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OR BK 14940 PG 1413  
Palm Beach County, Florida

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**DECLARATION OF RESTRICTIONS AND COVENANTS  
FOR  
HERON COVE NEIGHBORHOOD**

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*Pls Return to:*  
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DECLARATION OF RESTRICTIONS AND COVENANTS  
FOR  
HERON COVE NEIGHBORHOOD

THIS DECLARATION OF RESTRICTIONS AND COVENANTS FOR Heron Cove Neighborhood (this "Declaration") is made by Lennar Homes, Inc., a Florida corporation ("Lennar") and joined in by Lennar Land Partners, a Florida general partnership ("LLP") and by Heron Cove Neighborhood Association, Inc., a Florida not-for-profit corporation ("Association").

RECITALS

A. Lennar and LLP are the owners of the real property in Palm Beach County, Florida more particularly described in Exhibit 1 attached hereto and made a part hereof ("Heron Cove Neighborhood").

B. Lennar and LLP desire to subject Heron Cove Neighborhood to the covenants, conditions and restrictions contained in this Declaration.

C. This Declaration is a covenant running with all of the land comprising Heron Cove Neighborhood, and each present and future owner of interests therein and their heirs, successors and assigns are hereby subject to this Declaration;

NOW THEREFORE, Lennar and LLP hereby declare that every portion of Heron Cove Neighborhood is to be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions and restrictions hereinafter set forth.

1. Recitals. The foregoing Recitals are true and correct and are incorporated into and form a part of this Declaration.

2. Definitions.

In addition to the terms defined elsewhere in this Declaration, all initially capitalized terms herein shall have the following meanings:

"Articles" shall mean the Articles of Incorporation of Association filed with the Florida Secretary of State in the form attached hereto as Exhibit 2 and made a part hereof, as amended from time to time.

"Assessments" shall mean any assessments made in accordance with this Declaration and as further defined in Section 15 hereof.

"Association" shall mean the Heron Cove Neighborhood Association, Inc., its successors and assigns.

"Association Documents" shall mean this Declaration, the Articles, the By-Laws, the Rules and Regulations, and the Community Standards, as amended from time to time.

"Back Yard" shall mean the portion of the yard of a Home between the back of the Home and the designated rear property line for such Home. In the event that there is any question about what portion of a Home is part of the Back Yard, the Association's determination shall be final.

"Bavwinds" shall have the meaning set forth in the Master Declaration.

"Board" shall mean the Board of Directors of Association.

**"Builder"** shall mean any person or entity that purchases a Parcel or Lot from Developer for the purpose of constructing one or more Homes.

**"By-Laws"** shall mean the By-Laws of Association in the form attached hereto as Exhibit 3 and made a part hereof, as amended from time to time.

**"Cable Services"** shall mean "basic service tier" as described in Section 623(b)(7)(A) of the Cable Television Consumer Protection Act of 1992, video programming services offered on a per-channel or per-program basis, video programming services offered in addition to basic service tier, any method of delivering video programming to Homes including, without limitation, interactive video programming, and any channel recognized in the industry as premium including, without limitation, HBO, Showtime, Disney, Cinemax and the Movie Channel. By way of example, and not of limitation, the term Cable Services may include cable television, satellite master antenna television, multipoint distribution systems, video dial tone, open video system or any combination thereof.

**"Common Areas"** shall mean all real property interests and personalty within Heron Cove Neighborhood designated as Common Areas from time to time by Plat or recorded amendment to this Declaration and provided for, owned, leased by, or dedicated to the common use and enjoyment of the Owners within Heron Cove Neighborhood. The Common Areas may include, without limitation, open space areas, internal buffers, perimeter buffers, improvements, easement areas owned by others, additions, irrigation pumps, irrigation lines, sidewalks, streets, lights, walls, commonly used utility facilities, signage, other lighting, and landscaping within property owned by Association. The Common Areas do not include any portion of a Home. NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THE DEFINITION OF "COMMON AREAS" AS SET FORTH IN THIS DECLARATION IS FOR DESCRIPTIVE PURPOSES ONLY AND SHALL IN NO WAY BIND OR OBLIGATE DEVELOPER TO CONSTRUCT OR SUPPLY ANY SUCH ITEM AS SET FORTH IN SUCH DESCRIPTION. FURTHER, NO PARTY SHALL BE ENTITLED TO RELY UPON SUCH DESCRIPTION AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON AREAS TO BE OWNED, LEASED BY OR DEDICATED TO ASSOCIATION, EXCEPT AFTER CONSTRUCTION AND DEDICATION OR CONVEYANCE OF ANY SUCH ITEM. The Common Areas will include the private roads.

**"Community Completion Date"** shall mean the date upon which all Homes in Heron Cove Neighborhood, as ultimately planned and as fully developed, have been conveyed by Developer and Builder(s) to Owners.

**"Community Standards"** shall mean such standards of conduct, maintenance or other activity, if any, established by the Heron Cove ACC pursuant to Section 17.5 hereof.

**"Contractors"** shall have the meaning set forth in Section 17.12.2 hereof.

**"Data Transmission Services"** shall mean (i) internet access services and (ii) enhanced services as defined in Section 64.702 of Title 47 of the Code of Federal Regulations, as amended from time to time, and without regard to whether the transmission facilities are used in interstate commerce.

**"Declaration"** shall mean this Declaration together with all amendments and modifications thereof.

**"Developer"** shall mean Lennar and any of its designees, successors and assigns who receive a written assignment of all or some of the rights of Developer hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

**"Environmental Resource Permit"** shall have the meaning set forth in the Master Declaration.



**"Expanded Basic Service"** shall mean video programming services offered in addition to Basic Service, excluding Premium Channels.

**"Front Yard"** shall mean the portion of the yard of a Home between the front of the Home and the road providing access to such Home. In the event that there is any question about what portion of a Home is part of the Front Yard, Association's determination shall be final.

**"Heron Cove ACC"** shall mean the Architectural Control Committee for Heron Cove Neighborhood established pursuant to Section 17.1 hereof.

**"Heron Cove Neighborhood"** shall mean all of the real property described on Exhibit 1 and shall include the Common Areas, each Home, each Parcel, Lot, tract, unit or other subdivision of real property, subject to additions and deletions thereto as permitted pursuant to the terms of this Declaration. Developer may, when amending or modifying the description of real property which is subject to the operation of this Declaration, also amend or modify the definition of Heron Cove Neighborhood.

**"Home"** shall mean each residential home and appurtenances thereto constructed within Heron Cove Neighborhood. The term Home may not reflect the same division of property as reflected on a Plat. A Home shall be deemed created and have perpetual existence upon the issuance of a final or temporary Certificate of Occupancy on for such residence; provided, however, the subsequent loss of such Certificate of Occupancy (e.g., by casualty or remodeling) shall not affect the status of a Home, or the obligation of Owner to pay Assessments with respect to such Home. The term "Home" includes any interest in land, improvements, or other property appurtenant to the Home.

**"Individual Assessments"** shall have the meaning set forth in Section 15.2.5 hereof.

**"Initial Capital Contribution"** shall have the meaning set forth in Section 15.11 hereof.

**"Installment Assessments"** shall have the meaning set forth in Section 15.2.1 hereof.

**"Lender"** shall mean (i) the institutional and licensed holder of a first mortgage encumbering a Lot or Home or (ii) Developer and its affiliates, to the extent Developer or its affiliates finances the purchase of a Home or lot initially or by assignment of an existing mortgage.

**"Lennar"** shall mean Lennar Homes, Inc., a Florida corporation.

**"Lot"** shall mean any platted residential lot shown on a Plat.

**"Master Association"** shall mean Baywinds Community Association, Inc. a Florida not-for-profit corporation, its successors or assigns.

**"Master Declaration"** shall mean the Declaration of Restrictions and Covenants for the Baywinds Community recorded in Official Records Book 11658 at Page 144 in the Public Records of Palm Beach County, Florida, as the same may be amended from time to time.

**"Multichannel Video Programming Service"** shall mean any method of delivering video programming to Homes including, without limitation, interactive video programming. By way of example, and not of limitation, the term Multichannel Video Programming Service may include cable television, satellite master antenna television, multipoint distribution systems, video dialtone, open video system or any combination thereof.

**"Neighborhood Association"** shall have the meaning set forth in the Master Declaration. Association is a Neighborhood Association.

**"Neighborhood Monitoring System"** shall mean any electronic surveillance and/or monitoring system intended to control access, provide alarm service, and/or enhance the welfare of exclusively Heron Cove Neighborhood. By way of example, and not of limitation, the term Neighborhood Monitoring System may include a central alarm system, electronic entrance gates, gatehouses, roving attendants, wireless communication to Homes, or any combination thereof. THE PROVISION OF A NEIGHBORHOOD MONITORING SYSTEM SHALL IN NO MANNER CONSTITUTE A WARRANTY OR REPRESENTATION AS TO THE PROVISION OF OR LEVEL OF SECURITY WITHIN THE HERON COVE NEIGHBORHOOD. DEVELOPER, BUILDERS, ASSOCIATION AND THE NEIGHBORHOOD ASSOCIATIONS DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR BY IMPLICATION, THE MERCHANTABILITY OF FITNESS FOR USE OF ANY NEIGHBORHOOD MONITORING SYSTEM, OR THAT ANY SUCH SYSTEM (OR ANY OF ITS COMPONENTS OR RELATED SERVICES) WILL PREVENT INTRUSIONS, FIRES, OR OTHER OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE MONITORING SERVICE IS DESIGNED TO MONITOR THE SAME. EACH AND EVERY OWNER AND THE OCCUPANT OF EACH HOME ACKNOWLEDGES THAT DEVELOPER, BUILDERS, ASSOCIATION, OTHER NEIGHBORHOOD ASSOCIATIONS, AND THE MASTER ASSOCIATION, THEIR EMPLOYEES, AGENTS, MANAGERS, DIRECTORS, AND OFFICERS, ARE NOT INSURERS OF OWNERS OR HOMES, OR THE PERSONAL PROPERTY LOCATED WITHIN HOMES. DEVELOPER, BUILDERS, ASSOCIATION, OTHER NEIGHBORHOOD ASSOCIATIONS AND THE MASTER ASSOCIATION WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES, OR DEATHS RESULTING FROM ANY SUCH EVENTS.

**"Neighborhood Plan"** shall mean collectively the any full or partial concept plan for the development of Heron Cove Neighborhood, as it exists as of the date of recording this Declaration, regardless of whether such plan is currently on file with one or more governmental agencies. The Neighborhood Plan is subject to change as set forth herein. The Neighborhood Plan is not a representation by Developer as to the development of Heron Cove Neighborhood or its amenities, as Developer reserves the right to amend all or part of the Neighborhood Plan from time to time.

**"Neighborhood Title Documents"** shall have the meaning set forth in Section 25.8 hereof.

**"NPBCID"** shall mean the Northern Palm Beach County Improvement District.

**"Operating Costs"** shall mean all costs and expenses of Association and the Common Areas including, without limitation, all costs of ownership; operation; administration; all amounts payable by Association; all amounts payable in connection with any private street lighting agreement between Association and FPL; amounts payable to a Telecommunications Provider for Telecommunications Services furnished to all Owners; utilities; taxes; insurance; bonds; Neighborhood Monitoring System costs (if any); salaries; management fees; professional fees; service costs; supplies; maintenance; repairs; replacements; refurbishments; and any and all costs relating to the discharge of the obligations hereunder, or as determined to be part of the Operating Costs by Association. By way of example, and not of limitation, Operating Costs shall include all of Association's legal expenses and costs relating to or arising from the enforcement and/or interpretation of this Declaration.

**"Owner"** shall mean the record owner (whether one or more persons or entities) of fee simple title to any Home. The term "Owner" shall not include Developer or Builder until the Turnover Date, or a Lender.

**"Parcel"** shall mean any portion of Heron Cove Neighborhood upon which one or more Homes may be constructed.

**"Plat"** shall mean any plat of any portion of Heron Cove Neighborhood filed in the Public Records, as the same may be amended by Developer, from time to time.

**"Premium Channels"** shall mean any channel recognized in the industry as premium including, without limitation, HBO, Showtime, Disney, Cinemax and the Movie Channel.

**"Public Records"** shall mean the Public Records of Palm Beach County, Florida.

**"Resale Capital Contribution"** shall have the meaning set forth in Section 15.2.

**"Reserves"** shall have the meaning set forth in Section 15.2.4 hereof.

**"Rules and Regulations"** shall mean collectively the Rules and Regulations governing Heron Cove Neighborhood as adopted by the Board from time to time.

**"SFWMD"** shall mean the South Florida Water Management District.

**"Special Assessments"** shall mean those Assessments more particularly described as Special Assessments in Section 15.2.2 hereof.

**"Telecommunications Provider"** shall mean any party contracting with Association to provide Owners with one or more Telecommunications Services. Developer may be a Telecommunications Provider. With respect to any particular Telecommunications Services, there may be one or more Telecommunications Providers. By way of example, with respect to Multichannel Video Programming Service, one Telecommunications Provider may provide Association such service while another may own, maintain and service the Telecommunications Systems which allow delivery of such Multichannel Video Programming Service.

**"Telecommunications Services"** shall mean delivered entertainment services; all services that are typically and in the future identified as telecommunication services; Telephony Services; Cable Services; and Data Transmission Services. Without limiting the foregoing, such Telecommunications Services include the development, promotion, marketing, advertisement, provision, distribution, maintenance, transmission, and servicing of any of the foregoing services. The term Telecommunications Services is to be construed as broadly as possible.

**"Telecommunications Systems"** shall mean all facilities, items and methods required and/or used in order to provide Telecommunications Services to Heron Cove Neighborhood. Without limiting the foregoing, Telecommunications Systems may include wires (fiber optic or other material), conduits, passive and active electronic equipment, pipes, pedestals, wireless cell sites, computers, modems, satellite antennae sites, transmission facilities, amplifiers, junction boxes, trunk distribution, feeder cables, lock boxes, taps, drop cables, related apparatus, converters, connections, head-end antennae, earth stations, appurtenant devices, network facilities necessary and appropriate to support provision of local exchange services and/or any other item appropriate or necessary to support provision of Telecommunications Services. Ownership and/or control of all or a portion of any part of the Telecommunications Services may be bifurcated among network distribution architecture, system head-end equipment, and appurtenant devices (e.g., individual adjustable digital units).

**"Telephony Services"** shall mean local exchange services provided by a certified local exchange carrier or alternative local exchange company, intraLATA and interLATA voice telephony and data transmission.

**"Tenant"** shall mean the lessee named in any written lease respecting a Home who is legally entitled to possession of any rental Home within Heron Cove Neighborhood.

**"Toll Calls"** shall have meaning given to such term by the Florida Public Service Commission and/or the Federal Communications Commission.

**"Turnover Date"** shall mean the date on which transition of control of the Association from the Developer to Owners occurs.

**"Use Fees"** shall have the meaning set forth in Section 15.2.3 hereof.

3. **Plan of Development.** The planning process for Heron Cove Neighborhood is an ever-evolving one and must remain flexible in order to be responsible to and accommodate the needs of Developer's buyers. Subject to the Neighborhood Title Documents, Developer may wish and has the right to develop Heron Cove Neighborhood and

adjacent property owned by Developer into residences, comprised of homes, villas, coach homes, townhomes, patio homes, condominiums, and other forms of residential dwellings. The existence at any point in time of walls, landscape screens, or berms is not a guaranty or promise that such items will remain or form part of Heron Cove Neighborhood as finally developed.

#### 4. Amendment.

4.1 General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to this Declaration shall affect the rights of Developer unless such amendment receives the prior written consent of Developer, which consent may be withheld for any reason whatsoever. No amendment shall alter the provisions of this Declaration benefiting Lenders without the prior approval of the Lender(s) enjoying the benefit of such provisions. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to this Declaration, then the prior written consent of such entity or agency must also be obtained. All amendments must comply with the Master Declaration provisions which benefit the SFWMD and the NPBCID. No amendment shall be effective until it is recorded in the Public Records. No amendment to this Declaration shall affect the rights of Builder(s) unless such amendment receives the prior written consent of Builder(s), which consent will not be unreasonably withheld.

4.2 Amendments Prior to the Turnover Date. Prior to the Turnover Date, Developer shall have the right to amend this Declaration as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Such amendments may include, without limitation, the creation of easements for Telecommunications Systems, utility, drainage, ingress and egress and roof overhangs over any portion of Heron Cove Neighborhood; additions or deletions from the properties comprising the Common Areas; changes in the Rules and Regulations, and modifications of restrictions on the Homes, and maintenance standards for landscaping. Developer's right to amend under this provision is to be construed as broadly as possible. By way of example, and not as a limitation, Developer may create easements over Homes conveyed to Owners provided that such easements do not prohibit the use of such Homes as residential homes. In the event that Association shall desire to amend this Declaration prior to the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments from and after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

4.3 Amendments From and After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, this Declaration may be amended with the approval of (i) sixty six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly called meeting of the members in which there is a quorum.

#### 5. Annexation and Withdrawal.

5.1 Annexation by Developer. Prior to the Turnover Date, additional lands may be made part of Heron Cove Neighborhood by Developer, at Developer's sole discretion. Such additional lands to be annexed may or may not be adjacent to the Heron Cove Neighborhood. Except for applicable governmental approvals (if any), no consent to such annexation shall be required from any other party (including, but not limited to, Association, Owners or any Lenders of any portion of Heron Cove Neighborhood, including a Home). Such annexed lands shall be brought within the provisions and applicability of this Declaration by the recording an amendment to this Declaration in the Public Records. The amendment shall subject the annexed lands to the covenants, conditions, and restrictions contained in this Declaration as fully as though the annexed lands were described herein as a portion of Heron Cove Neighborhood. Such amendment may contain additions to, or modifications of, omissions to, the covenants, conditions, and restrictions contained in this Declaration as deemed appropriate by Developer and as may be necessary to reflect the different character, if any, of the annexed lands. Prior to the Turnover Date, only Developer may add additional lands to Heron Cove Neighborhood.

5.2 Annexation by Association. After the Turnover Date, and subject to applicable governmental approvals (if any), additional lands may be annexed with the approval of (i) sixty-six and two-thirds percent (66

2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly called meeting of the members in which there is a quorum. Withdrawal. Prior to the Turnover Date, any portions of Heron Cove Neighborhood (or any additions thereto) may be withdrawn by Developer from the provisions and applicability of this Declaration by the recording of an amendment to this Declaration in the Public Records. The right of Developer to withdraw portions of Heron Cove Neighborhood shall not apply to any Home which has been conveyed to an Owner unless that right is specifically reserved in the instrument of conveyance or the prior written consent of the Owner is obtained. The withdrawal of any portion of Heron Cove Neighborhood shall not require the consent or joinder of any other party (including, but not limited to, Association, Owners, or any Lenders of any portion of Heron Cove Neighborhood). Association shall have no right to withdraw land from Heron Cove Neighborhood.

## 6. Dissolution.

6.1 Generally. In the event of the dissolution of Association without reinstatement within thirty (30) days, other than incident to a merger or consolidation, any Owner may petition the Circuit Court of the appropriate Judicial Circuit of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and to manage the Common Areas in the place and stead of Association, and to make of such provisions as may be necessary for the continued management of the affairs of the dissolved Association.

6.2 Applicability of Declaration after Dissolution. In the event of dissolution of Association, Heron Cove Neighborhood and each Home therein shall continue to be subject to the provisions of this Declaration, including, without limitation, the provisions respecting Assessments specified in this Declaration. Each Owner shall continue to be personally obligated to the successors or assigns of Association for Assessments to the extent that Assessments are required to enable the successors or assigns of the Association to properly maintain, operate and preserve the Common Areas. The provisions of this Section shall only apply with regard to the maintenance, operation, and preservation of those portions of Heron Cove Neighborhood which had been Common Areas and continue to be so used for the common use and enjoyment of the Owners

## 7. Binding Effect and Membership

7.1 Term. The term of this Declaration shall be perpetual and run with the land. Each Owner, by acceptance of title to a Home or to any portion of Heron Cove Neighborhood and any person claiming by, through or under such Owner, agrees to be subject to this Declaration and the provisions hereof. The provisions of this Declaration are equitable servitudes and run with the land.

7.2 Transfer. The transfer of the fee title to a Home, whether voluntary or by operation of law, terminating the Owner's title to that Home shall terminate the Owner's rights to the use of and enjoyment of the Common Areas as it pertains to that Home and shall terminate such Owner's membership in Association. An Owner's rights and privileges under this Declaration are not assignable separately from a Home. The Owner of each Home is entitled to the benefits of, and is burdened with the duties and responsibilities set forth in, the provisions of this Declaration. All parties acquiring any right, title and interest in and to any Home shall be fully bound by the provisions of this Declaration. In no event shall any Owner acquire any rights that are greater than the rights granted to, and limitations placed upon its predecessor in title pursuant to the provisions of this Declaration. In the event that any Owner desires to sell or otherwise transfer title of his or her Home, such Owner shall give the Board at least fourteen (14) days prior written notice of the name and address of the purchaser or transferee, the date on which such transfer of title is to take place, and such other information as the Board may reasonably require. The transferor shall remain jointly and severally liable with the transferee for all obligations of the Owner and the Home pursuant to this Declaration including, without limitation, payment of all Assessments accruing prior to the date of transfer. Until written notice is received as provided in this Section, the transferor and transferee shall be jointly and severally liable for Assessment accruing subsequent to the date of transfer. In the event that upon the conveyance of a Home an Owner fails in the deed of conveyance to reference the imposition of this Declaration on the Home, the transferring Owner shall remain liable for Assessments accruing on the Home from and after the date of conveyance.

7.3 Membership. Upon acceptance of title to a Home, and as more fully provided in the Articles and By-Laws, each Owner (or his or her Tenant, if applicable) shall be a member of Association. Membership rights are governed by the provisions of this Declaration, the deed to a Home, the Articles and By-Laws. Membership shall be an appurtenance to and may not be separated from, the ownership of a Home. Developer rights with respect to Association are set forth in this Declaration, the Articles and the By-Laws.

