying or discharging of firearms, overnight camping or campfires, operation of motorcycles or so-called "all-terrain vehicles," "dirt bikes," or other motorized vehicles, implements, equipment, or conveyances are permitted within the Preserve areas at any time.

Any Owner who violates the foregoing restrictive covenants shall be responsible for the cost of restoring the affected Preserve area to the satisfaction of the Association, Declarant, and any governmental authority having jurisdiction thereof, and the Association shall have the right to prohibit the offending party from further use or enjoyment of the Preserve areas after prior notice and hearing before the Board. Notwithstanding the foregoing, the Owners shall have the right, without prior notice, to enter the Preserve areas for hiking, birding, and other passive, non-destructive activities during the hours of dawn to dusk.

BECAUSE THE PRESERVE AREAS, IF ANY, ARE TO BE RETAINED IN THEIR NATURAL STATE, SUCH AREAS SHOULD BE CONSIDERED HAZARDOUS FOR RECREATIONAL ACTIVITIES.

NEITHER THE ASSOCIATION, NOR DECLARANT, NOR ANY OF THEIR AFFILIATES, HAS ANY OBLIGATION TO PROVIDE SECURITY OR SUPERVISION FOR

ANY PERSON USING A PRESERVE AREA, AND ALL PERSONS USING A PRESERVE AREA DO SO AT THEIR OWN RISK.

INSECTS, SNAKES, AND ANIMALS THAT MAY BE DANGEROUS TO HUMANS MAY INHABIT THE PRESERVE AREAS.

OWNERS SHOULD NOT ALLOW CHILDREN OR PETS TO ENTER THE PRESERVE AREA WITHOUT ADULT SUPERVISION.

NEITHER THE ASSOCIATION NOR DECLARANT NOR ANY OF THEIR AFFILIATES SHALL HAVE ANY LIABILITY WHATSOEVER FOR ANY CONDITION OF A PRESERVE AREA OR ANY INJURY OR DEATH OCCURRING THEREON.

THE ASSOCIATION SHALL HAVE THE RIGHT TO IMPOSE ADDITIONAL RULES AND REGULATIONS GOVERNING THE USE OF THE PRESERVE AREAS OR FOR ANY INJURY OR DEATH OCCURRING THEREON.

IF THE PRESERVE AREAS, OR THE TREES OR VEGETATION THEREON, ARE DAMAGED OR DESTROYED BY FIRE, WINDSTORM, FLOOD, DISEASE, OR OTHER NATURAL OR MANMADE EVENT, NEITHER THE ASSOCIATION, NOR DECLARANT, NOR ANY OF DECLARANT'S AFFILIATES, SHALL HAVE ANY OBLIGATION TO REPAIR OR RESTORE THE DAMAGE OR DESTRUCTION, OR TO REMOVE ANY DEAD OR DAMAGED TREES OR OTHER VEGETATION.

ARTICLE XIII LIMITED COMMON AREAS

13.1 Purpose. Certain portions of the Common Area may be designated as Limited Common Area and reserved for the exclusive use or primary benefit of Owners and occupants of one or more, but less than all, Lots. By way of illustration and not limitation, Limited Common Areas may include entry features, recreational facilities, landscaped medians and cul-de-sacs, private roads, lakes and other portions of the Common Area primarily serving a limited area. All costs associated with ownership, maintenance, repair, replacement, management, operation and insurance of a Limited Common Area shall be a Limited Common Expense allocated in accordance with Section 8.1(b) among the Owners in the Neighborhood Service Area to which the Limited Common Area is assigned.

13.2 Designation. Initially, any Limited Common Area shall be designated as such in the deed conveying such area to the Association or on the subdivision plat relating to such Common Area; however, any such assignment shall not preclude Declarant from later assigning use of the same Limited Common Area to additional Lots during the Development and Sale Period.

Thereafter, a portion of the Common Area may be assigned as Limited Common Area upon approval of (a) the Board, (b) Members representing a majority of the total Class "A" votes in the Association, and (c) Members entitled to cast a majority of the Class "A" votes attributable to Lots to which the Limited Common Area is proposed to be assigned or reassigned. During the Development and Sale Period, any such assignment or reassignment shall also require Declarant's written consent.

13.3 Use by Others. Upon approval of a majority of Owners of Lots to which any Limited Common Area is assigned, and subject to such restrictions as such Owners may

impose, the Association may permit Owners of other Lots to use all or a portion of such Limited Common Area upon payment of reasonable user fees, which fees shall be used to offset the Limited Common Expenses attributable to such Limited Common Area.

ARTICLE XIV DISPUTE RESOLUTION

14.1 Agreement to Encourage Resolution of Disputes Without Litigation.

(a) Declarant, the Association and its officers, directors, and committee members, all Persons subject to this Declaration (including all Owners and Declarant's Affiliates), and any Person not otherwise subject to this Declaration who agrees to submit to this Article (collectively, "**Bound Parties**"), agree to attempt to resolve disputes involving the Community or the Governing Documents without the emotional and financial costs of litigation. Accordingly, each Bound Party agrees, to the fullest extent permitted by applicable law, not to, directly or indirectly, file a law suit for a Claim described in subsection (b), without first submitting the Claim to the alternative dispute resolution procedures described in Section 14.2.

