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**COMMUNITY DECLARATION
FOR
SOUTH LAKES OF HARMONY**

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EXHIBITS:

- Exhibit A Legal Description
- Exhibit B Use Restrictions and Rules
- Exhibit C Articles of Incorporation
- Exhibit D Bylaws
- Exhibit E SFWMD Permit

**COMMUNITY DECLARATION
FOR
SOUTH LAKES OF HARMONY**

**ARTICLE I
GOVERNANCE OF THE COMMUNITY**

1.1 Purpose and Intent: Binding Effect.

- (a) BIRCHWOOD ACRES LIMITED PARTNERSHIP, LLLP, a Florida limited liability limited partnership (the "**Declarant**"), is the record title owner of the real property legally described in **Exhibit A**, attached hereto and incorporated herein by this reference (the "**Properties**"), and intends by the recording of this COMMUNITY DECLARATION FOR SOUTH LAKES OF HARMONY (this "**Declaration**") to create a general plan of development for the planned community known as "SOUTH LAKES OF HARMONY." This Declaration provides a procedure for the future expansion of SOUTH LAKES OF HARMONY to include additional real property and provides for the overall development, administration, maintenance and preservation of the real property now and hereafter comprising SOUTH LAKES OF HARMONY. An integral part of the development plan is the creation of SOUTH LAKES OF HARMONY COMMUNITY ASSOCIATION, INC. (the "**Association**"), a homeowners association to be comprised of all record title owners of residential real property in SOUTH LAKES OF HARMONY. The purpose of the Association is to operate and maintain various Common Areas and community improvements and to administer and enforce this Declaration and the other governing documents referred to herein.

This Declaration does not and is not intended to create a condominium within the meaning of the Florida Condominium Act, Florida Statutes Section 718.101, et. seq.

- (b) All property described in **Exhibit A** and any additional property that is made subject to this Declaration in the future by filing of one or more Supplemental Declarations in the Public Records, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title or interest in any portion of the Properties, as well as the Occupants of any Unit and their guests and invitees.
- (c) This Declaration shall be enforceable by Declarant, the Club Owner, the Master Association, the Association, and their respective successors and assigns, and unless terminated as provided in Section 1.1(d), shall have perpetual duration. If Florida law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each, unless terminated as provided below. Notwithstanding the above, so long as Florida law recognizes the rule against perpetuities, if any of the provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Barak Obama, the 44th President of the United States of America.
- (d) Unless otherwise required by Florida law, this Declaration may not be terminated except by an instrument signed by (i) seventy-five percent (75%) of the total Voting Interests, and (ii) Declarant, if Declarant owns any portion of the Properties. Any such instrument shall set forth the intent to terminate this Declaration and shall be recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement or the rights of the Club Owner without the consent of the Club Owner.
- (e) If any court finally determines that a provision of this Declaration is invalid, in whole or as applied

in a particular instance, such determination shall not affect the validity of other provisions or applications.

1.2 Governing Documents. This Declaration, each Supplemental Declaration, the Articles of Incorporation, the Bylaws, and the Use Restrictions and Rules of the Association, as any of them may be supplemented or amended in the future (the "Governing Documents") create a general plan of development for the Properties that may be supplemented by additional covenants, restrictions, and easements applicable to particular areas within the Properties. Nothing in this Section shall preclude any Supplemental Declaration or other recorded covenants applicable to any portion of the Properties from containing more restrictive provisions than this Declaration.

1.3 Master Declaration. The Properties are subject to the Master Declaration (as defined herein). Each Owner, by acquiring title to a Unit is a member of the Master Association (as defined herein) and will be subject to all of the terms and conditions of the Master Declaration, as amended and supplemented from time to time. The Master Declaration contains certain rules, regulations and restrictions relating to the use of the Properties (including Units). Among the powers of the Master Association is the power to assess each Owner for assessments as set forth in the Master Declaration, including without limitation, for Base Assessments and Reserves, Service Area Assessments and Reserves, Special Assessments, Specific Assessments and other charges imposed by the Master Declaration, all as more particularly provided and defined in the Master Declaration, and to impose and foreclose liens upon each Unit in the event such assessments are not paid when due.

THE ASSOCIATION AND EACH OWNER SHALL BE BOUND BY AND COMPLY WITH THE MASTER DECLARATION. THE GOVERNING DOCUMENTS ARE SUBORDINATE AND INFERIOR TO THE MASTER DECLARATION. IN THE EVENT OF ANY CONFLICT BETWEEN THE MASTER DECLARATION AND THE GOVERNING DOCUMENTS, THE MASTER DECLARATION SHALL CONTROL.

1.4 Club Plan. Each Owner, by acquiring title to a Unit, is a member of the Club (as defined herein) and will be subject to all of the terms and conditions of the Club Plan (as defined herein), as amended and supplemented from time to time. Club Owner is responsible for operating and maintaining the Club and Club Facilities and administering the Club Plan. Club Facilities may be added, modified or deleted from time to time in accordance with the Club Plan. The Club Plan contains certain rules, regulations and restrictions relating to the use of the Club. Pursuant to the Club Plan, each Owner shall pay the Club Dues as set forth in the Club Plan. Club Owner may increase the number of Club members and users from time to time in accordance with the Club Plan. The Club shall be used and enjoyed by the Owners, on a non-exclusive basis, in common with such other persons, entities, and corporations that may be entitled to use the Club subject to the rules and regulations in the Club Plan. Each Owner, shall be bound by and comply with the Club Plan attached to the Master Declaration.

THE ASSOCIATION AND EACH OWNER SHALL BE BOUND BY AND COMPLY WITH THE CLUB PLAN THAT IS INCORPORATED HEREIN BY REFERENCE. ALTHOUGH THE CLUB PLAN IS AN EXHIBIT TO THE MASTER DECLARATION, THE MASTER DECLARATION AND GOVERNING DOCUMENTS ARE SUBORDINATE AND INFERIOR TO THE CLUB PLAN. IN THE EVENT OF ANY CONFLICT BETWEEN THE CLUB PLAN, THE MASTER DECLARATION AND THE GOVERNING DOCUMENTS, THE CLUB PLAN SHALL CONTROL.

1.5 Site Plans and Plats. The Plat(s) for the Properties may identify some of the Facilities or Common Areas. The description of the Facilities or Common Areas on the Plat is subject to change and the notes on the Plat are not a guarantee of what improvements will be constructed as Facilities or Common Areas. Site plans used by Declarant and Builders in their marketing efforts may illustrate the types of improvements that may be constructed on the Common Areas or Facilities but such site plans are not a guarantee of what improvements will actually be constructed. Each Owner should not rely on the Plat or any site plans used for illustration purposes as the Declaration governs

the rights and obligations of Declarant and Owners with respect to the Common Areas and Facilities.

- 1.6 Restrictions Affecting Occupancy and Alienation. The covenants, conditions and restrictions of this Declaration set forth in Article IV (the "Occupancy and Alienation Restrictions") shall run with and bind the land and shall inure to the benefit of and be enforceable by the Declarant, the Association, any aggrieved Owner and their respective legal representatives, heirs, successors and assigns. In no event shall the Occupancy and Alienation Restrictions be revoked, modified or amended for a period of thirty (30) years from the recording of this Declaration in the Public Records.

ARTICLE II DEFINITIONS

The terms used in this Declaration generally shall be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms used herein shall be defined as set forth below, unless otherwise provided herein.

- 2.1 Age-Qualified Occupant. A natural person who is fifty-five (55) years of age or older who has designated the Unit as the Age-Qualified Occupant's primary residence. Occupancy as a primary residence shall be established by the mailing address for the individual, official address on file for voter registration or driver's license or other means to establish legal residency under Florida law.
- 2.2 Area of Common Responsibility. The Common Area, together with those areas, if any, which by the terms of this Declaration, any Supplemental Declaration, any Plat, any other applicable covenants, or by contract, become the responsibility of the Association.
- 2.3 Articles of Incorporation or Articles. The Articles of Incorporation of SOUTH LAKES OF HARMONY COMMUNITY ASSOCIATION, INC., as filed with the Secretary of State for the State of Florida, a copy of which is attached hereto as Exhibit C and made a part hereof by this reference, as the same may be amended, supplemented and/or restated from time to time in the future.
- 2.4 Association. SOUTH LAKES OF HARMONY COMMUNITY ASSOCIATION, INC., a Florida not-for-profit corporation, its successors and assigns.
- 2.5 Base Assessment. Assessments levied on all Units subject to assessment under Article VIII to fund Operating Expenses for the general expenses and operation of the Association and Reserves, if any.
- 2.6 SOUTH LAKES OF HARMONY. All property which is now or hereafter made subject to this Declaration. The terms "SOUTH LAKES OF HARMONY" shall be interchangeable with the term "Properties."
- 2.7 Board of Directors or Board. The body responsible for administration of the Association, selected as provided in this Declaration and the Bylaws and generally serving the same role as the board of directors under Florida corporate law.
- 2.8 Builder. Any Person other than the Declarant who (a) holds title to a Unit prior to, during and until completion thereof of construction of a detached or attached residence for a single family (as evidenced by issuance of a certificate of occupancy) and the sale of such detached or attached residence to a third party, (b) is duly licensed, either itself or through an affiliated entity, to perform construction services in the State of Florida, and (c) is approved by the Declarant in writing as a Builder. Each Owner, by acceptance of a deed, acknowledges and agrees that a Builder may have rights and obligations pursuant to a separate written instrument that are in addition to, or in lieu of, the rights and obligations provided under the Governing Documents.

- 2.9 Bylaws. The Bylaws of the Association, a copy of which is attached hereto as Exhibit D and made a part hereof by this reference, as it may be amended, supplemented and/or restated from time to time in the future.
- 2.10 CDD. The HARMONY COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government organized and existing pursuant to Chapter 190, Florida Statutes.
- 2.11 Class "B" Control Period. The period of time during which the Class "B" Member is entitled to appoint a majority of the members of the Board of Directors as provided in Section 6.3(b) of this Declaration.
- 2.12 Club. The LAKES OF HARMONY CLUB, including the Club Property and Club Facilities (as defined in the Club Plan attached to the Master Declaration) provided for the Owners pursuant to the provisions of the Club Plan. The Club and Club Facilities will be owned and controlled by the Club Owner (as defined in the Club Plan) and not by the Association.
- 2.13 Club Plan. The LAKES OF HARMONY CLUB PLAN, together with all amendments and modifications thereof. A copy of the Club Plan is attached to the Master Declaration as "Exhibit F." This Declaration is subordinate in all respects to the Club Plan.
- 2.14 Common Area. All real property interests and personalty within SOUTH LAKES OF HARMONY designated as Common Areas from time to time by the Declarant, by the Plat or by recorded amendment to this Declaration and provided for, owned, leased by, or dedicated to, the common use and enjoyment of the Owners within SOUTH LAKES OF HARMONY. The Common Areas may include, without limitation, private roadways, open space areas, internal buffers, entrance features, landscaped areas, improvements, irrigation facilities, sidewalks, commonly used utility facilities, and project signage. The Common Areas do not include any portion of any Unit. The term "Common Areas" shall include Exclusive Common Areas as defined herein. 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, OBLIGATE OR LIMIT DECLARANT TO CONSTRUCT OR SUPPLY ANY SUCH ITEM AS SET FORTH IN SUCH DESCRIPTION, THE CONSTRUCTION OR SUPPLYING OF ANY SUCH ITEM BEING IN DECLARANT'S SOLE DISCRETION. 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 THE ASSOCIATION, EXCEPT AFTER CONSTRUCTION AND CONVEYANCE OF ANY SUCH ITEM TO THE ASSOCIATION. FURTHER, AND WITHOUT LIMITING THE FOREGOING, CERTAIN AREAS THAT WOULD OTHERWISE BE COMMON AREAS SHALL BE OR HAVE BEEN CONVEYED TO THE CDD AND SHALL COMPRISE PART OF THE CDD FACILITIES (AS DEFINED HEREIN). CDD FACILITIES SHALL NOT INCLUDE COMMON AREAS.
- 2.15 Community-Wide Standard. The standard of conduct, maintenance or other activity generally prevailing throughout the Properties as established by the Association. Such standard is expected to evolve over time as development progresses and may be more specifically determined by the Board of Directors, Declarant, or the Architectural Control Committee, if any, established pursuant to Article IV of the Master Declaration. The standards imposed by this Declaration, including, without limitation, the Use Restrictions and Rules attached hereto as Exhibit B and incorporated herein by reference, as the same may be supplemented or amended from time to time, shall be part of the Community-Wide Standard.
- 2.16 County. Osceola County, Florida.
- 2.17 Declarant. The "Declarant" is BIRCHWOOD ACRES LIMITED PARTNERSHIP, LLLP, a Florida limited liability limited partnership, or any successor or assign, including its affiliated or related entities that conduct land development, homebuilding and sales activities and who receive a written

assignment of all or some of the rights of Declarant 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 the Declarant, but may exercise such rights of Declarant specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

- 2.18 Deficit. This term shall have the meaning ascribed thereto in Section 8.13.
- 2.19 Design Guidelines. The architectural guidelines and procedures, if any, adopted pursuant to Article IV of the Master Declaration.
- 2.20 Electronic Transmission. This term shall mean any form of communication, not directly involving the physical transmission or transfer of paper, which creates a record that may be retained, retrieved, and reviewed by a recipient and which may be directly reproduced in a comprehensible and legible paper form by such recipient through an automated process. Examples of Electronic Transmission include, without limitation, telegrams, facsimile transmissions and text that is sent via electronic mail between computers. Electronic Transmission may be used to communicate with only those Members of the Association who consent in writing to receiving notice by Electronic Transmission. Consent by a Member to receive notice by Electronic Transmission shall be revocable by the Member only by written notice to the Board.
- 2.21 Excess Funding. This term shall have the meaning ascribed thereto in Section 8.13.
- 2.22 Exclusive Common Area. A portion of the Common Area intended for the exclusive use or primary benefit of one (1) or more, but less than all, Units, as more particularly described in Article XII.
- 2.23 Golf Facilities. The Golf Facilities are part of the Club. The Golf Facilities are the golf course, pro shop, golf cart facilities, and other facilities and property directly related to the golf course located within the Club Property. The Club Owner shall own, operate and maintain the Golf Facilities. Use of the Golf Facilities shall be available to Owners and their invitees, guests, family members and tenants, on a non-exclusive basis subject to this Declaration and the Club Plan.
- 2.24 Governing Documents. This term shall have the meaning ascribed thereto in Section 1.2 hereof.
- 2.25 Master Association. This term shall mean LAKES OF HARMONY COMMUNITY ASSOCIATION, INC., its successors and assigns.
- 2.26 Master Declaration. This term shall mean the MASTER DECLARATION FOR LAKES OF HARMONY, recorded in Official Records Book 4895, at Page 1122-1212 of the Public Records of Osceola County, Florida, as now or subsequently amended, modified, restated, replaced or supplemented. This Declaration shall be junior and subordinate to the Master Declaration.
- 2.27 Master Plan. The land use plan for the development of the Properties as it may be amended from time to time. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of any property from the Master Plan bar its later annexation in accordance with Article IX. The Master Plan is subject to change (including material changes) at any time and from time to time, without notice and such change may increase or decrease the number of Units.
- 2.28 Member. A Person entitled to membership in the Association, as provided in Section 6.2.
- 2.29 Mortgage. A mortgage, a deed of trust, a deed to secure debt or any other form of security instrument affecting title to a Unit.
- 2.30 Mortgagee. An institutional or governmental holder of a Mortgage that makes, holds, insures or guarantees mortgage loans in the ordinary course of its business.