7.4 Ownership by Entity. In the event that an Owner is other than a natural person, that Owner shall, prior to occupancy of the Home, designate one or more persons who are to be the occupants of the Home and register such persons with Association. All provisions of this Declaration and Rules and Regulations promulgated pursuant thereto shall apply to both such Owner and the designated occupants.

7.5 Voting Interests. Voting interests in Association are governed by the provisions of the Articles and By-Laws.

7.6 Document Recordation by Owners Prohibited. Neither Association nor any Owner, nor group of Owners, may record any documents which, in any way, affect or restrict the rights of Developer, or conflict with the provisions of this Declaration.

7.7 Conflicts. In the event of any conflict among this Declaration, the Master Declaration, the Articles, the By-Laws or any of the other Association Documents, the Master Declaration shall control. In the event of any conflict among this Declaration, the Articles, the By-Laws or any of the other Association Documents, this Declaration shall control.

8. Paramount Right of Developer. Notwithstanding anything to the contrary herein, prior to the Community Completion Date Developer shall have the paramount right to dedicate, transfer, and/or convey (by absolute conveyance, easement, or otherwise) portions of Heron Cove Neighborhood for various public purposes or for the provision of Telecommunications Systems, or to make any portions of Heron Cove Neighborhood part of the Common Areas, or to create and implement a special taxing district which may include all or any portion of Heron Cove Neighborhood. In addition, the Common Areas of Heron Cove Neighborhood may include decorative improvements, and berms. Developer may remove, modify, eliminate or replace these items from time to time in its sole discretion. SALES BROCHURES, SITE PLANS, AND MARKETING MATERIALS ARE CURRENT CONCEPTUAL REPRESENTATIONS AS TO WHAT FACILITIES, IF ANY, WILL BE INCLUDED WITHIN THE COMMON AREAS. DEVELOPER SPECIFICALLY RESERVES THE RIGHT TO CHANGE THE LAYOUT, COMPOSITION, AND DESIGN OF ANY AND ALL COMMON AREAS AT ANY TIME WITHOUT NOTICE AT ITS DISCRETION.

9. Operation of Common Areas

9.1 Prior to Conveyance. Prior to the conveyance, identification and/or dedication of the Common Areas to Association as set forth in Section 9.4 herein, any portion of the Common Areas owned by Developer shall be operated, maintained, and administered at the sole cost of Association for all purposes and uses reasonably intended, as Developer in its sole discretion deems appropriate. During such period, Developer shall own, operate, and administer the Common Areas without interference from any Owner or Lender of a Home or any portion of Heron Cove Neighborhood or Home or any other person or entity whatsoever. Owners shall have no right in or to any Common Areas referred to in this Declaration unless and until same are actually constructed, completed, and conveyed to, leased by, dedicated to, and/or maintained by Association. The current conceptual representations, if any, regarding the composition of the Common Areas are not a guarantee of the final composition of the Common Areas. No party should rely upon any statement contained herein as a representation or warranty as to the extent of the Common Areas to be owned, leased by, or dedicated to Association. Developer, so long as it controls Association, further specifically retains the right to add to, delete from, or modify any of the Common Areas referred to herein at its discretion and without notice.

9.2 Construction of Common Areas Facilities. Developer has constructed or will construct, at its sole cost and expense, certain facilities and improvements as part of the Common Areas, together with equipment and

personalty contained therein, and such other improvements and personalty as Developer determines in its sole discretion. Developer shall be the sole judge of the composition of such facilities and improvements. Prior to the Community Completion Date Developer reserves the absolute right to construct additional Common Areas facilities and improvements within Heron Cove Neighborhood, from time to time, in its sole discretion, and to remove, add to modify and change the boundaries, facilities and improvements now or then part of the Common Areas. Developer is not obligated to, nor has it represented that it will, modify or add to the facilities, improvements, or Common Areas as they are contemplated as of the date hereof. Developer is the sole judge of the foregoing, including the plans, specifications, design, location, completion schedule, materials, size, and contents of the facilities, improvements, appurtenances, personalty (e.g., furniture), color, textures, finishes, or Common Areas, or changes or modifications to any of them.

9.3 Use of Common Areas by Developer. Until the Community Completion Date Developer shall have the right to use any portion of the Common Areas, without charge, for any purpose deemed necessary by Developer.

9.4 Conveyance.

9.4.1 Generally. Within sixty (60) days after the Turnover Date, or earlier as determined by Developer in its sole discretion, all or portions of the Common Areas may be dedicated by Plats, created in the form of easements, or conveyed by written instrument recorded in the Public Records, or by Quitclaim Deed from Developer to Association. Association shall pay all costs of the conveyance. The dedication, creation by easement, or conveyance shall be subject to easements, restrictions, reservations, conditions, limitations, and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership operation, maintenance, and administration of the conveyed portions of Common Areas and other obligations relating to the Common Areas imposed herein. Association shall, and does hereby, indemnify and hold Developer harmless on account thereof. Association, by its joinder in this Declaration, hereby accepts such dedication(s) or conveyance(s) without setoff, condition, or qualification of any nature. The Common Areas, personal property and equipment thereon and appurtenances thereto shall be dedicated or conveyed in "as is, where is" condition WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF THE COMMON AREAS BEING CONVEYED. Notwithstanding the foregoing, any such conveyance or encumbrance of such Common Areas is subject to each irrevocable Owner's ingress and egress easement to his or her Home as set forth in this Declaration.

9.4.2 Form of Deed. Each deed of the Common Areas shall be subject to the following provisions:

9.4.2.1 a perpetual nonexclusive easement in favor of governmental agencies for the maintenance and repair of existing road, speed and directional signs, if any;

9.4.2.2 matters reflected in the plat(s) of the Community;

9.4.2.3 perpetual non-exclusive easements in favor of Developer, its successors, and assigns in, to, upon and over all of the Common Areas for the purposes of vehicular and pedestrian ingress and egress, installation of utilities, landscaping and/or drainage, without charge, including, without limitation, the right to use such roadways for construction vehicles and equipment. The easements reserved in the deed shall run in favor of Developer, and its employees, representatives, agents, licensees, guests, invitees, successors and/or assigns;

9.4.2.4 all restrictions, easements, covenants and other matters of record;

9.4.2.5 in the event that Association believes that Developer shall have failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas conveyed herein are defective in any respect, Association shall give

written notice to Developer detailing the alleged failure or defect. Once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and their agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas. Association's failure to give the notice and/or otherwise comply with the provisions of this Section will damage Developer. At this time, it is impossible to determine the actual damages Developer might suffer. Accordingly, if Association fails to comply with its obligations under this Section in any respect, Association shall pay to Developer liquidated damages in the amount of \$250,000.00 which Association and Developer agree is a fair and reasonable remedy; and

9.4.2.6 a reservation of right in favor of Developer (so long as Developer owns any portion of the Community) to require that Association reconvey all or a portion of the Common Areas conveyed by quitclaim deed in favor of Developer in the event that such property is required to be owned by Developer for any purpose, including, without limitation, the reconfiguration of any adjacent property by replatting or otherwise.

9.5 Operation After Conveyance. After the conveyance or dedication of any portion of the Common Areas to Association, the portion of the Common Areas so dedicated shall be owned, operated and administered by Association for the use and benefit of the owners of all property interests in Heron Cove Neighborhood including, but not limited to, Association, Developer, Owners and any Lenders. Notwithstanding the foregoing, only subject to Association's right to grant easements and other interests as provided herein, Association may not convey, abandon, alienate, encumber, or transfer all or a portion of the Common Areas to a third party without (i) if prior to the Turnover Date, the approval of (a) a majority of the Board; and (b) the consent of Developer, or (ii) from and after the Turnover Date, approval of (a) sixty-six and 2/3 percent (66 2/3%) of the Board; and (b) seventy-five percent (75%) of all of the votes in Association.

9.6 Paved Common Areas. Without limiting any other provision of this Declaration, Association is responsible for the maintenance of all paved surfaces, cart paths, roads, pathways, and sidewalks forming a part of the Common Areas, if any. Although pavement appears to be a durable material, it requires maintenance. Association shall have the right, but not the obligation, to arrange for an annual inspection of all roads, cart paths and sidewalks forming a part of the Common Areas by a licensed paving contractor and/or engineer with a Florida Department of Transportation Asphalt Pavement Certification. The cost of such inspection shall be a part of the Operating Costs of Association. Association shall determine annually the parameters of the inspection to be performed, if any. By way of example, and not of limitation, the inspector may be required to inspect the roads and sidewalks forming part of the Common Areas annually for deterioration and to advise Association of the overall pavement conditions including any upcoming maintenance needs. Any patching, grading, or other maintenance work should be performed by a Company licensed to perform the work. From and after the Community Completion Date, Association should monitor the roads, cart paths and sidewalks forming the Common Areas monthly to ensure that vegetation does not grow into the asphalt and that there are no eroded or damaged areas that need immediate maintenance.

9.7 Delegation and Managers. Once conveyed or dedicated to Association, the Common Areas and facilities and improvements located thereon shall, subject to the provisions of this Declaration and the document of conveyance or dedication, at all times be under the complete supervision, operation, control, and management of Association. Notwithstanding the foregoing Association may delegate all or a portion of its obligations hereunder to a licensed manager or professional management company. Association specifically shall have the right to pay for management services on any basis approved by the Board (including bonuses or special fee arrangements for meeting financial or other goals). Further, in the event that a Common Area is created by easement, Association's obligations and rights with respect to such Common Area may be limited by the terms of the document creating such easement.



9.8 Use.

9.8.1 General Public Use. The Common Areas shall be used and enjoyed by the Owners on a non-exclusive basis in common with other persons, entities and corporations (who may, but are not required to be, members of Association) entitled to use those portions of the Common Areas. Prior to the Community Completion Date, Developer, and thereafter, Association, has the right, at any and all times, and from time to time, to further additionally provide and make the Common Areas available to other individuals, persons, firms, or corporations, as it deems appropriate.

9.8.2 Right to Allow Use. Developer and/or Association may enter into easement agreements or other use or possession agreements whereby the Owners, Telecommunications Providers, and/or Association and/or others may obtain the use, possession of, or other rights regarding certain property, on an exclusive or non-exclusive basis, for certain specified purposes. Association may agree to maintain and pay the taxes, insurance, administration, upkeep, repair, and replacement of such property, the expenses of which shall be Operating Costs. Any such agreement by Association prior to the Community Completion Date shall require the consent of Developer. Thereafter, any such agreement shall require the approval of the majority of the Board of Directors.

9.8.3 Obstruction of Common Areas. No portion of the Common Areas may be obstructed, encumbered, or used by Owners for any purpose other than as permitted by Association.

9.8.4 Assumption of Risk. Without limiting any other provision herein, each person within any portion of the Heron Cove Neighborhood accepts and assumes all risk and responsibility for noise, liability, injury, or damage connected with use or occupation of any portion of the Heron Cove Neighborhood (e.g., the 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 Heron Cove Neighborhood and (e) design of any portion of the Heron Cove Neighborhood. Each person entering onto any portion of Heron Cove Neighborhood also expressly indemnifies and agrees to hold harmless Developer, Association, Builders, and all other Neighborhood Associations and all employees, directors, representatives, officers, agents, and partners 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, including attorneys' fees, paraprofessional fees and costs at trial and upon appeal. Without limiting the foregoing, all persons using the Common Areas, including without limitation, any pool or area 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, RACCOONS, DEER, SWINE, TURKEYS, SNAKES, DUCKS, AND FOXES. DEVELOPER, BUILDERS, 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.

9.8.5 Owner's Obligation to Indemnify. Each Owner agrees to indemnify and hold harmless Developer and Association, their officers, partners, agents, employees, affiliates, directors and attorneys (collectively, "Indemnified Parties") against all actions, injury, claims, loss, liability, damages, costs and expenses of any kind or nature whatsoever ("Losses") incurred by or asserted against any of the Indemnified Parties from and after the date hereof, whether direct, indirect, or consequential, as a result of or in any way related to the Common Areas, including, without limitation, use of the lakes and other waterbodies within Baywinds by Owners, and their guests, family members, invitees, or agents, or the interpretation of this Declaration and/or exhibits attached hereto and/or from any act or omission of Developer, Association, or of any of the Indemnified Parties. Should any Owner bring suit against Developer, Association, or any of the Indemnified Parties for any claim or matter and fail to obtain judgment therein against such Indemnified Parties, such Owner shall be liable to such parties for all Losses, costs and expenses incurred by the Indemnified Parties in the defense of such suit, including attorney's fees and paraprofessional fees at trial and upon appeal.

9.9 Rules and Regulations.

9.9.1 Generally. Prior to the Turnover Date, Developer, and thereafter Association, shall have the right to adopt Rules and Regulations governing the use of the Common Areas and the Heron Cove Neighborhood. The Common Areas shall be used in accordance with this Declaration and Rules and Regulations promulgated hereunder.

9.9.2 Developer Not Subject to Rules and Regulations. The Rules and Regulations shall not apply to the Developer and/or Builder or to any property owned by Developer and/or Builder, and shall not be applied in a manner which would adversely affect the interests of the Developer. Without limiting the foregoing, Developer, Builder and/or their assigns, shall have the right to: (i) develop and construct commercial, club uses, and industrial uses, Homes, Common Areas, and related improvements within Heron Cove Neighborhood, and make any additions, alterations, improvements, or changes thereto; (ii) maintain sales offices (for the sale and re-sale of (a) Homes and (b) residences and properties located outside of Heron Cove Neighborhood), general office and construction operations within Heron Cove Neighborhood; (iii) place, erect or construct portable, temporary or accessory buildings or structure within Heron Cove Neighborhood for sales, construction storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of Heron Cove Neighborhood; (v) post, display, inscribe or affix to the exterior of any portion of the Common Areas or portions of Heron Cove Neighborhood owned by Developer, signs and other materials used in developing, constructing, selling or promoting the sale of any portion Heron Cove Neighborhood including, without limitation, Homes; (vi) excavate fill from any lakes or waterways within and/or contiguous to Heron Cove Neighborhood by dredge or dragline, store fill within Heron Cove Neighborhood and remove and/or sell excess fill; and grow or store plants and trees within, or contiguous to, Heron Cove Neighborhood and use and/or sell excess plants and trees; and (vii) undertake all activities which, in the sole opinion of Developer, are necessary for the development and sale of any lands and improvements comprising Heron Cove Neighborhood.

9.10 Default by Another Owner. No default by any Owner in the performance of the covenants and promises contained in this Declaration or by any person using the Common Areas or any other act of omission by any of them shall be construed or considered (a) a breach by Developer or Association or a non-defaulting Owner or other person or entity of any of their promises or covenants in this Declaration; or (b) an actual, implied or construction dispossession of another Owner from the Common Areas; or (c) an excuse, justification, waiver or indulgence of the covenants and promises contained in this Declaration.

9.11 Special Taxing Districts. For as long as Developer controls Association, Developer shall have the right, but not the obligation, to dedicate or transfer or cause the dedication or transfer of all or portions of the Common Areas of Association to a special taxing district or public agency or authority under such terms as Developer deems appropriate in order to create or contract with special taxing districts (or others) for lighting, roads, landscaping, irrigation areas, lakes, waterways, ponds, surface water management systems, wetlands mitigation areas, parks, recreational or other services, security or communications, or other similar purposes deemed appropriate by Developer, including without limitation, the maintenance and/or operation of any of the foregoing. As hereinafter provided, Developer may sign any taxing district petition as attorney-in-fact for each Owner. Each Owner's obligation to pay taxes associated with such district shall be in addition to such Owner's obligation to pay Assessments. Any special taxing district shall be created pursuant to all applicable ordinances of Palm Beach County and all other applicable governing entities having jurisdiction with respect to the same.

9.12 Association's Obligation to Indemnify. Association and Owners each covenant and agree jointly and severally to indemnify, defend and hold harmless Developer, its officers, directors, shareholders, and any related persons or corporations and its employees from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Common Areas, or other property serving Association, and improvements thereon, or resulting from or arising out of activities or operations of Association or Owners, and from and against all costs, expenses, court costs, attorneys' fees and paraprofessional fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred or arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders judgments or decrees which may be entered relating thereto. The costs and expense of fulfilling this covenant of indemnification shall be Operating Costs to the extent such matters are not covered by insurance maintained by Association.

10. Maintenance by Association.

10.1 Common Areas. Except as otherwise specifically provided in this Declaration to the contrary, Association shall at all times maintain, repair, replace and insure the Common Areas, including all improvements placed thereon.

10.2 Lawn Maintenance. Association shall cut and edge the lawn in the Front Yard and Back Yard of each Home. The Association shall fertilize and weed the Front Yard and Back Yard of each Home. The Association shall also cut and trim the trees and hedges in the Front Yard and Back Yard of each Home. Without limiting the foregoing, if an Owner modifies the plant bed(s) from the original plant bed(s) installed by Developer, then such Owner is responsible for trimming all trees and shrubs, and weeding and caring for such plant bed(s). Association is responsible for replacing dead or damaged grass and/or landscaping initially installed by Developer. Association shall be responsible for the irrigation and sprinkler systems in the Front Yard and/or Back Yard of each Home; provided, however, any modifications by an Owner are the responsibility of such Owner. Owners shall be responsible for the replacement of soil underlying grass or landscaping which is lost to erosion. However, if an Owner upgrades or changes landscaping in a Front Yard and/or Back Yard with Heron Cove ACC approval, such Owner shall be responsible for the maintenance of such upgraded or changed landscaping at such Owner's sole expense. Each Owner is specifically responsible for maintaining all landscaping within any portion of a Home that is fenced and inaccessible to Association. The installation of any fence or wall must be approved by the Heron Cove ACC as provided in this Declaration. A Home with a fence or wall that has a gate or opening of less than five (5) feet wide shall be deemed inaccessible to Association. Moreover, Association will not be responsible for damage to fences, walls, and/or gates resulting from lawn and landscape maintenance. Association shall not maintain a Front Yard and/or Back Yard that is covered or blocked in any fashion by patio furniture or other objects, nor will it maintain a Front Yard and/or Back Yard containing pets. A three (3) foot easement is hereby granted to Association from the rear property line of each Home for the purpose of the lawn maintenance set forth herein. No structure, vegetation or other obstruction shall be placed within this maintenance easement. Any inaccessible portion of a Front Yard and/or Back Yard will not be maintained by Association. EACH OWNER ACKNOWLEDGES THAT SOME HOMES MAY NOT HAVE FRONT YARDS AND/OR BACK YARD, OTHER HOMES MAY HAVE FRONT YARDS AND/OR BACK YARDS THAT ARE LARGER OR SMALLER THAN THE FRONT YARDS AND/OR BACK YARDS OF OTHER HOMES. Notwithstanding the foregoing, the Board may decide by a Board action if some or all of the Association maintenance responsibilities will be implemented.

10.3 Adjoining Areas. Association shall also maintain those drainage areas, swales, lakes maintenance easements, driveways, and landscape areas that are within the Common Areas and immediately adjacent to a Home, provided that such areas are readily accessible to Association. Under no circumstances shall Association be responsible for maintaining any inaccessible areas within fences or walls that form a part of a Home.

10.4 Negligence. The expense of any maintenance, repair or construction of any portion of the Common Areas necessitated by the negligent or willful acts of an Owner or persons utilizing the Common Areas, through or under an Owner shall be borne solely by such Owner, and the Home owned by that Owner shall be subject to an Individual Assessment for that expense. By way of example, and not of limitation, an Owner shall be responsible for the removal of all landscaping and structures placed within easements or Common Areas without the prior written approval of Association.

10.5 Right of Entry. Developer and Association are granted a perpetual and irrevocable easement over, under and across Heron Cove Neighborhood for the purposes herein expressed, including, without limitation, for inspections to ascertain compliance with the provisions of this Declaration, and for the performance of any maintenance, alteration or repair which it is entitled to perform. Without limiting the foregoing, Developer specifically reserves easements for all purposes necessary to comply with any governmental requirement or to satisfy any condition that is a prerequisite for a governmental approval. By way of example, and not of limitation, Developer may construct, maintain, repair, alter, replace and/or remove improvements; install landscaping; install utilities; and/or remove structures on any portion of Heron Cove Neighborhood if Developer is required to do so in order to obtain the release of any bond posted with any governmental agency.

10.6 Maintenance of Property Owned by Others. Association shall, if designated by Master Association or Developer by amendment to this Declaration or by other notice or direction, maintain vegetation, landscaping, sprinkler system, community identification/features and/or other area or elements designated by Developer upon areas which are within or outside of Heron Cove Neighborhood and which are owned by, or dedicated to, others including, but not limited to, a utility, governmental or quasi-governmental entity, so as to enhance the appearance of Heron Cove Neighborhood. These areas may include (by way of example and not limitation) swale areas or median areas within the right-of-way of public streets, roads, drainage areas, community identification or features, community signage or other identification and/or areas within canal rights-of-ways or other abutting waterways.

11. Use Restrictions. In addition to use restrictions in the Master Declaration, each Owner must comply with the following:

11.1 Disputes as to Use. If there is any dispute as to whether the use of any portion of Heron Cove Neighborhood complies with this Declaration, such dispute shall, prior to the Community Completion Date, be decided by Developer, and thereafter by Association. A determination rendered by such party with respect to such dispute shall be final and binding on all persons concerned.

11.2 Use of Homes. Each Home is restricted to residential use as a residence by the Owner or permitted occupant thereof, its immediate family, guests, tenants and invitees.

11.3 Leases. Homes may be leased, licensed or occupied only in their entirety and no fraction or portion may be rented. No bed and breakfast facility may be operated out of a Home. Individual rooms of a Home may not be leased on any basis. No transient tenants may be accommodated in a Home. All leases or occupancy agreements shall be in writing and a copy of all leases of Homes shall be provided to Association if so requested by Association. No Home may be subject to more than two (2) leases in any twelve (12) month period, regardless of the lease term. No time-share or other similar arrangement is permitted. The Owner must make available to the lessee or occupants copies of the Association Documents. No lease term shall be less than thirty (30) days.