(b) As used in this Article, the term "Claim" shall refer to any claim, grievance, or dispute arising out of or relating to:

(i) the interpretation, application, or enforcement of the Governing Documents;

(ii) the rights, obligations, and duties of any Bound Party under the Governing Documents;

(iii) the design or construction of improvements within the Community, other than matters of aesthetic judgment under Article IV, which shall not be subject to review; or

(iv) trespass, nuisance, property damage, or enforcement of laws, codes, or ordinances within the Community.

(c) except that the following shall not be considered "Claims" unless all parties to the matter otherwise agree to submit the matter to the procedures set forth in Section 14.2:

(i) any Association action to collect assessments, fines (see By-Laws Section 3.23) or other amounts due from any Owner;

(ii) any Association action to obtain a temporary or permanent restraining order or injunction (or emergency equitable relief) and such ancillary relief as the court may deem necessary in order to enforce the provisions of the Governing Documents or maintain the status quo and preserve the Association's ability to enforce the provisions of the Governing Documents;

(iii) any action between Owners, which does not include Declarant and/or the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Governing Documents;

(iv) any action in which any indispensable party is not a Bound Party;

(v) any action as to which the applicable statute of limitations would expire within 180 days of giving the Notice required by Section 14.2(a), unless the party or parties against whom the Claim is made agree to toll, or extend, the Claim's statute of limitations to comply with this Article; and

(vi) fines pursuant to Section 3.23 of the By-Laws.

14.2 Dispute Resolution Procedures.

(a) Notice. The Bound Party asserting a Claim ("**Claimant**") against another Bound Party ("**Respondent**") shall give written notice ("**Notice**") by certified mail, return receipt requested; overnight delivery by a nationally recognized courier that provides tracking and receipt services; or personal delivery to each Respondent, and to the Board, stating plainly and concisely:

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

(ii) the legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

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

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

(b) Negotiation. 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) Mediation. If the Bound Parties have not resolved the Claim through negotiation within 30 days of the date of the Notice (or within such other agreed upon period), the Claimant shall have 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 City 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 participate in good faith in the mediation when 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 third parties) on account of such Claim.

If the Bound Parties do not settle the Claim within 30 days after submitting the matter to mediation, or within such time as determined reasonable by the mediator but which will not cause the statute of limitations to expire, 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 or to initiate administrative or other proceedings on the Claim, as appropriate.

Each Bound Party shall bear its own costs of the mediation, including, without limitation, attorneys' fees, and each Party shall share equally all fees charged by the mediator.

(d) Settlement. Any settlement of the Claim through negotiation or mediation shall be documented in writing and signed by the Bound Parties. If any Bound Party thereafter fails to abide by the terms of such agreement, then any other Bound Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in this Section. In such event, the Bound Party taking action to enforce the agreement shall, upon prevailing, be entitled to recover from the non-complying Bound Party (or each one in equal proportions) all costs incurred in enforcing such agreement, including, without limitation, Legal Costs.

14.3 Initiation of Litigation by Association. After the Class "B" Control Period, the Association shall not initiate any judicial or administrative proceeding which is reasonably expected to cost \$25,000.00 or more in legal fees to prosecute to completion unless first approved by the Board upon the specific recommendation of the Dispute Resolution Committee (if created as provided in the By-Laws), or a majority of the Class "A" votes in the Association. The Dispute Resolution Committee's recommendation must be in writing and must be accompanied by a feasibility analysis including an explanation of the issues, a budget for legal and related expenses, the amount in controversy, the expectation of success, and a copy of bids from a minimum of three qualified law firms.

ARTICLE XV RESERVED FOR FUTURE USE

ARTICLE XVI DISCLOSURES AND WAIVERS

16.1 No Liability For Third Party Acts. Owners and occupants of Lots, and their respective guests and invitees, are responsible for their own personal safety and for their property in the Community. The Association may, but is not obligated to, maintain or support certain activities within the Community which are intended to promote or enhance safety or monitoring within the Community. However, the Association, Declarant and Declarant's Affiliates shall not in any way be considered insurers or guarantors of safety or monitoring within the Community, nor shall they be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including, without limitation, fire protection, burglar alarm, or other security monitoring systems, (or if there is any gate or other mechanism or system for limiting access to the Community), 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, and shall be responsible for informing its tenants and all occupants and invitees of its Lot that the Association, the Board and its committees, Declarant, Declarant's Affiliates and any predecessor Declarant are not insurers or guarantors of security or safety and that each Person within the Community assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties. Any gate or other mechanism or system for limiting access to the Community may, at Declarant's discretion, be left open or unattended, from time to time or at any time to facilitate access by contractors, subcontractors, inspectors, brokers, salespersons and others to any sales office and/or Lots that are under construction or for sale.