- 2.31 Occupy, Occupies, or Occupancy. Unless otherwise specified in the Governing Documents, these terms shall mean staying overnight in a particular Unit for at least ninety (90) total days in the subject calendar year. The term "**Occupant**" shall refer to any individual other than an Owner who Occupies a Unit or is in possession of a Unit, or any portion thereof or building or structure thereon, whether as a lessee or otherwise, other than on a merely transient basis (and shall include, without limitation, a Resident).
- 2.32 Operating Expenses. Operating Expenses may include, without limitation, the following: all costs of ownership, maintenance, operation, and administration of the Common Areas, including without limitation the private roadways; all amounts payable by the Association under the terms of this Declaration; amounts payable to a telecommunications provider for telecommunications services furnished to Owners; utilities; taxes; insurance; bonds; salaries; management fees; professional fees; service costs; supplies; maintenance, repair, replacement, and refurbishment costs; all amounts payable in connection with Association sponsored social events; and any and all costs relating to the discharge of the Association's obligations hereunder, or as determined to be part of the Operating Expenses by the Association. By way of example, and not of limitation, Operating Expenses shall include all of the Association's legal expenses and costs relating to or arising from the enforcement and/or interpretation of this Declaration. Notwithstanding anything to the contrary herein, Operating Expenses shall not include Reserves. If any of the foregoing items identified as possible Operating Expenses are included as District Maintenance Special Assessments (as defined in Section 14.2), the same shall not be included in Operating Expenses.
- 2.33 Owner. One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. A Builder is an Owner.
- 2.34 Plat. The term "Plat" shall refer to any plat of any portion of the Properties filed in the Public Records, from time to time. This definition shall be automatically amended to include the plat of any additional phase of the Properties, as such phase is added to this Declaration.
- 2.35 Permit. Permit No. 49-01058-P, as amended or modified, issued by SFWMD, a copy of which is attached hereto as **Exhibit E**, as amended from time to time.
- 2.36 Person. A natural person, a corporation, a partnership, a trust or any other legal entity.
- 2.37 Properties. The real property described in **Exhibit A**, together with such additional property as is subjected to this Declaration in accordance with Article IX. The term "Properties" shall be interchangeable with "SOUTH LAKES OF HARMONY."
- 2.38 Public Records. The Public Records of Osceola County, Florida.
- 2.39 Qualified Occupant. Any natural person (i) nineteen (19) years of age or older who Occupies a Unit and was the original Occupant following purchase of the Unit from the Declarant or a Builder; or (ii) a natural person nineteen (19) years of age or older who Occupies a Unit with an Age-Qualified Occupant.
- 2.40 Reserves. The term "Reserves" shall have the meaning set forth in Section 8.1(a) hereof.
- 2.41 Resident. Each natural person who resides in a Unit.
- 2.42 Reviewing Entity. The term "Reviewing Entity" shall have the meaning set forth in Section 4.3(a)(1) of the Master Declaration. As more specifically provided in the Master Declaration, no Work shall be commenced any Unit, or on the Common Areas, unless and until such Owner or the Association, as applicable, receives prior written approval for such Work from the Reviewing Entity, as provided in Article IV of the Master Declaration.

- 2.43 Service Area. Two (2) or more Units to which an Exclusive Common Area is assigned, as described in Article XII, or which receive benefits or services from the Association, as described in Section 7.14. A Unit may be part of more than one (1) Service Area, and Service Areas may overlap. Where the context permits or requires, the term "Service Area" shall also refer to the Service Area Committee, if any, established in accordance with the Bylaws to act as a liaison between the Board and the Owners of Units within a particular Service Area.
- 2.44 Service Area Assessments. Assessments levied against the Units in a particular Service Area to fund Service Area Operating Expenses, as described in Section 8.2, and Service Area Reserves (if any), as described in Section 8.3.
- 2.45 Service Area Operating Expenses. The actual or estimated expenses incurred or anticipated to be incurred by the Association for the benefit of the Owners and Occupants of Units within a particular Service Area. Notwithstanding anything to the contrary herein, Service Area Operating Expenses shall not include Service Area Reserves.
- 2.46 Service Area Reserves. The term "Service Area Reserves" shall have the meaning set forth in Section 8.2(a) hereof.
- 2.47 SFWMD. The South Florida Water Management District.
- 2.48 Special Assessment. Assessments levied in accordance with Section 8.4.
- 2.49 Specific Assessment. Assessments levied in accordance with Section 8.5.
- 2.50 Supplemental Declaration. An amendment or supplement to this Declaration filed in the Public Records for such purposes as this Declaration may provide.
- 2.51 Surface Water Management System or SWMS. A system which is designed and constructed or implemented to control discharges that are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges. The SWMS includes those works authorized by SFWMD pursuant to the Permit.
- 2.52 Unit. A portion of the Properties, whether improved or unimproved, that may be independently owned and is intended for development, use, and Occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, that is part of the Unit and any improvements thereon. In the case of a building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Unit. The term "Unit" shall not include Common Area, unless otherwise provided in this Declaration or any Supplemental Declaration.
- 2.53 Use Restrictions and Rules. The use restrictions and rules of the Association set forth on Exhibit B, as they may be supplemented, modified and repealed pursuant to Article III.
- 2.54 Voting Interest. The appurtenant vote of each Unit located within the Properties, which shall include the voting interests of the Declarant.
- 2.55 Work. Any grading, staking, clearing, excavation, site work, planting or removal of plants, trees, shrubs or other landscaping materials, or construction, installation or material modification or betterment (including painting) of any structures or other improvements on a Unit or on Common Areas, or the addition of any structures or other improvements visible from the outside of the Unit.

ARTICLE III
USE AND CONDUCT

3.1 Framework for Regulation.

- (a) Declarant has established a general plan of development for the Properties as a master planned community in order to address the collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs and desires within the Properties. The Properties are subject to the land development, architectural and design provisions described in the Master Declaration, the provisions of this Declaration governing individual conduct and uses of or actions upon the Properties, and the guidelines, rules and restrictions promulgated pursuant to this Declaration, all of which establish affirmative and negative covenants, easements and restrictions on the Properties.
- (b) All provisions of the Governing Documents shall apply to all Owners, tenants, Occupants, guests and invitees of any Unit. Each Owner shall be responsible for inserting a provision in any lease of its Unit informing the lessees and all Occupants of the Unit of the Governing Documents; however, failure to include such a provision in the lease shall not relieve any Person of responsibility for complying with the Governing Documents.

3.2 Rulemaking Authority.

- (a) The existing Use Restrictions and Rules applicable to all of the Properties are attached as **Exhibit B** to this Declaration. Subject to the terms of this Article and Section 10.5 below, such existing Use Restrictions and Rules may be supplemented, modified in whole or in part, repealed or expanded by the Board of Directors in accordance with its duty to exercise business judgment on behalf of the Association and its Members. The Board may adopt rules which supplement, modify, cancel, repeal, limit, create exceptions to or expand the Use Restrictions and Rules.
- (b) Notwithstanding the above, after termination of the Class "B" Membership, no amendment to or modification of any Use Restrictions and Rules shall be effective against any property owned by Declarant without prior notice to and the written approval of Declarant so long as Declarant owns any portion of the Properties. Moreover, no rule or action by the Association or Board shall impede Declarant's rights to develop the Properties.
- (c) Nothing in this Article shall, without the approval of the Declarant, authorize the Board or the Members to adopt rules conflicting with the Design Guidelines or addressing matters of architectural control, which shall be governed by the Design Guidelines and the controls described in Article IV of the Master Declaration, subject to the rights of the Declarant expressed in Article IV of the Master Declaration.

- 3.3 Owners' Acknowledgement and Notice to Purchasers. All Owners and Occupants of Units are given notice that use of their Units is limited by the Use Restrictions and Rules as they may be changed in accordance with this Declaration. Each Owner, by acceptance of a deed to their Unit, acknowledges and agrees that the use and enjoyment and marketability of his or her property can be affected by this provision and that the Use Restrictions and Rules may change from time to time.

- 3.4 Assumption of Risk. Without limiting any other provision herein, each Owner accepts and assumes all risk and responsibility for noise, liability, injury, or damage connected with use or occupancy of any portion of such Common Areas, including, without limitation: (a) noise from maintenance equipment; (b) use of pesticides, herbicides and fertilizers; (c) view restrictions caused by maturation of trees and shrubbery; (d) reduction in privacy caused by the removal or pruning of shrubbery or trees within the Properties; (e) views impairment caused by the construction of any structures; and (f) design of any portion of the Properties. Each such person also expressly indemnifies and agrees to hold harmless Declarant, the Association, Club Owner 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 do so at their own risk. BY ACCEPTANCE OF A DEED, EACH OWNER ACKNOWLEDGES THAT THE COMMON AREAS MAY CONTAIN WILDLIFE INCLUDING, WITHOUT LIMITATION, INSECTS, ALLIGATORS, DOGS, RACCOONS, SNAKES, DUCKS, DEER, SWINE, TURKEYS, AND FOXES. DECLARANT, THE ASSOCIATION AND CLUB OWNER SHALL HAVE NO RESPONSIBILITY FOR MONITORING SUCH WILDLIFE OR NOTIFYING OWNERS OR OTHER PERSONS OF THE PRESENCE OF SUCH WILDLIFE. EACH OWNER AND HIS OR HER GUESTS AND INVITEES ARE RESPONSIBLE FOR THEIR OWN SAFETY.

- 3.5 Owner's Obligation to Indemnify. Each Owner agrees to indemnify and hold harmless Declarant, the Association, Club Owner and their respective 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 use of the Common Areas 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 Declarant, the Association, Club Owner or any of the Indemnified Parties. Should any Owner bring suit against Declarant, the Association, Club Owner 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 attorneys' fees and paraprofessional fees at trial and upon appeal. The provisions of this sub-Section 3.5 shall not apply to any Losses to the extent such Losses arise out of the gross negligence or willful misconduct of an Indemnified Party.
- 3.6 Association's Obligation to Indemnify. Association and Owners each covenant and agree jointly and severally to indemnify, defend and hold harmless Declarant, its officers, directors, shareholders, and any related persons or corporations and their 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 the 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 Expenses to the extent such matters are not covered by insurance maintained by the Association. The provisions of this sub-Section 3.6 shall not apply to any Losses to the extent such Losses arise out of the gross negligence or willful misconduct of the Declarant.
- 3.7 Negligence. The expense of any maintenance, repair or construction of any portion of the Common Areas, drainage systems or SWMS necessitated by the negligent or willful acts of an Owner or Persons utilizing the Common Areas, drainage systems or SWMS through or under an Owner, shall be borne solely by such Owner and the Unit owned by such Owner shall be subject to a Specific 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 the Association. Further, by way of example, an Owner shall be responsible for the cost to correct any drainage issues caused by any such Owner's negligence.

ARTICLE IV
RESTRICTIONS AFFECTING ON OCCUPANCY AND ALIENATION

- 4.1 **Restrictions on Occupancy.** Subject to the rights reserved to Declarant in Section 10.20, the Units within SOUTH LAKES OF HARMONY are intended for the housing of persons fifty-five (55) years of age or older. The provisions of this Section 4.1 are intended to be consistent with and are set forth in order to comply with the Fair Housing Amendments Act, 42 U.S.C. §3601 et seq. (1988), as amended, the exemption set out in 42 U.S.C. §3607(b)(2)(C) and the regulations promulgated thereunder (collectively, as may be amended, the "**Act**") allowing discrimination based on familial status. Declarant or the Association, acting through the Board, shall have the power to amend this Section, without the consent of the Members or any Person except Declarant, for the purpose of maintaining the age restriction consistent with the Act, the regulations adopted pursuant thereto and any related judicial decisions in order to maintain the intent and enforceability of this Section.
- (a) Each Occupied Unit shall at all times be Occupied by at least one (1) natural person fifty-five (55) years of age or older; however, in the event of the death of a person who was the sole Occupant fifty-five (55) years of age or older of a Unit, any Qualified Occupant may continue to Occupy the same Unit as long as the provisions of the Act are not violated by such Occupancy.
 - (b) No natural person under the age of nineteen (19) shall Occupy a Unit.
 - (c) Nothing in this Article IV shall restrict the ownership of or transfer of title to any Unit; provided, no Owner under the age of fifty-five (55) may Occupy a Unit unless the requirements of this Article IV are met nor shall any Owner permit Occupancy of the Unit in violation of this Article IV. Owners shall be responsible for including a statement the Units within SOUTH LAKES OF HARMONY are intended for the housing of persons fifty-five (55) years of age or older, as set forth in this Article IV, in conspicuous type in any lease or other occupancy agreement or contract of sale relating to such Owner's Unit, which agreements or contracts shall be in writing and signed by the lessee or purchaser and for clearly disclosing such intent to any prospective lessee, purchaser, or other potential Occupant. Every Lease Agreement (as defined herein) for a Unit shall provide that failure to comply with the requirements and restrictions of this Article IV shall constitute a default under the Lease Agreement.
 - (d) Any Owner may request in writing that the Board make an exception to the requirements for an Age-Qualified Occupant of this Article IV with respect to a Unit, based on documented hardship. The Board may, but shall not be obligated to, grant exceptions in its sole discretion, provided that all of the requirements of the Act would still be met.
 - (e) In the event of any change in Occupancy of any Unit, as a result of a transfer of title, a lease or sublease, a birth or death, change in marital status, vacancy, change in location, or otherwise, the Owner of the Unit shall immediately notify the Board in writing and provide to the Board the names and ages of all current Occupants of the Unit and such other information as the Board may reasonably require to verify the age of each Occupant required to comply with the Act. 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, the Association may levy monetary fines against the Owner and the Unit for each day after the change in Occupancy occurs until the Association receives the required notice and information, regardless of whether the Occupants continue to meet the requirements of this Article IV, in addition to all other remedies available to the Association under this Declaration and Florida law.
- 4.2 **Monitoring Compliance; Appointment of Attorney-in-Fact.** The Association shall be responsible for maintaining records to support and demonstrate compliance with the Act. The Board shall adopt policies, procedures and rules to monitor and maintain compliance with this Article IV and the Act, including policies regarding visitors, updating of age records, the granting of exemptions to compliance and enforcement. The Association shall periodically distribute such policies, procedures and rules to the Owners and make copies available to Owners, their lessees and

Mortgagees upon reasonable request.

- 4.3 **Enforcement.** The Association may enforce this Article IV by any legal or equitable manner available, as the Board deems appropriate, including, without limitation, conducting a census of the Occupants of Units, requiring that copies of birth certificates or other proof of age for one (1) Age-Qualified Occupant per Unit be provided to the Board on a periodic basis, and taking action to evict the Occupants of any Unit that do not comply with the requirements and restrictions of this Article IV. The Association's records regarding individual members shall be maintained on a confidential basis and not provided except as legally required to governing authorities seeking to enforce the Act. Each Owner shall fully and truthfully respond to any Association request for information regarding the Occupancy of Units which, in the Board's judgment, is reasonably necessary to monitor compliance with this Article IV. Each Owner hereby appoints the Association as its attorney-in-fact for the purpose of taking legal or equitable action to dispossess, evict, or otherwise remove the Occupants of any Unit as necessary to enforce compliance with this Article IV.
- 4.4 **Compliance.** Each Owner shall be responsible for ensuring compliance of its Unit with the requirements and restrictions of this Article IV and the Association rules adopted hereunder, by itself and by its lessees and other Occupants of its Unit. Each Owner, by acceptance of title to a Unit, agrees to indemnify, defend and hold Declarant, any affiliate of Declarant and the Association harmless from any and all claims, losses, damages and causes of action which may arise from failure of such Owner's Unit to so comply. Such defense costs shall include, but not be limited to, attorneys' fees and paraprofessional fees, and costs, at trial and upon appeal.

ARTICLE V
MAINTENANCE, REPAIR AND REPLACEMENT OBLIGATIONS

- 5.1 **Maintenance by the Association.**
- (a) Except as otherwise specifically provided in this Declaration to the contrary, the Association shall at all times maintain, repair, replace and insure the Common Areas and all improvements placed thereon.
- (b) It is anticipated that roadways within the Properties shall be private roadways and shall be maintained by the Association and the costs thereof shall be paid by Owners as part of the Operating Expenses. The Common Areas may contain certain paved areas. Without limiting any other provision of this Declaration, the Association is responsible for the maintenance, repair and/or resurfacing of all paved surfaces forming a part of the Common Areas. Although pavement appears to be a durable material, it requires maintenance. The Association shall have the right, but not the obligation, to arrange for periodic inspections of all paved surfaces forming a part of the Common Areas by a licensed paving contractor and/or engineer. The cost of such inspection shall be a part of the Operating Expenses. The Association shall determine periodically the parameters of the inspection to be performed, if any. Any patching, grading, or other maintenance work should be performed by a company licensed to perform the work.
- (c) Declarant may install a controlled access facility (the "**Access Control System**") at one or more access points within the LAKES OF HARMONY (as defined in the Master Declaration). So long as Declarant owns any portion of the LAKES OF HARMONY, the Declarant shall have the right, but not the obligation, to contract for the installation of additional Access Control System facilities for the LAKES OF HARMONY. If provided, all costs associated with any Access Control System will be part of the operating expense of the Master Association. So long as Declarant owns any portion of the Properties, Declarant shall have the sole and absolute right to determine how such access control systems are operated, including the days and times that gates are open allowing public access to any portion of the Properties. Declarant hereby reserves for itself, and its contractors and suppliers, their respective agents and employees, and any prospective purchasers of Units from Declarant or Builders, an easement for free and unimpeded access through any such Access

Control System, subject only to such controls and restrictions as are agreed to in writing by Declarant. If the Master Association or the Association attempt to restrict or control access into the Properties through means not approved by the Declarant, the Declarant may take any and all measures necessary to eliminate same, including disabling any entry system during any hours desired by the Declarant, and the Declarant shall have no liability in this regard. The rights reserved hereunder shall extend beyond the Class "B" Control Period.