11.4 Lawful Use. No unlawful or obnoxious use shall be made in any portion of Heron Cove Neighborhood. All laws, zoning ordinances and regulations of all governmental entities having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental entities for maintenance, modification or repair of a portion of Heron Cove Neighborhood shall be the same as the responsibility for maintenance and repair of the property concerned.

11.5 Maintenance by Owners. All lawns, landscaping and sprinkler systems and any property, structures, improvements and appurtenances not maintained by Association as set forth in Section 10.2 shall be well maintained and kept in first class, good, safe, clean, neat and attractive condition consistent with the general appearance of Heron Cove Neighborhood by the Owner of each Home.

11.5.1 Common Area Enclosed by a Private Fence. If an Owner has installed a fence or wall around a Home, or any portion thereof, then such Owner must maintain any portion of the Common Areas that is no longer readily accessible to Association.

11.5.2 Weeds and Refuse. No weeds, underbrush, or other unsightly growth shall be permitted to be grown or remain upon any Home. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Home.

11.6 Driveway Easement. Each Owner shall be responsible to repair any damage to a driveway which comprises part of a Home, including, but not limited to, any damage caused by Association or by the holder of any easement over which such driveway is constructed. Each Owner, by acceptance of a deed to a Home, shall be deemed to have agreed to indemnify and hold harmless Association and the holder of any such easement, including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common

Areas and any easement or the construction and/or maintenance of any driveway in that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse the Association any expense incurred in repairing any damage to such driveway in the event that such Owner fails to make the required repairs.

**11.7 Drainage System.** Once a drainage system or drainage facilities are installed by Developer, the maintenance of such system and/or facilities within a Home which is not maintained by Association shall be the responsibility of the Owner of the Home which includes such system and/or facilities. In the event that such system or facilities (whether comprised of swales, pipes, pumps, or other improvements) is adversely affected by landscaping, fences, structures, or additions, the cost to correct, repair, or maintain such drainage system and/or facilities shall be the responsibility of the Owner of each Home containing all or a part of such drainage system and/or facilities. By way of example, and not of limitation, if the roots of a tree within the boundaries of a Home affect pipes or other drainage facilities within another Home, the Owner of the affected Home shall be solely responsible for the removal of the roots within the boundaries of his or her Home. Association and Developer shall have no responsibility or liability for drainage problems of any type whatsoever.

**11.8 Irrigation.** Due to water quality, irrigation systems may cause staining on Homes, other structures or paved areas. It is each Owner's responsibility to treat and remove any such staining. Association may require from time to time, that Owners adopt systems to prevent stains (e.g., automatic deionization systems). No Owner whose Home adjoins a waterway or lake may utilize the waterway or lake to irrigate unless so provided by Developer as part of original construction, subject to applicable permitting. Association may use waterways and lakes to irrigate Common Areas subject to applicable permitting. BY ACCEPTANCE OF A DEED TO A HOME OR LOT, EACH OWNER ACKNOWLEDGES THAT THE WATER LEVELS OF ALL LAKES AND WATERBODIES MAY VARY. THERE IS NO GUARANTEE BY DEVELOPER OR ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME. Developer and Association shall have the right to use one or more pumps to remove water from lakes and waterbodies for irrigation purposes at all times, subject to applicable permitting. Developer may utilize a computerized loop system to irrigate the Common Areas and/or Homes. Any computerized loop irrigation system that is not specifically the maintenance obligation of the Association, shall be the maintenance obligation of the Master Association and shall be deemed part of the Common Areas.

**11.9 Boundaries of Maintenance.** All lawn maintenance shall be the responsibility of the Association as provided in this Declaration.

**11.10 Subdivision and Regulation of Land.** No portion of any Home or Lot shall be divided or subdivided or its boundaries changed without the prior written approval of Association. No Owner shall inaugurate or implement any variation from, modification to, or amendment of governmental regulations, land use plans, land development regulations, zoning, or any other development orders or development permits applicable to Heron Cove Neighborhood, without the prior written approval of Developer, which may be granted or deemed in its sole discretion.

**11.11 Alterations and Additions.** No material alteration, addition or modification to a Lot or Home, or material change in the appearance thereof, shall be made without the prior written approval thereof being first had and obtained from the Heron Cove ACC as required by this Declaration.

**11.12 Signs.** No sign, flag, banner, sculpture, fountain, outdoor play equipment, solar equipment, artificial vegetation, sports equipment, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, or upon any part of a Lot or Home that is visible from the outside without the prior written approval thereof being first had and obtained from the Heron Cove ACC as required by this Declaration. Notwithstanding the foregoing, no Owner shall display a "for sale" or "for lease" sign within a Home.

**11.13 Roofs and Pressure Treatment.** Roofs and/or exterior surfaces and/or pavement, including, but not limited to, walks and drives, shall be pressure treated within thirty (30) days of notice by the Heron Cove ACC.

11.14 Paint. Homes shall be repainted within forty-five (45) days of notice by the Heron Cove ACC.

11.15 Hurricane Shutters. Any hurricane or other protective devices visible from outside a Home shall be of a type as approved by the Heron Cove ACC. 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 forty-eight (48) 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.

11.16 Windows or Wall Units. No window or wall air conditioning unit may be installed in any window or wall of a Home.

11.17 Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other tasteful window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted.

11.18 Satellite Dishes and Antennae. No exterior visible antennae, radio masts, towers, poles, aerials, satellite dishes, or other similar equipment shall be placed on any Home or Lot without the prior written approval thereof being first had and obtained from the Heron Cove ACC as required by this Declaration. The Heron Cove ACC may require, among other things, that all such improvements be screened so that they are not visible from adjacent Homes, or from the Common Areas. No Owner shall operate any equipment or device which will interfere with the radio or television reception of others.

11.19 Pools. No above-ground pools shall be permitted. All in-ground pools, hot tubs, spas and appurtenances installed shall require the approval of the Heron Cove ACC as set forth in this Declaration. All pools shall be adequately maintained and chlorinated. Unless installed by Developer, no diving boards, slides, or platforms shall be permitted without Heron Cove ACC approval.

11.20 Visibility on Corners. Notwithstanding anything to the contrary in these restrictions, no obstruction to visibility at street intersections shall be permitted and such visibility clearances shall be maintained as required by the Heron Cove ACC and governmental agencies.

11.21 Holiday Lights and Other Lighting. Except for seasonal holiday lights, all exterior lighting shall require the approval of the Heron Cove ACC as set forth in this Declaration. The Heron Cove ACC may establish standards for holiday lights. The Heron Cove ACC may require the removal of any lighting that creates a nuisance (e.g., unacceptable spillover to adjacent Home).

11.22 Removal of Soil and Additional Landscaping. Without the prior consent of the Heron Cove ACC, no Owner shall remove soil from any portion of Heron Cove Neighborhood, change the level of the land within Heron Cove Neighborhood, or plant landscaping which results in any permanent change in the flow and drainage of surface water within Heron Cove Neighborhood. Owners may not place additional plants, shrubs, or trees within any portion of Heron Cove Neighborhood without the prior approval of the Heron Cove ACC.

11.23 Casualty Destruction to Improvements. In the event that a Home or other improvement is damaged or destroyed by casualty loss or other loss, then within a reasonable period of time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Home or improvement and diligently continue such rebuilding or repairing until completion, or properly clear the damaged Home or improvement and restore or repair the Home as approved by the Heron Cove ACC. As to any such reconstruction of a destroyed Home or improvements, the same shall only be replaced as approved by the Heron Cove ACC.

11.24 Animals. No animals of any kind shall be raised, bred or kept within Heron Cove Neighborhood for commercial purposes. Otherwise, Owners may keep domestic pets as permitted by Palm Beach County ordinances up to a limit of two (2) such pets and otherwise in accordance with the Rules and Regulations established by the Board from time to time. Notwithstanding the foregoing, pets may be kept or harbored in a Home only so long as such pets or animals do not constitute a nuisance. A determination by the Board that an animal or pet kept

or harbored in a Home is a nuisance shall be conclusive and binding on all parties. All pets shall be walked on a leash. No pet shall be permitted outside a Home unless such pet is kept on a leash or within a fenced Front Yard or Back Yard of a Home. No pet or animal shall be "tied out" on the exterior of the Home or in the Common Areas, or left unattended in a Front Yard or Back Yard or on a balcony, porch, or patio. No dog runs or enclosures shall be permitted on any Home. When notice of removal of any pet is given by the Board, the pet shall be removed within forty-eight (48) hours of the giving of the notice. All pets shall defecate only in the "pet walking" areas within Heron Cove Neighborhood designated for such purpose, if any, or on that Owner's Home. The person walking the pet or the Owner shall clean up all matter created by the pet. Each Owner shall be responsible for the activities of its pet. Notwithstanding anything to the contrary, seeing eye dogs shall not be governed by the restrictions contained in this Section

11.25 Nuisances. No nuisance or any use or practice that is the source of unreasonable annoyance to others or which interferes with the peaceful possession and proper use of Heron Cove Neighborhood is permitted. No firearms shall be discharged within Heron Cove Neighborhood. Nothing shall be done or kept within the Common Areas, or any other portion of Heron Cove Neighborhood, including a Home or Lot which will increase the rate of insurance to be paid by Association.

11.26 Minor's Use of Facilities. Adults shall be responsible for all actions of their minor children at all times in and about Heron Cove Neighborhood. Developer shall not be responsible for any use of the facilities by anyone, including minors.

11.27 Personal Property. All personal property of Owners or other occupants of Homes shall be stored within the Homes. No personal property, except usual patio furniture, may be stored on, nor any use made of, the Common Areas, any Lot or Home, or any other portion of Heron Cove Neighborhood, which is unsightly or which interferes with the comfort and convenience of others.

11.28 Storage. No temporary or permanent utility or storage shed, storage building, tent, or other structure or improvement shall be permitted and no other structure or improvement shall be constructed, erected, altered, modified or maintained without the prior approval of the Heron Cove ACC, which approval shall conform to the requirements of this Declaration.

11.29 Garbage Cans. Trash collection and disposal procedures established by Association shall be observed. No outside burning of trash or garbage is permitted. No garbage cans, supplies or other similar articles shall be maintained on any Home so as to be visible from outside the Home or Lot.

11.30 Laundry. Subject to the provisions of Section 163.04 of the Florida Statutes, to the extent applicable, no rugs, mops, or laundry of any kind, or any other similar type article, shall be shaken, hung or exposed so as to be visible outside the Home or Lot.

11.31 Control of Contractors. Except for direct services which may be offered to Owners (and then only according to the Rules and Regulations relating thereto as adopted from time to time), no person other than an Association officer shall direct, supervise, or in any manner attempt to assert any control over any contractor of Association.

11.32 Servants. Servants and domestic help of any Owner may not gather or lounge in or about the Common Areas.

11.33 Parking. Owners' automobiles shall be parked in the garage or driveway. Each Home will have a garage. No vehicle which cannot operate on its own power shall remain on Heron Cove Neighborhood for more than twelve hours, except in the garage of a Home. No repair, except emergency repair, of vehicles shall be made within Heron Cove, except in the garage of a Home. No commercial vehicle, recreational vehicle, boat, trailer, including but not limited to boat trailers, house trailers, and trailers of every other type, kind or description, or camper, may be kept with Heron Cove Neighborhood except in the garage of a Home. The term commercial vehicle shall not be deemed to include recreational or utility vehicles (i.e. Broncos, Blazers, Explorers, etc.) up to 21'5" in

length or clean "non-working" vehicles such as pick-up trucks, vans, or cars if they are used by the Owner on a daily basis for normal transportation. Such vehicles shall not contain any commercial business names, written advertisements, or logos written on the outside of such vehicles. Notwithstanding any other provision in this Declaration to the contrary, the foregoing provisions shall not apply to construction vehicles in connection with the construction, improvement, installation, or repair by Developer or Builders of Homes, Common Areas, or any other Heron Cove Neighborhood facility.

11.34 Cooking. No cooking shall be permitted nor shall any goods or beverages be consumed on the Common Areas except in areas designated for those purposes by Association. The Heron Cove ACC shall have the right to prohibit or restrict the use of grills or barbeque facilities throughout Heron Cove Neighborhood.

11.35 Substances. No flammable, combustible or explosive fuel, fluid, chemical, hazardous waste, or substance shall be kept on any portion of Heron Cove Neighborhood or within any Home or Lot, except those which are required for normal household use.

11.36 Extended Vacation and Absences. In the event a Home will be unoccupied for an extended period, the Home must be prepared prior to departure by: (i) notifying Association; (ii) removing all removable furniture, plants and other objects from outside the Home; and (iii) designating a responsible firm or individual to care for the Home, should the Home suffer damage or require attention, and providing a key to that firm or individual. The name of the designee shall be furnished to Association. Association shall have no responsibility of any nature relating to any unoccupied Home.

11.37 Commercial Activity. Except for normal construction activity, sale, and re-sale of a Home, sale or re-sale of other property owned by Developer, administrative offices of Developer or Builders, no commercial or business activity shall be conducted in any Home within Heron Cove Neighborhood. Notwithstanding the foregoing, and subject to applicable statutes and ordinances, an Owner may maintain a home business office within a Home for such Owner's personal use; provided, however, business invitees customers, and clients shall not be permitted to meet with Owners in Homes unless the Board provides otherwise in the Rules and Regulations. No Owner may actively engage in any solicitations for commercial purposes within Heron Cove Neighborhood. No solicitors of a commercial nature shall be allowed within Heron Cove Neighborhood, without the prior written consent of Association. No garage sales are permitted, except as permitted by the Association. No day care center or facility may be operated out of a Home. Prior to the Community Completion Date, Association shall not permit any garage sales without the prior written consent of Developer.

11.38 Completion and Sale of Units. No person or entity shall interfere with the completion and sale of Homes within Heron Cove Neighborhood.

11.39 Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Home or Lot, unless approved by the Heron Cove ACC.

11.40 Decorations. No decorative objects including, but not limited to, birdbaths, light fixtures, sculptures, statues, weather vanes, or flagpoles shall be installed or placed within or upon any portion of Heron Cove without the prior written approval of the Heron Cove ACC.

11.41 Sports Equipment. No recreational, playground or sports equipment shall be installed or placed within or about any portion of Heron Cove Neighborhood without prior written consent of the Heron Cove ACC.

11.42 Fencing. No walls or fences shall be erected or installed without prior written consent of the Heron Cove ACC. No chain link fencing of any kind shall be allowed.

11.43 Wetlands and Mitigation Areas. It is anticipated that the Common Areas shall include one or more preserves, wetlands, and/or mitigation areas. No Owner or other person shall take any action or enter onto



such areas so as to adversely affect the same. Such areas are to be maintained by Master Association in their natural state.

12. Easement for Unintentional and Non-Negligent Encroachments. If any other building or improvement on a Home shall encroach upon another Home by reason of original construction by Developer, then an easement for such encroachment shall exist so long as the encroachment exists. It is contemplated that each Home shall contain an improvement with exterior walls, footings, and other protrusions which may pass over or underneath an adjacent Home. A perpetual nonexclusive easement is herein granted to allow the footers for such walls and other protrusions and to permit any natural water run off from roof overhangs, eaves and other protrusions onto an adjacent Home.

13. Insurance. Association shall maintain the following insurance coverage:

13.1 Flood Insurance. If the Common Areas are located within an area which has special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), coverage in appropriate amounts, available under NFIP for all buildings and other insurable property within any portion of the Common Areas located within a designated flood hazard area.

13.2 Liability Insurance. Commercial general liability insurance coverage providing coverage and limits deemed appropriate such policies must provide that they may not be canceled or substantially modified by any party, without at least thirty (30) days' prior written notice to Developer (until the Community Completion Date) and Association.

13.3 Directors and Officers Liability Insurance. Each member of the Board shall be covered by directors and officers liability insurance in such amounts and with such provisions as approved by the Board.

13.4 Other Insurance. Such other insurance coverages as appropriate from time to time. All coverages obtained by Association shall cover all activities of Association and all properties maintained by Association, whether or not Association owns title thereto.

13.5 Developer. Prior to the Turnover Date, Developer shall have the right, at the Association's expense, to provide insurance coverage under its master insurance policy in lieu of any of the foregoing.

13.6 Homes.

13.6.1 Requirement to Maintain Insurance. Each Owner shall be required to obtain and maintain adequate insurance of his or her Home. Such insurance shall be sufficient for necessary repair or reconstruction work, and related costs. Upon the request of Association, each Owner shall be required to supply the Board with evidence of insurance coverage on his Home which complies with the provisions of this Section. Without limiting any other provision of this Declaration or the powers of Association, Association shall specifically have the right to bring an action to require an Owner to comply with his or her obligations hereunder.

13.6.2 Required Repair. In the event that any Home is destroyed by fire or other casualty, the Owner of such Home shall commence reconstruction and/or repair of the Home ("Required Repair"). Such work must be commenced within thirty (30) days of the Owner's receipt of the insurance proceeds respecting such Home. Such reconstruction and/or repair must be continued in a continuous, diligent, and timely manner. Association shall have the right to inspect the progress of all reconstruction and/or repair work. Without limiting any other provision of this Declaration or the powers of Association, Association shall have a right to bring an action against an Owner who fails to comply with the foregoing requirements. By way of example, Association may bring an action against an Owner who fails to perform the Required Repair on his or her Home within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit in no way shall be deemed to satisfy the requirements set forth herein, which are independent of, and in addition to, any requirements for completion of work or progress requirements set forth in applicable statutes, zoning codes, and/or building codes.

13.6.3 Standard of Work. The standard for all demolition, reconstruction, and other work performed as required by this Section 13.6.3 shall be in accordance with the Community Standards and any other standards established by Association with respect to any casualty that affects all or a portion of Heron Cove Neighborhood.

13.6.4 Additional Rights of Association. If an Owner refuses or fails, for any reason, to perform the Required Repair as herein provided, then Association, in its sole and absolute discretion, by and through its Board is hereby irrevocably authorized by such Owner to perform the Required Repair. All Required Repair performed by Association pursuant to this Section shall be in conformance with the original plans and specifications for the Home. The Board may levy an Individual Assessment against the Owner in whatever amount sufficient to adequately pay for Required Repair performed by Association.

13.6.5 Association Has No Liability. Notwithstanding anything to the contrary this Section, Association, its directors and officers, shall not be liable to any Owner should an Owner fail for any reason whatsoever to obtain insurance coverage on a Home. Moreover, Association, its directors and officers, shall not be liable to any person if Association does not enforce the rights given to Association in this Section.

13.7 Fidelity Bonds. If available, a blanket fidelity bond for all officers, directors, trustees and employees of Association, and all other persons handling or responsible for funds of, or administered by, Association. In the event Association delegates some or all of the responsibility for the handling of the funds to a professional management company or licensed manager, such bonds shall be required for its officers, employees and agents, handling or responsible for funds of, or administered on behalf of Association. The amount of the fidelity bond shall be based upon reasonable business judgment. The fidelity bonds required herein must meet the following requirements (to the extent available at a reasonable premium):

13.7.1 The bonds shall name Association as an obligee.

13.7.2 The bonds shall contain waivers, by the issuers of the bonds, of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee" or similar terms or expressions.

13.7.3 The premiums on the bonds (except for premiums on fidelity bonds maintained by a professional management company, or its officers, employees and agents), shall be paid by Association.

13.7.4 The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to Developer (until the Community Completion Date) and Association.

13.8 Association as Agent. Association is irrevocably appointed agent for each Owner of any interest relating to the Common Areas to adjust all claims arising under insurance policies purchased by Association and to execute and deliver releases upon the payment of claims.

13.9 Casualty to Common Areas. In the event of damage to the Common Areas, or any portion thereof, Association shall be responsible for reconstruction after casualty. In the event of damage to a Home, or any portion thereof, the Owner shall be responsible for reconstruction after casualty.

13.10 Nature of Reconstruction. Any reconstruction of improvements hereunder shall be substantially in accordance with the plans and specifications of the original improvement, or as the improvement was last constructed, subject to modification to conform with the then current governmental regulation(s).

13.11 Additional Insured. Developer and its Lender(s) shall be named as additional insured on all policies obtained by Association, as their interests may appear.

13.12 Cost of Payment of Premiums. The costs of all insurance maintained by Association hereunder, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof are Operating Costs.

14. Property Rights.

14.1 Owners' Easement of Enjoyment. Every Owner, and its immediate family, tenants, guests and invitees, and every owner of an interest in Heron Cove Neighborhood shall have a non-exclusive right and easement of enjoyment in and to those portions of the Common Areas which it is entitled to use for their intended purpose, subject to the following provisions:

14.1.1 The right of Association to suspend an Owner's rights hereunder or to impose fines in accordance with Section 720.305 of the Florida Statutes, as amended from time to time.

14.1.2 The right to suspend the right to use all (except vehicular and pedestrian ingress and egress and necessary utilities) or a portion of the Common Areas by an Owner, its immediate family, etc. for any period during which any Assessment against that Owner remains unpaid.

14.1.3 The right of Developer and/or Association to dedicate or transfer all or any part of the Common Areas. No such dedication or transfer shall be effective prior to the Community Completion Date without prior written consent of Developer.

14.1.4 The perpetual right of Developer to access and enter the Common Areas at any time, even after the Community Completion Date, for the purposes of inspection and testing of the Common Areas. Association and each Owner shall give Developer unfettered access, ingress and egress to the Common Areas so that Developer and/or its agents can perform all tests and inspections deemed necessary by Developer. Developer shall have the right to make all repairs and replacements deemed necessary by Developer. At no time shall Association and/or an Owner prevent, prohibit and/or interfere with any testing, repair or replacement deemed necessary by Developer relative to any portion of the Common Areas.