Declarant may, but shall not be obligated to, employ or retain, at Declarant's sole cost and expense, a person or persons to staff a gate or gatehouse located at the entrance to the Community and perform such functions on behalf of Declarant as Declarant, in its sole discretion, deems appropriate, including, but not limited to, facilitating access by contractors, subcontractors, inspectors, brokers, and salespersons, and others to any sales office and/or Lots that are under construction or for sale. Any such person employed or retained by the Declarant shall under no circumstances be responsible for the security or safety of any persons or property within the Community, nor shall the Association or any Owner or occupant of the Community be authorized to direct or request favors of any such person. Neither Declarant, Declarant's Affiliates nor the Association shall have any obligation to staff the gatehouse or gate.

16.2 View Impairment. Neither Declarant, Declarant's Affiliates nor the Association guarantee or represent that any view over and across the Lots or any open space or any other portion of the Community within the Community will be preserved without impairment. Neither Declarant, Declarant's Affiliates nor the Association shall be obligated to relocate, prune, or thin trees or other landscaping. The Association (with respect to the Common Area) and Declarant 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 or for the passage of light and air are hereby expressly disclaimed.

16.3 Notices and Disclaimers as to Community Systems and Services. In recognition of the fact that interruptions in cable television and other Community Systems and Services will occur from time to time, neither Declarant nor any of Declarant's successors or assigns (and their Affiliates) shall in any manner be liable for, and no Community System and Service user shall be entitled to refund, rebate, discount, or offset in applicable fees, for any interruption in Community Systems and Services, regardless of whether or not such interruption is caused by reasons within the service provider's control. Declarant shall be entitled to retain any rebate, discount, or other compensation received from the provider of any Community Systems and Services in connection with the installation or operation of such system.

16.4 Construction Activities. **All Owners, occupants, and users of Lots are hereby placed on notice that Declarant, any Declarant Affiliate, and/or their agents, contractors, subcontractors, licensees, and other designees, successors, or assigns, shall continue, from time to time, to conduct construction activities within the Community. By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest, and/or by using any portion of a Lot or the Community generally, Owners, occupants and users of Lots 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 or any other portion of the Community where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (c) that Declarant, any Declarant Affiliate, or Predecessor Declarant, and all of their 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 or relating to any breach of this covenant; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a**

material inducement to Declarant or its Affiliates to sell, convey, lease, and/or allow the use of Lots within the Community.

16.5 Water Management. Each Owner acknowledges and agrees that some or all of the water features, if any, or Wetlands in or adjacent to the Community are designed as water management areas and are not designed solely as aesthetic features. Due to fluctuations in water elevations within the immediate area, water levels will rise and fall. Each Owner further acknowledges and agrees that Declarant does not have, or is not obligated to exert, control over such elevations. Therefore, each Owner agrees to, and does by purchase of a Lot, release and discharge Declarant and Declarant's Affiliates and any predecessor Declarant from and against any and all losses, claims, demands, damages, and expenses of whatever nature or kind, including, without limitation, Legal Costs, related to or arising out of any claim relating to such fluctuations in water elevations. Owners shall not alter, modify, expand, or fill any water features or Wetlands located within or in the vicinity of the Community without the prior written approval of Declarant and any local, state, or federal regulatory or permitting authorities as may have relevant jurisdiction over such matters.

DECLARANT, DECLARANT'S AFFILIATES AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS, FOR THE WATERWAYS. ANY INDIVIDUAL USING THE WATERWAYS SHALL DO SO AT HIS/HER OWN RISK AND HEREBY HOLDS DECLARANT, DECLARANT'S AFFILIATES AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS ARISING FROM SUCH USE.

EACH OWNER, BY THE ACCEPTANCE OF TITLE TO A LOT, ACKNOWLEDGES THAT THE WATERWAYS ARE DEEP AND DANGEROUS. NEITHER DECLARANT, DECLARANT'S AFFILIATES, THE ASSOCIATION, THE DISTRICT, THE COUNTY NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY WATERWAY WITHIN THE COMMUNITY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK. ALL OWNERS AND USERS OF ANY PORTION OF THE COMMUNITY SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM 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 HABITAT OR ENTER INTO WATER BODIES WITHIN OR NEARBY THE COMMUNITY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

16.6 Liability for Association Operations. The Association shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Declarant, Declarant's Affiliates and any Predecessor Declarant (including, without limitation, their respective Affiliates, successors, and

assigns) from and against any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including, without limitation, Legal Costs), which relate to or arise out of Association management and operations, including, without limitation, improvement, maintenance, and operation of amenities and other portions of the Common Maintenance Areas and the collection of assessments.