DECLARANT, CLUB OWNER, THE CDD, THE MASTER ASSOCIATION AND THE ASSOCIATION 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. EACH AND EVERY OWNER AND THE OCCUPANT OF EACH UNIT ACKNOWLEDGES THAT DECLARANT, CLUB OWNER, THE CDD, THE MASTER ASSOCIATION AND THE ASSOCIATION, AND THEIR EMPLOYEES, AGENTS, MANAGERS, DIRECTORS AND OFFICERS, ARE NOT INSURERS OF OWNERS OR UNITS, OR THE PERSONAL PROPERTY LOCATED WITHIN UNITS. DECLARANT, CLUB OWNER, THE CDD, THE MASTER ASSOCIATION AND THE ASSOCIATION SHALL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM ANY CASUALTY OR INTRUSION INTO A UNIT.

- (d) Association shall, if required by amendment to this Declaration or any document of record, maintain vegetation, landscaping, irrigation systems, community identification/features and/or other areas or elements designated by Declarant (or by the Association after the expiration of the Class "B" Control Period) upon areas that are within or outside of the Properties. Such areas may abut, or be proximate to, the Properties and may be owned by, or dedicated to, others including, but not limited to, a utility, governmental or quasi-governmental entity or a property owners association. These areas may include (for example and not limitation) parks, swale areas, landscape buffer areas, berm areas or median areas within the right-of-way of public streets, roads, drainage areas, community identification or entrance features, community signage or other identification. To the extent there is any agreement between the Association and any Person for the maintenance of any lakes or ponds outside of the Properties, the Association shall maintain the same and the costs thereof shall be paid by Owners as part of the Operating Expenses. The Association shall have the right to enter into new agreements or arrangements from time to time for improvements and facilities serving the members of the Association if the Board deems the same reasonable and appropriate for the continued use and benefit of any part of the Common Areas.

- 5.2 Unit Maintenance Obligations. Except as otherwise provided in this Section 5.2, all Units, including without limitation, all driveways, walkways, landscaping and any property, structures, improvements and appurtenances not maintained by the Association, shall be well maintained and kept in first class, good, safe, clean, neat and attractive condition consistent with the general appearance of SOUTH LAKES OF HARMONY by the Owner of the applicable Unit. In the event a Unit is not maintained by the Owner of the Unit in accordance with the requirements of this Section 5.2, the Association may, but shall not be obligated to, perform the maintenance obligations on behalf of the Owner. Each Owner by acceptance of a deed to their Unit grants the Association an easement over his or her Unit for the purpose of ensuring compliance with the requirements of this Section 5.2. In the event an Owner does not comply with this Section 5.2, the Association may perform the necessary maintenance and charge the costs thereof to the non-complying Owner as a Specific Assessment. The Association shall have the right to enforce this Section 5.2 by all necessary legal action. In the event the Association is the prevailing party with respect to any litigation respecting the enforcement of compliance with this Section 5.2, it shall be entitled to recover all of its attorneys' fees and paraprofessional fees, and costs, at trial and upon appeal.

- (a) The Association shall be responsible for maintaining the landscaped areas within each Unit to the extent provided in this Section 5.2(a). The Association's landscape maintenance responsibilities include weeding, trimming, mowing, mulching, and fertilization of grass, shrubs and ornamentals, and landscape-related exterior pest control. The foregoing shall be performed at the Board's

discretion and on such intervals as the Board may decide in its sole and absolute discretion. The cost associated with such landscape maintenance shall be part of the Service Area Operating Expenses of the applicable Service Area, and each Owner of a Unit in the applicable Service Area shall pay an equal share of such costs. Notwithstanding the foregoing or any other provision of this Declaration to the contrary, the Association shall have no responsibility for the repair or replacement of sod, grass, shrubs, trees, or any other landscaping within a Unit, and the Owner of each Unit shall be responsible for any such repair and replacement of the landscaped areas. In the event landscaped areas are not repaired and replaced by the Owner of the Unit, the Association may, but shall not be obligated to, repair and replace such landscaped areas on behalf of the Owner. The costs and expenses of such repairs and replacements plus Twenty-Five and no/100 Dollars (\$25.00) (or such other amount determined by Association in its sole and absolute discretion) shall be assessed against the respective Unit as a Specific Assessment.

EACH OWNER ACKNOWLEDGES THAT SOME UNITS MAY HAVE YARDS THAT ARE LARGER OR SMALLER THAN THE YARDS OF OTHER UNITS IN THE SAME SERVICE AREA. NOTWITHSTANDING THE FOREGOING, ALL LANDSCAPE MAINTENANCE EXPENSES SHALL BE DEEMED PART OF THE SERVICE AREA OPERATING EXPENSES FOR THE APPLICABLE SERVICE AREA. EACH OWNER WITHIN A SERVICE AREA SHALL SHARE IN SUCH COSTS EQUALLY WITH OTHER OWNERS IN THE SAME SERVICE AREA.

- (b) Each Owner by acceptance of a deed to their Unit, authorizes the Association to conduct additional landscape maintenance, repair or replacement beyond the scope of the Association's maintenance obligations described in Section 5.2(a) if, in the discretion of the Board, such additional maintenance is required for any reason whatsoever, including without limitation, naturally occurring deterioration of the landscaped areas or Owner neglect. The costs associated with any such additional landscape maintenance shall be assessed against the respective Unit as a Specific Assessment. In the event an Owner modifies the landscape as initially installed by the Declarant or a Builder, then such Owner shall be solely responsible for the maintenance of such modified landscaping; provided, however any such modifications shall be approved by the Reviewing Entity in accordance with the provisions of the Master Declaration.
- (c) The Association also shall be responsible for the maintenance, repair and replacement of damaged piping, sprinkler heads, valves or other components of each Unit's irrigation system, except as otherwise provided herein and except as required due to Owner negligence. The cost associated with maintenance, repair and replacement of the irrigation facilities shall be part of the Service Area Operating Expenses of the applicable Service Area, and each Owner of a Unit in the applicable Service Area shall pay an equal share of such costs. The Association shall have access to control boxes and/or devices used in connection with any irrigation system that may be installed on any Unit and Owners are not permitted to block access to or tamper with the same. Access to control boxes and/or devices used in connection with any irrigation system shall be installed on the exterior of the Unit's dwelling (e.g. shall not be installed within garages) and shall be readily accessible to the Association. The Association reserves the right to place locks on any control boxes and/or devices used in connection with irrigation regardless of their location. Notwithstanding the foregoing, the Association shall have no responsibility for repair and replacement of the irrigation controller and rain sensor of any Unit's irrigation system. Each Owner shall be responsible for repair and replacement of the irrigation controller and rain sensor located within their respective Unit. In the event the irrigation controller and rain sensor are not repaired and replaced by the Owner of the applicable Unit, the Association may, but shall not be obligated to, repair and replace such irrigation controller and rain sensor on behalf of the Owner. The costs and expenses of such repairs and replacements plus Twenty-Five and no/100 Dollars (\$25.00) (or such other amount determined by Association in its sole and absolute discretion) shall be assessed against the respective Unit as a Specific Assessment.
- (d) Each Owner of a Unit shall be responsible to timely repair, maintain and/or replace the driveways and walkways comprising part of a Unit. In the event the County or any of its subdivisions, agencies, and/or divisions must remove any portion of an Owner's driveway or walkway for the

installation, repair, replacement or maintenance of utilities, then the Owner of the applicable Unit will be responsible to replace or repair the driveway or walkway at such Owner's expense. In the event an Owner does not comply with this Section, the Association may perform the necessary maintenance and charge the costs thereof to the non-complying Owner as a Specific Assessment.

- (e) Notwithstanding the Association's maintenance obligations provided in this Section 5.2, in the event an Owner installs a gated or enclosed fence upon their Unit, as approved by the Reviewing Entity, which impedes or restricts the Association's access to the Unit, then the Owner shall be solely responsible for maintenance, repair and replacement of any landscaping and irrigation facilities located within the Owner's Unit, or any portion thereof that becomes inaccessible to the Association, and the Association shall have no responsibility for the same. In the event an Owner installs a gated or enclosed fence upon their Unit which impedes or restricts the Association's access to the Unit and the Association is no longer required to maintain such Lot in accordance with this Section 5.2, the Owner of such Unit shall not be entitled to any discount, refund or abatement of assessments, or any other fees, as a result of the reduced maintenance obligations for such Owner's Unit.
- 5.3 Private Right of Way. The Association shall maintain, mow, irrigate, prune and replace all landscaping (including, without limitation, all sod and trees) lying within the private right-of-way of adjacent private streets, between the Unit boundary and the curb of such private street and between the Unit boundary and any adjacent easements for pedestrian paths or sidewalks.
- 5.4 Responsibility for Insurance, Repair and Replacement.
- (a) Each Owner shall be responsible for obtaining and maintaining property insurance on all insurable improvements within his or her Unit.
- (b) Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with an IAR (as defined in the Master Declaration) or Article IV of the Master Declaration, whichever is applicable (the "**Required Repair**"). Alternatively, the Owner may elect to clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard (the "**Required Demolition**"). The Owner shall pay any costs which are not covered by insurance proceeds. If an Owner elects to perform the Required Repair, such Work must be commenced within thirty (30) days of the Owner's receipt of the insurance proceeds respecting such Unit and the Required Repair must be completed within six (6) months from the date of the casualty or such longer period of time established by the Board in its sole and absolute discretion, subject to extension if required by law. If an Owner elects to perform the Required Demolition, the Required Demolition must be completed within six (6) months from the date of the casualty or such longer period of time established by the Board in its sole and absolute discretion, subject to extension if required by law. If an Owner elects to perform the Required Repair, such reconstruction and/or repair must be completed in a continuous, diligent, and timely manner. Without limiting any other provision of this Declaration or the powers of the Association, the Association shall have a right to bring an action against an Owner who fails to comply with the foregoing requirements. By way of example, the Association may bring an action against an Owner who fails to either perform the Required Repair or Required Demolition on his or her Unit within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit or a demolition 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.
- (c) Additional recorded covenants applicable to any portion of the Properties may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Units within such portion of the Properties and for clearing and maintaining such

Units in the event the structures are not rebuilt or reconstructed.

- (d) Notwithstanding any provision to the contrary contained herein or in any other Governing Document, neither the Association nor the Declarant shall be responsible for ensuring or confirming compliance with the insurance provisions contained herein, it being acknowledged by all Owners of Units that such monitoring would be unnecessarily expensive and difficult. Moreover, neither the Association nor the Declarant shall be liable in any manner whatsoever for failure of a Unit Owner to comply with this Section 5.4.
- (e) In the event of damage to the Club, the responsibility for reconstruction shall be as provided in the Club Plan.
- 5.5 Standard of Performance. Maintenance, as used in this Article V, shall include, without limitation, repair and replacement as needed, as well as such other duties, which may include irrigation, as the Board may determine necessary or appropriate to satisfy the Community-Wide Standard. All maintenance and irrigation shall be performed in a manner consistent with the Community-Wide Standard.
- 5.6 Enforcement. In addition to any other enforcement rights, if an Owner fails to properly perform his, her or its maintenance responsibilities under this Article V, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association as a result thereof against the benefited Unit(s) and its Owner(s) as a Specific Assessment in accordance with Section 8.5. The right of the Association to enter any Unit to perform such maintenance is granted to the Association pursuant to Section 11.5 hereof. The Association shall provide the Owner or at least fourteen (14) days' notice and opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.
- 5.7 Surface Water Management System. The Properties include various drainage retention/detention areas and facilities that are part of the SWMS. These drainage structures are part of the overall drainage plan for the Properties. The CDD shall have unobstructed ingress to and egress from all retention/detention facilities at all reasonable times to maintain said facilities in a manner consistent with its responsibilities as provided herein and any rules and regulations promulgated by the CDD. No Owner shall cause or permit any interference with such access or maintenance. The CDD shall be responsible for the maintenance, operation and repair of the SWMS. Maintenance of the SWMS shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by SFWMD. Any repair or reconstruction of the SWMS shall be as permitted or, if modified, as approved in writing by the SFWMD. The Association shall not be responsible for the maintenance of the SWMS unless such maintenance obligation is addressed in a Supplemental Declaration or by amendment to this Declaration.

NEITHER THE DECLARANT, THE CDD, THE MASTER ASSOCIATION NOR THE ASSOCIATION MAKE ANY REPRESENTATION CONCERNING THE CURRENT OR FUTURE WATER LEVELS IN ANY OF THE RETENTION/DETENTION AREAS WITHIN THE PROPERTIES; PROVIDED, FURTHER, NEITHER THE DECLARANT, THE CDD, THE MASTER ASSOCIATION NOR THE ASSOCIATION BEAR ANY RESPONSIBILITY TO ATTEMPT TO ADJUST OR MODIFY THE WATER LEVELS SINCE SUCH LEVELS ARE SUBJECT TO SEASONAL GROUNDWATER AND RAINFALL FLUCTUATIONS THAT ARE BEYOND THE CONTROL OF THE DECLARANT, THE CDD, THE MASTER ASSOCIATION AND THE ASSOCIATION. BY ACCEPTANCE OF A DEED TO A UNIT, EACH OWNER ACKNOWLEDGES THE WATER LEVELS OF ALL RETENTION/DETENTION AREAS MAY VARY. THERE IS NO GUARANTEE BY DECLARANT, THE CDD, THE MASTER ASSOCIATION OR THE ASSOCIATION THAT WATER LEVELS OR RETENTION/DETENTION AREAS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME; AT TIMES, WATER LEVELS MAY BE NONEXISTENT. DECLARANT, THE CDD, THE MASTER ASSOCIATION AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO ERECT FENCES, GATES, OR WALLS

AROUND OR ADJACENT TO ANY RETENTION/DETENTION AREAS WITHIN THE PROPERTIES.

- 5.8 Swale Maintenance. The Properties may include drainage swales within certain Units for the purpose of managing and containing the flow of excess surface water, if any, found upon such Units. Each Owner, including Builders, shall be responsible for the maintenance, operation and repair of the swales on the Unit. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, that allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by SFWMD. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the swales is prohibited. No alteration of the drainage swale shall be authorized and any damage to any drainage swale, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale returned to its former condition as soon as possible by the Owner(s) of the Units) upon which the drainage swale is located.
- 5.9 Public Facilities. The Properties may include one or more facilities that may be dedicated to the County.
- 5.10 Removal of Landscaping. Without the prior written consent of the Reviewing Entity, which may be denied by the Reviewing Entity in its sole discretion, no sod, topsoil, tree or shrubbery shall be removed from any Unit and there shall be no change in the plant landscaping, elevation, condition of the soil or the level of the land of any Unit. Notwithstanding the foregoing, Owners who install improvements to the Unit with the approval of the Reviewing Entity that result in any change in the flow and/or drainage of surface water shall be responsible for all of the costs of drainage problems resulting from such improvement. Further, in the event that such Owner fails to pay for such required repairs, each Owner agrees to reimburse CDD for all expenses incurred in fixing such drainage problems including, without limitation, removing excess water and/or repairing the SWMS.
- 5.11 Exterior Home Maintenance. Each Owner is solely responsible for the proper maintenance and cleaning of the exterior walls of his or her Unit. Exterior walls are improved with a finish material composed of stucco or cementitious coating (collectively, "Stucco/Cementitious Finish"). While Stucco/Cementitious Finish is high in compressive or impact strength, it is not of sufficient tensile strength to resist building movement. It is the nature of Stucco/Cementitious Finish to experience some cracking and it will expand and contract in response to temperature, sometimes creating minor hairline cracks in the outer layer of the stucco application. This is normal behavior and considered a routine maintenance item for the Owner. Each Owner is responsible to inspect the Stucco/Cementitious Finish to the exterior walls for cracking and engage a qualified professional to seal those cracks and repair the affected area. In addition, each Owner is responsible for inspecting the exterior paint and caulk material in the exterior wall system openings (i.e. windows, doors, hose bibs, etc.) for peeling, cracking or separating. If the inspection reveals any such items, the Owner is responsible for engaging a qualified professional to clean, repair, re-caulk and repaint those areas of the Unit. Each Owner is responsible for all maintenance and repairs described in this Section 5.11, and they should be completed in a timely fashion to prevent damage to the Unit.
- 5.12 Water Body Slopes. The CDD Facilities and the rear yard of some Units may contain water body slopes. All such water body slopes will be regulated and maintained by the CDD. The Declarant hereby grants the CDD an easement of ingress and egress across all Units adjacent to water body areas for the purpose of regulating and maintaining such water body slopes. The CDD may establish from time to time maintenance standards for the water body slope maintenance by Owners who own Units adjacent to water bodies ("Water Body Maintenance Standards"). Such standards may include requirements respecting compaction and strengthening of banks. The CDD shall have the right to inspect such water body slopes and banks to insure that each Owner has complied with its obligations hereunder and under the Water Body Slope Maintenance Standards. Each Owner hereby grants the Association and the CDD an easement of ingress and egress across his or her Unit to all adjacent water body areas for the purpose of ensuring compliance with the requirements of this provision and the Water Body Slope Maintenance Standards. For the purposes

of this Declaration, each day that an Owner fails to comply with the requirements of this paragraph or any Water Body Slope Maintenance Standards shall be deemed a separate and independent violation of this Declaration.