14.1.5 The right of Developer and/or Association to modify the Common Areas as set forth in this Declaration.

14.1.6 The rights of Developer and/or Association regarding Heron Cove Neighborhood as reserved in this Declaration, including the right to utilize the same and to grant use rights, etc. to others.

14.1.7 Rules and Regulations adopted governing use and enjoyment of the Common Areas.

14.1.8 An Owner relinquishes use of the Common Areas at any time that a Home is leased to a Tenant.

14.2 Ingress and Egress. An easement for ingress and egress is hereby created for pedestrian traffic over, and through and declaration across sidewalks paths, walks, driveways, passageways, and lanes as the same, from time to time, may exist upon, or be designed as part of, the Common Areas, and for vehicular traffic over, through and across such portions of the Common Areas as, from time to time, may be paved and intended for such purposes.

14.3 Development Easement. In addition to the rights reserved elsewhere herein, Developer reserves an easement for itself or its nominees over, upon, across, and under Heron Cove Neighborhood as may be required in connection with the development of Heron Cove Neighborhood, and other lands designated by Developer and to promote or otherwise facilitate the development, construction and sale and/or leasing of Homes, any portion of Heron Cove Neighborhood, and other lands designated by Developer. Without limiting the foregoing, Developer specifically reserves the right to use all paved roads and rights of way within Heron Cove Neighborhood for vehicular and pedestrian ingress and egress to and from construction sites and for the construction and maintenance

of any Telecommunications Systems provided by Developer. Specifically, each Owner acknowledges that construction vehicles and trucks may use portions of the Common Areas. Developer shall have no liability or obligation to repave, restore, or repair any portion of the Common Areas as a result of the use of the same by construction traffic, and all maintenance and repair of such Common Areas shall be deemed ordinary maintenance of the Association payable by all Owners as part of Operating Costs. Without limiting the foregoing, at no time shall Developer or any Builder be obligated to pay any amount to Association on account of Developer's use of the Common Areas for construction purposes. Developer intends to use the Common Areas for sales of new and used Homes. Further, Developer may market other residences and commercial properties located outside of Heron Cove Neighborhood from Developer's sales facilities located within Heron Cove Neighborhood. Developer has the right to use all portions of the Common Areas in connection with its marketing activities, including, without limitation, allowing members of the general public to inspect model Homes, installing signs and displays, holding promotional parties and picnics, and using the Common Areas for every other type of promotional or sales activity that may be employed in the marketing of new and used residential Homes or the leasing of residential apartments. The easements created by this Section, and the rights reserved herein in favor of Developer, shall be construed as broadly as possible and supplement the rights of Developer set forth in Section 20.1 of this Declaration. At no time shall Developer incur any expense whatsoever in connection with its use and enjoyment of such rights and easements. Without limiting any other provision of this Declaration, Developer may non-exclusively assign its rights hereunder to each Builder.

**14.4 Public Easements.** Fire, police, school transportation, health, sanitation and other public service and utility company personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas. In addition, Telecommunications Providers shall also have the right to use all paved roadways for ingress and egress to and from Telecommunications Systems within Heron Cove Neighborhood.

**14.5 Delegation of Use.** Every Owner shall be deemed to have delegated its right of enjoyment to the Common Areas to occupants or lessees of that Owner's Home subject to the provisions of this Declaration and the Rules and Regulations, as may be promulgated, from time to time. Any such delegation or lease shall not relieve any Owner from its responsibilities and obligations provided herein.

**14.6 Easement for Encroachments.** In the event that any improvement upon Common Areas, as originally constructed, shall encroach upon any other property or improvements thereon, or for any reason, then an easement appurtenant to the encroachment shall exist for so long as the encroachment shall naturally exist.

**14.7 Permits, Licenses and Easements.** Prior to the Community Completion Date, Developer, and thereafter Association, shall, in addition to the specific rights reserved to Developer herein, have the right to grant, modify, amend and terminate permits, licenses and easements over, upon, across, under and through Heron Cove Neighborhood (including Homes) for Telecommunications Systems, utilities, roads and other purposes reasonably necessary or useful as it determines, in its sole discretion. To the extent legally required, each Owner shall be deemed to have granted to Developer and, thereafter, Association an irrevocable power of attorney, coupled with an interest, for the purposes herein expressed.

**14.8 Support Easement and Maintenance Easement.** An easement is hereby created for the existence and maintenance of supporting structures (and the replacement thereof) in favor of the entity required to maintain the same. An easement is hereby created for maintenance purposes (including access to perform such maintenance) over and across Heron Cove Neighborhood (including Homes) for the reasonable and necessary maintenance of Common Areas, utilities, cables, wires and other similar facilities.

**14.9 Drainage.** A non-exclusive easement shall exist in favor of Developer, Association, and their designees, and any applicable water management district, state agency, county agency and/or federal agency having jurisdiction over Heron Cove Neighborhood over, across and upon Heron Cove Neighborhood for drainage, irrigation and water management purposes. An easement or ingress, egress and access shall exist for such parties to enter upon and over any portion of Heron Cove Neighborhood (including Homes) in order to construct, maintain, inspect, record data on, monitor, test, or repair, as necessary, any water management areas, irrigation systems and facilities thereon and appurtenances thereto. No structure, landscaping, or other material shall be placed or be permitted to remain which may damage or interfere with the drainage or irrigation of Heron Cove Neighborhood

and/or installation or maintenance of utilities or which may obstruct or retard these flow of water through Heron Cove Neighborhood and/or water management areas and facilities or otherwise interfere with any drainage, irrigation and/or easement provided for in this Section or the use rights set forth elsewhere in this Declaration.

14.10 Duration. All easements created herein or pursuant to the provisions hereof shall be perpetual unless stated to the contrary.

14.11 Lake and Canal Common Areas. The Back Yard of some Homes may border lakes and canals forming part of the Common Areas under the Master Declaration. The Master Association shall maintain any portion of the Common Areas under the Master Declaration contiguous to the rear lot line of such Home which comprise part of the lake slopes and banks and/or canal slopes and banks to prevent or restore erosion of slopes and banks due to drainage or roof culvert outfalls. The Owner of each Home bordering on the lake and canals shall ensure that lake and canal banks and slopes remain free of any structural or landscape encroachments so as to permit vehicular access for maintenance when needed. Each Owner hereby grants the Master Association an easement of ingress and egress across his or her Home to all adjacent lake and canal areas for the purpose of insuring compliance with the requirements of this Section.

## 15. Assessments.

15.1 Types of Assessments. Each Owner and Builder, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner (whether or not so expressed in the deed), including any purchaser at a judicial sale, shall hereafter be deemed to have covenanted and agreed to pay to Association at the time and in the manner required by the Board, assessments or charges and any special assessments as are fixed, established and collected from time to time by Association (collectively, the "Assessments"). All Owners shall pay Assessments. Each Builder shall pay such portion of Operating Costs which benefits any Lot owned by such Builder, as determined by Developer, in Developer's sole discretion. By way of example, and not of limitation, Developer may require that each Builder pay some portion of Assessments on a Lot owned by a Builder which does not contain a Home, but such Lot receives certain services. Builders shall not be required to pay for any portion of Assessments for services when such Lots owned by Builders do not receive such services (e.g., Telecommunications Services). Builders may be required to pay a reduced amount of Assessments when the Lots owned by such Builders receive a reduced service.

15.2 Purpose of Assessments. The Assessments levied by Association shall be used for, among other things, the purpose of promoting the recreation, health, safety and welfare of the residents of Heron Cove Neighborhood, and in particular for the improvement and maintenance of the Common Areas and any easement in favor of the Association, including but not limited to the following categories of Assessments as and when levied and deemed payable by the Board:

15.2.1 Any monthly or quarterly assessment (as determined by the Board) or charge for the purpose of operating the Association and accomplishing any and all of its purposes, as determined in accordance herewith, including, without limitation, payment of Operating Costs and collection of amounts necessary to pay any deficits from prior years' operation (hereinafter "Installment Assessments");

15.2.2 Any special assessments for capital improvements, major repairs, emergencies, the repair or replacement of the Common Areas, or nonrecurring expenses (hereinafter "Special Assessments");

15.2.3 Any specific fees, dues or charges to be paid by Owners for any special services provided to or for the benefit of an Owner or Home, for any special or personal use of the Common Areas, or to reimburse Association for the expenses incurred in connection with that service or use (hereinafter "Use Fees"); and

15.2.4 Assessments of any kind for the creation of reasonable reserves for any of the aforesaid purposes. At such time as there are improvements in any Common Areas for which Association has a responsibility to maintain, repair, and replace, the Board may, but shall have no obligation to, include a "Reserve for Replacement" in the Installment Assessments in order to establish and maintain an adequate reserve fund for the

periodic maintenance, repair, and replacement of improvements comprising a portion of the Common Areas (hereinafter "Reserves"). Assessments pursuant to this Section shall be payable in such manner and at such times as determined by Association, and may be payable in installments extending beyond the fiscal year in which the Reserves are disapproved. Until the Community Completion Date, Reserves shall be subject to the prior written approval of Developer, which may be withheld for any reason.

15.2.5 Assessments for which one or more Owners (but less than all Owners) within Heron Cove Neighborhood is subject ("Individual Assessments") such as costs of special services provided to a Home or Owner or cost relating to enforcement of the provisions of this Declaration or the architectural provisions hereof as it relates to a particular Owner or Home. By way of example, and not of limitation, in the event an Owner fails to maintain the exterior of his Home (other than those portions of a Home maintained by Association) in a manner satisfactory to Association, Association shall have the right, through its agents and employees, to enter upon the Home and to repair, restore, and maintain the Home as required by this Declaration. The cost thereof, plus the reasonable administrative expenses of Association, shall be an Individual Assessment. The lien for an Individual Assessment may be foreclosed in the same manner as any other Assessment.

15.3 Designation. The designation of Assessment type shall be made by Association. Prior to the Community Completion Date, any such designation must be approved by Developer. Such designation may be made on the budget prepared by Association. The designation shall be binding upon all Owners.

15.4 Allocation of Operating Costs.

15.4.1 For the period until the adoption of the first annual budget, the allocation of Operating Costs shall be as set forth in the initial budget prepared by Developer.

15.4.2 Commencing on the first day of the period covered by the annual budget, and until the adoption of the next annual budget, the Assessments shall be allocated so that each Owner shall pay his pro rata portion of Installment Assessments, Special Assessments, and Reserves based upon a fraction, the numerator of which is one (1) and the denominator of which is the total number of Homes in Heron Cove Neighborhood conveyed to Owners or any greater number determined by Developer from time to time. Developer, in its sole and absolute discretion, may change such denominator from time to time. Under no circumstances will the denominator be less than the number of Homes owned by Owners other than Developer.

15.4.3 In the event the Operating Costs as estimated in the budget for a particular fiscal year are, after the actual Operating Costs for that period is known, less than the actual costs, then the difference shall, at the election of Association: (i) be added to the calculation of Installment Assessments, as applicable, for the next ensuing fiscal year; or (ii) be immediately collected from the Owners as a Special Assessment. Association shall have the unequivocal right to specially assess Owners retroactively on January 1st of any year for any shortfall in Installment Assessments, which Special Assessment shall relate back to the date that the Installment Assessments could have been made. No vote of the Owners shall be required for such Special Assessment (or for any other Assessment except to the extent specifically provided herein).

15.4.4 Each Owner agrees that so long as it does not pay more than the required amount it shall have no grounds upon which to object to either the method of payment or non-payment by other Owners of any sums due.

15.5 General Assessments Allocation. Except as hereinafter specified to the contrary, Installment Assessments, Special Assessments and Reserves shall be allocated equally to each Owner.

15.6 Use Fees and Individual Assessment. Except as hereinafter specified to the contrary, Use Fees and Individual Assessments shall be made against the Owners benefiting from, or subject to the special service or cost as specified by Association.

15.7 Commencement of First Assessment. Assessments shall commence as to each Owner on the day of the conveyance of title of a Home to an Owner. The applicable portion of Assessments shall commence as to each Builder on the day of the conveyance of title of a Lot to such Builder.

15.8 Shortfalls and Surpluses. Each Owner acknowledges that because Installment Assessments, Special Assessments, and Reserves are allocated based on the formula provided herein, or upon the number of Homes conveyed to Owners on or prior to September 30 of the prior fiscal year, it is possible that Association may collect more or less than the amount budgeted for Operating Costs. Prior to the Turnover Date, Developer shall have the option to (i) fund all or any portion of the shortfall in Installment Assessments not raised by virtue of income receivable by Association or (ii) to pay Installment Assessments on Homes owned by Developer. Developer shall never be required to (i) fund shortfalls in Installment Assessments if Developer has elected to fund the deficit instead of paying Installment Assessments on Homes owned by Developer or (ii) pay Special Assessments, management fees or Reserves. Any surplus Assessments collected by Association may be allocated towards the next year's Operating Costs or, in Association's sole and absolute discretion, to the creation of Reserves, whether or not budgeted. Under no circumstances shall Association be required to pay surplus Assessments to Owners.

15.9 Budget. The initial budget prepared by Developer is adopted as the budget for the period of operation until adoption of the first annual Association budget. To the extent Association has commenced or will commence operations prior to the date this Declaration is recorded or the first Home is closed, the Operating Costs may vary in one or more respects from that set forth in the initial Budget. A Builder shall pay assessments as per the Builder Budget for each Lot owned by such Builder commencing from the date the Builder obtained title to such Lot. Developer shall fund entirely all Operating Costs not covered by Builders' Assessments until the month prior to the closing of the first Home. Thereafter, Assessments shall be payable by each Owner and Builder as provided in this Declaration. Thereafter, the annual budget respecting Operating Costs shall be prepared and adopted by the Board. THE INITIAL BUDGET OF ASSOCIATION IS PROJECTED (NOT BASED ON HISTORICAL OPERATING FIGURES). THEREFORE, IT IS POSSIBLE THAT ACTUAL ASSESSMENTS MAY BE LESSER OR GREATER THAN PROJECTED.

15.10 Establishment of Assessments.

15.10.1 Monthly Assessments shall be established by the adoption of a twelve (12) month operating budget by the Board. The budget shall be in the form required by Section 720.303(6) of the Florida Statutes, as amended from time to time. Written notice of the amount and date of commencement thereof shall be given to each Owner not less than ten (10) days in advance of the due date of the first installment thereof. Notwithstanding the foregoing, the budget may cover a period of less than twelve (12) months if the first budget is adopted mid-year or in order to change the fiscal year of the Association. The Board may, from time to time, determine how the Assessments will be collected by Association (*i.e.*, monthly, quarterly, or annually).

15.10.2 Special Assessments and Individual Assessments against the Owners may be established by Association, from time to time, and shall be payable at such time or time(s) as determined. Until the Community Completion Date, no Special Assessment shall be imposed without the consent of Developer.

15.10.3 Board may establish, from time to time, by resolution, rule or regulation, or by delegation to an officer or agent, including, a professional management company, Use Fees. The sums established shall be payable by the Owner utilizing the service or facility as determined by Board.

15.11 Initial Capital Contribution. Association has established an Initial Capital Contribution for the operation of Association (the "Initial Capital Contribution"). There shall be collected from each Owner that purchases a Home from Developer at the time of conveyance of each Home an amount equal to two (2) months' Assessments. There shall be collected from each Builder that purchases a Lot from Developer at the time of conveyance of each Lot an amount equal to two (2) months' Assessments (or such greater amount determined by Developer from time to time) for each Home which Developer determines can be built on such Lot. At the time that such Builder conveys a Home to an Owner, such Owner shall pay such Builder an amount equal to the amount paid by such Builder for such Home in order to compensate Builder for the amount advanced. Each Owner's share of the

Initial Capital Contribution shall be transferred to Association immediately after the closing of the Home. The Initial Capital Contribution shall be used to reduce the deficit that might otherwise be funded by Developer or for any other purposes deemed appropriate by Developer and/or Association. Without limiting the foregoing, no portion of the Initial Capital Contribution shall be used for the payment of legal fees or litigation expenses. To the extent of any deficiencies in the Common Areas, Association shall use the Initial Capital Contribution to remedy such deficiencies before making any claim against Developer. Moreover, the total amount of such funds and interest accrued thereon, if any, shall be a set-off against any amounts payable by Developer to Association. Amounts paid into the Initial Capital Contribution are not to be considered as advance payment of Assessments and may be used by Association for any purpose whatsoever, including without limitation, reducing funding obligations, if any, of Developer relative to Association. Notwithstanding anything herein to the contrary, Developer shall have the option to waive contributions to the Initial Capital Contribution.

**15.12 Resale Capital Contribution.** Association will establish a resale capital contribution ("Resale Capital Contribution"). There shall be collected upon every conveyance of an ownership interest in a Home by an Owner other than Developer or Builders an amount payable to Association. The Resale Capital Contribution shall not be applicable to conveyances from Developer or a Builder. After the Home has been conveyed by Developer or a Builder there shall be a recurring assessment payable to Association upon all succeeding conveyances of a Home. The amount of the Resale Capital Contribution and the manner of payment shall be determined by resolution of the Board from time to time; provided, however, all Homes shall be assessed a uniform amount.

**15.13 Assessment Estoppel Certificates.** No Owner shall sell or convey its interest in a Home unless all sums due the Association have been paid in full and an estoppel certificate in recordable form shall have been received by such Owner. Association shall prepare and maintain a ledger noting Assessments due from each Owner. The ledger shall be kept in the office of Association, or its designees, and shall be open to inspection by any Owner. Within ten (10) days of a written request therefor, there shall be furnished to an Owner an estoppel certificate in writing setting forth whether the Assessments have been paid and/or the amount which is due as of any date. As to parties other than Owners who, without knowledge of error, rely on the certificate, the certificate shall be conclusive evidence of the amount of any Assessment therein stated. The Owner requesting the estoppel certificate shall be required to pay Association a reasonable sum to cover the costs of examining records and preparing such estoppel certificate. Each Owner waives its rights (if any) to an accounting related to Operating Costs or Assessments.

**15.14 Payment of Home Real Estate Taxes.** Each Owner shall pay all taxes and obligations relating to its Home which, if not paid, could become a lien against the Home which is superior to the lien for Assessments created by this Declaration.

**15.15 Creation of the Lien and Personal Obligation.** Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title to a Home, shall be deemed to have covenanted and agreed that the Assessments, and/or other charges and fees set forth herein, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees at all levels of proceedings including appeals, collections and bankruptcy, shall be a charge and continuing lien in favor of Association encumbering the Home and all personal property located thereon owned by the Owner against whom each such Assessment is made. The lien is effective from and after recording a Claim of Lien in the Public Records stating the legal description of the Home, name of the Owner, and the amounts due as of that date, but shall relate back to the date that this Declaration is recorded. The Claim of Lien shall also cover any additional amounts which accrue thereafter until satisfied. Each Assessment, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, and other costs and expenses provided for herein, shall be the personal obligation of the person who was the Owner of the Home at the time when the Assessment became due, as well as the Owner's heirs, devisees, personal representatives, successors or assigns.

**15.16 Subordination of the Lien to Mortgages.** The lien for Assessments shall be subordinate to bona fide first mortgages on any Home, if the mortgage is recorded in the Public Records prior to the Claim of Lien. The lien for Assessments shall not be affected by any sale or transfer of a Home, except in the event of a sale or transfer (by deed in lieu of foreclosure or otherwise) of a Home pursuant to a foreclosure of a bona fide first mortgage, in which event, the acquirer of title, its successors and assigns, shall not be liable for Assessments encumbering the Home or chargeable to the former Owner of the Home which became due prior to such sale or transfer. However,



any such unpaid Assessments for which such acquirer of title is not liable may be reallocated and assessed to all Owners (including such acquirer of title) as a part of Operating Costs included within Installment Assessments. Any sale or transfer (by deed in lieu of foreclosure or otherwise) pursuant to a foreclosure shall not relieve the Owner from liability for, nor the Home from the lien of, any Assessments made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent Assessments from the payment thereof, or the enforcement of collection by means other than foreclosure.

15.17 Acceleration. In the event of a default in the payment of any Assessment, Association may accelerate the Assessments then due for up to the next ensuing twelve (12) month period.

15.18 Non-Payment of Assessments. If any Assessment is not paid within fifteen (15) days (or such other period of time established by the Board) after the due date, a late fee of \$25.00 per month (or such greater amount established by the Board), together with interest in an amount equal to the maximum rate allowable by law (or such lesser rate established by the Board), per annum, beginning from the due date until paid in full, may be levied. The late fee shall compensate Association for administrative costs, loss of use of money, and accounting expenses. Association may, at any time thereafter, bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Home, or both. Association shall not be required to bring such an action if it believes that the best interests of Association would not be served by doing so. There shall be added to the Assessment all costs expended in preserving the priority of the lien and all costs and expenses of collection, including attorneys' fees and paraprofessional fees, at all levels of proceedings, including appeals, collection and bankruptcy. No Owner may waive or otherwise escape liability for Assessments provided for herein by non-use of, or the waiver of the right to use the Common Areas or by abandonment of a Home.

15.19 Exemption. The Board shall have the right to exempt any portion of Heron Cove Neighborhood subject to this Declaration from the Assessments, provided that such part of Heron Cove Neighborhood exempted is used (and as long as it is used) for any of the following purposes:

15.19.1 Any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;

15.19.2 Any real property interest held by a Telecommunications Provider;

15.19.3 Any of Heron Cove Neighborhood exempted from ad valorem taxation by the laws of the State of Florida;

15.19.4 Any easement or other interest dedicated or conveyed to not for profit corporations for the use and benefit of residents in the Development of Regional Impact of which Heron Cove Neighborhood is a part.

15.20 Collection by Developer. If for any reason Association shall fail or be unable to levy or collect Assessments, then in that event, Developer shall at all times have the right, but not the obligation: (i) to advance such sums as a loan to Association to bear interest and to be repaid as hereinafter set forth; and/or (ii) to levy and collect such Assessments by using the remedies available as set forth above, which remedies; including, but not limited to, recovery of attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, shall be deemed assigned to Developer for such purposes. If Developer advances sums, it shall be entitled to immediate reimbursement, on demand, from Association for such amounts so paid, plus interest thereon at the Wall Street Journal Prime Rate plus two percent (2%), plus any costs of collection including, but not limited to, reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy.