16.7 Groundwater Disclosure. Portions of the Property and property located in the vicinity of the Property were previously used for agricultural activities. The onsite soils have been tested and reviewed by FDEP and there are no indications that onsite soils contain contaminants above the target levels for residential use established by the state. However, the presence of certain substances, including arsenic (collectively, contaminants) in the groundwater on the Property has been determined by FDEP to exceed FDEP target levels. When contaminants are detected in groundwater above target levels, FDEP requires that a deed restriction be placed on the affected property to prohibit the use of groundwater from property. Pursuant to the requirements of the FDEP, Declarant has recorded that certain Declaration of Restrictive Covenant on the Property recorded _____, in Official Records Book _____, Page _____, Public Records of Palm Beach County, Florida (the "**Groundwater Restrictions**"). The Groundwater Restrictions prohibit access to, withdrawal of or use of any Groundwater within the Property for consumption, irrigation or any groundwater within the Property for consumption, irrigation or any other purpose and also prohibit the drilling or construction of any wells within Property. In addition, the Groundwater Restrictions limit activities that would provide access to or withdrawal from the groundwater and provides that such activities will require approval from the FDEP before they are undertaken, all as more particularly set forth in the Groundwater Restrictions. The water to be provided for drinking within the Community comes from the Village of Wellington, not groundwater on the Property. The irrigation water comes from sources other than groundwater. Accordingly, the drinking water and irrigation water provided as planned within the Community are not subject to any restrictions. The Groundwater Restrictions provide that, upon conclusion of testing, reporting and FDEP review and approval pursuant to the Groundwater Restrictions and the requirements of FDEP, as same may be modified by FDEP in the future, the Groundwater Restrictions may be amended, modified, restated or replaced with revised restrictions, if determined to be necessary in the sole and absolute discretion of FDEP or the Declarant (together the "**Modified Restrictions**"). By acceptance of title to or mortgage, leasehold, license or other interest in any portion of the Property subject to the Groundwater Restrictions and this Declaration, each Owner, Mortgagee, and other interest holder consents to the subsequent imposition of any such Modified Restrictions on their Property by Declarant without any further approval, consent or joinder by such Owner or any Mortgagee with respect to the affected property. Furthermore, by acceptance of title to any portion of the Property subject to the Groundwater Restrictions and this Declaration, each Owner acknowledges and agrees to comply with the Groundwater Restrictions, any Modified Restrictions, and the terms and conditions with respect to same as set forth in the Declaration, as hereby and hereinafter amended.

16.8 Right of Entry for Testing and Remediation Activities for Declarant and Association. In addition to all other rights reserved in favor of FDEP, Declarant and the Association pursuant to the Declaration, Groundwater Restrictions or Modified Restrictions, Declarant hereby reserves, grants and conveys unto Declarant and the Association, a right of entry unto the Property, including all Lots, Common Areas and other portions of the Community, for (i) the purpose of testing and monitoring the condition and status of the groundwater within the Community, including, without limitation, drilling and monitoring of test wells, extracting and sampling groundwater and conducting such other tests required by the FDEP pursuant to the Groundwater Restrictions, Modified Restrictions, or other applicable rule, policy or regulation

promulgated by the FDEP (together the “**Testing Activities**”) and (ii) performing any remediation required by FDEP pursuant to the Groundwater Restrictions, Modified Restrictions, or other applicable rule, policy or regulation promulgated by the FDEP (the “**Remediation Activities**”). Until such time as any rights and obligations regarding the Testing Activities and/or the Remediation Activities are specifically assigned by Declarant to the Association, Declarant shall conduct the Testing Activities and Remediation Activities with respect to the Community. After assignment of such rights and obligations by Declarant to the Association, at a time determined by Declarant in Declarant’s sole and absolute discretion, the Association shall thereafter have the responsibility to conduct all Testing Activities and Remediation Activities. In connection with all such Testing Activities and Remediation Activities, and to the extent reasonably practicable, Declarant and the Association shall (i) provide 48 hours notice to the Owner or Owners of any Lots, Common Areas or other property within the Community prior to conducting Remediation Activities on their property (no such notice will be required for Testing Activities), (ii) minimize any disturbance to the extent practicable to the Property or improvements thereon or disruption in the use or occupancy of such Property and (iii) restore the Property and all improvements thereon to the condition existing immediately prior to the conduct of such Testing Activities or Remediation Activities, provided however, that nothing herein shall be deemed to prevent or restrict Declaration or the Association from conducting and completing any and all Test Activities and Remediation Activities as required by the FDEP.

16.9 Waiver and Release of Liability. All Owners, occupants, users and invitees of Lots or the Community are hereby placed on notice of the disclosures with respect to groundwater as set forth in Section 16.7 above and the right of entry in favor of Declarant and the Association to conduct Testing Activities and Remediation Activities set forth in Section 16.8 hereinabove. By acceptance of title to or mortgage, leasehold, license or other interest in any portion of, and/or by entry upon or using any portion of, a Lot or the Community generally, Owners, occupants, users and invitees of Lots or the Community acknowledge, stipulate and agree (a) that any purchase or use of any portion of a Lot or the Community has been and will be made with full knowledge of such disclosures, and the fact that the Groundwater Restrictions may be may be amended, modified, restated or replaced with revised restrictions in the future, (b) that the Declarant, the Association, and their respective officers, directors, managers, partners, affiliates, contractors, consultants, attorneys and agents, and the successors and assigns of each (“**Listed Parties**”) shall not be liable for any losses, damages (compensatory, consequential, punitive, or otherwise), injuries or deaths arising from or relating to (i) the presence of contaminants within the groundwater of the Community (including their respective Lots), (ii) the conduct of the Testing Activities and Remediation Activities within the Community (including their respective Lots); and (c) that this acknowledgement and agreement is a material inducement to Declarant or its Affiliates, to sell, convey, lease, and/or allow the use of Lots and Common Areas within the Community. Without limiting the generality of the foregoing, all Owners, occupants, users and invitees on to any portion of the Community, by virtue of their acceptance of the deed to or use of such Property located within the Community, shall be deemed to have agreed to release and to have hereby released such Listed Parties from all claims, actions, liabilities, hereby and causes of actions arising from or related to the location of contaminants within the groundwater for the Community (including their respective Lots) or the conduct of any Testing Activities or Remediation Activities within the Community (including their respective Lots).