ARTICLE VI
THE ASSOCIATION AND ITS MEMBERS

- 6.1 Function of the Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Common Area. The Association shall be the primary entity responsible for enforcement of this Declaration, each Supplemental Declaration, the Articles of Incorporation, the Bylaws, and such Use Restrictions and Rules of the Association as may be adopted from time to time.
- 6.2 Membership.
- (a) Every Owner shall be a Member of the Association. There shall be only one (1) vote per Unit. If a Unit is owned by more than one (1) Person, all co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in the Bylaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The vote for any Unit shall be exercised as such Persons determine, but in no event shall more than one (1) vote be cast with respect to any Unit.
- (b) The membership rights and privileges of an Owner who is a natural person may be exercised by the Member or the Member's spouse. The membership rights of an Owner that is a corporation, partnership or other legal entity may be exercised by any officer, director, partner or trustee, or by any other individual designated from time to time by the Owner in a written instrument provided to the secretary of the Association.
- 6.3 Classes of Membership and Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:
- (a) Class "A" Members shall all be Owners, including Builders, but excluding the Declarant, except as provided in Subsection 6.3(b). Each Class "A" Member shall have one (1) vote for each Unit owned; provided, however, there shall only be one (1) vote per Unit. Notwithstanding the foregoing, no votes shall be exercised on account of any property which is exempt from assessment under Section 8.9.
- (b) The sole Class "B" Member shall be Declarant. Prior to termination of the Class "B" Membership, the Class "B" Member shall have nine (9) votes for each Unit that it owns. Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member, if it owns any Units, and shall be entitled to one (1) Class "A" vote for each Unit that it owns. In addition, Declarant's consent shall be required for various actions of the Board, membership and committees as specifically provided elsewhere in the Governing Documents. The Class "B" Control Period shall terminate when the Declarant is no longer permitted under Chapter 720, Florida Statutes (2015), to appoint a majority of the members of the Board of Directors or such earlier date when, in its discretion, the Class "B" Member so determines and declares in a recorded instrument. After termination of the Class "B" Control Period, Declarant shall continue to have a right to disapprove certain actions of the Association, the Board, and any committee, as provided in the Governing Documents.
- 6.4 Exercise of Voting Rights. If there is more than one (1) Owner of a particular Unit, the vote for such Unit shall be exercised as such co-Owners determine among themselves and advise the secretary of the Association in writing prior to the close of balloting. Absent such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

ARTICLE VII
ASSOCIATION POWERS AND RESPONSIBILITIES

- 7.1 Acceptance and Control of the Association Property. The Association may acquire, hold and dispose of tangible and intangible personal property and real property. Declarant and its designees may convey to the Association improved or unimproved real estate located within the Properties, personal property and leasehold and other property interests. Such property shall be accepted by the Association and thereafter shall be maintained as Common Area by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association.
- 7.2 Maintenance of Common Area and Area of Common Responsibility.
- (a) Except to the extent that responsibility therefor has been assigned to or assumed by the CDD, or the Owners of adjacent Units, and except to the extent that such responsibility therefor has been assigned to or assumed by a Service Area created pursuant to Section 7.14, or by Supplemental Declaration, the Association shall maintain, manage and control the Common Area and Area of Common Responsibility, and all improvements thereon (including, without limitation, furnishings, equipment, and common landscaped areas), and shall keep it in good clean, attractive, and sanitary condition, order, and repair, consistent with the Master Declaration, this Declaration and the Community-Wide Standard, which shall include without limitation:
- (1) All landscaping and other flora, signage, structures, and improvements situated upon the Common Area;
 - (2) Landscaping, sidewalks, streetlights and signage within public right-of-way within or abutting the Properties, and landscaping and other flora within any public utility easement within the Properties (subject to the terms of any easement agreement relating thereto), except to the extent that responsibility therefor has been assigned to or assumed by the CDD;
 - (3) Such portions of any additional property as may be included within the Area of Common Responsibility pursuant to this Declaration, any Supplemental Declaration, or any agreement for maintenance entered into by the Association; and
 - (4) Any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and some or all of its Members, such property and facilities to be identified by written notice from Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.
- (b) There are hereby reserved to the Association easements over the Properties as necessary to enable the Association to fulfill its responsibilities under this Declaration. The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any reasonable periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs. However, the Association, acting through the Board and without the approval of the membership, may temporarily close any portion of the Common Area and any street or roadway or portion thereof (subject to the Association obtaining all necessary governmental approvals) to control traffic or traffic flow, or to hold events, block parties, or for similar purposes without the approval of the Members.
- (c) The Association may maintain other property which it does not own, including, without limitation, publicly-owned property and other property dedicated to public use, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

- (d) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Common Area and Area of Common Responsibility shall be an Operating Expense to be allocated among all Units as part of the Base Assessment, without prejudice to the right of the Association to seek reimbursement from the record title owner(s) thereof. All costs associated with maintenance, repair and replacement of Exclusive Common Area shall be a Service Area Operating Expense assessed against the Service Area(s) to which the Exclusive Common Area is assigned, notwithstanding that the Association may be responsible for performing such maintenance.
- (e) After termination of the Class "B" Control Period, if the Association fails to properly perform its maintenance responsibilities hereunder, Declarant may, upon not less than ten (10) days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred, plus a ten percent (10%) fee for administrative costs incurred in performing such maintenance.

7.3 Insurance.

(a) Required Coverage. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

- (1) If the Common Areas are located within an area that 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;
- (2) Commercial general liability insurance coverage providing coverage and limits deemed appropriate. Such policies must provide that they may not be cancelled or substantially modified by any party, without at least thirty (30) days' prior written notice to Declarant (until the expiration of the Class "B" Control Period) and the Association;
- (3) 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;
- (4) Fidelity insurance covering all persons responsible for handling Association funds in an amount determined in the Board's best business judgment. Fidelity insurance policies shall include coverage for officers, directors and other persons serving without compensation; and
- (5) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance and building ordinance coverage.
- (6) Any time a Service Area is created, unless otherwise provided in the Supplemental Declaration creating such Service Area, if applicable, all Owners within such Service Area shall name the Association as an additional insured under any casualty policy of insurance that provides coverage for any property for which the Association is responsible. In addition, the Association may obtain additional insurance at the expense of the Owners within the Service Area if it feels the coverage otherwise maintained is insufficient.
- (7) Premiums for all insurance on the Area of Common Responsibility shall be Operating Expenses and shall be included in the Base Assessment, except that (i) premiums for property insurance obtained on behalf of a Service Area shall be charged to the Owners of Units within the benefited Service Area as a Service Area Assessment; and (ii) premiums for insurance on Exclusive Common Area may be included in the Service Area Assessment

of the Service Area(s) benefited unless the Board of Directors reasonably determines that other treatment of the premiums is more appropriate.

7.4 Policy Requirements.

- (a) All Association policies shall provide for a certificate of insurance to be furnished to the Association.
- (b) The policies may contain a reasonable deductible. In the event of an insured loss to an Area of Common Responsibility (excluding an Exclusive Common Area), the deductible shall be treated as an Operating Expense in the same manner as the premiums for the applicable insurance coverage, or, for an insured loss in an Exclusive Common Area, in the manner described in this Declaration relating to the Service Area benefited by such Exclusive Common Area. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Section 15.5 of this Declaration, that the loss is the result of the negligence or willful misconduct of one (1) or more Owners, their guests, invitees or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Unit(s) pursuant to Section 8.5.
- (c) The policies described in Section 7.3 also shall name Declarant and its partners, officers, directors, employees and agents as additional insureds.
- (d) Prior to the expiration of the Class "B" Control Period, the Declarant shall have the right, at Association's expense, to provide insurance coverage under its master insurance policy in lieu of any of the required coverage.

7.5 Damage and Destruction.

- (a) Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.
- (b) Any damage to or destruction of the Common Area shall be repaired or reconstructed unless Members representing at least seventy-five percent (75%) of the total Class "A" Voting Interests and the Class "B" Member, if any, decide within sixty (60) days after the loss not to repair or reconstruct.
- (c) If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such sixty (60) day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.
- (d) If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.
- (e) Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association or the Service Area, as appropriate.
- (f) If insurance proceeds received, after application of any applicable deductible, are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, subject to applicable law,

levy Special Assessments to cover the shortfall.

7.6 [Intentionally Omitted]

7.7 Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration, the Articles of Incorporation, the Bylaws, or Florida law, along with such rights and privileges which are reasonably necessary to effectuate any such right or privilege and, except as otherwise specifically provided in this Declaration, the Articles of Incorporation, the Bylaws or by Florida law, all rights and powers of the Association may be exercised by the Board without a vote of the membership unless any such right has been reserved to the membership anywhere else in the Governing Documents.

7.8 Indemnification of Officers, Directors and Others.

- (a) The Association shall indemnify every officer, director, and committee member against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited with respect to those actions as to which liability is limited under this Section or Florida law.
- (b) The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made or action taken, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association) and the Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any officer, director, or committee member, or former officer, director, or committee member may be entitled. The Association shall, as an Operating Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.
- (c) Each Owner shall indemnify and hold harmless the Association from any loss, damages, and expenses, including counsel fees, which they may incur as a result of the failure of such Owner, any occupant of such Owner's Unit, or any contractor, subcontractor, vendor, employee, or agent of such Owner acting within the scope of his contract, agency or employment to comply with this Declaration, any Supplemental Declaration or other covenants applicable to such Owner's Unit, the Design Guidelines, Bylaws and Rules of the Association. By way of example and not limitation, an Owner shall be responsible for damages caused to any Common Area or other property owned by the Association by any such occupant, contractor, subcontractor, vendor, employee, or agent of such Owner whether such damages were caused by the negligence of such Persons or not.

7.9 Enhancement of Safety.

- (a) THE ASSOCIATION MAY, BUT SHALL NOT BE OBLIGATED TO, MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTIES DESIGNED TO ENHANCE THE SAFETY OF THE PROPERTIES. THE ASSOCIATION, THE MASTER ASSOCIATION, CLUB OWNER AND DECLARANT SHALL NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY OR SAFETY WITHIN THE PROPERTIES, NOR SHALL ANY OF THEM BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY, ACCESS CONTROL OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. NO REPRESENTATION OR WARRANTY IS MADE THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEMS OR MEASURES CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH

SYSTEMS OR SECURITY MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS AND COVENANTS TO INFORM ITS TENANTS THE DECLARANT, CLUB OWNER, THE MASTER ASSOCIATION, AND THE ASSOCIATION, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AND REPRESENTATIVES ARE NOT INSURERS OF OWNERS OR UNITS, OR THE PERSONAL PROPERTY LOCATED WITHIN UNITS AND THAT EACH PERSON USING THE PROPERTIES ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS RESULTING FROM ACCIDENTS, ACTS OF GOD AND ACTS OF THIRD PARTIES.

(b) From time to time, the Association may elect to install video monitoring, alarms and alarm monitoring devices and/or to contract with third parties for the installation, maintenance and/or monitoring of alarms (any such party being referred to herein as a "**Third-Party Alarm Company**") in Common Area improvements, Exclusive Common Area, and other improvements where the Association has agreed to assume certain maintenance responsibilities. Notwithstanding the foregoing, the Association shall have no liability or responsibility to any Owner, tenant, Resident, Occupant, invitee or guest in the event that such person or entity sustains any injury, damage or loss as a result of any failure of such alarm or alarm monitoring device, or of any Third-Party Alarm Company, nor shall any Owner have any right to bring separate action against any Third-Party Alarm Company for any failure of such Third-Party Alarm Company, or the facilities or systems installed and monitored by such company, to appropriately monitor or function in connection with such loss. Each Owner, by taking title to any of the Properties, hereby agrees on their own behalf, and on behalf of their guests, tenants, invitees and any other persons that may be present on their property from time to time, to indemnify the Association, and further waives and releases any right to bring suit or other action against the Association or any Third-Party Alarm Company. Each Owner shall include in any lease otherwise permitted by the terms of this Declaration similar language to that contained within this Section, or a specific reference to the provisions of this Section, such that such Owner's tenant acknowledges and agrees to be bound by the provisions of this Section; provided, however, failure to do so shall in no way limit the terms of this Section.

(c) The Association, with or without notice may (but shall not be obligated to) install and operate video surveillance equipment on any portion of the Common Area at any time, the only exception being private areas of restrooms, showers, and dressing rooms. Each Owner, on their own behalf and behalf of all of their guests and invitees, by acceptance of a deed for a Unit, consents to such video surveillance.

7.10 [Intentionally Omitted]

7.11 Governmental, Educational and Religious Interests. So long as Declarant owns any portion of the Properties, it may designate sites within the Properties for government, education or religious activities and interests, including, but not limited to, fire, police, utility facilities, schools or education facilities, houses of worship, parks, recreation and other public facilities. The sites may include Common Area and in such case, the Association shall dedicate and convey such sites as directed by Declarant and no membership approval shall be required.

7.12 Volunteer Clearing House.

(a) One of the important functions of the Association is to encourage and facilitate the organization of volunteer organizations within the community that will serve the interests of community Residents as they may be identified from time to time. The Association may maintain a data bank of Residents interested in volunteer organizations and may make such data available to volunteer organizations within the Properties. The Association, by Board resolution, may also establish or support the establishment of charter clubs or other organizations, as it deems appropriate to encourage or facilitate the gathering of Owners and Residents of SOUTH LAKES OF HARMONY to pursue common interests or hobbies. Any resolution establishing a charter club shall designate the

requirements, if any, for membership therein. The Board may provide for such organizations to be funded by the Association as an Operating Expense subject to such rules regarding participation, area of interest or other matters as the Board, in its discretion, may establish. Any charter club shall operate in accordance with the resolution establishing it.

- (b) The Association, through its bulletin boards and publications, may assist community groups, religious groups, civic groups, youth organizations, support groups, and similar organizations in publicizing their meetings, events, and need for volunteer assistance.
- (c) The nature and extent of any such assistance shall be in the Board's sole discretion. It is not intended that the Association spend its funds for specific advertising or promotion of events of such volunteer groups unless the Board determines that they merit such support. The Association's contribution will be supplemental to funds raised by the volunteer organization. The Association may also coordinate any such community-wide activity and the funding thereof in such manner as the Association determines in its discretion, or as otherwise may be required by this Declaration.

7.13 Relationship With Tax Exempt Organizations.

- (a) Declarant or the Association may create, enter into agreements or contracts with, or grant exclusive and/or non-exclusive easements over the Common Area to non-profit, tax-exempt organizations, the operation of which confers some benefit upon the Properties, the Association, its Members, or Residents. The Association may contribute money, real or personal property, or services to such entity. Any such contribution shall be an Operating Expense and included as a line item in the Association's annual budget. For the purposes of this Section, a "tax exempt organization" shall mean an entity which is exempt from federal income taxes under the Internal Revenue Code ("Code"), such as, but not limited to, entities which are exempt from federal income taxes under Sections 501(c)(3) or 501(c)(4), as the Code may be amended from time to time.
- (b) The Association may maintain multiple-use facilities within the Properties and allow temporary use by tax-exempt organizations. Such use may be on a scheduled or "first-come, first-serve" basis and shall be subject to such rules, regulations and limitations as the Board, in its sole discretion, adopts concerning such use. A reasonable maintenance and use fee may be charged for the use of such facilities.

- 7.14 Provision of Services to Service Areas: Service Area Designations. Portions of the Properties may be designated as Service Areas for the purpose of receiving from the Association different level of services, special services or other benefits not provided to all Units within the Properties on the same basis. Service Areas may be designated in this Declaration, by Declarant through Supplemental Declarations, or may be established by the Board of Directors either (i) on the Board's own accord, or (ii) upon petition of the Owners of ninety percent (90%) of the Units to be included in the proposed Service Area. A Unit may be included in multiple Service Areas established for different purposes. The cost of any special services or benefits, and all maintenance, repairs and replacements the Association provides to a Service Area shall be assessed against the Units within such Service Area as a Service Area Assessment in accordance with Section 8.2. Any Service Area established by the Board upon petition of the Owners within such Service Area may be dissolved or its boundary lines changed upon written consent of the Owners of at least seventy-five percent (75%) of the Voting Interests within such Service Area. Any Service Area established by the Board on its own accord may be dissolved or its boundary lines changed by the Board. During the Class "B" Control Period, a Service Area established by Supplemental Declaration may be dissolved, or its boundary lines changed, by recordation of an amendment to such Supplemental Declaration signed by Declarant and the Owner(s) of the affected property, without the joinder or consent of any other Owner. After the expiration of the Class "B" Control Period, a Service Area established by Supplemental Declaration may only be dissolved, or its boundary lines changed, by (i) written consent or affirmative vote of at least seventy-five percent (75%) of the Voting Interests within such Service Area, and (ii) a majority affirmative vote of the Board of Directors. Upon dissolution of a Service Area, any special services or benefits theretofore available to the Units

within such Service Area shall cease. The following Service Areas are hereby designated by this Declaration:

- (a) All Units with a width up to and including forty feet (40') shall be designated as the "40' Lot Service Area."
 - (b) All Units with a width up to and including fifty feet (50') shall be designated as the "50' Lot Service Area."
 - (c) All Units with a width up to and including sixty feet (60') shall be designated as the "60' Lot Service Area."
- 7.15 Community-Wide Utilities. The Association shall have the right, on behalf of all Owners, to contract for utility services, including, without limitation, cable or satellite television, internet or other data services, telephone or other communication services or other utilities, if the Board believes that such contract is in the best interest of the Owners, and to include the costs of such utilities in the Base Assessment payable by each Owner, unless such costs are applicable to a Service Area, in which case they shall be included in the applicable Service Area Assessments.
- 7.16 Community Publications. From time to time, the Association may elect to publish news articles and photographs of Owners, Residents, Occupants, tenants and their guests in community newspapers, online newsletters and websites and other publications intended to provide general information to Owners, Residents, Occupants, tenants and business owners within SOUTH LAKES OF HARMONY. By virtue of having elected to acquire, lease or Occupy property in SOUTH LAKES OF HARMONY, all Owners, Residents, Occupants, tenants, invitees, contractors and guests are deemed to have consented to the use, publication and distribution of their photographs in any of the aforementioned media that the Association may elect to publish or distribute from time to time.