15.21 Rights to Pay Assessments and Receive Reimbursement. Association, Developer, and any Lender of a Home shall have the right, but not the obligation, jointly and severally, and at their sole option, to pay any Assessments or other charges which are in default and which may or have become a lien or charge against any Home. If so paid, the party paying the same shall be subrogated to the enforcement rights of Association with regard to the amounts due.

15.22 Mortgagee Right. Each Lender may request in writing that Association notify such Lender of any default of the Owner of the Home subject to the Lender's Mortgage under the Association Documents which default is not cured within thirty (30) days after Association learns of such default. A failure by Association to furnish notice to any Lender shall not result in liability of Association because such notice is given as a courtesy to a Lender and the furnishing of such notice is not an obligation of Association to Lender.

16. Information to Lenders and Owners.

16.1 Availability. There shall be available for inspections upon request, during normal business hours or under other reasonable circumstances, to Owners and Lenders current copies of the Association Documents.

16.2 Copying. Any Owner and/or Lender shall be entitled, upon written request, and at its cost, to a copy of the documents referred to above.

16.3 Notice. Upon written request by a Lender (identifying the name and address of the Lender and the name and address of the applicable Owner), the Lender will be entitled to timely written notice of:

16.3.1 Any condemnation loss or casualty loss which affects a material portion of a Home to the extent Association is notified of the same;

16.3.2 Any delinquency in the payment of Assessments owed by an Owner of a Home subject to a first mortgage held by the Lender, which remains uncured for a period of sixty (60) days;

16.3.3 Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained hereunder;

16.3.4 Any proposed action (if any) which would require the consent of a specific mortgage holder.

17. Architectural Control. In addition to the architectural control provisions in the Master Declaration, the following provisions govern Heron Cove Neighborhood.

17.1 Architectural Control Committee. The Heron Cove ACC shall be a permanent committee of Association and shall administer and perform the architectural and landscape review and control functions relating to Heron Cove Neighborhood. The Heron Cove ACC shall consist of a minimum of three (3) members who shall initially be named by Developer and who shall hold office at the pleasure of Developer. Until the Community Completion Date, Developer shall have the right to change the number of members on the Heron Cove ACC, and to appoint, remove, and replace all members of the Heron Cove ACC. Developer shall determine which members of the Heron Cove ACC shall serve as its chairman and co-chairman. In the event of the failure, refusal, or inability to act of any of the members appointed by Developer, Developer shall have the right to replace any member within thirty (30) days of such occurrence. If Developer fails to replace that member, the remaining members of the Heron Cove ACC shall fill the vacancy by appointment. From and after the Community Completion Date, the Board shall have the same rights as Developer with respect to the Heron Cove ACC.

17.2 Membership. There is no requirement that any member of the Heron Cove ACC be an Owner or a member of the Association.

17.3 General Plan. It is the intent of this Declaration to create a general plan and scheme of development of Heron Cove Neighborhood. Accordingly, the Heron Cove ACC shall have the right to approve or disapprove all architectural, landscaping, and improvements within Heron Cove Neighborhood by Owners other than Developer. The Heron Cove ACC shall have the right to evaluate all plans and specifications as to harmony of exterior design, landscaping, location of any proposed improvements, relationship to surrounding structures, topography and conformity with such other reasonable requirements as shall be adopted by Heron Cove ACC. The Heron Cove ACC may impose standards for construction and development which may be greater or more stringent

than standards prescribed in applicable building, zoning, or other local governmental codes. Prior to the Community Completion Date, any additional standards or modification of existing standards shall require the consent of Developer, which may be granted or denied in its sole discretion.

17.4 Neighborhood Plan. Developer has established an overall Neighborhood Plan. However, notwithstanding the above, or any other document, brochures or plans, Developer reserves the right to modify the Neighborhood Plan or any site plan at any time as it deems desirable in its sole discretion and in accordance with applicable laws and ordinances. WITHOUT LIMITING THE FOREGOING, DEVELOPER AND/OR BUILDERS MAY PRESENT TO THE PUBLIC OR TO OWNERS RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS RESPECTING Heron COVE NEIGHBORHOOD. SUCH RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS ARE NOT A GUARANTEE OF HOW HERON COVE NEIGHBORHOOD WILL APPEAR UPON COMPLETION AND DEVELOPER RESERVES THE RIGHT TO CHANGE ANY AND ALL OF THE FOREGOING AT ANY TIME AS DEVELOPER DEEMS NECESSARY IN ITS SOLE AND ABSOLUTE DISCRETION.

17.5 Community Standards. Each Owner and its contractors and employees shall observe, and comply with, the Community Standards which now or may hereafter be promulgated by the Heron Cove ACC and approved by the Board from time to time. The Community Standards shall be effective from the date of adoption; shall be specifically enforceable by injunction or otherwise; and shall have the effect of covenants as set forth herein verbatim. The Community Standards shall not require any Owner to alter the improvements previously constructed. Until the Community Completion Date, Developer shall have the right to approve the Community Standards, which approval, may be granted in its sole discretion.

17.6 Quorum. A majority of the Heron Cove ACC shall constitute a quorum to transact business at any meeting. The action of a majority present at a meeting at which a quorum is present shall constitute the action of the Heron Cove ACC. In lieu of a meeting, the Heron Cove ACC may act in writing.

17.7 Power and Duties of the Heron Cove ACC. No improvements shall be constructed on any portion of Heron Cove Neighborhood, no exterior of a Home shall be repainted, no landscaping, sign, or improvements erected, removed, planted, or maintained on any portion of Heron Cove Neighborhood, nor shall any material addition to or any change, replacement, or alteration of the improvements as originally constructed by Developer (visible from the exterior of the Home) be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, and the location of same shall have been submitted to and approved in writing by the Heron Cove ACC.

17.8 Procedure. In order to obtain the approval of the Heron Cove ACC, each Owner shall observe the following:

17.8.1 Each applicant shall submit an application to the Heron Cove ACC with respect to any proposed improvement or material change in an improvement, together with the required application(s) and other fee(s) as established by the Heron Cove ACC. The applications shall include such information as may be required by the application form adopted by the Heron Cove ACC. The Heron Cove ACC may also require submission of samples of building materials and colors proposed to be used. At the time of such submissions, the applicant shall, if requested, submit to the Heron Cove ACC, such site plans, plans and specifications for the proposed improvement, prepared and stamped by a registered Florida architect or residential designer, and landscaping and irrigation plans, prepared by a registered landscape architect or designer showing all existing trees and major vegetation stands and surface water drainage plan showing existing and proposed design grades, contours relating to the predetermined ground floor finish elevation, pool plans and specifications and the times scheduled for completion, all as reasonably specified by the Heron Cove ACC.

17.8.2 In the event the information submitted to the Heron Cove ACC is, in the ACC's opinion, incomplete or insufficient in any manner, the Heron Cove ACC may request and require the submission of

additional or supplemental information. The Owner shall, within fifteen (15) days thereafter, comply with the request.

17.8.3 No later than thirty (30) days after receipt of all information required by the Heron Cove ACC for final review, the Heron Cove ACC shall approve or deny the application in writing. The Heron Cove ACC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in the Heron Cove ACC's sole discretion, for aesthetic or any other reasons or to impose qualifications and conditions thereon. In approving or disapproving such plans and specifications, the Heron Cove ACC shall consider the suitability of the proposed improvements, the materials of which the improvements are to be built, the site upon which the improvements are proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the Heron Cove ACC fails to respond within said thirty (30) day period, the plans and specifications shall be deemed disapproved by the Heron Cove ACC.

17.8.4 Construction of all improvements shall be completed within the time period set forth in the application and approved by the Heron Cove ACC.

17.8.5 In the event that the Heron Cove ACC disapproves any plans and specifications, the applicant may request a rehearing by the Heron Cove ACC for additional review of the disapproved plans and specifications. The meeting shall take place no later than thirty (30) days after written request for such meeting is received by the Heron Cove ACC, unless applicant waives this time requirement in writing. The Heron Cove ACC shall make a final written decision no later than thirty (30) days after such meeting. In the event the Heron Cove ACC fails to provide such written decision within said thirty (30) days, the plans and specifications shall be deemed disapproved.

17.8.6 Upon final disapproval (even if the members of the Board and Heron Cove ACC are the same), the applicant may appeal the decision of the Heron Cove ACC to the Board within thirty (30) days of the Heron Cove ACC's written review and disapproval. Review by the Board shall take place no later than thirty (30) days subsequent to the receipt by the Board of the Owner's request therefor. If the Board fails to hold such a meeting within thirty (30) days after receipt of request for such meeting, then the plans and specifications shall be deemed approved. The Board shall make a final decision no later than thirty (30) days after such meeting. In the event the Board fails to provide such written decision within said thirty (30) days after such meeting, such plans and specifications shall be deemed approved. The decision of the Heron Cove ACC, or if appealed, the Board, shall be final and binding upon the applicant, its heirs, legal representatives, successors and assigns.

17.9 Alterations. Any and all alterations, deletions, additions and changes of any type or nature whatsoever to then existing improvements or the plans or specifications previously approved by the Heron Cove ACC shall be subject to the approval of the Heron Cove ACC in the same manner as required for approval of original plans and specifications.

17.10 Variances. Association or Heron Cove ACC shall have the power to grant variances from any requirements set forth in this Declaration or from the Community Standards, on a case by case basis, provided that the variance sought is reasonable and results from a hardship upon the applicant. The granting of a variance shall not nullify or otherwise affect the right to require strict compliance with the requirements set forth herein or in the Community Standards on any other occasion.

17.11 Permits. The Owner is solely responsible to obtain all required building and other permits from all governmental authorities having jurisdiction.

17.12 Construction by Owners. The following provisions govern construction activities by Owners after consent of the Heron Cove ACC has been obtained:

17.12.1 Each Owner shall deliver to the Heron Cove ACC, if requested, copies of all construction and building permits as and when received by the Owner. Each construction site in Heron Cove Neighborhood shall be maintained in a neat and orderly condition throughout construction. Construction activities shall be performed on

a diligent, work manlike and continuous basis. Roadways, easements, swales, Common Areas and other such areas in Heron Cove Neighborhood shall be kept clear of construction vehicles, construction materials and debris at all times. No construction office or trailer shall be kept in Heron Cove Neighborhood and no construction materials shall be stored in Heron Cove Neighborhood subject, however, to such conditions and requirements as may be promulgated by the Heron Cove ACC. All refuse and debris shall be removed or deposited in a dumpster on a daily basis. No materials shall be deposited or permitted to be deposited in any canal or waterway or Common Areas or other Homes in Heron Cove Neighborhood or be placed anywhere outside of the Home upon which the construction is taking place. No hazardous waste or toxic materials shall be stored, handled and used, including, without limitation, gasoline and petroleum products, except in compliance with all applicable federal, state and local statutes, regulations and ordinances, and shall not be deposited in any manner on, in or within the construction or adjacent property or waterways. All construction activities shall comply with the Community Standards.

17.12.2 There shall be provided to the Heron Cove ACC, if requested, a list (name, address, telephone number and identity of contact person), of all contractors, subcontractors, materialmen and suppliers (collectively, "Contractors") and changes to the list as they occur relating to construction. Each builder and all of its employees and contractors and their employees shall utilize those roadways and entrances into Heron Cove Neighborhood as are designated by the Heron Cove ACC for construction activities. The Heron Cove ACC shall have the right to require that each builder's and contractor's employees check in at the designated construction entrances and to refuse entrance to persons and parties whose names are not registered with the Heron Cove ACC.

17.12.3 Each Owner is responsible for insuring compliance with all terms and conditions of these provisions and of the Community Standards by all of its employees and contractors. In the event of any violation of any such terms or conditions by any employee or contractor, or, in the opinion of the Heron Cove ACC, the continued refusal of any employee or contractor to comply with such terms and conditions, after five (5) days' notice and right to cure, the Heron Cove ACC shall have, in addition to the other rights hereunder, the right to prohibit the violating employee or contractor from performing any further services in Heron Cove Neighborhood.

17.12.4 The Heron Cove ACC may, from time to time, adopt standards governing the performance or conduct of owners, contractors and their respective employees within Heron Cove Neighborhood. Each Owner and contractor shall comply with such standards and cause its respective employees to also comply with same. The Heron Cove ACC may also promulgate requirements to be inserted in all contracts relating to construction within Heron Cove Neighborhood and each Owner shall include the same therein.

17.13 Inspection. There is specifically reserved to Association and Heron Cove ACC and to any agent or member of either of them, the right of entry and inspection upon any portion of Heron Cove Neighborhood at any time within reasonable daytime hours, for the purpose of determination whether there exists any violation of the terms of any approval or the terms of this Declaration or the Community Standards.

17.14 Violation. Without limiting any other provision herein, if any improvement shall be constructed or altered without prior written approval, or in a manner which fails to conform with the approval granted, the Owner shall, upon demand of Association or the Heron Cove ACC, cause such improvement to be removed, or restored until approval is obtained or in order to comply with the plans and specifications originally approved. The Owner shall be liable for the payment of all costs of removal or restoration, including all costs and attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, incurred by Association or Heron Cove ACC. The costs shall be deemed an Individual Assessment and enforceable pursuant to the provisions of this Declaration. The Heron Cove ACC and/or Association is specifically empowered to enforce the architectural and landscaping provisions of this Declaration and the Community Standards, by any legal or equitable remedy.

17.15 Court Costs. In the event that it becomes necessary to resort to litigation to determine the propriety of any constructed improvement or to cause the removal of any unapproved improvement, Association and/or Heron Cove ACC shall be entitled to recover court costs, expenses and attorneys' fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, in connection therewith.

17.16 Certificate. In the event that any Owner fails to comply with the provisions contained herein, the Community Standards, or other rules and regulations promulgated by the Heron Cove ACC, Association and/or Heron Cove ACC may, in addition to all other remedies contained herein, record a Certificate of Non-Compliance against the Home stating that the improvements on the Home fail to meet the requirements of this Declaration and that the Home is subject to further enforcement remedies.

17.17 Certificate of Compliance. If requested by an Owner, prior to the occupancy of any improvement constructed or erected on any Home by other than Developer, or its designees, the Owner thereof shall obtain a Certificate of Compliance from the Heron Cove ACC, certifying that the Owner has complied with the requirements set forth herein. The Heron Cove ACC may, from time to time, delegate to a member or members of the Heron Cove ACC, the responsibility for issuing the Certificate of Compliance. The issuance of a Certificate of Compliance does not abrogate the Heron Cove ACC's rights set forth in Section 17.3 herein.

17.18 Exemption. Notwithstanding anything to the contrary contained herein, or in the Community Standards, any improvements of any nature made or to be made by Developer, Builder, or their nominees, including, without limitation, improvements made or to be made to the Common Areas or any Home, shall not be subject to the review of the Heron Cove ACC, Association, or the provisions of the Community Standards.

17.19 Exculpation. Developer, Association, the directors or officers of Association, the Heron Cove ACC, the members of the Heron Cove ACC, or any person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any Owner or any other party whatsoever, due to any mistakes in judgment, negligence, or any action of Developer, Association, Heron Cove ACC or their members, officers, or directors, in connection with the approval or disapproval of plans and specifications. Each Owner agrees, individually and on behalf of its heirs, successors and assigns by acquiring title to a Home, that it shall not bring any action or suit against Developer, Association or their respective directors or officers, the Heron Cove ACC or the members of the Heron Cove ACC, or their respective agents, in order to recover any damages caused by the actions of Developer, Association, or Heron Cove ACC or their respective members, officers, or directors in connection with the provisions of this Section. Association does hereby indemnify, defend and hold Developer and the Heron Cove ACC, and each of their members, officers, and directors harmless from all costs, expenses, and liabilities, including attorneys' fees and paraprofessional fees at all levels, including appeals, of all nature resulting by virtue of the acts of the Owners, Association, Heron Cove ACC or their members, officers and directors. Developer, Association, its directors or officers, the Heron Cove ACC or its members, or any person acting on behalf of any of them, shall not be responsible for any defects in any plans or specifications or the failure of same to comply with applicable laws or code nor for any defects in any improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

18. Master Association. Each Owner and Home is subject to the Master Declaration which contains, among other things, architectural review requirements, assessment obligations, and use restrictions.

18.1 Surface Water Management System. The Master Association shall maintain the Surface Water Management System in accordance with the Master Declaration. Any lakes within the Heron Cove Neighborhood shall be the maintenance responsibility of the Master Association.

18.2 Northern Palm Beach County Improvement District. The Master Association shall be responsible for the maintenance NPBCID facilities if the Master Association contracts for such maintenance pursuant to the Master Declaration.

18.3 Master Association Easements. Without limiting any provision of the Master Declaration, the Master Association, and its agents, employees, and managers, shall be deemed to have easements of ingress and egress in, over, and across the Common Areas for all reasonable purposes including, without limitation, such easements required for maintenance of the lake and canal banks and slopes for the Heron Cove Neighborhood, if any.

18.4 Priority of Master Association Lien. A Claim of Lien for Assessments payable to the Master Association shall be superior to a Claim of Lien for Assessments due to the Association.

19. Owners Liability.

19.1 Loop System Irrigation. Some or all Homes and Common Areas may receive irrigation pursuant to a loop system. If an Owner desires to make any alterations or improvements to a Home that in any way affect the loop irrigation system, then the Owner shall be responsible for taking measures to "cap off" the main line of the loop irrigation system that leads to the Home. In addition, the Owner shall be obligated to obtain the prior written approval of Association before taking any action that may adversely affect the loop irrigation system. Once the main line is "capped off," the Owner shall then be responsible for maintaining the irrigation system for his or her Home. Any damages to the Home resulting from an Owner's failure to comply with the terms set forth herein shall be the sole responsibility of such Owner and Developer shall not be liable for the same. Furthermore, each Owner understands that as provided in this Declaration, a Owner may be permitted to install, without limitation, a private fence, patio, and/or screened enclosure ("Improvement") on the Home upon the prior written approval of the ACC as set forth in this Declaration and/or the Community Standards. If an Improvement is approved to be installed, then a five (5) foot gate must also installed. Before the ACC approves the installation of an Improvement, the irrigation system that will be within the Improvement portion of that Home must be re-routed, if necessary, by a professional irrigation company. In order for the Heron Cove ACC to approve the Improvement installation, a letter or other evidence by a professional irrigation company must be given to the Heron Cove ACC at least ten (10) days before the Improvement installation stating that the effectiveness of the Heron Cove Neighborhood drainage system will not be affected by the re-routing of the irrigation system. Should an Owner install the Improvement without providing the necessary letter or other evidence from a professional irrigation company in advance as required herein, then Association may conduct the necessary inspection, repair any necessary drainage facilities and charge the work as an Individual Assessment to such Owner, all as further provided in this Declaration and/or Community Standards.

19.2 Right to Cure. Should any Owner do any of the following:

19.2.1 Fail to perform its responsibilities as set forth herein or otherwise breach the provisions of the Declaration; or

19.2.2 Cause any damage to any improvement or Common Areas; or

19.2.3 Impede Developer, or Association from exercising its rights or performing its responsibilities hereunder; or

19.2.4 Undertake unauthorized improvements or modifications to a Home or the Common Areas; or

19.2.5 Impede Developer from proceeding with or completing the development of Heron Cove Neighborhood,

then Developer and/or Association, where applicable, after reasonable prior written notice, shall have the right, through its agents and employees, to cure the breach, including, but not limited to, the entering upon the Home and/or Home and causing the default to be remedied and/or the required repairs or maintenance to be performed, or as the case may be, remove unauthorized improvements or modifications. The cost thereof, plus reasonable overhead costs and attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, incurred shall be assessed against the Owner as an Individual Assessment.

19.3 Non-Monetary Defaults. In the event of a violation by any Owner, other than the nonpayment of any Assessment or other monies, of any of the provisions of this Declaration, Developer or Association shall notify the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, the party entitled to enforce same may, at its option:

19.3.1 Commence an action to enforce the performance on the part of the Owner or to enjoin the violation or breach or for equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

19.3.2 Commence an action to recover damages; and/or

19.3.3 Take any and all action reasonably necessary to correct the violation or breach.

All expenses incurred in connection with the violation or breach, or the commencement of any action against any Owner, including reasonable attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, shall be assessed against the Owner, as an Individual Assessment, and shall be immediately due and payable without further notice.

19.4 No Waiver. The failure to enforce any right, provision, covenant or condition in this Declaration, shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future.

19.5 Rights Cumulative. All rights, remedies, and privileges granted to Developer, Association and/or the Heron Cove ACC pursuant to any terms, provisions, covenants or conditions of this Declaration, or Community Standards, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude any of them from pursuing such additional remedies, rights or privileges as may be granted or as it might have by law.

19.6 Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration or Community Standards may be enforced by Developer, Association and/or Owners, where applicable, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this Declaration or Community Standards shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this Declaration or the Community Standards.

19.7 Fines. Except to the extent prohibited by law, in the event of a violation of the provisions contained herein by an Owner or a person acting by, through, or under an Owner, the Rules and Regulations, the Community Standards, or other rules and regulations promulgated by the Heron Cove ACC, Association shall also have the right to levy reasonable fines or suspend the privileges of the Owner or any person acting by, through, or under an Owner. Each fine shall be an Individual Assessment and enforceable pursuant to the provisions of this Declaration and the By-Laws. Each day of an Owner's failure to comply with this Declaration, the Rules and Regulations, the Community Standards, or other rules and regulations promulgated by the Heron Cove ACC shall be treated as a separate violation and, be subject to a separate fine. The decisions of Association shall be final. Fines shall be in such reasonable and uniform amounts as Association shall determine. Suspensions and fines shall be imposed in the manner provided in Section 720.305 of the Florida Statutes, as amended from time to time. The Board shall have the authority to promulgate additional procedures from time to time.