16.10 Continuing Rights of Declarant. Notwithstanding anything contained hereto to the contrary, the rights and benefits to Centex Homes, in its capacity as Declarant, set forth in this Article shall survive at all times that this Declaration is in effect

ARTICLE XVII CHANGES IN OWNERSHIP OF LOTS

Any Owner, other than Declarant or any Declarant Affiliate, desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least 14 days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. Notwithstanding the transfer of title, the transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Lot Owner, including, without limitation, assessment obligations, until the date upon which the Board receives such notice, after which the original Owner shall be released from the obligation to pay assessments levied after the date such notice is received.

ARTICLE XVIII CHANGES IN COMMON AREA

18.1 Condemnation. Whenever any part of the Common Area is taken or conveyed under threat of condemnation by any authority having the power of eminent domain, the Board shall determine, in the exercise of its business judgment, whether each Owner is entitled to notice. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent practicable, unless, within 60 days after such taking, Members entitled to cast at least 75% of the total Class "A" votes and Declarant, during the Class "B" Control Period, shall otherwise agree. Any such construction shall be in accordance with plans the Board approves. The provisions of Section 7.3 regarding funds for the repair of damage or destruction shall apply.

If the taking does not involve any Common Area improvements, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

18.2 Partition. Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action for partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

18.3 Transfer or Dedication of Common Area. The Association may convey, dedicate, or otherwise transfer portions of the Common Area to the City or to any other local, state, or federal governmental or quasi-governmental entity, with the consent of at least two-thirds of the Owners and such approval as may be required by Section 15.9; however, any dedication or transfer of Limited Common Areas to the City or to any other governmental entity shall require the consent of two-thirds (b) of the Owners entitled to use such Limited Common Area.

ARTICLE XIX AMENDMENT OF DECLARATION

19.1 By Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, until the termination of the Class "B" Control Period, Declarant may unilaterally amend this Declaration for any purpose, subject to the approval requirements set forth in Article XVI, if applicable.

Thereafter and until termination of the Class "B" Control Period, Declarant may unilaterally amend this Declaration if such amendment is necessary or desirable (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, HUD or the VA, to make, purchase, insure, or guarantee mortgage loans on the Lots; (d) to satisfy the requirements of any local, state, or federal governmental agency; (e) address changes to the Development Plan, or (f) for any other purpose which does not materially adversely affect title to any Lot, unless the Owner of such Lot consents to such amendment.

19.2 By the Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least 67% of the Association's total Class "A" votes. In addition, during the Development and Sale Period, Declarant's written consent is required for any amendment. The approval requirements set forth in Article XV also shall be met, if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

19.3 Approval by District. Notwithstanding Sections 19.1 and 19.2, any amendment to the Declaration that alters any provision relating to the Surface Water and Storm Water Management System, beyond maintenance in its original condition, including the water management portions of the Common Areas, or amendment to this Section 19.3, must have the prior approval of the District.

19.4 Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment, if required by applicable laws, permits and/or approvals.

Any amendment shall become effective upon the earliest of (a) actual notice; (b) recording; or (c) later effective date specified in the amendment. Any procedural challenge to an amendment must be made within six 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.

19.5 Exhibits. Exhibits "A", "B", "C", and "D" attached to this Declaration are made a part hereof and incorporated herein by this reference.

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IN WITNESS WHEREOF, Declarant has caused this instrument to be executed on the day and year written below.

DECLARANT:

CENTEX HOMES, a Nevada general partnership

By: Centex Real Estate Corporation, a Nevada corporation, managing member

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

STATE OF FLORIDA

COUNTY OF _____

The foregoing Declaration was acknowledged before me on this the _____ day of _____ 2011, by _____ as the _____ of Centex Real Estate Corporation, a Nevada corporation, managing general partner of Centex Homes, a Nevada general partnership, who is [] personally known to me, or [] produced _____ as identification.

Notary Public - State of Florida

[SEAL]

JOINDER

CASTELLINA HOMEOWNERS' ASSOCIATION, INC. does hereby join in the document to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this ____ day of _____ 2011.

**CASTELLINA HOMEOWNERS'
ASSOCIATION, INC.**, a Florida non-profit
corporation

By: _____
Jordan Goldman, President

STATE OF FLORIDA

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of _____ 2011, by Jordan Goldman, President of Castellina Homeowners' Association, Inc., a Florida corporation not-for-profit, on behalf of the corporation, and who [] is personally known to me or [] produced _____ as identification.