ARTICLE VIII
ASSOCIATION FINANCES

- 8.1 Budgeting and Allocating Operating Expenses.
- (a) The Board shall prepare a budget annually covering the estimated Operating Expenses during the coming year. The Board may, but shall have no obligation to, include a "Reserve for Replacement" in the Base 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 (the "Reserves"). Reserves, if established, shall be established in accordance with Section 8.3.
 - (b) The Association is hereby authorized to levy Base Assessments against Units to fund the Operating Expenses and Reserves, if any. The Base Assessment shall be set at a level that is reasonably expected to produce total income for the Association equal to not less than the total budgeted Operating Expenses and Reserves, if any. In determining the total funds to be generated through Base Assessments, the Board, in its discretion, may consider other sources of funds available to the Association. The Board shall take into account the number of Units subject to assessment under Section 8.6 on the first day of the fiscal year for which the budget is prepared and may consider the number of Units reasonably anticipated to become subject to assessment during the fiscal year. As Vacant Units (as defined herein) may not receive certain services, Units and Vacant Units shall not be assessed uniformly.
 - (c) The Board shall send a notice of the amount of the Base Assessment for the following year to each Owner prior to the beginning of the fiscal year for which it is to be effective, or prior to the effective date of any budget amendment. The Board shall provide a copy of the budget or amended budget to any Owner upon written request by such Owner.

- (d) If the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year, increased by five percent (5%), shall continue for the current year.
- (e) The Board shall have the right, without affirmative vote or written consent of the Owners, to (i) spend the full amount budgeted for any particular line item in the budget; (ii) spend more or less than what was budgeted; and (iii) shift revenues within the budget from one line to another; provided any such change does not increase the Base Assessment.
- (f) Base Assessments and Special Assessments shall be uniform for all Units improved with a detached or attached residence for a single family. Notwithstanding anything to the contrary contained in the Governing Documents, but subject to the rights of Declarant pursuant to Section 8.13 of this Declaration, any Unit that does not have a detached or attached residence for a single family constructed thereon as evidenced by a Certificate of Occupancy (a "**Vacant Unit**") shall be responsible for only twenty percent (20%) of the Base Assessments and Special Assessments assessed to Units (other than Vacant Units), which lesser assessment amount reflects that such Vacant Units will not benefit from all maintenance and other services provided by the Association. At such time as a detached or attached residence for a single family is constructed on a Vacant Unit, as evidenced by a Certificate of Occupancy, then the Vacant Unit shall be deemed a fully assessed Unit and shall be responsible for one-hundred percent (100%) of Base Assessments and Special Assessments, except as otherwise provided herein. The Vacant Unit assessments shall be additional income to the Association and Vacant Units shall not be included in the denominator used to determine each Owner's pro rata share of the Operating Expenses and Reserves (if any), unless otherwise determined by the Declarant in its sole and absolute discretion.

8.2 Budgeting and Allocating Service Area Operating Expenses.

- (a) Before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated Service Area Operating Expenses for each Service Area on whose behalf Service Area Operating Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent this Declaration or any Supplemental Declaration specifically authorizes the Board to assess certain costs as a Service Area Assessment. Any Service Area Committee created pursuant to the Bylaws may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to such budget if the Board agrees to such request. Such budget may, but shall not be required to, include a "Reserve for Replacement" in the Service Area Assessments in order to establish and maintain an adequate reserve fund for the replacement and deferred maintenance of capital items comprising a portion of the Service Area (the "**Service Area Reserves**"). Service Area Reserves, if established, shall be established in accordance with Section 8.3.
- (b) Service Area Assessments shall be uniform for all Units within a Service Area that are improved with a detached or attached residence for a single family. Notwithstanding anything to the contrary contained in the Governing Documents, but subject to the rights of Declarant pursuant to Section 8.13 of this Declaration, Vacant Units within a Service Area shall not be responsible for the payment of Service Area Assessments unless otherwise provided in a Supplemental Declaration for a Service Area. At such time as a detached or attached residence for a single family is constructed on a Vacant Unit, as evidenced by a Certificate of Occupancy, then the Vacant Unit shall be deemed a fully assessed Unit and shall be responsible for one hundred percent (100%) of Service Area Assessments, except as otherwise provided herein.
- (c) The Board shall send notice of the amount of the Service Area Assessment for the coming year to each Owner of a Unit in the Service Area prior to the beginning of the fiscal year. The Board shall provide a copy of the budget to any Owner upon written request by such Owner.
- (d) If the Board fails for any reason to determine the Service Area budget for any year, then until

such time as a budget is determined, the budget for the Service Area in effect for the immediately preceding year, increased by five percent (5%), shall continue for the current year.

- (e) Notwithstanding anything contained herein to the contrary, the Board shall not be required to prepare a separate budget covering the estimated Service Area Operating Expenses for a newly created Service Area, or provide written notice of the amount of such Service Area Assessments to the Unit Owners liable for same, until thirty (30) days before the first date upon which Service Area Assessments shall be assessed against the Units in such Service Area.
- 8.3 Budgeting for Reserves and Service Area Reserves. The Board may annually prepare Reserves and Service Area Reserves that the Board determines necessary and appropriate and that take into account the number and nature of replaceable assets maintained, the expected life of each asset, and the expected repair or replacement cost. If established, the Board shall include the required contribution to Reserves or Services Area Reserves in the Base Assessments or Service Area Assessments, as appropriate.
- 8.4 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted or unanticipated expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Operating Expenses or against the Units within any Service Area if such Special Assessment is for Service Area Operating Expenses. After termination of the Class "B" Control Period, no vote of the Owners shall be required for such Special Assessment (or for any other assessment) except to the extent specifically provided herein. During the Class "B" Control Period, a Special Assessment may be levied by the Association with the approval of (i) a majority of the Board; and (ii) fifty-one percent (51%) of the Class "A" Voting Interests present (in person or by proxy) at a duly called meeting of the Members. In no event, however, shall Declarant pay Special Assessments.
- 8.5 Specific Assessment.
- (a) The Board shall have the power to levy Specific Assessments against a particular Unit or Units constituting less than all Units within the Properties, as follows:
- (1) To cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit or Occupants thereof upon request of the Owner pursuant to a menu of special services that the Board may from time to time authorize to be offered to Owners (which might include, without limitation, landscape maintenance, maid service, linen service, handyman service, pool cleaning, pest control, arrival and departure service, courier service, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner;
 - (2) To cover costs incurred in bringing the Unit into compliance with the terms of the Governing Documents, or costs incurred as a consequence of the conduct of the Owner, tenants or Occupants of the Unit, their licensees, invitees, or guests; provided the Board shall give the Unit Owner prior written notice and an opportunity for a hearing before levying any Specific Assessment under this Subsection (2), in compliance with Section 15.5 of this Declaration; and
 - (3) To cover any other costs permitted from time to time in this Declaration to be charged and collected as a Specific Assessment.
- (b) In no event shall Declarant pay Specific Assessments and the Board shall not be authorized to levy Specific Assessments against Declarant-owned Units.

8.6 Authority to Assess Owners; Time of Payment; Allocations of Number of Units on Vacant Land.

- (a) The obligation to pay assessments shall commence as to each Unit on the first day the Unit is conveyed by the Declarant, or an affiliate of Declarant, to an Owner other than the Declarant or its affiliates. The first annual Base Assessment and Service Area Assessment, if any, levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.
- (b) All assessments on behalf of the Association shall be levied and collected by the Board. Assessments shall be paid in such manner and on such dates as the Board may establish. Unless the Board otherwise provides, the Base Assessment and any Service Area Assessment shall be due and payable quarterly and in advance on the first day of each calendar quarter.

8.7 Personal Obligation.

- (a) Each Owner, by accepting a deed for any portion of the Properties, is deemed to covenant and agree to pay all assessments authorized in this Declaration. All assessments, together with interest from the due date of such assessment at a rate not to exceed the highest rate permitted by Florida law, a late fee of Twenty-Five and no/100 Dollars (\$25.00) per month (or such greater amount established by the Board from time to time), costs, and reasonable attorneys' fees, legal expenses and paralegals' fees, shall be a charge and continuing lien upon each Unit against which the assessment is made until paid, as more particularly provided in Section 8.8. Each such assessment, together with the above-described interest, late charges, costs, and reasonable attorneys' fees, legal expenses and paralegals' fees, also shall be the personal obligation of the Person who was the record title owner of such Unit at the time the assessment became due. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance, except in the event of a sale or transfer of a Unit pursuant to the foreclosure of a Mortgage (or by deed in lieu of foreclosure or otherwise) of a bona fide first mortgage held by a Mortgagee, in which event, the acquirer of title shall be liable for assessments that became due prior to such sale or transfer to the extent and in such amounts as provided in Section 720.3085, Florida Statutes (2015). Such unpaid assessments shall be deemed to be Operating Expenses collectible from Owners of all Units subject to assessment. For purposes of this Subsection (a), the attorneys' fees, legal expenses and paralegals' fees and shall include reasonable fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction) and appeals.
- (b) Failure of the Board to fix assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments.
- (c) No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action taken by the Association.
- (d) No Owner shall sell or convey its interest in a Unit unless all sums due to Association have been paid in full and an estoppel certificate shall have been received by such Owner. The Association shall prepare and maintain a ledger noting assessments and Club Dues due from each Owner. The ledger shall be kept in the office of the Association, or its designees, and shall be open to inspection by any Owner or Club Owner. Within fourteen (14) days of a written request therefor from an Owner, 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 the Association a fee 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 Expenses or assessments.

8.8 Lien for Assessments.

- (a) All assessments authorized in this Article shall constitute a lien against the Unit or property against which they are levied until paid. The lien shall also secure payment of all interest, late charges and reasonable attorneys' fees, legal expenses and paralegals' fees as provided for in Section 8.7(a) above. All such liens shall be continuing liens upon the property against which each assessment is levied until paid and shall relate back to the recording date of this Declaration. Such liens shall be superior to all other liens, except (i) the lien for Club Dues as provided in the Club Plan, (ii) the lien for Master Association assessments as provided in the Master Declaration, (iii) the liens of all taxes, bonds, assessments, including CDD assessments, and other governmental levies which by law would be superior, and (iv) the lien or charge of any first priority Mortgage of record made in good faith and for value.
- (b) The Association may bid for a Unit at a foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit, which decisions shall be made by the Board without the need for membership approval. While a Unit is owned by the Association following foreclosure (i) no right to vote shall be exercised on its behalf, and (ii) no assessment shall be levied on it. The Association may sue for unpaid Operating Expenses and costs without foreclosing or waiving the lien securing the same.
- (c) The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments.
- (d) In the event of a default in the payment of any assessment, the Association may accelerate the assessments then due for up to the next ensuing twelve (12) month period.
- (e) The lien rights created in this Declaration shall be for the benefit of the Club Owner, the Master Association and the Association, in that order of priority.
- (f) Any and all payments received by the Association shall be applied first to Club Dues (unless collected by the Club Owner directly from the Unit Owner), then to the Master Association's assessments (unless collected by the Master Association directly from the Unit Owner), then to fines levied by the Association, then any accrued interest, then to any late fees, then to any legal expenses and costs, then to any reasonable attorneys' or paralegals' fees incurred in collection (whether suit be filed or not) and then to the delinquent assessment. The foregoing shall be applicable notwithstanding any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

8.9 Exempt Property. The following shall be exempt from payment of Base Assessments, Service Area Assessments, and Special Assessments:

- (a) All Common Area and any property that is included in the Area of Common Responsibility;
- (b) Any property dedicated to and accepted by any governmental authority or public utility, including any CDD; and
- (c) All property that comprises the Club.

8.10 [Intentionally Omitted]

8.11 Collection from Tenants. If a Unit is occupied by a tenant and the Owner is delinquent in the payment of assessments, the Association may demand from the tenant payment to the Association of all monetary obligations due from such Owner, including without limitation, Master Association

assessments (unless collected by the Master Association directly from the Unit Owner) and Club Dues (unless collected by the Club Owner directly from the Unit Owner). So long as the Owner remains delinquent, future rent payments due to the Owner must be paid to the Association and shall be credited to the monetary obligations of the Owner; provided, however, if within fourteen (14) days from the written demand of the Association, the tenant provides the Association with written evidence of making prepaid rent payments, the tenant shall receive a credit for the prepaid rent for the applicable period of such prepaid rent.

- 8.12 Declarant's Funding Obligations. Each Owner acknowledges that because Base Assessments, Service Area Assessments, Special Assessments, Reserves and Service Area Reserves are allocated based on the formula provided herein, or upon the number of Units conveyed to Owners on or prior to adoption of the Association's budget, it is possible the Association may collect more or less than the amount budgeted for Operating Expenses and Reserves and Service Area Operating Expenses and Reserves. Prior to the termination of the Class "B" Control Period, Declarant shall have the option to (i) pay any Operating Expenses and Service Area Operating Expenses incurred by the Association that exceed the assessments receivable from Owners (other than the Declarant) and other income of the Association, including without limitation, the Initial Contributions and Resale Contributions, late fees and interest (the "Deficit"), or (ii) pay Base Assessments and Service Area Assessments on Units owned by Declarant at the applicable rate of Base Assessments and Service Area Assessments established for Units, including Vacant Units, owned by Class "A" Members. Notwithstanding any other provision of this Declaration to the contrary, Declarant shall never be required to (i) pay assessments if Declarant has elected to fund the Deficit instead of paying assessments on Units or Vacant Units owned by Declarant, (ii) pay Special Assessments or Reserves, or (iii) fund deficits due to non-payment by delinquent Owners. Any surplus assessments collected by the Association may be allocated towards the next year's Operating Expenses or, in Association's sole and absolute discretion, to the creation of Reserves, whether or not budgeted. Under no circumstances shall the Association be required to pay surplus assessments to Owners. The Declarant may at any time give thirty (30) days prior written notice to the Association terminating its responsibility for the Deficit, and waiving its right to exclusion from assessments. Upon giving such notice, or upon the termination of the Class "B" Control Period, whichever is sooner, each Unit owned by Declarant shall thereafter be assessed at the applicable rate of Base Assessments and Service Area Assessments established for Units, including Vacant Units, owned by Class "A" Members. Under no circumstances shall Declarant be responsible for any Reserves or Special Assessments even after the termination of the Class "B" Control Period. Declarant shall be assessed only for Units and Vacant Units that are subject to this Declaration. Upon transfer of title of a Unit owned by Declarant, the Unit shall be assessed in the amount established for Units owned by Owners other than the Declarant, prorated as of and commencing with, the month following the date of transfer of title.

THE DECLARANT DOES NOT PROVIDE A GUARANTEE OF THE LEVEL OF ASSESSMENTS. AS SUCH, THERE IS NO MAXIMUM GUARANTEED LEVEL OF ASSESSMENTS DUE FROM OWNERS. IN THE EVENT THE DECLARANT ELECTS TO FUND DEFICITS IN LIEU OF PAYING ASSESSMENTS ON THE SAME BASIS AS OTHER OWNERS, THE DECLARANT SPECIFICALLY ELECTS TO FUND THE DEFICIT AS PROVIDED IN SECTION 720.308(1)(B), FLORIDA STATUTES (2015). AS SUCH, THE PROVISIONS OF SECTIONS 720.308(2) THROUGH 720.308(6), FLORIDA STATUTES (2015), ARE NOT APPLICABLE TO THE DECLARANT OR THE CALCULATION OF THE DEFICIT OR OTHER AMOUNTS DUE FROM THE DECLARANT.