## 20. Additional Rights of Developer.

20.1 Sales Office and Administrative Offices. For so long as Developer, Builder, and their assigns owns any property in Heron Cove Neighborhood, is affected by this Declaration, or maintains a sales office or administrative office within Heron Cove Neighborhood, Developer shall have the right to take such action reasonably necessary to transact any business necessary to consummate the development of Heron Cove Neighborhood and sales and re-sales of Homes and/or other properties owned by Developer or others outside of Heron Cove Neighborhood. This right shall include, but not be limited to, the right to maintain models, sales offices and parking associated therewith, have signs on any portion of Heron Cove Neighborhood, including Common Areas, employees in the models and offices, without the payment of rent or any other fee, maintain offices in models, and use of the Common Areas to show Homes. The sales office, models, signs and all items pertaining to development and sales remain the property of Developer. Developer shall have all of the foregoing rights without



charge or expense. Without limiting any other provision of this Declaration, Developer may assign its rights hereunder to each Builder. The rights reserved hereunder shall extend beyond the Community Completion Date.

**20.2 Modification.** The development and marketing of Heron Cove Neighborhood will continue as deemed appropriate in Developer's sole discretion, and nothing in this Declaration or Community Standards, or otherwise, shall be construed to limit or restrict such development and marketing. It may be necessary or convenient for the development of Heron Cove Neighborhood to, as an example and not a limitation, amend a Plat and/or the Neighborhood Plan, modify the boundary lines of the Common Areas, grant easements, dedications, agreements, licenses, restrictions, reservations, covenants, rights-of-way, and to take such other actions which Developer, or its agents, affiliates, or assignees may deem necessary or appropriate. Association and Owners shall, at the request of Developer, execute and deliver any and all documents and instruments which Developer deems necessary or convenient, in its sole and absolute discretion, to accomplish the same.

**20.3 Promotional Events.** Prior to the Community Completion Date, Developer, Builders, and their assigns shall have the right, at any time, to hold marketing and promotional events within Heron Cove Neighborhood and/or on the Common Areas, without any charge for use. Developer, its agents, affiliates, or assignees shall have the right to market Heron Cove Neighborhood and Homes in advertisements and other media by making reference to Heron Cove Neighborhood, including, but not limited to, pictures or drawings of Heron Cove Neighborhood, Common Areas, and Homes constructed in Heron Cove Neighborhood. All logos, trademarks, and designs used in connection with Heron Cove Neighborhood are the property of Developer, and the Association shall have no right to use the same after the Community Completion Date except with the express written permission of Developer. Without limiting any other provision of this Declaration, Developer may assign its rights hereunder to each Builder.

**20.4 Use by Prospective Purchasers.** Prior to the Community Completion Date, Developer and each Builder shall have the right, without charge, to use the Common Areas for the purpose of entertaining prospective purchasers of Homes, or other properties owned by Developer outside of Heron Cove Neighborhood.

**20.5 Franchises.** Developer may grant franchises or concessions to commercial concerns on all or part of the Common Areas and shall be entitled to all income derived therefrom.

**20.6 Easements.** Until the Community Completion Date, Developer reserves the exclusive right to grant, in its sole discretion, easements, permits and/or licenses for ingress and egress, drainage, utilities service, maintenance, Telecommunications Services; and other purposes over, upon and across Heron Cove Neighborhood so long as any said easements do not materially and adversely interfere with the intended use of Homes previously conveyed to Owners. By way of example, and not of limitation, Developer may be required to take certain action, or make additions or modifications to the Common Areas in connection with an environmental program. All easements necessary for such purposes are reserved in favor of Developer, in perpetuity, for such purposes. Without limiting the foregoing, Developer may relocate any easement affecting a Home, or grant new easements over a Home, after conveyance to an Owner, without the joinder or consent of such Owner, so long as the grant of easement or relocation of easement does not materially and adversely affect the Owner's use of the Home as a residence. As an illustration, Developer may grant as easement for Telecommunications Systems, irrigation, drainage lines or electrical lines over any portion of Heron Cove Neighborhood so long as such easement is outside the footprint of the foundation of any residential improvement constructed on such portion of Heron Cove Neighborhood. Developer shall have the sole right to any fees of any nature associated therewith, including, but not limited to, license or similar fees on account thereof. Association and Owners will, without charge, if requested by Developer: (a) join in the creation of such easements, etc. and cooperate in the operation thereof; and (b) collect and remit fees associated therewith, if any, to the appropriate party. Association will not grant any easements, permits or licenses to any other entity providing the same services as those granted by Developer, nor will it grant any such easement, permit or license prior to the Community Completion Date without the prior written consent of Developer which may be granted or denied in its sole discretion.

**20.7 Right to Enforce.** Developer has the right, but not the obligation, to enforce the provisions of this Declaration and the Community Standards and to recover all costs relating thereto, including attorneys' fees and

paraprofessional fees at all levels of proceeding, including appeals, collections and bankruptcy. Such right shall include the right to perform the obligations of Association and to recover all costs incurred in doing so.

20.8 Additional Development. If Developer withdraws portions of Heron Cove Neighborhood from the operation of this Declaration, Developer may, but is not required to, subject to governmental approvals, create other forms of residential property ownership or other improvements of any nature on the property not subjected to or withdrawn from the operation of this Declaration. Developer shall not be liable or responsible to any person or entity on account of its decision to do so or to provide, or fail to provide, the amenities and/or facilities which were originally planned to be included in such areas. If so designated by Developer, owners or tenants of such other forms of housing or improvements upon their creation, may share in the use of all or some of the Common Areas and other facilities and/or roadways which remain subject to this Declaration. The expense of the operation of such facilities shall be allocated to the various users thereof, if at all, as determined by Developer.

20.9 Representations. Developer makes no representations concerning development both within the boundaries of Heron Cove Neighborhood including, but not limited to, the number, design, boundaries, configuration and arrangements, prices of all Homes and buildings in all other proposed forms of ownership and/or other improvements on Heron Cove Neighborhood or in Heron Cove Neighborhood or adjacent or near Heron Cove Neighborhood, including, but not limited to, the size, location, configuration, elevations, design, building materials, height, view, airspace, number of homes, number of buildings, location of easements, parking and landscaped areas, services and amenities offered.

20.10 Non-Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE ASSOCIATION DOCUMENTS, ASSOCIATION SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF HERON COVE NEIGHBORHOOD INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, LESSEES, LICENSEES, INVITEES, AGENTS, SERVANTS, CONTRACTORS, AND/OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

20.10.1 IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF HERON COVE NEIGHBORHOOD HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF HERON COVE NEIGHBORHOOD AND THE VALUE THEREOF; AND

20.10.2 ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN AGENCY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE STATE OF FLORIDA AND/OR PALM BEACH COUNTY OR PREVENTS TORTIOUS ACTIVITIES; AND

20.10.3 THE PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY, AND WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY, OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO A HOME) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING A USE OF, ANY PORTION OF HERON COVE NEIGHBORHOOD (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS SECTION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS SECTION OR OTHERWISE. AS USED IN THIS

SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS).

20.11 Resolution of Disputes. BY ACCEPTANCE OF A DEED, EACH OWNER AGREES THAT THE ASSOCIATION DOCUMENTS ARE VERY COMPLEX; THEREFORE, ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSS CLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO ASSOCIATION DOCUMENTS, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHOULD BE HEARD IN A COURT PROCEEDING BY A JUDGE AND NOT A JURY IN ORDER TO BEST SERVE JUSTICE. DEVELOPER HEREBY SUGGESTS THAT EACH OWNER UNDERSTAND THE LEGAL CONSEQUENCES OF ACCEPTING A DEED TO A HOME.

20.12 Venue. EACH OWNER ACKNOWLEDGES REGARDLESS OF WHERE SUCH OWNER (i) EXECUTED A PURCHASE AND SALE AGREEMENT, (ii) RESIDES, (iii) OBTAINS FINANCING OR (iv) CLOSED ON A HOME, THIS DECLARATION LEGALLY AND FACTUALLY WAS EXECUTED IN PALM BEACH COUNTY, FLORIDA. DEVELOPER HAS AN OFFICE IN PALM BEACH COUNTY, FLORIDA AND EACH HOME IS LOCATED IN PALM BEACH COUNTY, FLORIDA. ACCORDINGLY, AN IRREBUTTABLE PRESUMPTION EXISTS THAT THE ONLY APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN PALM BEACH COUNTY, FLORIDA. IN ADDITION TO THE FOREGOING, EACH OWNER AND DEVELOPER AGREE THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN PALM BEACH COUNTY, FLORIDA.

20.13 Reliance. BEFORE ACCEPTING A DEED TO A HOME, EACH OWNER HAS AN OBLIGATION TO RETAIN AN ATTORNEY IN ORDER TO CONFIRM THE VALIDITY OF THIS DECLARATION. BY ACCEPTANCE OF A DEED TO A HOME, EACH OWNER ACKNOWLEDGES THAT HE HAS SOUGHT AND RECEIVED SUCH AN OPINION OR HAS MADE AN AFFIRMATIVE DECISION NOT TO SEEK SUCH AN OPINION. DEVELOPER IS RELYING ON EACH OWNER CONFIRMING IN ADVANCE OF ACQUIRING A HOME THAT THIS DECLARATION IS VALID, FAIR AND ENFORCEABLE. SUCH RELIANCE IS DETRIMENTAL TO DEVELOPER. ACCORDINGLY, AN ESTOPPEL AND WAIVER EXISTS PROHIBITING EACH OWNER FROM TAKING THE POSITION THAT ANY PROVISION OF THIS DECLARATION IS INVALID IN ANY RESPECT. AS A FURTHER MATERIAL INDUCEMENT FOR DEVELOPER TO SUBJECT Heron COVE NEIGHBORHOOD TO THIS DECLARATION, EACH OWNER DOES HEREBY RELEASE, WAIVE, DISCHARGE, COVENANT NOT TO SUE, ACQUIT, SATISFY AND FOREVER DISCHARGE DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS AND ITS AFFILIATES AND ASSIGNS FROM ANY AND ALL LIABILITY, CLAIMS, COUNTERCLAIMS, DEFENSES, ACTIONS, CAUSES OF ACTION, SUITS, CONTROVERSIES, AGREEMENTS, PROMISES AND DEMANDS WHATSOEVER IN LAW OR IN EQUITY WHICH AN OWNER MAY HAVE IN THE FUTURE, OR WHICH ANY PERSONAL REPRESENTATIVE, SUCCESSOR, HEIR OR ASSIGN OF OWNER HEREAFTER CAN, SHALL OR MAY HAVE AGAINST DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS, AND ITS AFFILIATES AND ASSIGNS, FOR, UPON OR BY REASON OF ANY MATTER, CAUSE OR THING WHATSOEVER RESPECTING THIS DECLARATION, OR THE EXHIBITS HERETO. THIS RELEASE AND WAIVER IS INTENDED TO BE AS BROAD AND INCLUSIVE AS PERMITTED BY THE LAWS OF THE STATE OF FLORIDA.

20.14 Duration of Rights. The rights of Developer set forth in this Declaration shall, unless specifically provided to the contrary herein, extend for a period of time ending upon the earlier of: (i) when neither Developer nor any affiliate of Developer has any further interest of any kind in Heron Cove Neighborhood; or (ii) a relinquishment by Developer in an amendment to the Declaration placed in the Public Records.

**20.15 Neighborhood Monitoring System.** In addition to any Monitoring System (as such term is defined in the Master Declaration) maintained and/or operated by the Master Association, if any, the following provisions shall govern any Neighborhood Monitoring System which exclusively serves the Heron Cove Neighborhood.

**20.15.1 Right to Install.** Association shall have the right, but not the obligation, to contract for the installation of a Neighborhood Monitoring System for Heron Cove Neighborhood and/or each Home within Heron Cove Neighborhood. Prior to the Community Completion Date, all contracts for Neighborhood Monitoring Systems shall be subject to the prior written approval of Developer. Developer or its nominees, successors, assigns, affiliates, and licensees may install such a Neighborhood Monitoring System. Developer reserves the right, at any time and in its sole discretion, to discontinue or terminate any Neighborhood Monitoring System prior to the Community Completion Date. In addition, all Owners specifically acknowledge that Heron Cove Neighborhood may have a perimeter access control system, such as fences, walls, hedges, or the like on certain perimeter areas. ASSOCIATION, THE MASTER ASSOCIATION, BUILDERS, OTHER NEIGHBORHOOD ASSOCIATIONS, AND DEVELOPER SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE ACCESS CONTROL OR INEFFECTIVENESS OF ACCESS CONTROL MEASURES UNDERTAKEN.

**20.15.2 Components.** The Neighborhood Monitoring System, if installed, may include one or more manned gatehouses, one or more electronic gates, and roving attendants using vehicles. It is anticipated that the gatehouse, if applicable, will not be manned until after the Community Completion Date, at which time Association may elect to man the gatehouse. Association and Developer do not warrant or guaranty in any manner that the system will include these items, but reserve the right to install or provide the foregoing items, or any other items they deem appropriate in their sole and absolute discretion. After the Community Completion Date, Association may expand the Neighborhood Monitoring System by a vote of the majority of the Board, without the joinder or consent of the Owners or any third parties. Without limiting the foregoing, Developer and Association reserve the right to, at any time, increase, decrease, eliminate, or add manned or unmanned gates houses, information booths, sensors, gates and other access monitoring measures as they deem appropriate in their sole and absolute discretion; provided, however, no changes shall be made prior to the Community Completion Date without the prior written consent of Developer.

**20.15.3 Part of Operating Costs.** If furnished and installed within any Home, the cost of operating and monitoring any Neighborhood Monitoring System may be included in Operating Costs of Association and shall be payable as a portion of the Assessments against Owners. The purpose of the Neighborhood Monitoring System will be to control access to Heron Cove Neighborhood.

**20.15.4 Owners' Responsibility.** All Owners and occupants of any Home, and the tenants, guests and invitees of any Owner, as applicable, acknowledge that the Master Association, their Boards and officers, Developer, their nominees or assigns, or any successor Developer, and the Heron Cove ACC and its members, do not represent or warrant that (a) any Neighborhood Monitoring System, designated by or installed according to guidelines established, will not be compromised or circumvented, (b) any Neighborhood Monitoring System will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise, and/or (c) the Neighborhood Monitoring System will in all cases provide the detection for which the system is designed or intended. In the event that Developer elects to provide a Neighborhood Monitoring System, Developer shall not be liable to the Owners or Association with respect to such Neighborhood Monitoring System, and the Owners and Association shall not make any claim against Developer or any Builder for any loss that an Owner or Association may incur by reason of break-ins, burglaries, acts of vandalism, personal injury or death, which are not detected or prevented by the Neighborhood Monitoring System. Each Owner and Association are responsible for protecting and insuring themselves in connection with such acts or incidents. The provision of a Neighborhood Monitoring System (including any type of gatehouse) shall in no manner constitute a warranty or representation as to the provision of or level of security within Heron Cove Neighborhood or any residential subdivision contained therein. Developer, Builders, Association, the other Neighborhood Associations, and the Master Association do not guarantee or warrant, expressly or by implication, the merchantability of fitness for use of any community Neighborhood Monitoring System, or that any such system (or any of its components or related services) will prevent intrusions, fires, or other occurrences, regardless of whether or not the Monitoring Service is designed to monitor the same. Each and every Owner and the occupant of each Home acknowledges that Developer, Builders, the Association, the other

Neighborhood Associations, and the Master Association, their employees, agents, managers, directors, and officers, are not insurers of Owners or Homes, or the personal property located within Homes. Developer, Builders, Association, the other Neighborhood Associations, and the Master Association will not be responsible or liable for losses, injuries, or deaths resulting from any such events.

21. Telecommunications Services.

21.1 Right to Contract for Telecommunications Services. Association shall have the right, but not the obligation, to enter into one or more contracts for the provision of one or more Telecommunications Services for all or any part of Heron Cove Neighborhood. Prior to the Community Completion Date, all contracts between a Telecommunications Provider and Association shall be subject to the prior written approval of Developer. Developer and/or its nominees, successors, assigns, affiliates, and licensees may contract with Association and act as a Telecommunications Provider for one or more Telecommunications Services, subject only to the requirements of all applicable laws, statutes, and regulations. If Developer is not the Telecommunications Provider for any particular Telecommunications Service, Developer shall have the right to receive, on a perpetual basis, all or a portion of access fees and/or the revenues derived from such Telecommunications Service within Heron Cove Neighborhood as agreed, from time to time, between the Telecommunications Provider and Developer.

21.2 Easements. Developer (i) reserves unto itself and its nominees, successors, assigns, affiliates, and licensees, and (ii) grants to each Telecommunications Provider providing Telecommunications Services to all or a part of Heron Cove Neighborhood pursuant to an agreement between Association and such Telecommunications Provider, a perpetual right, privilege, easement and right-of-way across, over, under and upon Heron Cove Neighborhood for the installation, construction and maintenance of Telecommunications Systems together with a perpetual right, privilege and easement of ingress and egress, access, over and upon Heron Cove Neighborhood for installing, constructing, inspecting, maintaining, altering, moving, improving and replacing facilities and equipment constituting such systems. If, and to the extent, Telecommunications Services provided by such Telecommunications Systems are to serve all of Heron Cove Neighborhood, then the cost of the Telecommunications Services may be Operating Costs of Association and shall be assessed as a part of the Assessments.

21.3 Restoration. Upon the completion of any installation, upgrade, maintenance, repair, or removal of the Telecommunications Systems or any part thereof, each Telecommunications Provider shall restore the relevant portion of the Common Areas and/or any Home to as good a condition as that which existed prior to such installation, maintenance, repair or removal. Failure by Telecommunications Provider to complete such restoration within ten (10) days after receiving written notice from Association of such failure shall vest in Association the right (but not the obligation) to restore or cause to be restored such portion of the Common Areas and/or Home disturbed by such work, all at such Telecommunications Provider's sole cost and expense, except for in emergency situations whereby Association may restore or cause to be restored such disturbed portion of the Common Areas and/or Home immediately. In the event that Association exercises the right of self-help, each Telecommunications Provider agrees in advance that Association shall have the sole right to (i) select the contractors to perform such work and (ii) determine the extent of required restoration. This remedy of self-help is in addition to all other remedies of Association hereunder. All reasonable expenses incurred by Association in connection with such restoration shall be paid by Telecommunications Provider within ten (10) days of delivery to Telecommunications Provider of Association's invoice therefor. Any expenses not so paid when due shall bear interest from the due date at the lesser of (i) the publicly announced prime rate (or similar successor reference rate) of First Union National Bank on the date of such invoice, or (ii) the maximum rate of interest allowed by the law of the State of Florida for such obligations, or as may be provided in a contract between Association and a Telecommunications Provider.

22. Refund of Taxes and Other Charges. Unless otherwise provided herein, Association agrees that any taxes, fees or other charges paid by Developer to any governmental authority, utility company or any other entity which at a later date are refunded in whole or in part, shall be returned to Developer in the event such refund is received by Association.

23. Assignment of Powers. All or any part of the rights, exemptions and powers and reservations of Developer herein contained may be conveyed or assigned in whole or part to other persons or entities by an instrument in writing duly executed, acknowledged, and recorded in the Public Records.

24. Housing for Older Persons.

24.1 Age of Residents: Services and Facilities. Subject to all local ordinances, as they may be amended from time to time, at least eighty percent (80%) of the Homes must be occupied by at least one (1) person fifty-five (55) years of age or older. No person nineteen (19) years of age and younger may be a permanent occupant of any Home, except that persons nineteen (19) years of age and younger may be permitted to visit and temporarily reside for periods not to exceed thirty (30) days in total in any calendar year. Such temporary residency shall be governed by Rules and Regulations adopted by the Board. By way of example, if a Home is transferred by inheritance, the requirement as to one occupant of such Home being fifty-five (55) years of age or older is waived as to occupancy by the heirs so long as no permanent occupant is nineteen (19) years of age and younger so long as at least eighty percent (80%) of all the Homes in Heron Cove Neighborhood are occupied by one person fifty-five (55) years of age or older. It shall be the responsibility of the Board of Association to determine whether eighty percent (80%) of the Homes in Heron Cove Neighborhood are occupied by at least one person who is fifty-five (55) years of age or older. Subject to the terms of this Declaration, the Articles and By-Laws, the Board shall have the authority to make any additional capital improvements upon the Common Areas necessary to provide facilities or services specifically designed to meet the requirements of the Fair Housing Act, as amended from time to time (the "Act"). Notwithstanding anything to the contrary set forth in this Declaration, the restriction that no person nineteen (19) years of age and younger may be a permanent occupant of any Home shall be in perpetuity and shall not be subject to amendment. The provisions of this Section are intended specifically to be consistent with, and are set forth in order to comply with the provisions of the Act, and exceptions therefrom provided by 42 U.S.C., Section 3607 regarding discrimination based on familial status, and may be amended at any time to reduce the fifty-five (55) years of age restriction if so permitted by the Act. Each Owner should be aware that up to twenty percent (20%) of the Homes in Heron Cove Neighborhood may be occupied by persons who are under the age of fifty-five (55) so long as such persons are twenty (20) years of age or older.

24.2 Sale or Lease. This Section shall in no way be deemed to restrict the ownership of any Home; provided, however, no Owner may occupy a Home nor permit occupancy of a Home except in compliance with the requirements of this Section. Owners shall be responsible for including the statement that the Homes within Heron Cove Neighborhood are intended for occupancy by persons fifty-five (55) years of age or older, as set forth above, in conspicuous type in any lease or other occupancy agreement or contract of sale relating to such Owner's Home, which agreements or contracts shall be in writing and signed by the tenant or purchaser, and for clearly disclosing such interest to any prospective tenant, purchaser or other potential occupant of the Home. Every lease of a Home shall provide that failure to comply with the requirements and restrictions of this Section shall constitute a default under the lease.