Notary Public, State of Florida
Print Name: _____
My Commission Expires: _____

(Notary Seal)

EXHIBIT "A"

Land Initially Submitted

All of Castellina, according to the plat thereof, recorded in Plat Book _____, Pages _____ through _____, inclusive, of the Public Records of Palm Beach County, Florida.

And Expressly Excluding the following:

Tracts "U-1" and "U-2" of Lanier Property, according to the Plat thereof, recorded in Plat Book 108, Pages 75 through 91, inclusive, of the Public Records of Palm Beach County, Florida.

and

Tracts "C-1" and "C-2" of Lanier Property, according to the Plat thereof, recorded in Plat Book 108, Pages 75 through 91, inclusive, of the Public Records of Palm Beach County, Florida.

EXHIBIT "B"

Initial Use Restrictions

The following restrictions are covenants running with the land shall apply to all of the Community until such time as they are amended, modified, repealed, or limited pursuant to procedures of the Declaration.

1. General. The properties submitted to this Declaration shall be used only for residential, recreational, and related purposes consistent with this Declaration and any Supplemental Declaration. Such purposes may include, without limitation, an information center and/or a sales office for Declarant and/or any real estate broker retained by Declarant to assist in the sale of property described in **Exhibit "A"** or **Exhibit "B,"** offices for any property manager retained by the Association, business offices for Declarant and the Association, and public facilities.

2. Restricted Activities. The following activities are prohibited within the Community unless expressly authorized by, and then subject to such conditions as may be imposed by, Declarant or the Board of Directors:

(a) Parking of any vehicles on streets or thoroughfares, and parking of commercial vehicles or equipment, mobile homes, campers and similar recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages, except temporarily during loading and unloading; however, construction, service, and delivery vehicles shall be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Area. For purposes of this provision, "commercial vehicles" shall be defined as any vehicle with commercial writing on their exteriors or vehicles primarily used, designed, or registered for a commercial purpose, and vehicles with advertising signage attached or displayed on such vehicle's exterior, but shall not include passenger cars with identifying decals or painted lettering not exceeding a total area of one square foot in size or official vehicles owned by governmental or quasi-governmental bodies including, without limitation, police and sheriff insignias; and

(b) Raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs (except that no Pit bulls are allowed), cats, or other household pets of the nature commonly sold in pet stores located within regional malls in urban areas may be permitted in a Lot; however, those pets which roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon request of the Board. The Board, in its sole discretion, may adopt a limit on the total number of pets or total number of a specific type of pet (such as dogs or cats) permitted in a single Lot or dwelling. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling and the person walking the dog shall clean up after it. Pets shall be registered, licensed, and inoculated as required by law; and

(c) Any activity which emits foul or obnoxious odors outside the Lot or creates an unreasonable level of noise or other conditions which tend, in the Board's judgment, to unreasonably disturb the peace or threaten the safety of the occupants of other Lots (this paragraph shall not preclude normal and customary use of power tools, lawn mowers, and other yard maintenance equipment during reasonable hours); and

(d) Any activity which violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation; and

(e) Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy, or untidy or noisy condition to exist outside of enclosed structures on the Lot; and

(f) Any noxious or offensive activity which in the determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Lots; and

(g) Outside burning of trash, leaves, debris, or other materials, except during the normal course of construction by Declarant or a person authorized to do so by Declarant constructing a dwelling on a Lot; and

(h) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be an unreasonable source of annoyance, as the Board may determine, to occupants of other Lots, except alarm devices used exclusively for security purposes; and

(i) Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the Community, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff; and

(j) Accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers; and

(k) Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; however, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent; and

(l) Discharge of firearms; provided, no Association director, officer, employee or managing agent shall have any duty to become physically involved to stop such discharge; and

(m) On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Lot for emergency purposes and for the operation of lawn mowers, pool, spa and hot tub heaters, and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Article IV; and

(n) Any yard sale, garage sale, moving sale, rummage sale, or similar activity, except on such dates as the Board may designate for such activities to be conducted on a community-wide basis; and

(o) Capturing, trapping, or killing of wildlife within the Community (other than by or on behalf of the Association, Declarant or by a representative or designee of a Governmental Authority) except in circumstances posing an imminent threat to the safety of persons in the Community; and

(p) Any activities by persons other than Declarant, or its designees, which materially disturb or destroy the vegetation, wildlife, Wetlands, or air quality within the Community (except as may be approved pursuant to Article IV), or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution; and

(q) Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Lot without prior approval pursuant to Article IV, or use of any garage for storage or other purposes which preclude its use for parking of that number of vehicles for which it was originally designed; and

(r) Operation of motorized vehicles other than mowing equipment, including without limitation motorcycles, motor scooters and all-terrain vehicles, on pathways or trails maintained by the Association; and

(s) Swimming, boating, fishing, use of personal flotation devices, or other active use of ponds, streams, or other bodies of water within the Community except that Declarant, its successors and assigns, shall be permitted to draw water from ponds, streams, and other bodies of water within the Community for purposes of irrigation and such other purposes as Declarant shall deem desirable. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of rivers, lakes, ponds, streams, or other bodies of water within or adjacent to the Community; and