- (a) Any funds paid to the Association by Declarant prior to the date on which Declarant elects to, or is obligated to, pay assessments on Units then owned by Declarant that are then subject to this Declaration, shall be deemed applicable first, to any Deficit payments due from Declarant to the Association for any prior fiscal years, then to Deficit payments due from Declarant to the Association for the current fiscal year and then to Excess Funding (as hereinafter defined). For example, if in January, 2016 Declarant pays \$50,000 to the Association and, either at that time or subsequently, the Association determines that there was a Deficit of \$20,000 (not previously funded

by Declarant), for fiscal year 2015, \$20,000 of the \$50,000 paid in January, 2016 by Declarant will be deemed paid to satisfy Declarant's \$20,000 Deficit funding obligation for 2015, and the \$30,000 balance will be deemed applicable first to any 2016 Deficit funding obligation of Declarant and any excess will be deemed Excess Funding by Declarant, as hereinafter provided.

- (b) If Declarant elects to fund the Association's Deficit for any fiscal year, then any amounts paid by Declarant to the Association for such fiscal year in excess of the Deficit ("**Excess Funding**") shall be deemed to have been a loan to the Association to meet cash flow short falls and shall be repaid to Declarant within thirty (30) days after the end of such fiscal year, along with interest on such Excess Funding from the date advanced by Declarant until paid, calculated at the rate per annum equivalent to the Prime Rate of Interest (or any equivalent successor thereto) announced by SunTrust Bank, N.A., or its successor, from time to time as its "Prime Rate." Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these. The Association is specifically authorized to enter into subsidy contracts and contracts for "in kind" contribution of services, materials, or a combination of services and materials with Declarant or other entities.
- 8.13 **Master Association Assessments.** Pursuant to the Master Declaration, each Owner is obligated to pay assessments to the Master Association. The Association shall collect such assessments and remit same to the Master Association as required by the Master Declaration. The Association is responsible for collecting the Master Association's assessments from the Owners, and remitting the same to the Master Association, but is not liable for the payment of such assessments and acts solely as a collection agent for the Master Association. Notwithstanding any provision of this Declaration or the Master Declaration to the contrary, the Master Association's assessments are not Operating Expenses of the Association.

ARTICLE IX **EXPANSION OF THE COMMUNITY**

- 9.1 **Expansion by Declarant.**
- (a) Until forty (40) years after the recording of this Declaration, Declarant may annex (i.e. unilaterally subject to the provisions of this Declaration) additional lands to the Properties. Except as otherwise provided herein, prior to the termination of the Class "B" Control Period, only Declarant may add additional lands to the Properties.
- (b) The annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the property to be annexed and specifically subjecting it to the terms of this Declaration which may contain additions to, modifications of, or omissions from the covenants, conditions, and restrictions contained in this Declaration as deemed appropriate by Declarant and as may be necessary to reflect the different character, if any, of the annexed lands. Such Supplemental Declaration shall not require the consent of Members. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.
- 9.2 **Expansion by the Association.**
- (a) The Association may subject any real property to the provisions of this Declaration with the consent of the record title owner of such real property, fifty-one percent (51%) of the Class "A" Voting Interests present (in person or by proxy) at a duly called meeting of the Association, and the consent of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.
- (b) Such annexation shall be accomplished by filing a Supplemental Declaration in the Public Records describing the real property to be annexed and specifically subjecting it to the terms of this Declaration. Any such Supplemental Declaration shall be signed by the President and the

Secretary of the Association, and by the record title owner of the annexed property, and by Declarant, if Declarant's consent is required. Any such annexation shall be effective upon filing of such Supplemental Declaration unless otherwise provided therein.

- 9.3 Additional Covenants and Easements. Declarant may subject any portion of the property submitted to this Declaration to additional covenants and easements, including covenants obligating the Association to maintain and insure each property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through Service Area Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration filed either concurrent with or after the annexation of the subject property, and shall require the written consent of the record title owner(s) of such property, if other than Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

ARTICLE X
ADDITIONAL RIGHTS RESERVED TO DECLARANT
AND MATERIAL DISCLOSURES

- 10.1 Withdrawal of Property. So long as Declarant has the right to annex property pursuant to Section 9.1, Declarant reserves the right to withdraw any portion of the Properties from the coverage of this Declaration. Such withdrawal shall not require the consent of any Person other than the record title owner of the property to be withdrawn.
- 10.2 Right to Transfer or Assign Declarant Rights. Any and all of the special rights and obligations of Declarant set forth in the Governing Documents may be transferred in whole or in part to other Persons. Such assignment need not be recorded in the Public Records in order to be effective. The foregoing shall not preclude Declarant from permitting other Persons to exercise, on a one (1) time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to execute any written assignment unless necessary to evidence Declarant's consent to such exercise.
- 10.3 Right to use Common Area.
- (a) Declarant hereby reserves the right, for so long as it owns any portion of the Properties, to maintain and carry on upon portions of the Common Area such facilities, activities and events as, in the sole opinion of Declarant, may be required, convenient, or incidental to the construction, sale or marketing of Units, including, but not limited to, business offices, signs, model units, and sales offices. Declarant shall have easements for access to and use of such facilities. Declarant, during the course of construction on the Properties, may use Common Area for temporary storage and for facilitating construction on the Properties. Declarant shall not be obligated to pay any use fees, rent or similar charges for its use of Common Area pursuant to this Section or otherwise. Declarant may grant to designees some or all of the rights reserved by it in this Subsection (a).
- (b) Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.
- 10.4 Right to Approve Additional Covenants. Except as provided in this Declaration, no Person shall record any declaration of covenants, conditions and restrictions, or declarations of condominium or similar instrument affecting any portion of the Properties without Declarant's review and prior written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by recorded consent signed by Declarant. Neither the Association nor any Owner, nor group of Owners, may record any documents that, in any way, affect or restrict the rights of Declarant or Club Owner or conflict with the provisions of this Declaration or the other Governing Documents.

- 10.5 Right to Approve Changes in Use Restrictions and Rules. Notwithstanding any provision to the contrary in this Declaration, no amendment to or modification of any Use Restrictions and Rules shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns any portion of the Properties, which approval shall not be unreasonably withheld.
- 10.6 Exclusive Right to Use the Name of the Development. No Person shall use the word "SOUTH LAKES OF HARMONY" or any derivative thereof in the name of any building or any business or enterprise or in any printed or promotional material without Declarant's prior written consent. However, Owners may use the term "SOUTH LAKES OF HARMONY" in printed or promotional materials solely to specify that particular property is located within SOUTH LAKES OF HARMONY, and the Association shall be entitled to use the word "SOUTH LAKES OF HARMONY" in its name.
- 10.7 Development Easement. In addition to the rights reserved elsewhere herein, Declarant reserves an easement for itself or its nominees, and creates an easement in favor of Club Owner, over, upon, across, and under the Properties as may be required in connection with the development of the Properties, and other lands designated by Declarant and to promote or otherwise facilitate the development, construction and sale and/or leasing of Units, the Club or any portion of the Properties, and other lands designated by Declarant. Without limiting the foregoing, Declarant specifically reserves the right to use all paved roads and rights of way within the Properties for vehicular and pedestrian ingress and egress to and from construction sites. Specifically, each Owner acknowledges that construction vehicles and trucks may use portions of the Common Areas. Declarant 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. All maintenance and repair of such Common Areas shall be deemed ordinary maintenance of the Association payable by all Owners as part of Operating Expenses. Without limiting the foregoing, at no time shall Declarant be obligated to pay any amount to the Association on account of Declarant's and Club Owner's use of the Common Areas for construction purposes. Declarant may market other residences and commercial properties located outside of the Properties from Declarant's sales facilities located within the Properties. Declarant 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 residential homes. The easements created by this Section, and the rights reserved herein in favor of Declarant and Club Owner, shall be construed as broadly as possible. At no time shall Declarant or Club Owner incur any expense whatsoever in connection with its use and enjoyment of such rights and easements. Declarant may non-exclusively assign its rights hereunder to any Builder.
- 10.8 Modification. The development and marketing of SOUTH LAKES OF HARMONY will continue as deemed appropriate in Declarant's sole discretion, and nothing in the Governing Documents, or otherwise, shall be construed to limit or restrict such development and marketing. It may be necessary or convenient for the development of SOUTH LAKES OF HARMONY to, as an example and not a limitation, 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 Declarant, or its agents, affiliates, or assignees may deem necessary or appropriate. Association and Owners shall, at the request of Declarant, execute and deliver any and all documents and instruments that Declarant deems necessary or convenient, in its sole and absolute discretion, to accomplish the same.
- 10.9 Promotional Events. So long as Declarant owns any portion of the Properties, Declarant shall have the right, at any time, to hold marketing, special and/or promotional events within SOUTH LAKES OF HARMONY without any charge for use. Declarant, its agents, affiliates, or assignees shall have the right to market SOUTH LAKES OF HARMONY and Units in advertisements and other media

by making reference to SOUTH LAKES OF HARMONY, including, but not limited to, pictures or drawings of SOUTH LAKES OF HARMONY, the Common Areas and Units. All logos, trademarks, and designs used in connection with SOUTH LAKES OF HARMONY are the property of Declarant. Without limiting any other provision of this Declaration, Declarant may assign its rights hereunder to each Builder.

- 10.10 Easements. So long as Declarant owns any portion of the Properties, Declarant reserves the exclusive right to grant, in its sole discretion, easements, permits and/or licenses for ingress and egress, drainage, utilities, maintenance, telecommunications services; and other purposes over, under, upon and across SOUTH LAKES OF HARMONY so long as any said easements do not materially and adversely interfere with the intended use of Units previously conveyed to Owners. All easements necessary for such purposes are reserved in favor of Declarant, in perpetuity, for such purposes. Without limiting the foregoing, Declarant may relocate any easement affecting a Unit, or grant new easements over a Unit, 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 Unit. As an illustration, Declarant may grant an easement for telecommunications systems, irrigation, drainage lines or electrical lines over any portion of a Unit so long as such easement is outside the footprint of the foundation of any residential improvement constructed on such Unit. Declarant 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 Declarant: (i) join in the creation of such easements and cooperate in the operation thereof; and (ii) collect and remit fees associated therewith, if any, to the appropriate party. So long as Declarant owns any portion of the Properties, the Association will not grant any easements, permits or licenses to any other entity providing the same services as those granted by Declarant, nor will it grant any such easement, permit or license without the prior written consent of Declarant which may be granted or denied in its sole discretion.
- 10.11 Additional Development. If Declarant withdraws portions of the Properties from the operation of this Declaration, Declarant 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. Declarant 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 Declarant, 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 Declarant.
- 10.12 Representations. Declarant makes no representations concerning development both within and outside the boundaries of the Properties including, but not limited to, the number, design, boundaries, configuration and arrangements, prices of Units and buildings in all other proposed forms of ownership and/or other improvements within the Properties or adjacent to or near the Properties, 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.
- 10.13 Non-Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE GOVERNING DOCUMENTS, THE 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 SOUTH LAKES OF HARMONY, INCLUDING WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, LESSEES, LICENSEES, INVITEES, AGENTS, SERVANTS, CONTRACTORS, AND/OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

- (a) IT IS THE EXPRESS INTENT OF GOVERNING DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF SOUTH LAKES OF HARMONY HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF SOUTH LAKES OF HARMONY AND THE VALUE THEREOF;
- (b) THE 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 OSCEOLA COUNTY OR PREVENTS TORTIOUS ACTIVITIES;
- (c) THE PROVISIONS OF GOVERNING DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY, AND WELFARE SHALL BE 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; AND
- (d) EACH OWNER (BY VIRTUE OF ITS ACCEPTANCE OF TITLE TO A UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING A USE OF, ANY PORTION OF SOUTH LAKES OF HARMONY (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 THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS).
- 10.14 Resolution of Disputes. BY ACCEPTANCE OF A DEED TO A UNIT, EACH OWNER AGREES THAT THE GOVERNING 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 GOVERNING 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. DECLARANT STRONGLY RECOMMENDS THAT EACH OWNER UNDERSTAND THE LEGAL CONSEQUENCES OF ACCEPTING A DEED TO A UNIT.
- 10.15 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 UNIT, EACH UNIT IS LOCATED IN OSCEOLA COUNTY, FLORIDA. ACCORDINGLY, AN IRREBUTTABLE PRESUMPTION EXISTS THAT THE APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN OSCEOLA COUNTY, FLORIDA. IN ADDITION TO THE FOREGOING, EACH OWNER AND DECLARANT AGREES THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN OSCEOLA COUNTY, FLORIDA.
- 10.16 Reliance. BEFORE ACCEPTING A DEED TO A UNIT, 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 UNIT, EACH OWNER ACKNOWLEDGES THAT HE OR SHE HAS SOUGHT AND RECEIVED SUCH AN OPINION OR HAS MADE AN AFFIRMATIVE

DECISION NOT TO SEEK SUCH AN OPINION. DECLARANT IS RELYING ON EACH OWNER CONFIRMING IN ADVANCE OF ACQUIRING A UNIT THAT THIS DECLARATION IS VALID, FAIR AND ENFORCEABLE. SUCH RELIANCE IS DETRIMENTAL TO DECLARANT. 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 DECLARANT TO SUBJECT THE PROPERTIES TO THIS DECLARATION, EACH OWNER DOES HEREBY RELEASE, WAIVE, DISCHARGE, COVENANT NOT TO SUE, ACQUIT, SATISFY AND FOREVER DISCHARGE DECLARANT, 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 DECLARANT, 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.

- 10.17 Additional Covenants. The Declarant may record additional covenants, conditions, restrictions, and easements applicable to portions of the Properties, and may form condominium associations, sub-associations, or cooperatives governing such property. No person or entity shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's prior review and prior written consent. Evidence of Declarant's prior written consent shall be obtained in the form of a joinder executed by the Declarant. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.
- 10.18 Density Transfers. If any party shall develop any portion of the Properties so that the number of Units contained in such portion of the Properties is less than the allowable number of Units allocated by governmental authorities to that particular portion of the Properties, the excess allowable Units not used by the such party (with respect to that portion of the Properties) shall inure to the benefit of Declarant.
- 10.19 Paramount Right of Declarant. Notwithstanding anything to the contrary herein, prior to the expiration of the Class "B" Control Period, Declarant shall have the paramount right to dedicate, transfer, and/or convey (by absolute conveyance, easement, or otherwise) portions of the Properties for various public purposes or for the provision of telecommunications systems, or to make any portions of the Properties part of the Common Areas, or to create and implement a special taxing district which may include all or any portion of the Properties. SALES BROCHURES, SITE PLANS, AND MARKETING MATERIALS ARE CURRENT CONCEPTUAL REPRESENTATIONS AS TO WHAT IMPROVEMENTS, IF ANY, WILL BE INCLUDED WITHIN THE COMMON AREAS OR FACILITIES. DECLARANT SPECIFICALLY RESERVES THE RIGHT TO CHANGE THE LAYOUT, COMPOSITION AND DESIGN OF ANY AND ALL COMMON AREAS OR FACILITIES, AT ANY TIME, WITHOUT NOTICE AND AT ITS DISCRETION.
- 10.20 Sales by Declarant. Notwithstanding the restrictions set forth in Article IV, Declarant reserves for itself, and on behalf of Builders, the right to sell Units for Occupancy to Persons between forty-five (45) and fifty-five (55) years of age; provided, such sales shall not affect compliance with all applicable State and Federal laws under which the SOUTH LAKES OF HARMONY may be developed and operated as an age-restricted community.
- 10.21 Reserved Rights. Notwithstanding any provision of this Declaration to the contrary, Declarant and its assigns shall have the right to: (i) develop and construct Units, Common Areas and related

improvements within the Properties, and make any additions, alterations, improvements, or changes thereto; (ii) maintain sales offices (for the sale and re-sale of (a) Units and (b) residences and properties located outside of the Properties, general office and construction operations within the Properties; (iii) place, erect or construct portable, temporary or accessory buildings or structures within the Properties 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 the Properties; and (v) post, display, inscribe or affix to the exterior of any portion of the Common Areas or portions of the Properties, signs and other materials used in developing, constructing, selling or promoting the sale of the Properties including, without limitation, Units.

10.22 Amendment and Termination of Rights. This Article may not be amended without the written consent of Declarant so long as Declarant has any rights hereunder. The rights contained in this Article shall terminate upon the earlier of (a) December 31, 2055, or (b) upon recording by Declarant of a written statement that Declarant has relinquished such rights.