24.3 Change of Occupancy. In the event of any change in occupancy of any Home, as a result of transfer, sale, gift, lease, sublease, assignment, death, birth, marriage, separation, divorce, or otherwise, the Owner of such Home shall immediately notify the Board in writing and provide to the Board the names and ages of all current occupants of the Home and such other information so the Board may reasonably require to verify the age of each occupant. In the event that an Owner fails to notify the Board and provide all required information within ten (10) days after a change in occupancy occurs, Association shall be authorized to levy monetary fines against the Owner and the Home for each day the change in occupancy occurs until Association receives the required action and information, regardless of whether the occupants continue to meet the requirements of this Section, in addition to all other remedies available to Association under this Declaration.

24.4 Maintaining Age Records. Association shall be responsible for maintaining age records on all occupants of Homes. The Board shall adopt policies, procedures and rules to monitor and maintain compliance with this Section, including policies regarding visitors, conducting a census of the occupants of Homes, requiring copies of birth certificates or other proof of age for each occupant of the Home to be provided to the Board on a periodic basis, updating age records as appropriate, the granting of exemptions pursuant to this Section, and enforcement.

Association shall periodically distribute such policies, procedures and rules to the Owners and make copies available to Owners, their tenants and mortgagees upon reasonable request.

24.5 Enforcement of Provisions. Association shall have the power and authority to enforce this Section in any legal manner available, as the Board deems appropriate, including, without limitation, taking action to evict the occupants of any Home which does not comply with the requirements and restrictions of this Section. EACH OWNER HEREBY APPOINTS ASSOCIATION AS ITS ATTORNEY-IN-FACT FOR THE PURPOSE OF TAKING LEGAL ACTION TO DISPOSSESS, EVICT OR OTHERWISE REMOVE THE OCCUPANTS OF HIS OR HER HOME AS NECESSARY TO ENFORCE COMPLIANCE WITH THIS SECTION. Each Owner shall fully and trustfully respond to any and all requests by Association for information regarding the occupancy of the Home which in the judgment of the Board are reasonably necessary to monitor compliance with this Section.

25. General Provisions.

25.1 Authority of Board. Except when a vote of the membership of Association is specifically required, all decisions, duties, and obligations of Association hereunder may be made by the Board. Association and Owners shall be bound thereby.

25.2 Severability. Invalidation of any of the provisions of this Declaration by judgment or court order shall in no way affect any other provision, and the remainder of this Declaration shall remain in full force and effect.

25.3 Construction Activities. ALL OWNERS, OCCUPANTS AND USERS OF HERON COVE NEIGHBORHOOD ARE HEREBY PLACED ON NOTICE THAT (1) DEVELOPER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES AND/OR (2) ANY OTHER PARTIES MAY BE, FROM TIME TO TIME, CONDUCTING EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO HERON COVE NEIGHBORHOOD. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF HERON COVE NEIGHBORHOOD, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (I) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (II) 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 HERON COVE NEIGHBORHOOD WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (III) DEVELOPER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM DEVELOPER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. AND (IV) ANY PURCHASE OR USE OF ANY PORTION OF HERON COVE NEIGHBORHOOD HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING.

25.4 Affirmative Obligation of Association. In the event that Association believes that Developer has failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas are defective in any respect, Association shall give written notice to Developer detailing the alleged failure or defect. Association agrees that once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas. Association's failure to give the notice and/or otherwise comply with the provisions of this Section will damage Developer. At this time, it is impossible to determine the actual damages

Developer might suffer. Accordingly, if Association fails to comply with its obligations under this Section in any respect, Association shall pay to Developer liquidated damages in the amount of \$250,000.00 which Association and Developer agree is a fair and reasonable remedy.

**25.5 Execution of Documents.** Developer's plan of development for Heron Cove Neighborhood (including, without limitation, the creation of one (1) or more special taxing districts) may necessitate from time to time the execution of certain documents as required by governmental agencies. To the extent that said documents require the joinder of Owners other than Developer, Developer, by its duly authorized officers, may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents (including, without limitation, any consents or other documents required by any governmental agencies in connection with the creation of any special taxing district); and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through its duly authorized officers, as their proper and legal attorneys-in-fact, for such purpose. Said appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner agrees, by its acceptance of a deed to a Home or any other portion of Heron Cove Neighborhood, to execute or otherwise join in any petition and/or other documents required in connection with the creation of a special taxing district relating to Heron Cove Neighborhood or any portion(s) thereof.

**25.6 Notices.** Any notice required to be sent to any person, firm, or entity under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address at the time of such mailing.

**25.7 Florida Statutes.** Whenever this Declaration refers to the Florida Statutes, it shall be deemed to refer to the Florida Statutes as they exist on the date this Declaration is recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

**25.8 Neighborhood Title Documents.** Each Owner by acceptance of a deed to a Home acknowledges that such home is subject to certain land use and title documents and all amendments thereto, which include among other items, the Title Documents identified in the Master Declaration and this Declaration (collectively, the "Neighborhood Title Documents"). Developer's plan of development for Heron Cove Neighborhood may necessitate from time to time the further amendment, modification and/or termination of the Neighborhood Title Documents. DEVELOPER RESERVES THE UNCONDITIONAL RIGHT TO SEEK AMENDMENTS AND MODIFICATIONS OF THE NEIGHBORHOOD TITLE DOCUMENTS. It is possible that a governmental subdivision or agency may require the execution of one or more documents in connection with an amendment, modification, and/or termination of the Neighborhood Title Documents. To the extent that such documents require the joinder of Owners other than Developer, Developer, by any one of its duly authorized officers, may, as the agent and/or the attorney-in-fact for the Owners, execute, acknowledge and deliver any documents required by applicable governmental subdivision or agency; and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through any one of its duly authorized officers, as their proper and legal attorney-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner agrees, by its acceptance of a deed to a Home: (i) to execute or otherwise join in any documents required in connection with the amendment, modification, or termination of the Neighborhood Title Documents; and (ii) that such Owner has waived its right to object to or comment the form or substance of any amendment, modification, or termination of the Neighborhood Title Documents.

Without limiting the foregoing, upon the Community Completion Date Association shall assume all of the obligations of Developer under the Neighborhood Title Documents unless otherwise provided by Developer by amendment to this Declaration recorded by Developer in the Public Records, from time to time, and in the sole and absolute discretion of Developer.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]



IN WITNESS WHEREOF, the undersigned, being Developer hereunder, has hereunto set its hand and seal  
this 7<sup>th</sup> day of March, 2003.

WITNESSES:

LENNAR HOMES, INC., a Florida corporation

Print Name: A. GossardBy: Michael J. SmolakName: Michael J. SmolakTitle: VICE-PRESIDENTPrint Name: S. J. HoffmanS. HOFFMAN

(SEAL)

STATE OF FLORIDA )

COUNTY OF Palm Beach )

SS.:

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of March, 2003 by Michael J. Smolak, as of Lennar Homes, Inc., a Florida corporation, who is personally known to me or who produced \_\_\_\_\_ as identification on behalf of the corporation.

My commission expires:

OFFICIAL NOTARY SEAL  
PATRICIA GOOD  
NOTARY PUBLIC STATE OF FLORIDA  
COMMISSION NO. DD104554  
MY COMMISSION EXP. APR. 9, 2006

Patricia Good  
NOTARY PUBLIC, State of Florida at Large

Print name: \_\_\_\_\_

## JOINDER

## LENNAR LAND PARTNERS

LENNAR LAND PARTNERS does hereby join in the Declaration of Restrictions and Covenants for Heron Cove Neighborhood to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title.

## WITNESSES:

Print Name:

AGOSSE

Print Name:

S. HOFFMAN

LENNAR LAND PARTNERS, a Florida general partnership

By: LENNAR HOMES INC., a Florida corporation, attorney in fact\*

By:

Name:

Title:

MICHAEL J. SMOLAK  
VICE PRESIDENT

(SEAL)

\*pursuant to that certain Power of Attorney recorded in Official Records Book 10092 at Page 423 in the Public Records of Palm Beach County, Florida.

STATE OF FLORIDA

COUNTY OF Palm Beach

)  
) SS.:  
)

The foregoing instrument was acknowledged before me this 7th day of march, 2003 by Michael J. Smolak, as Vice President of Lennar Homes, Inc., a Florida corporation, attorney in fact for Lennar Land Partners, a Florida general partnership, who is personally known to me or who produced \_\_\_\_\_ as identification on behalf of the corporation.

My commission expires:

OFFICIAL NOTARY SEAL  
PATRICIA GOOD  
NOTARY PUBLIC STATE OF FLORIDA  
COMMISSION NO. DD104554  
MY COMMISSION EXP. APR. 9, 2006

Patricia Good  
NOTARY PUBLIC, State of Florida at Large  
Print name: \_\_\_\_\_

## JOINDER

## HERON COVE NEIGHBORHOOD ASSOCIATION, INC.

HERON COVE NEIGHBORHOOD ASSOCIATION, INC. ("Association") does hereby join in the Declaration of Restrictions and Covenants for Heron Cove Neighborhood ("Declaration"), to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. Association agrees that this joinder is for convenience only and not to the effectiveness of this Declaration as Association has no right to approve this Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 7<sup>th</sup> day of March, 2003.

## WITNESSES:

HERON COVE NEIGHBORHOOD  
ASSOCIATION, INC., a Florida not-for-profit  
corporation

[Signature]  
Print Name: A. Gosselin

By: Robert W. Drews Pres.  
Name: ROBERT W. DREWS  
Title: PRESIDENT

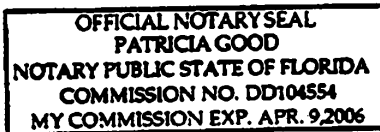
[Signature]  
Print Name: S. HOFFMAN

(SEAL)

STATE OF FLORIDA )  
 ) SS.:  
COUNTY OF Palm Beach )

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of march, 2003 by Robert W. Drews as President of HERON COVE NEIGHBORHOOD ASSOCIATION, INC., a Florida not-for-profit corporation, who is personally known to me or who produced \_\_\_\_\_ as identification on behalf of the corporation.

My commission expires:



[Signature]  
NOTARY PUBLIC, State of Florida at Large  
Print name: \_\_\_\_\_

## CONSENT

OHIO SAVINGS BANK, a federal savings bank

OHIO SAVINGS BANK, a federal savings bank, as Agent does hereby join in the Declaration of Restriction and Covenants for Heron Cove Neighborhood for the purpose of consenting as the holder of that Mortgage Deed and Security Agreement recorded in Official Records Book 10079, Page 1550, Public Records of Palm Beach County, Florida, as assigned or modified.

IN WITNESS WHEREOF, the undersigned has executed this Consent on this 4<sup>th</sup> day of March, 2003.

WITNESSES:

OHIO SAVINGS BANK, a federal savings bank,  
as Agent

Ursula E. Lehman  
Print Name Ursula E. Lehman

By: Ralph S. Kirk  
Name: Ralph S. Kirk  
Title: Vice President

Gail S. Booth  
Print Name: Gail S. Booth

STATE OF OHIO

COUNTY OF Cuyahoga )  
SS.: )

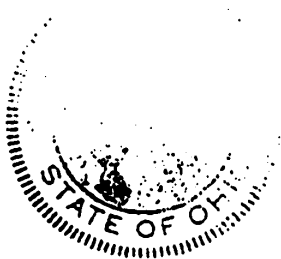
The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of March, 2003 by Ralph S. Kirk of OHIO SAVINGS BANK, a federal savings bank, as Agent, who is personally known to me or to me or who produced \_\_\_\_\_ as identification, on behalf of the bank.

My commission expires: 04.24.06

Kelly M. Dotson

NOTARY PUBLIC, State of Ohio at Large  
Print name:

KELLY M. DOTSON  
Notary Public, State of Ohio, Cuy. Cty.  
My commission expires Apr. 24, 2006.



**EXHIBIT 1**

**LEGAL DESCRIPTION**

**BAYWINDS R.P.D. PLAT NO. 5**

**BEING A PORTION OF SECTION 19, TOWNSHIP 43 SOUTH, RANGE 42 EAST AND THE REPLAT OF A PORTION OF TRACT "L-3", BAYWINDS R.P.D. PLAT NO. 1 AS RECORDED IN PLAT BOOK 84, PAGES 137 THROUGH 143, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, ALL LYING IN SECTION 19, TOWNSHIP 43 SOUTH, RANGE 42 EAST, CITY OF WEST PALM BEACH, PALM BEACH COUNTY, FLORIDA.**

**EXHIBIT 2**

**ARTICLES OF INCORPORATION**



I certify from the records of this office that HERON COVE NEIGHBORHOOD ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on March 5, 2003.

The document number of this corporation is N03000001945.

I further certify that said corporation has paid all fees due this office through December 31, 2003, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

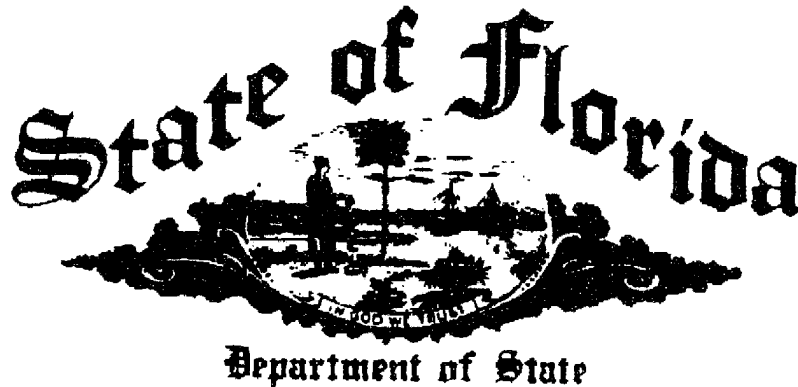
I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 003A00014146-030603-N03000001945-1/1, noted below.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
Sixth day of March, 2003

Authentication Code: 003A00014146-030603-N03000001945-1/1



*Glenda E. Hood*  
Glenda E. Hood  
Secretary of State



I certify the attached is a true and correct copy of the Articles of Incorporation of HERON COVE NEIGHBORHOOD ASSOCIATION, INC., a Florida corporation, filed on March 5, 2003, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H03000071201. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N03000001945.

Given under my hand and the  
Great Seal of the State of Florida,  
at Tallahassee, the Capital, this the  
Sixth day of March, 2003

Authentication Code: 003A00014146-030603-N03000001945-1/1



*Glenda E. Hood*  
Glenda E. Hood  
Secretary of State





BOOK 14940 PAGE 1469

FLORIDA DEPARTMENT OF STATE  
Glenda E. Hood  
Secretary of State

March 6, 2003

HERON COVE NEIGHBORHOOD ASSOCIATION, INC.  
12230 FOREST HILL BLVD STE 150  
WELLINGTON, FL 33414

The Articles of Incorporation for HERON COVE NEIGHBORHOOD ASSOCIATION, INC. were filed on March 5, 2003, and assigned document number N03000001945. Please refer to this number whenever corresponding with this office.

Enclosed is the certification requested. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H03000071201.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file date year. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have questions regarding corporations, please contact this office at the address given below.

Tim Burch  
Document Specialist  
New Filings Section  
Division of Corporations

Letter Number: 003A00014146

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

**ARTICLES OF INCORPORATION  
OF  
HERON COVE NEIGHBORHOOD ASSOCIATION, INC.  
(A CORPORATION NOT FOR PROFIT)**

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ARTICLES OF INCORPORATION  
OF  
HERON COVE NEIGHBORHOOD ASSOCIATION, INC.  
(A CORPORATION NOT FOR PROFIT)

In compliance with the requirements of the laws of the State of Florida, and for the purpose of forming a corporation not for profit, the undersigned does hereby acknowledge:

1. Name of Corporation. The name of the corporation is HERON COVE NEIGHBORHOOD ASSOCIATION, INC. ("Association").
2. Principal Office. The principal office of Association is 12230 Forest Hill Blvd., Suite 150, Wellington, Florida 33414 or such other location as shall be designated by the Board of Directors.
3. Registered Office - Registered Agent. The street address of the Registered Office of the Association is 200 S. Biscayne Blvd., Suite 3400, Miami, Florida 33131. The name of the Registered Agent of the Association is:

PATRICIA KIMBALL FLETCHER, P.A.

4. Definitions. A declaration entitled Declaration of Restrictions and Covenants for Heron Cove Neighborhood (the "Declaration") will be recorded in the Public Records of Palm Beach County, Florida, and shall govern all of the operations of a community to be known as Heron Cove Neighborhood Association, Inc. All initially capitalized terms not defined herein shall have the meanings set forth in the Declaration.

5. Purpose of Association. Association is formed to: (a) provide for ownership, operation, maintenance and preservation of the Common Areas and improvements thereon; (b) perform the duties delegated to it in the Declaration; (c) administer the interests of Association and the Owners; and (d) promote the health, safety and welfare of the Owners.

6. Not for Profit. Association is a not for profit Florida corporation and does not contemplate pecuniary gain to, or profit for, its members, Board of Directors, or officers.

7. Powers of Association. Association shall, subject to the limitations and reservations set forth in the Declaration, have all the powers, privileges and duties reasonably necessary to discharge its obligations, including, but not limited to, the following:

7.1. To perform all the duties and obligations of Association set forth in the Declaration, these Articles, and the By-Laws.

7.2. To enforce, by legal action or otherwise, the provisions of the Declaration, these Articles, and the By-Laws and the rules, regulations, covenants, restrictions and/or agreements governing or binding Association and the Heron Cove Neighborhood.

7.3. To fix, levy, collect and enforce payment, by any lawful means, of all Assessments payable pursuant to the terms of the Declaration, these Articles, and the By-Laws.

7.4. To pay all Operating Costs, including, but not limited to, all licenses, taxes or governmental charges levied or imposed against the Common Areas or other property of Association and establish reserves for deferred maintenance or capital expenditures.

7.5. To acquire (by gift, purchase, or otherwise), annex, own, hold, improve, build upon, operate, maintain, convey, grant rights and easements, sell, dedicate, lease, transfer or otherwise dispose of real or personal property (including but not limited to the Common Areas) in connection with the functions of Association except as limited by the Declaration.

7.6. To borrow money, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money or debts incurred.

7.7. To dedicate, grant, license, lease, concession, create easements upon, sell or transfer all or any part of, the Common Areas to any public agency, entity, authority, utility, or other person or entity for such purposes and subject to such conditions as it determines and subject only to requirements in the Declaration, if any.

7.8. To participate in mergers and consolidations with other non-profit corporations organized for the same purposes.

7.9. To adopt, publish, promulgate or enforce rules, regulations, covenants, restrictions or agreements governing Association, the Common Areas, Lots and Homes as provided in the Declaration and to effectuate all of the purposes for which Association is organized.

7.10. To have and to exercise any and all powers, rights and privileges which a not-for-profit corporation organized under the laws of the State of Florida may now, or hereafter, have or exercise.

7.11. To employ personnel and retain independent contractors to contract for management of Association and the Common Areas as provided in the Declaration and to delegate in such contract all or any part of the powers and duties of Association.

7.12. To contract for services to be provided to, or for the benefit of, Association, Owners, and the Common Areas as provided in the Declaration such as, but not limited to, Telecommunications Services, maintenance, garbage pick-up, and utility services.

7.13. To establish committees and delegate certain of its functions to those committees.

7.14. To hold all funds and property owned or acquired by the Association in the name of the Association for the benefit of its members in accordance with the provisions of the Declaration, these Articles, and the By-Laws.

8. Voting Rights. Owners and Developer shall have the voting rights set forth in the By-Laws.

9. Board of Directors. The affairs of Association shall be managed by a Board of odd number with not less than three (3) nor more than five (5) members. The initial number of directors shall be three (3). Board members shall be appointed and/or elected as stated in the By-Laws. The election of Directors shall be held at the annual meeting of the members. Directors shall be elected for a term expiring on the date of the next annual meeting. The names and addresses of the members of the first Board who shall hold office until their successors are appointed or elected, or until removed, are as follows:

NAME	ADDRESS
ROBERT DREWS	12230 Forest Hill Blvd., Suite 150 Wellington, FL 33414
ANETTE GOSSELIN	12230 Forest Hill Blvd., Suite 150 Wellington, FL 33414
GARY PACKARD	12230 Forest Hill Blvd., Suite 150 Wellington, FL 33414

10. Dissolution. In the event of the dissolution of Association other than incident to a merger or consolidation, any member may petition the Circuit Court having jurisdiction of the Judicial Circuit of the State of Florida for the appointment of a receiver to manage its affairs of the dissolved Association and to manage the Common Areas, in

the place and stead of Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties. In addition, if Association is dissolved, the Surface Water Management System shall be conveyed to an appropriate agency of local government. If a governmental agency will not accept the Surface Water Management System, then it must be dedicated to a similar non-profit corporation.

11. Duration. Association shall have perpetual existence.

12. Amendments.

12.1. General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to these Articles shall affect the rights of Developer unless such amendment receives the prior written consent of Developer, which may be withheld for any reason whatsoever. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to these Articles, then the prior written consent of such entity or agency must also be obtained. No amendment shall be effective until it is recorded in the Public Records.

12.2. Amendments Prior to the Turnover Date. Prior to the Turnover Date, Developer shall have the right to amend these Articles as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Developer's right to amend under this Section is to be construed as broadly as possible. In the event that Association shall desire to amend these Articles prior to the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments from and after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

12.3. Amendments After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, these Articles may be amended with the approval of (i) two-thirds (66 2/3%) of the Board and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly called meeting of the Members in which there is a quorum.

13. Limitations.

13.1. Declaration is Paramount. No amendment may be made to these Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration.

13.2. Rights of Developer. There shall be no amendment to these Articles which shall abridge, reduce, amend, effect or modify the rights of Developer.