(t) Entry onto any Lot or maintenance or other easement to access any lake, pond, preserve, Wetland or similar area within the Community, except that the Owner and occupants of a Lot abutting any such area may access such area at points along the common boundary between such Owner's Lot and such area (but shall not enter onto other Lots or portions of any maintenance or other easement abutting any other Lot) and the authorized agents, employees, contractors, and designees of the Declarant or the Association may enter upon any Lot or maintenance or other easement for the purpose of gaining access to any such area; and

(u) Any construction, erection, placement, or modification of any structure or thing, permanently or temporarily, on the outside portions of the Lot, whether such portion is improved or unimproved, except in strict compliance with the provisions of Article IV of the Declaration. This shall include, without limitation, all signs, fences, basketball hoops, swing sets and similar sports and play equipment; children's play houses; clothes hanging devices; garbage cans; woodpiles; swimming pools, spas, and hot tubs; air conditioners; tanks; solar energy devices; docks, piers and similar structures; and landscaping, hedges, walls, mailboxes, dog runs, animal pens, or fences of any kind; satellite dishes and antennas, except that:

(i) an antenna

(A) designed to receive direct broadcast satellite services, including direct-to-home satellite services, that is one meter or less in diameter; or

(B) designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

(C) designed to receive television broadcast signals;

("Permitted Antenna") shall be permitted in rear yards of Lots or, if necessary to receive an acceptable quality signal, in side yards or front yards, in that order of preference; provided, unless prohibited by applicable law, any installation in the front yard of a Lot shall be subject to review and approval pursuant to Article IV of the Declaration, which review shall be completed within seven days of receipt of the application for review. The Reviewer or the Architectural Guidelines may impose requirements as to location and the manner of installation and screening in order to minimize obtrusiveness as viewed from streets and adjacent property, so long as such requirements are not inconsistent with applicable law. Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of the Community, should any master system or systems be utilized by the Association and require such exterior apparatus; and

(ii) a reasonable number of holiday and religious lights and decorations may be displayed on a Lot for up to 30 days prior to a publicly observed holiday or religious observance and up to 30 days thereafter without prior approval, subject to the right of the Association or Declarant to require removal of any such decorations which it deems to (A) be excessive in number, size, or brightness, relative to other Lots in the area; (B) draw excessive attention or traffic; (C) unreasonably interfere with the use and enjoyment of neighboring properties; or (D) cause a dangerous condition to exist. The Association shall have the right, upon 30 days prior written notice, to enter upon any Lot and summarily remove exterior lights or decorations displayed in violation of this provision. The Association, and the individuals removing the lights and decorations, shall not be liable to the Owner for trespass, conversion, or damages of any kind except intentional misdeeds and gross negligence; and

(iii) one United States flag not exceeding 36" x 60" in size may be mounted on the exterior facade of the dwelling at a location approved pursuant to Article IV of the Declaration; and

(v) picketing, protest marches, sit-in demonstrations, protest speeches, or other forms of public protest or conduct, including, without limitation, displaying signs or placards on the Lot or any vehicle, apparatus or otherwise within public view in the Community, which tends to vilify, ridicule, denigrate, or impugn the character of Declarant, Declarant's Affiliates, the Association, their respective officers, directors or employees, or any Owner or resident of the Community. Each Owner, by acceptance of the deed to any Lot, shall be deemed to have accepted the foregoing prohibitions as reasonable limitations on his or her constitutional right of free speech; and

(w) any activity which generates a level of noise audible to occupants of other Lots while inside their dwellings (including, without limitation, lawn maintenance, recreational activities, games, parties, music, and other activities conducted outdoors or on porches or decks) between the hours of 11:00 p.m. and 8:00 a.m., except that during the construction of dwellings on the Lots, Declarant, Declarant's Affiliates and builders may commence construction activities within the Community at 7:00 a.m.

(x) door-to-door solicitation within the Community.

(y) Lawns. Lawns must be properly maintained (not to exceed six (6) inches in height).

(z) Exterior Finish. All exterior walls of all dwellings, garages and approved accessory buildings shall be completely finished with wood, stucco, brick, stone, paneling or other material acceptable to the ARB. No unpainted concrete block surfaces shall be visible on any exterior wall. Notwithstanding the foregoing, the ARB is empowered to waive this restriction if, in its sole discretion, such waiver is advisable in order to accommodate a unique or advanced building concept, design, or material, and the resulting structure will not detract from the general appearance of the neighborhood.

(aa) Chimneys. All fireplace flues, smoke stacks and spark arresters shall be completely enclosed and concealed from public view in finished chimneys of materials architecturally compatible with the principal finish material of the exterior walls of the dwelling or otherwise approved by the ARB.

(bb) Windows Treatment. No aluminum foil, reflective film or similar treatment shall be placed on windows or glass doors.

(cc) Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. No tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground.