ARTICLE XI EASEMENTS

11.1 Easements in Common Area.

- (a) Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, subject to:
- (1) the Club Plan,
 - (2) the Master Declaration and governing documents referred to therein;
 - (3) the Governing Documents and any other applicable covenants and easements, including any declaration of easements and covenants or similar instrument relating to such Common Area which grant non-Members rights to use and enjoy portions of the Common Area upon payment of fees or a portion of the costs relating to such Common Area;
 - (4) any restrictions or limitations contained in any deed conveying such property to the Association;
 - (5) the right of the Board to adopt rules regulating the use and enjoyment of the Common Area;
 - (6) the right of the Board to suspend the right to use all (except vehicular and pedestrian ingress and egress and necessary utilities) or a portion of the Common Areas after notice and a hearing pursuant to the provisions of Section 15.5 of this Declaration;
 - (7) the right of the Association, acting through the Board to dedicate or transfer all or any part of the Common Area subject to such approval requirements as may be set forth in this Declaration. No such dedication or transfer shall be effective prior to the expiration of the Class "B" Control Period without prior written consent of Declarant;
 - (8) the right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
 - (9) the right of certain Owners to the exclusive use of those portions of the Common Area designated "Exclusive Common Area" as more particularly described in Article XII;
 - (10) the right of Declarant or the Association by and through its Board to grant easements over the Common Area to "tax-exempt organizations" pursuant to Section 7.13 and to any utility or governmental agency;

- (11) The perpetual right of Declarant to access and enter the Common Areas at any time, even after the expiration of the Class "B" Control Period, for the purposes of inspection and testing of the Common Areas. Association and each Owner shall give Declarant unfettered access, ingress and egress to the Common Areas so that Declarant and/or its agents can perform all tests and inspections deemed necessary by Declarant. Declarant shall have the right to make all repairs and replacements deemed necessary by Declarant. At no time shall Association and/or an Owner prevent, prohibit and/or interfere with any testing, repair or replacement deemed necessary by Declarant relative to any portion of the Common Areas; and
- (12) The rights of Declarant, the Master Association, the Association and/or Club Owner reserved in this Declaration, including the right to utilize the same and to grant use rights, etc. to others.
- (b) Any Owner may extend his or her right of use and enjoyment to the members of his or her family who are residing in the Unit, residential lessees of the Unit, and social invitees; provided, however, that if an Owner leases his or her Unit to a residential lessee, such lessee of the Unit shall have the exclusive right to use the Common Area, and the Owner (and their family and invitees) shall have no right to use the Common Area during the term of the lease.
- 11.2 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered on a Unit or the Common Area (in accordance with the terms of these restrictions). However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, an Owner, occupant, or the Association.
- 11.3 Easements for Utilities. There are hereby reserved unto Declarant, so long as Declarant owns any portion of the Properties, and hereby granted to the Association, the CDD, and the designees of each, access and maintenance easements upon, across, over, and under all of the Properties to the extent necessary for the purpose of installing, replacing, repairing, and maintaining cable television systems, master television antenna systems, security and similar systems, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems, street lights, signage, irrigations equipment and lines, and all utilities, including, but not limited to, water, sewer, meter boxes, telephone, gas, and electricity, and for the purpose of installing any of the foregoing on property that any such holder owns or within easements designated for such purposes on recorded plats of the Properties. This easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing dwelling on a Unit, and any damage to a Unit resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of this easement shall not unreasonably interfere with the use of any Unit, and except in an emergency, entry onto any Unit shall be made only after notice to the Owner or occupant.
- 11.4 Easements to Serve Additional Property. Declarant hereby reserves for itself and its duly authorized agents, representatives, successors, successors-in-title, assigns, licensees, and mortgagees, a perpetual nonexclusive easement over the Common Area for the purposes of enjoyment, use, access, and development of the Properties, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property.
- 11.5 Easement for Maintenance, Emergency and Enforcement.
- (a) Declarant, the Association and their respective designees shall have the right, but not the obligation, to enter upon any Unit for emergency, security, and safety reasons, and to perform its

maintenance and other obligations and self-help remedies set forth in this Declaration, and to inspect for the purpose of ensuring compliance with the Governing Documents, which right may be exercised by any member of the Board, the Association, officers, agents, employees, and managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their duties. Such entry shall not be considered a trespass.

- (b) Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right to enter upon any Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after requested by the Board, but shall not authorize entry into any single family detached dwelling without permission of the Owner, except by emergency personnel acting in their official capacities.
 - (c) Any costs incurred by Declarant or the Association in carrying out its or their rights pursuant to this Section 11.5 may be assessed as a Specific Assessment in accordance with the provisions of Section 8.5.
- 11.6 Easements for Signage. Declarant hereby reserves for itself and for the Association, and their successors, assigns and designees, a perpetual, non-exclusive easement over the Properties, including without limitation the CDD Facilities, Common Area, road right-of-way and other open spaces not owned by the Owner of a Unit for purposes of installing, maintaining, operating and replacing permanent and/or temporary signage to advertise any and all matters related to the Properties as determined by the Declarant in its sole discretion. Such signage may include general community advertising to homebuyers, directional signage, model designations and locations, commercial tenant directional signage, town center master signage, and event signage. The easement granted herein is intended to be blanket in nature over the subservient land; provided, however, Declarant shall have the right, but not the obligation, to designate specific locations for such signage and to record a specific easement over such property among the Public Records.
- 11.7 Easement for Special Events. Declarant hereby reserves for itself and for the Association, and their successors, assigns and designees, a perpetual, non-exclusive easement over the Common Area for the purpose of conducting parades, running, biking or other sporting events, educational, cultural, artistic, musical and entertainment activities, and other activities of general community interest, at such locations and times as Declarant (or the Association, whichever is applicable), in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Unit, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds and related inconveniences, and each Owner agrees on behalf of itself and the Occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement.
- 11.8 Easements for Surface Water Management System. A non-exclusive easement shall exist in favor of SFWMD, Declarant, CDD, the Association, and their designees, and any applicable state agency, County agency and/or federal agency having jurisdiction over the Properties over, across and upon the Properties for drainage, irrigation and water management purposes. Any such drainage easement shall not contain permanent improvements, including but not limited to sidewalks, driveways, impervious surfaces, patios, decks, pools, air conditioners, structures, utility sheds, poles, fences, sprinkler systems, trees, shrubs, hedges or landscaping plants other than grass, except for (i) improvements installed by Declarant, the Association or the CDD, (ii) landscaping of the SWMS, (iii) as required by the County Land Development Code or the Permit, and/or (iv) improvements approved by the Reviewing Entity. A non-exclusive easement for ingress and egress shall burden each Unit and benefit the Declarant, the Association and the CDD in order to construct, maintain, inspect, record data on, monitor, test, or repair, as necessary, any water management areas, mitigation 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 the Properties and/or installation or maintenance of utilities or which may obstruct or retard the flow of water through the Properties 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.

- 11.9 Club Easements. A non-exclusive easement shall exist in favor of the Club Owner and its respective designees, invitees, guests, agents, employees, and members over and upon the Common Areas, and portions of the Properties necessary for ingress, egress, access to, construction, maintenance and/or repair of the Club. Club Owner, Club employees, agents, invitees, guests, any manager of the Club, and all members of the Club shall be given access to the Club on the same basis as Owners, but without any charge therefor (in the term of assessments or otherwise).
- 11.10 Easement for Use of Private Streets. Declarant hereby creates a perpetual, non-exclusive easement for access, ingress and egress over the private streets within the Common Area, for law enforcement, firefighting, paramedic, rescue and other emergency vehicles, equipment and personnel; for school buses, for U.S. Postal Service delivery vehicles and personnel; private delivery or courier services; and for vehicles, equipment and personnel providing garbage collection service to the Properties; provided, such easement shall not authorize any such Persons to enter the Properties except while acting in their official capacities.

ARTICLE XII
EXCLUSIVE COMMON AREA

- 12.1 Purpose. Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners, Occupants and invitees of Units within a particular Service Area. By way of illustration and not limitation, Exclusive Common Area may include entry features, recreational facilities, landscaped medians and cul-de-sacs, lakes and other portions of the Common Area within a particular Service Area. All costs associated with maintenance, repair, replacement, and insurance of Exclusive Common Area shall be assessed as a Service Area Assessment against the Owners of Units in Service Areas to which the Exclusive Common Area is assigned.
- 12.2 Designation.
- (a) Initially, Declarant shall designate any Exclusive Common Area and shall assign the exclusive use thereof pursuant to this Declaration, the deed conveying the Common Area to the Association, on the Plat, or by amendment or Supplemental Declaration to this Declaration. No such assignment shall preclude Declarant from later assigning use of the same Exclusive Common Area to additional Units and/or Service Areas so long as Declarant has a right to subject additional property to this Declaration.
- (b) Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area of a particular Service Area and Exclusive Common Area may be reassigned upon the vote of a majority of the Class "A" votes within the Service Area(s) to which the Exclusive Common Area are assigned, if applicable, and within the Service Area(s) to which the Exclusive Common Area are to be assigned. As long as Declarant owns any property subject to this Declaration or has the right to subject additional property to this Declaration, any such assignment or reassignment shall also require Declarant's prior written consent.
- 12.3 Use by Others. The Association may, upon approval of a majority of the members of the Service Area Committee for the Service Area(s) to which certain Exclusive Common Area is assigned, permit Owners of Units in other Service Areas to use all or a portion of such Exclusive Common Area upon payment of user fees, which fees shall be used to offset the Service Area Operating Expenses attributable to such Exclusive Common Area.

ARTICLE XIII
PARTY WALLS AND OTHER SHARED STRUCTURES

- 13.1 **Party Walls.** Each wall or fence, any part of which is placed on a dividing line between separate Units (i.e. the wall or fence straddles the Unit line) shall constitute a "**Party Wall.**" Each adjoining Owner's obligation with respect to Party Walls shall be determined by this Declaration, except as otherwise required by Florida law. To the extent not inconsistent with the provisions of this Article XIII, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.
- 13.2 **Sharing Repair and Maintenance.** Each Owner shall maintain the exterior surface of a Party Wall facing his Unit. Except as provided in this Article XIII, the cost of reasonable repair shall be shared equally by adjoining Unit Owners.
- 13.3 **Damage by Owner.** If a Party Wall is damaged or destroyed by the act of one adjoining Owner, or his guests, tenants, licensees, agents or family members (whether or not such act is negligent or otherwise culpable), then that Owner shall immediately rebuild or repair the Party Wall to its prior condition without cost to the adjoining Owner and shall indemnify the adjoining Owner from any consequential damages, loss or liabilities. No Owner shall violate any of the following restrictions and any damage (whether cosmetic or structural) resulting from violation of any of the following restrictions shall be considered caused by the Owner causing such action or allowing such action to occur on such Owner's Unit:
- (a) No Owner shall allow sprinklers to spray or other water sources to deliver water within one foot (1') of any Party Wall, excluding rainfall that falls directly on such area (i.e. an Owner shall not collect rainfall from other portions of the Unit and deliver it within one foot (1') of any Party Wall);
 - (b) No Owner shall allow any tree to grow within six feet (6') of any Party Wall (with such distance measured from the above-ground part of the tree that is nearest to the Party Wall within five feet (5') of the ground level of the tree, including any portion of the root system that is not completely covered by soil);
 - (c) No Owner shall allow attachment of anything, including but not limited to any climbing plant or vine, to any wall; and
- 13.4 If a Party Wall is damaged or destroyed by any cause other than the act of one of the adjoining Owners, his agents, tenants, licensees, guests or family members (including ordinary wear and tear and deterioration from lapse of time), then the adjoining Owners shall rebuild or repair the Party Wall to its prior condition, equally sharing the expense; provided, however, that if a Party Wall is damaged or destroyed as a result of an accident or circumstances that originate or occur on a particular Unit (whether or not such accident or circumstance is caused by the action or inaction of the Owner of that Unit, or his agents, tenants, licensees, guests or family members) then in such event, the Owner of that particular Unit shall be solely responsible for the cost of rebuilding or repairing the Party Wall and shall immediately repair the Party Wall to its prior condition.
- 13.5 **Right of Entry.** Each Owner shall permit the Owners of adjoining Units, or their representatives, to enter his Unit for the purpose of installations, alteration, or repairs to a Party Wall on the Unit of such adjoining Owners, provided that other than for emergencies, requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner of the adjoining Unit. An adjoining Owner making entry pursuant to this Section shall not be deemed guilty of trespassing by reason of such entry. Such entering Owner shall indemnify the adjoining Owner from any consequential damages sustained by reason of such entry.
- 13.6 **Right of Contribution.** The right of any Owner to contribution from any other Owner under this Article XIII shall be appurtenant to the land and shall pass to such Owner's successors in title.

- 13.7 Consent of Adjoining Owner. In addition to meeting the requirements of this Declaration and of any applicable building code and similar regulations or ordinances, any Owner proposing to modify, alter, make additions to or rebuild (other than rebuilding in a manner materially consistent with the previously existing Party Wall) the Party Wall, shall first obtain the written consent of the adjoining Owner, which shall not be unreasonably withheld, delayed or conditioned.

ARTICLE XIV
HARMONY COMMUNITY DEVELOPMENT DISTRICT

- 14.1 Generally. The Properties are within the Harmony Community Development District (the "**CDD**"). In the event that any portions of the Properties are owned by the CDD, such facilities shall not be part of the Common Areas, but will be part of the infrastructure facilities owned by the CDD (the "**Facilities**"). AT THIS TIME IT IS NOT KNOWN WHAT PORTIONS OF THE PROPERTIES WILL BE DESIGNATED COMMON AREAS OR FACILITIES OF THE CDD. FINAL DETERMINATION OF WHICH PORTION OF THE PROPERTIES WILL BE COMMON AREAS MAY NOT OCCUR UNTIL THE COMPLETION OF ALL DEVELOPMENT.
- 14.2 Creation of the CDD. The CDD issued Special Assessment Bonds (the "**Bonds**") to finance a portion of the cost of the Facilities. The CDD is an independent, multi-purpose, special district created pursuant to Chapter 190 of the Florida Statutes. The creation of the CDD places Units and non-residential development of the Properties under the jurisdiction of the CDD. The CDD may be authorized to finance, fund, install, equip, extend, construct or reconstruct, without limitation, the following: water and sewer facilities, environmental mitigation, roadways, the Surface Water Management System, utility plants and lines, land acquisition, miscellaneous utilities for the community and other infrastructure projects and services necessitated by the development of, and serving lands, within the Properties (the "**Public Infrastructure**"). The estimated design, development, construction and acquisition costs for these facilities may be funded by the CDD in one or more series of governmental bond financings utilizing special assessment bonds or other revenue backed bonds. The CDD may issue both long term debt and short term debt to finance the Public Infrastructure. The principal and interest on the special assessments bonds may be repaid through non ad valorem special assessments (the "**District Debt Service Assessments**") levied on all benefiting properties in the CDD, which property has been found to be specially benefited by the Public Infrastructure. The principal and interest on the other revenue backed bonds (the "**District Revenue Bonds**") may be repaid through user fees, franchise fees or other use related revenues. In addition to the bonds issued to fund the Public Infrastructure costs, the CDD may also impose an annual non ad valorem special assessment to fund the operations of the CDD and the maintenance and repair of its Public Infrastructure and services (the "**District Maintenance Special Assessments**").
- 14.3 CDD Assessments. The District Debt Service Assessments and District Maintenance Special Assessments will not be taxes but, under Florida law, constitute a lien co-equal with the lien of state, county, municipal, and school board taxes and may be collected on the ad valorem tax bill sent each year by the Tax Collector of the County and disbursed to the CDD. The homestead exemption is not applicable to the CDD assessments. Because a tax bill cannot be paid in part, failure to pay the District Debt Service Assessments, District Maintenance Special Assessments or any other portion of the tax bill will result in the sale of tax certificates and could ultimately result in the loss of title to the property of the delinquent taxpayer through the issuance of a tax deed. The District Revenue Bonds are not taxes or liens on property. If the fees and user charges underlying the District Revenue Bonds are not paid, then such fees and user charges could become liens on the property which could ultimately result in the loss of title to the property through the issuance of a tax deed. The initial amount of the District Debt Service Assessments per year per Unit and the total amount of District Maintenance Special Assessments are unknown at this time. The actual amount of District Debt Service Assessments will be set forth in the District Assessment Methodology Report. District Maintenance Special Assessments relating to Facilities will be determined by the CDD. Any future CDD assessments and/or other charges due with respect to

the Facilities are direct obligations of each Owner and are secured by a lien against the Unit. Failure to pay such sums may result in loss of property. The CDD may construct, in part or in whole, by the issuance of Bonds certain facilities that may consist of roads, utilities and/or drainage system, as the CDD determines in its sole discretion.