13.3. By-Laws. These Articles shall not be amended in a manner that conflicts with the By-Laws.

14. Incorporator. The name and address of the Incorporator of this corporation is:

PATRICIA KIMBALL FLETCHER, ESQ.  
PATRICIA KIMBALL FLETCHER, P.A.  
DUANE MORRIS LLP  
200 SOUTH BISCAYNE BLVD., SUITE 3400  
MIAMI, FLORIDA 33131-2144

15. Officers. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine. The names and addresses of the Officers who shall serve until their successors are elected by the Board are as follows:

President:	Robert Drews
Vice President:	Anette Gosselin
Secretary:	Gary Packard
Treasurer:	Gary Packard

16. Indemnification of Officers and Directors. Association shall and does hereby indemnify and hold harmless every Director and every Officer, their heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which such Director or Officer may be made a party by reason of being or having been a Director or Officer of Association, including reasonable counsel fees and paraprofessional fees at all levels of proceeding. This indemnification shall not apply to matters wherein the Director or Officer shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such Director or Officers may be entitled.

17. Transactions in Which Directors or Officers are Interested. No contract or transaction between Association and one (1) or more of its Directors or Officers or Developer, or between Association and any other corporation, partnership, association, or other organization in which one (1) or more of its Officers or Directors are officers, directors or employees or otherwise interested shall be invalid, void or voidable solely for this reason, or solely because the Officer or Director is present at, or participates in, meetings of the Board thereof which authorized the contract or transaction, or solely because said Officers' or Directors' votes are counted for such purpose. No Director or Officer of Association shall incur liability by reason of the fact that such Director or Officer may be interested in any such contract or transaction. Interested Directors shall disclose the general nature of their interest and may be counted in determining the presence of a quorum at a meeting of the Board which authorized the contract or transaction.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned, being the Incorporator of this Association, has executed these Articles of Incorporation as of this 5<sup>th</sup> day of March, 2003.

## WITNESSES:

Nora E Sanchez  
Print name: NORA E SANCHEZ

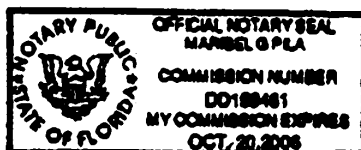
Maria J. Goldman  
Print name: Maria J. Goldman

Patricia K Kimball Fletcher  
PATRICIA KIMBALL FLETCHER, ESQ.  
as President of Patricia Kimball Fletcher, P.A.,  
Incorporator

STATE OF FLORIDA )  
 ) SS.:  
COUNTY OF MIAMI-DADE )

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of March, 2003 by PATRICIA KIMBALL FLETCHER who is personally known to me.

My commission expires:



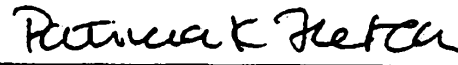
Maribel G. Pila  
NOTARY PUBLIC, State of Florida at Large  
Print name: Maribel G. Pila

ACCEPTANCE BY REGISTERED AGENT

I, having been named to accept service of process for the above-stated corporation at the place designated in this certificate, hereby agree to act in this capacity, and I am familiar with, and accept, the obligations of this position and further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties.

Dated this 5<sup>th</sup> day of March, 2003.

PATRICIA KIMBALL FLETCHER, P.A.



PATRICIA KIMBALL FLETCHER, ESQ., President



**EXHIBIT 3**

**BY-LAWS**

**BY-LAWS  
OF  
HERON COVE NEIGHBORHOOD ASSOCIATION, INC.**

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BY-LAWS  
OF  
HERON COVE NEIGHBORHOOD ASSOCIATION, INC.

1. Name and Location. The name of the corporation is HERON COVE NEIGHBORHOOD ASSOCIATION, INC. ("Association"). The principal office of the corporation shall be located at 1013 North State Road 7, Royal Palm Beach, Florida 33411, or at such other location designated by the Board of Directors (the "Board") from time to time.

2. Definitions. The definitions contained in the Declaration of Restrictions and Covenants for Heron Cove Neighborhood (the "Declaration") relating to the residential community known as Heron Cove Neighborhood, recorded, or to be recorded, in the Public Records of Palm Beach County, Florida, are incorporated herein by reference and made a part hereof. In addition to the terms defined in the Declaration, the following terms shall have the meanings set forth below:

"Annual Members Meeting" shall have the meaning assigned to such term in Section 3.2 of these By-Laws.

"By-Laws" shall mean these By-Laws as amended from time to time.

"Member" shall mean each Owner and Developer.

"Minutes" shall mean the minutes of all Member and Board meetings, which shall be in the form required by the Florida Statutes. In the absence of governing Florida Statutes, the Board shall determine the form of the Minutes.

"Official Records" shall mean all records required to be maintained by Association pursuant to Section 720.303(4) of the Florida Statutes, as amended from time to time.

"Special Members Meeting" shall have the meaning assigned to such term in Section 3.3 of these By-Laws.

"Voting Interests" shall mean the voting rights held by the Members.

3. Members.

3.1. Voting Interests. Each Owner and Developer shall be a Member of Association. No person who holds an interest in a Home only as security for the performance of an obligation shall be a Member of Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Home. There shall be one vote appurtenant to each Home. Prior to the Turnover Date, Developer shall have Voting Interests equal to one (1) plus the total number of votes held by all other Members. For the purposes of determining who may exercise the Voting Interest associated with each Home, the following rules shall govern:

3.1.1 Home Owned By Husband and Wife. Either the husband or wife (but not both) may exercise the Voting Interest with respect to a Home. In the event the husband and wife cannot agree, neither may exercise the Voting Interest.

3.1.2 Trusts. In the event that any trust owns a home, Association shall have no obligation to review the trust agreement with respect to such trust. If the Home is owned by Robert Smith, as Trustee, Robert Smith shall be deemed the Owner of the Home for all Association purposes. If the Home is owned by Robert Smith as Trustee for the Laura Jones Trust, then Robert Smith shall be deemed the Member with respect to the Home for all Association purposes. If the Home is owned by the Laura Jones Trust, and the deed does not reference a trustee, then Laura Jones shall be deemed the Member with respect to the Home for all Association purposes. If the Home is owned by the Jones Family Trust, the Jones Family Trust may not exercise its Voting Interest unless it presents to

Association, in the form of an attorney opinion letter or affidavit reasonably acceptable to Association, the identification of the person who should be treated as the Member with respect to the Home for all Association purposes. If Robert Smith and Laura Jones, as Trustees, hold title to a Home, either trustee may exercise the Voting Interest associated with such Home. In the event of a conflict between trustees, the Voting Interest for the Home in question cannot be exercised. In the event that any other form of trust ownership is presented to Association, the decision of the Board as to who may exercise the Voting Interest with respect to any Home shall be final. Association shall have no obligation to obtain an attorney opinion letter in making its decision, which may be made on any reasonable basis whatsoever.

3.1.3 Corporations. If a Home is owned by a corporation, the corporation shall designate a person, an officer, employee, or agent who shall be treated as the Member who can exercise the Voting Interest associated with such Home.

3.1.4 Partnerships. If a Home is owned by a limited partnership, any one of the general partners may exercise the Voting Interest associated with such Home. By way of example, if the general partner of a limited partnership is a corporation, then the provisions hereof governing corporations shall govern which person can act on behalf of the corporation as general partner of such limited partnership. If a Home is owned by a general partnership, any one of the general partners may exercise the Voting Interest associated with such Home. In the event of a conflict among general partners entitled to exercise a Voting Interest, the Voting Interest for such Home cannot be exercised.

3.1.5 Multiple Individuals. If a Home is owned by more than one individual, any one of such individuals may exercise the Voting Interest with respect to such Home. In the event that there is a conflict among such individuals, the Voting Interest for such Home cannot be exercised.

3.1.6 Liability of Association. Association may act in reliance upon any writing or instrument or signature, whether original or facsimile, which Association, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so. So long as Association acts in good faith, Association shall have no liability or obligation with respect to the exercise of Voting Interests, and no election shall be invalidated (in the absence of fraud) on the basis that Association permitted or denied any person the right to exercise a Voting Interest. In addition, the Board may impose additional requirements respecting the exercise of Voting Interests (e.g., the execution of a Voting Certificate).

3.2. Annual Meetings. The annual meeting of the Members (the "Annual Members Meeting") shall be held at least once each calendar year on a date, at a time, and at a place to be determined by the Board.

3.3. Special Meetings of the Members. Special meetings of the Members (a "Special Members Meeting") may be called by the President, a majority of the Board, or upon written request of twenty-five percent (25%) of the Voting Interests of the Members. The business to be conducted at a Special Members Meeting shall be limited to the extent required by the Florida Statutes.

3.4. Notice of Members Meetings. Written notice of each Members Meeting shall be given by, or at the direction of, any officer of the Board or any management company retained by Association. A copy of the notice shall be mailed to each Member entitled to vote, postage prepaid, not less than ten (10) days before the meeting (provided, however, in the case of an emergency, two (2) days' notice will be deemed sufficient). The notice shall be addressed to the Member's address last appearing on the books of Association. The notice shall specify the place, day, and hour of the meeting and, in the case of a Special Members Meeting, the purpose of the meeting. Alternatively, and to the extent not prohibited by the Florida Statutes, the Board may adopt from time to time, other procedures for giving notice to the Members of the Annual Members Meeting or a Special Members Meeting. By way of example, and not of limitation, such notice may be included in a newsletter sent to each Member by Association.

3.5. Quorum of Members. Until the Turnover Date, a quorum shall be established by Developer's presence, in person or by proxy, at any meeting. From and after the Turnover Date, a quorum shall be established

by the presence, in person or by proxy, of the Members entitled to cast twenty percent (20%) of the Voting Interests, except as otherwise provided in the Articles, the Declaration, or these By-Laws. Notwithstanding any provision herein to the contrary, in the event that technology permits Members to participate in Members Meetings and vote on matters electronically, then the Board shall have authority, without the joinder of any other party, to revise this provision to establish appropriate quorum requirements.

3.6. Adjournment of Members Meetings. If, however, a quorum shall not be present at any Members Meeting, the meeting may be adjourned as provided in the Florida Statutes. In the absence of a provision in the Florida Statutes, the Members present shall have power to adjourn the meeting and reschedule it on another date.

3.7. Action of Members. Decisions that require a vote of the Members must be made by a concurrence of a majority of the Voting Interests present in person or by proxy, represented at a meeting at which a quorum has been obtained unless provided otherwise in the Declaration, the Articles, or these By-Laws.

3.8. Proxies. At all Members Meetings, Members may vote their Voting Interests in person or by proxy. All proxies shall comply with the provisions of Section 720.306(6) of the Florida Statutes, as amended from time to time, be in writing, and be filed with the Secretary at, or prior to, the meeting. Every proxy shall be revocable prior to the meeting for which it is given.

#### 4. Board of Directors.

4.1. Number. The affairs of Association shall be managed by a Board consisting of not less than three (3) nor more than five (5) persons. Board members appointed by Developer need not be Members of Association. Board members elected by the other Members must be Members of Association.

4.2. Term of Office. The election of Directors shall take place after Developer no longer has the authority to appoint the Board and shall take place at the Annual Members Meeting or on the Turnover Date. Directors shall be elected for a term ending upon the election of new Directors at the following Annual Members Meeting (except that the term of the Board appointed by Developer shall extend until the date designated by Developer, or until the Turnover Date).

4.3. Removal. Any vacancy created by the resignation or removal of a Board member appointed by Developer may be replaced by Developer. Developer may replace or remove any Board member appointed by Developer in Developer's sole and absolute discretion. In the event of death or resignation of a Director elected by the Members other than Developer, the remaining Directors may fill such vacancy. Directors elected by Members may be removed, with or without cause, by the vote or agreement in writing of Members holding a majority of the Voting Interests.

4.4. Compensation. No Director shall receive compensation for any service rendered as a Director to Association; provided, however, any Director may be reimbursed for actual expenses incurred as a Director.

4.5. Action Taken Without a Meeting. Except to the extent prohibited by law, the Board shall have the right to take any action without a meeting by obtaining the written approval of the required number of Directors. Any action so approved shall have the same effect as though taken at a meeting of Directors.

4.6. Appointment and Election of Directors. Until the Turnover Date, Developer shall have the unrestricted power to appoint all Directors of Association. From and after the Turnover Date, or such earlier date determined by Developer in its sole and absolute discretion, the Members shall elect a majority of Directors of Association at or in conjunction with the Annual Members Meeting of the Members. After the Turnover Date, the Developer shall be entitled to appoint one Director to the Board so long as Developer holds for sale in the ordinary course of business at least five percent (5%) of all Homes that Developer plans to build within Heron Cove Neighborhood.

4.7. Election. Election to the Board shall be by secret written ballot, unless unanimously waived by all Members present. The persons receiving the largest numbers of votes shall be elected. Cumulative voting is not permitted.

4.8. Fiduciary Duty of Directors. Directors shall act in good faith in the performance of all duties.

5. Meeting of Directors.

5.1. Regular Meetings. Regular meetings of the Board shall be held on a schedule adopted by the Board from time to time. Meetings shall be held at such place, hour, and date as may be fixed, from time to time, by resolution of the Board.

5.2. Special Meetings. Special meetings of the Board shall be held when called by the President, or by any two (2) Directors. Each Director shall be given not less than two (2) days' notice except in the event of an emergency. Notice may be waived. Attendance shall be a waiver of notice. Telephone conference meetings are permitted.

5.3. Emergencies. In the event of an emergency involving immediate danger of injury or death to any person or damage to property, if a meeting of the Board cannot be immediately convened to determine a course of action, the President or, in his absence, any other officer or director, shall be authorized to take such action on behalf of Association as shall be reasonably required to appropriately respond to the emergency situation, including the expenditure of Association funds in the minimum amount as may be reasonably required under the circumstances. The authority of officers to act in accordance herewith shall remain in effect until the first to occur of the resolution of the emergency situation or a meeting of the Board convened to act in response thereto.

5.4. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting, at which a quorum is present, or in writing in lieu thereof, shall be action of the Board.

5.5. Open Meetings. Meetings of the Board shall be open to all Members whose participation shall be permitted only with Board acknowledgment or upon advance request through an item properly placed on the Board meeting agenda.

5.6. Voting. Board Members shall cast votes in the manner provided in the Florida Statutes. In the absence of a statutory provision, the Board shall establish the manner in which votes shall be cast.

5.7. Notice of Board Meetings. Notices of meetings of the Board shall be posted in a conspicuous place on the Common Areas at least 48 hours in advance, except in an event of an emergency. Alternatively, notice may be given to Members in any other manner provided by Florida Statute. Notices of any meetings of the Board at which Assessments against Homes are to be established shall specifically contain a statement that Assessments shall be considered and a statement of the nature of such Assessments.

6. Powers and Duties of the Board.

6.1. Powers. The Board shall, subject to the limitations and reservations set forth in the Declaration and Articles, have the powers reasonably necessary to manage, operate, maintain and discharge the duties of Association, including, but not limited to, the power to cause Association to do the following:

6.1.1 Generally. Exercise all powers, duties and authority vested in or delegated to Association by law or in the Association Documents.

6.1.2 Rules and Regulations. Adopt, publish, promulgate and enforce rules and regulations governing Heron Cove Neighborhood by the Members, Tenants and their guests and invitees, and to establish penalties and/or fines for the infraction thereof subject only to the requirements of the Florida Statutes, if any.



6.1.3 Enforcement. Suspend the right of use of the Common Areas (other than for vehicular and pedestrian ingress and egress and for utilities) of a Member during any period in which such Member shall be in default in the payment of any Assessment or charge levied, or collected, by Association.

6.1.4 Declare Vacancies. Declare the office of a member of the Board to be vacant in the event such Member shall be absent from three (3) consecutive regular Board meetings.

6.1.5 Hire Employees. Employ, on behalf of Association, managers, independent contractors, or such other employees as it deems necessary, to prescribe their duties and delegate to such manager, contractor, or other person or entity, any or all of the duties and functions of Association and/or its officers.

6.1.6 Common Areas. Dedicate, grant, license, lease, concession, create easements upon, sell or transfer all or any part of, the Common Areas to any public agency, entity, authority, utility or other person or entity for such purposes and subject to such conditions as it determines and as provided in the Declaration; and acquire, sell, operate, lease, manage and otherwise trade and deal with property, real and personal, including the Common Areas, as provided in the Declaration, and with any other matters involving Association or its Members, on behalf of Association or the discharge of its duties, as may be necessary or convenient for the operation and management of Association and in accomplishing the purposes set forth in the Declaration.

6.1.7 Granting of Interest. Grant licenses, easements, permits, leases, or privileges to any individual or entity, which affect Common Areas and to alter, add to, relocate or improve the Common Areas as provided in the Declaration.

6.1.8 Financial Reports. Prepare all financial reports required by the Florida Statutes.

6.2. Vote. The Board shall exercise all powers so granted except where the Declaration, Articles or these By-Laws specifically require a vote of the Members.

6.3. Limitations. Until the Turnover Date, Developer shall have and is hereby granted a right to disapprove or veto any such action, policy, or program proposed or authorized by Association, the Board, the ACC, any committee of Association, or the vote of the Members. This right may be exercised by Developer at any time within ten (10) days following a meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to veto proposed actions but shall not extend to the requiring of any action or counteraction on behalf of Association, the Board, the ACC or any committee of Association.

7. Obligations of Association. Association, subject to the provisions of the Declaration, Articles, and these By-Laws, shall discharge such duties as necessary to operate Association pursuant to the Declaration, including, but not limited to, the following:

7.1. Official Records. Maintain and make available all Official Records.

7.2. Supervision. Supervise all officers, agents and employees of Association, and to see that their duties are properly performed.

7.3. Assessments and Fines. Fix and collect the amount of the Assessments and fines; take all necessary legal action; and pay, or cause to be paid, all obligations of Association or where Association has agreed to do so, of the Members.

7.4. Enforcement. Enforce the provisions of the Declaration, Articles, these By-Laws, and Rules and Regulations.

8. Officers and Their Duties.

8.1. Officers. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer.

8.2. Election of Officers. Except as set forth below, the election of officers shall be by the Board and shall take place at the first meeting of the Board following each Annual Members Meeting.

8.3. Term. The officers named in the Articles shall serve until their replacement by the Board. The officers of Association shall hold office until their successors are appointed or elected unless such officer shall sooner resign, be removed, or otherwise disqualified to serve.

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

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

8.6. Vacancies. A vacancy in any office shall be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the replaced officer.

8.7. Multiple Offices. The office of President and Vice-President shall not be held by the same person. All other offices may be held by the same person.

8.8. Duties. The duties of the officers are as follows:

8.8.1 President. The President shall preside at all meetings of Association and Board, sign all leases, mortgages, deeds and other written instruments and perform such other duties as may be required by the Board. The President shall be a member of the Board.

8.8.2 Vice President. The Vice President shall act in the place and stead of the President in the event of the absence, inability or refusal to act of the President, and perform such other duties as may be required by the Board.

8.8.3 Secretary. The Secretary shall record the votes and keep the Minutes of all meetings and proceedings of Association and the Board; keep the corporate seal of Association and affix it on all papers required to be sealed; serve notice of meetings of the Board and of Association; keep appropriate current records showing the names of the Members of Association together with their addresses; and perform such other duties as required by the Board.

8.8.4 Treasurer. The Treasurer shall cause to be received and deposited in appropriate bank accounts all monies of Association and shall disburse such funds as directed by the Board; sign, or cause to be signed, all checks, and promissory notes of Association; cause to be kept proper books of account and accounting records required pursuant to the provisions of Section 720.303 of the Florida Statutes cause to be prepared in accordance with generally accepted accounting principles all financial reports required by the Florida Statutes; and perform such other duties as required by the Board.

## 9. Committees.

9.1. General. The Board may appoint such committees as deemed appropriate. The Board may fill any vacancies on all committees.

9.2. Heron Cove ACC. Developer shall have the sole right to appoint the members of the Heron Cove ACC until the Turnover Date. Upon expiration of the right of Developer to appoint members of the Heron Cove ACC, the Board shall appoint the members of the Heron Cove ACC. As provided under the Declaration, Association shall have the authority and standing to seek enforcement in courts of competent jurisdiction any decisions of the Heron Cove ACC.

10. Records. The official records of Association shall be available for inspection by any Member at the principal office of Association. Copies may be purchased, by a Member, at a reasonable cost.

11. Corporate Seal. Association shall have an impression seal in circular form.

12. Amendments.

12.1. General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to these By-Laws shall affect the rights of Developer unless such amendment receives the prior written consent of Developer, which may be withheld for any reason whatsoever. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to these By-Laws, then the prior written consent of such entity or agency must also be obtained. No amendment shall be effective until it is recorded in the Public Records.

12.2. Amendments Prior to the Turnover Date. Prior to the Turnover Date, Developer shall have the right to amend these By-Laws as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Developer's right to amend under this provision is to be construed as broadly as possible. In the event that Association shall desire to amend these By-Laws prior to the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments from and after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

12.3. Amendments After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, these By-Laws may be amended with the approval of (i) two-thirds (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly called meeting of the members in which there is a quorum. Notwithstanding the foregoing, after the Turnover Date these By-Laws may be amended to change the number of directors on the Board by two-thirds percent (66 2/3%) of the Board acting alone. Such change shall not require the approval of the Members. Any change in the number of directors shall not take effect until the next Annual Members Meeting.

13. Conflict. In the case of any conflict between the Articles and these By-Laws, the Articles shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

14. Fiscal Year. The first fiscal year shall begin on the date of incorporation and end on December 31 of that year. Thereafter, the fiscal year of Association shall begin on the first day of January and end on the 31st day of December of every year.

15. Miscellaneous.

15.1. Florida Statutes. Whenever these By-Laws refers to the Florida Statutes, it shall be deemed to refer to the Florida Statutes as they exist on the date these By-Laws are recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

15.2. Severability. Invalidation of any of the provisions of these By-Laws by judgment or court order shall in no way affect any other provision, and the remainder of these By-Laws shall remain in full force and effect.