(dd) Mail Boxes. Mail boxes shall be erected and maintained upon areas determined by the U.S. Postal Service in accordance with the current postal authority standards and the approval of the ARB. If the Postal Service requires the use of cluster type mailboxes, such mailboxes shall be erected and maintained by the Association within the right-of-way of the private streets or on other Common Property and Limited Common Property at locations required or approved by the Postal Service. If the Postal Service provides door-to-door delivery service, each Owner shall be responsible for erecting and maintaining the Owner's mail box in accordance with Postal Service regulations, subject to approval of the ARB of any deviation from the original mail box installed by the Declarant.

(ee) Maintenance of Premises and Landscaping. No weeds, underbrush, or other unsightly growth shall be permitted to grow or remain upon any Lot, and no refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Lot. All lawns, landscaping and irrigation systems, and any property, structure, improvement and appurtenance shall be kept in good, safe, clean, neat and attractive condition. All areas not covered by structures, walkways or paved parking facilities shall be maintained as lawn or landscape areas, with underground irrigation systems, to the pavement edge of any abutting streets and to the water line of any abutting lakes, canals or water bodies. No stone, gravel, or paving of any type shall be used as a lawn unless approved as part of the final landscape plan.

(ff) No Interference With Completion. Neither the ARB nor any Owner shall interfere with Declarant's or Declarant's Affiliates' completion and sale of the Lots.

(gg) Hurricane Shutters. Any hurricane or other protective devices visible from outside a Lot shall be of a type approve by the ARB. Panel, accordion and roll-up style hurricane shutters may not be left closed during hurricane season. Any such approved hurricane shutters may be installed or closed up to seventy-two (72) hours prior to the expected

arrival of a hurricane and must be removed or opened within seventy-two (72) hours after the end of a hurricane watch or warning or as the Board may determine otherwise.

(hh) Fences, Walls, Hedge. No fence, walls, or hedge shall be erected or maintained on any Lot except for (1) fences, walls, and hedges erected in conjunction with model homes or sales offices, (2) Common Areas or Limited Common Areas walls, fences, hedges, or buffering or screening structures, landscaping or improvements erected by the Declarant, Declarant's Affiliates or the Association, (3) fences, walls, and hedges erected by the Declarant or Declarant's Affiliates as part of the original architecture of the Lot to which they are appurtenant and in compliance with the plans and specifications therefor approved by the Declarant or the ARB, or (4) fences, walls, hedges or enclosures for swimming pools in compliance with local or state ordinances and laws, subject to approval by the ARB pursuant to Article IV, or (5) subject to approval by the ARB pursuant to Article IV, aluminum picket rail fences situate on rear Lot lines and side Lot lines and hedges; provided, that no such fence or hedge shall exceed a height of six (6) feet measured from ground level; and no fence shall be permitted on the lot side adjacent to a street unless such fence is screened by a landscape hedge approved by the ARB. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three (3) and ten (10) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and in a line connecting them at points thirty-five (35) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(ii) Assumption of Risk. Without limiting any other provision herein, each person within any portion of the Common Areas or Limited Common Areas accepts and assumes all risk and responsibility for noise, liability, injury, or damage connected with use or occupation of any portion of such Common Areas or Limited Common Areas, including, without limitation, (a) noise from maintenance equipment, (b) use of pesticides, herbicides and fertilizers, (c) view restrictions caused by maturation of trees and shrubbery, (d) reduction in privacy caused by the removal or pruning of shrubbery or trees within the Community, and (e) design of any portion of the Community. Each such person also expressly indemnifies and agrees to hold harmless Declarant, Declarant's Affiliates, Association, and all employees, directors, representatives, officers, and agents of the foregoing, from any and all damages, whether direct or consequential, arising from or related to the person's use of the Common Areas or Limited Common Areas, including without limitation, for reasonable attorneys' fees, paraprofessional fees and costs at trial and upon appeal. Without limiting the foregoing, all persons using the Common Areas and Limited Common Areas, including without limitation, all water bodies, lakes, pools or areas adjacent to a lake, do so at their own risk. BY ACCEPTANCE OF A DEED, EACH OWNER ACKNOWLEDGES THAT THE COMMON AREAS MAY CONTAIN WILDLIFE SUCH AS ALLIGATORS, SNAKES, RACCOONS, DEER, SWINE, TURKEYS, AND FOXES. DECLARANT AND ASSOCIATION, SHALL HAVE NO RESPONSIBILITY FOR MONITORING SUCH WILDLIFE OR NOTIFYING OWNERS OR OTHER PERSONS OF THE PRESENCE OF SUCH WILDLIFE. EACH OWNER AND HIS OR HER GUESTS AND INVITEES ARE RESPONSIBLE FOR THEIR OWN SAFETY.

3. Prohibited Conditions. The following shall be prohibited in the Community:

(a) Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community;

(b) Structures, equipment, or other items on the exterior portions of a Lot which have become rusty, dilapidated or otherwise fallen into disrepair;

(c) Sprinkler or irrigation systems or wells of any type which draw upon water from lakes, creeks, streams, rivers, ponds, Wetlands, canals, or other ground or surface waters within the Community, except that Declarant, its designees, and the Association shall have the right to draw water from such sources;

(d) Above ground swimming pools; and

(e) Window air conditioning units.