- 14.4 Common Areas and Facilities Part of CDD. Portions of the Common Areas may be conveyed to the CDD. Such Facilities will be part of the CDD and the CDD shall govern the use and maintenance of the Facilities. Some of the provisions of this Declaration will not apply to such Facilities, as the Facilities will no longer be Common Areas once conveyed to the CDD. ANY CONVEYANCE OF COMMON AREAS TO THE CDD SHALL IN NO WAY INVALIDATE THIS DECLARATION. Declarant may decide, in its sole and absolute discretion, to convey additional portions of the Common Areas to either the CDD or the Association. If conveyed to the CDD, such Common Areas shall become part of the CDD's Facilities. The CDD or Association may promulgate membership rules, regulations and/or covenants that may outline use restrictions for the Facilities, or Association's responsibility to maintain the Facilities, if any. The establishment of the CDD and the inclusion of Facilities in the CDD will obligate each Owner to become responsible for the payment of District Debt Service Assessments and District Maintenance Special Assessments for the construction and operation of the Facilities as set forth in this Section.
- 14.5 Facilities Owned by CDD. The Facilities may be owned and operated by the CDD or owned by the CDD and maintained by the Association. The Facilities may be owned by a governmental entity other than the CDD. The Facilities shall be used and enjoyed by the Owners, on a non-exclusive basis, in common with such other persons, entities, and corporations that may be entitled to use the Facilities
- 14.6 Declarant Easement. The CDD Facilities are hereby encumbered with the perpetual right of Declarant to access and enter the CDD Facilities at any time, even after the expiration of the Class "B" Control Period, for the purposes of inspection and testing of the CDD Facilities. Notice is hereby provided to the CDD and each Owner that Declarant shall have unfettered access and an easement for ingress and egress to the CDD Facilities so that Declarant and/or its agents can perform all tests and inspections deemed necessary by Declarant. Declarant shall have the right to make all repairs and replacements deemed necessary by Declarant. At no time shall CDD, the Association and/or an Owner prevent, prohibit and/or interfere with any testing, repair or replacement deemed necessary by Declarant relative to any portion of the CDD Facilities.

ARTICLE XV **ENFORCEMENT**

- 15.1 Compliance and Enforcement.
- (a) Every Owner, tenant, guest, invitee and occupant of any Unit shall comply with the Governing Documents, the Master Declaration and Club Plan. Failure to comply shall be grounds for an action by the Association, Master Association, Declarant, Club Owner or by any aggrieved Unit Owners(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association pursuant to the Governing Documents.
- (b) All remedies set forth in the Governing Documents shall be cumulative of any remedies available at law or in equity. Should the Declarant, Club Owner, an Owner, the Master Association, or the Association be required to enforce the provisions of the Governing Documents, the reasonable attorneys' and paralegal fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' and paralegal fees and costs incurred on appeal of any judicial proceedings that may be brought and including any fees incurred in the context of creditor's rights proceedings, to the extent permitted by law (e.g., bankruptcy), shall be collectible from the party against which enforcement is sought.

- (c) The Association may also impose sanctions for violations of the Governing Documents in accordance with the procedures set forth in this Declaration, including reasonable monetary fines and suspension of the right to vote for nonpayment of assessments that are delinquent in excess of ninety (90) days, and suspension of the right to use any facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress and egress to or from a Unit. In addition, the Association may suspend any services it provides to the Unit of any Owner who is more than thirty (30) days delinquent in paying any assessment or other charge due to the Association, or for any other violation of the Governing Documents, and may exercise self-help to cure violations.
- (d) ALL OWNERS ARE HEREBY PLACED ON NOTICE THAT ASSESSMENTS MAY INCLUDE CHARGES FOR CABLE SERVICES CHARGED BY A CABLE SERVICES PROVIDER. IN THE EVENT AN OWNER FAILS TO PAY ANY ASSESSMENT DUE PURSUANT TO THE TERMS OF THIS DECLARATION, THE ASSOCIATION SHALL HAVE THE RIGHT TO DISCONNECT SERVICES PROVIDED TO THE OWNER'S UNIT, INCLUDING BUT NOT LIMITED TO CABLE AND INTERNET SERVICES.
- (e) The Association may, but shall not be obligated to take action to enforce any provision of the Governing Documents. Any such determination shall not be construed as a waiver of the right to enforce such provision under other circumstances or stop the Association from enforcing any other covenant, restriction or rule.
- (f) SFWMD shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in the Declaration which relate to the maintenance, operation and repair of SWMS.
- 15.2 Owners Obligated for Lessees, Occupants and Guests. All lessees, Occupants and guests shall be subject to the terms and conditions of the Governing Documents, as though such lessees, Occupants or guests were Owners. Each Owner agrees to cause the Owner's lessees or the Owner's or lessee's Occupants, guests, or other persons living with Owner or lessee to comply with the Governing Documents, and such Owner is responsible and liable for all violations and losses caused by such lessees, guests or Occupants, notwithstanding the fact that such lessees, guests, or Occupants of the Unit are also fully liable for any violation of the Governing Documents. Should the Declarant, an Owner or the Association be required to enforce the provisions of this Section, the reasonable attorneys' and paralegals' fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' and paralegals' fees and costs incurred on appeal of any judicial proceedings that may be brought and including any fees incurred in the context of creditor's rights proceedings, to the extent permitted by law (e.g., bankruptcy), shall be collectible from the party against which enforcement is sought.
- 15.3 Covenants Enforcement. Acting in accordance with the provisions of this Declaration, the Bylaws, and any resolutions the Board of Directors may adopt, the Board may appoint a Covenants Committee of at least three (3) and no more than seven (7) members who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an officer, director or employee of the Association. The Covenants Committee shall hold those hearings required by Florida Statutes §720.305(2)(a) (2015).
- 15.4 Sanctions. The Association may suspend, for a reasonable period of time, the rights of an Owner or Owner's tenants, guests or invitees, or both, to use Common Areas and may levy reasonable fines, not to exceed One Hundred Dollars (\$100.00) per violation or One Hundred Dollars (\$100.00) per day for a continuing violation, against any Owner or any tenant, guest or invitee. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. There shall be no limit to the aggregate amount of the fine that may be imposed for continuing violations of this Declaration. Any fine of One Thousand Dollars (\$1,000.00) or more shall constitute a lien against the applicable Unit, and a fine shall further be lienable to the extent otherwise permitted under Florida law.

15.5 Hearing Procedure.

- (a) The Board shall have the authority to adopt notice and hearing procedures provided such procedures comply with Section 720.305, Florida Statutes. A fine or suspension (a late charge shall not constitute a fine) may not be imposed without first providing notice to the Person sought to be fined or suspended and an opportunity for a hearing before the Covenants Committee in accordance with the procedures adopted by the Board. If the Covenants Committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. If the Covenants Committee approves a suspension, it shall be immediately applicable. If the Covenants Committee approves a proposed fine, it shall be immediately due in an amount equal to the number of days such person, or property, has been in violation of this Declaration, multiplied by the per day fine approved by the Covenants Committee (and fines for continuing infractions shall thereafter be due daily without further notice, demand or opportunity for hearing).
- (b) The requirements of Section 15.5(a) do not apply to the imposition of suspensions or fines upon any Owner because of the failure of the Owner to pay assessments or other charges when due; however, any such suspension must be approved at a properly noticed meeting of the Board of Directors. In the event of these types of infractions, the Association may impose fines or sanctions without affording the Person to be sanctioned or fined a hearing.

15.6 No Waiver. The rights of Declarant, any Owner or the Association under the Governing Documents shall be cumulative and not exclusive of any other right or available remedy. Declarant's, any Owner's or the Association's pursuit of any one or more of the rights or remedies provided for in this Article XV shall not preclude pursuit of any other right, remedy or remedies provided in the Governing Documents or any other right, remedy or remedies provided for or allowed by law or in equity, separately or concurrently or in any combination. Declarant's, Owner's or the Association's pursuit of any or more of its rights or remedies shall not constitute an election of remedies excluding the election of another right, remedy or other remedies, or a forfeiture or waiver of any right or remedy or of any damages or other sums accruing to Declarant or the Association by reason of any obligated person's failure to fully and completely keep, observe, perform, satisfy and comply with all of the covenants, restrictions and easements set forth in the Governing Documents. Declarant's, an Owner's or the Association's forbearance in pursuing or exercising one or more of its or their rights or remedies, on the failure of Declarant, an Owner or the Association to enforce any of the covenants, restrictions and easements set forth in the Governing Documents or to promptly pursue and exercise any right or remedy contained in the Governing Documents, shall not be deemed or construed to constitute a waiver of any other right or remedy or any waiver of the further enforcement or the provision or the exercise of the right or remedy that was the subject of the forbearance or failure. No waiver by Declarant, an Owner or the Association of any right or remedy on one occasion shall be construed as a waiver of that right or remedy on any subsequent occasion or as a waiver of any other right or remedy then or thereafter existing. No failure of Declarant, an Owner or the Association to pursue or exercise any of their respective powers, rights or remedies or to insist upon strict and exact compliance with the Governing Documents, and no custom or practice at variance with the terms of the Governing Documents, shall constitute a waiver by Declarant, any Owner or the Association of the right to demand strict and exact compliance with all terms and conditions of the Governing Documents. No termination of any of the Governing Documents shall affect Declarant's, an Owner's or the Association's right to collect any monetary amounts due to it for the period prior to termination.

ARTICLE XVI
SURFACE WATER MANAGEMENT SYSTEM

16.1 Surface Water Management Systems. The CDD shall be responsible for maintenance of SWMS within the Properties, except to the extent dedicated to the County by the Plat. All SWMS within the Properties, excluding those areas dedicated to the County by the Plat, will be the responsibility of the CDD, whose agents, employees, contractors and subcontractors may enter any portion of the SWMS and make whatever alterations, improvements or repairs that are deemed necessary to

provide or restore property water management. The CDD shall have responsibility for maintenance of the SWMS and any such costs incurred by the CDD in connection with such maintenance shall be part of the District Maintenance Special Assessments.

- (a) No construction activities may be conducted relative to any portion of the SWMS. Prohibited activities include, but are not limited to: digging or excavation; depositing fill, debris or any other material or item; constructing or altering any water control structure; or any other construction to modify the SWMS. To the extent there exists within the Properties a wetland mitigation area or a wet detention pond, no vegetation in these areas shall be removed, cut, trimmed or sprayed with herbicide without specific written approval from SFWMD. Construction and maintenance activities which are consistent with the design and permit conditions approved by SFWMD in the Permit may be conducted without specific written approval from SFWMD.
- (b) No Owner or other person or entity shall unreasonably deny or prevent access to water management areas for maintenance, repair, or landscaping purposes by Declarant, the Association, the CDD or any appropriate governmental agency that may reasonably require access. Nonexclusive easements therefor are hereby specifically reserved and created.
- (c) No Unit or Common Area shall be increased in size by filling in any lake, pond or other water retention or drainage areas that it abuts. No person shall fill, dike, rip-rap, block, divert or change the established water retention and drainage areas that have been or may be created without the prior written consent of the CDD. No person other than the Declarant or the CDD may draw water for irrigation or other purposes from any lake, pond or other water management area.
- (d) The CDD may enter any Unit or Common Area and make whatever alterations, improvements or repairs are deemed necessary to provide, maintain, or restore proper SWMS. The cost of such alterations, improvements or repairs shall be part of the District Maintenance Special Assessments. NO PERSON MAY REMOVE NATIVE VEGETATION THAT MAY BECOME ESTABLISHED WITHIN THE CONSERVATION AREAS. "REMOVAL" INCLUDES DREDGING, APPLICATION OF HERBICIDE, PULLING AND CUTTING.
- (e) Nothing in this Section shall be construed to allow any person to construct any new water management facility, or to alter any SWMS or conservation areas, without first obtaining the necessary permits from all governmental agencies having jurisdiction, including SFWMD, the CDD and the Declarant, its successors and assigns.
- (f) SFWMD has the right to take enforcement measures, including a civil action for injunction and/or penalties, against the CDD to compel it to correct any outstanding problems with the SWMS.
- (g) Any amendment of the Declaration affecting the SWMS or the operation and maintenance of the SWMS shall have the prior written approval of SFWMD.
- (h) If the CDD shall cease to exist, all Owners shall be jointly and severally responsible for the operation and maintenance of the SWMS in accordance with the requirements of the Permit, unless and until an alternate entity assumes responsibility as explained in the Permit.
- (i) No Owner may construct or maintain any building, residence or structure, or undertake or perform any activity in the wetlands, wetland mitigation areas, buffer areas, upland conservation areas and drainage easements described in the Permit or Plat, unless prior approval is received from the SFWMD.
- (j) Each Owner at the time of the construction of a building, residence, or structure shall comply with the construction plans for the SWMS approved and on file with SFWMD.
- (k) Owners shall not remove native vegetation (including cattails) that becomes established within the retention/detention ponds abutting their Unit. Removal includes dredging, the application of

herbicide, cutting, and the introduction of grass carp. Owners shall address any questions regarding authorized activities to SFWMD.

- (l) No Owner may construct or maintain any building, residence, or structure, or undertake or perform any activity within the 100-year floodplain described in the approved plan and/or record Plat of the subdivision unless prior approval is received from SFWMD pursuant to environmental resource permitting.
 - (m) No Owner may undertake any roadway improvements within this development unless prior written authorization or notification of exemption is received from SFWMD pursuant to environmental resource permitting.
- 16.2 Proviso. Notwithstanding any other provision in this Declaration, no amendment of the Governing Documents by any person, and no termination or amendment of this Declaration, will be effective to change the CDD's responsibilities for the SWMS, unless the amendment has been consented to in writing by SFWMD. Any proposed amendment which would affect the SWMS must be submitted to SFWMD for a determination of whether the amendment necessitates a modification of the Permit.

ARTICLE XVII **MORTGAGEE PROVISIONS**

So long as required by the Federal National Mortgage Association ("**FNMA**"), U.S. Department of Housing and Urban Development ("**HUD**"), and/or Veterans Administration ("**VA**"), the provisions below apply.

- 17.1 Notices of Action. Any Mortgagee and shall be entitled to timely written notice of:
- (a) Any condemnation loss or any casualty loss that affects a material portion of the Properties or that affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Mortgagee;
 - (b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of a Mortgagee, where such delinquency has continued for a period of sixty (60) days, or any other violation of the Governing Documents relating to such Unit or the Owner or occupant which is not cured within sixty (60) days;
 - (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
 - (d) Any proposed action under this Declaration that would require the consent of a specified percentage of Mortgagees.
- 17.2 Termination of the Association. Any election to terminate the Association after substantial destruction or a substantial taking in condemnation, or for any other reason, shall require the approval Mortgagees representing fifty-one percent (51%) of the votes of the Units subject to Mortgages held by such Mortgagees.
- 17.3 Amendments to Documents. Amendments to the Governing Documents of a material adverse nature to Mortgagees shall require the approval Mortgagees representing fifty-one percent (51%) of the votes of the Units subject to Mortgages held by such Mortgagees.
- 17.4 Failure of Mortgagee to Respond. Any Mortgagee who receives a written request to respond to proposed amendment(s) to the Governing Documents shall be deemed to have approved such amendment(s) if the Mortgagee does not submit a response to any such request within sixty (60) days after it receives proper notice of the proposed amendment(s); provided such request is

delivered to the Mortgagee by certified or registered mail, return receipt requested.

- 17.5 Notice to the Association. Upon request, each Owner shall be obligated to furnish the Association with the name and address of the holder of any Mortgage encumbering such Owner's Unit.

ARTICLE XVIII
CHANGES IN COMMON AREAS: CONTROL OF PETS

- 18.1 Condemnation. If any part of the Common Area shall be taken (or conveyed by the Board in lieu of and under threat of condemnation) by any authority having the power of condemnation or eminent domain, the award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:
- (a) If the taking involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within sixty (60) days after such taking Declarant, so long as Declarant owns any of the Properties, objects to any such restoration of the Common Areas. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 7.3(c) regarding funds for the repair of damage or destruction shall apply.
 - (b) If the taking does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.
 - (c) Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.
- 18.2 Transfer or Dedication of Common Area. The Association may dedicate portions of the Common Area to the County, or to any other local, state, or federal governmental or quasi-governmental entity. No conveyance or encumbrance of the Common Area may deprive any Unit of rights of access or support.
- 18.3 Control of Pets; Enforcement of Laws Governing Pets. The requirements of Owners to control their pets on all private property, public property and Common Area within SOUTH LAKES OF HARMONY may be governed by applicable local laws. Notwithstanding the foregoing, the Association shall have the right, but not the obligation, to promulgate additional rules and restrictions regarding pet ownership and control. In the event the Association promulgates any such rules, the more restrictive of the Association's rules or the applicable local laws shall apply. The Association does not grant and shall not grant permission to any Person to allow any animal to run at large (i.e. unleashed) upon any property in SOUTH LAKES OF HARMONY. In addition, if requested by any governmental authority with jurisdiction over this matter or if necessary to effectuate enforcement by such governmental authority, the Association shall provide written confirmation to the governmental authority that the Association does not grant such permission. The responsibility for enforcement of any laws rests solely with the applicable governmental authority and the Association disclaims responsibility for such enforcement.

ARTICLE XIX
AMENDMENT OF DECLARATION

- 19.1 By Declarant. In addition to specific amendment rights granted elsewhere in this Declaration, until termination of the Class "B" Control Period, Declarant may unilaterally amend this Declaration for

any purpose, except as expressly limited by applicable law as it exists on the date this Declaration is recorded in the Public Records or except as expressly set forth herein. Such amendments may include, without limitation (i) the creation of easements for telecommunications systems, utility, drainage, ingress and egress and roof overhangs over any portion of the Properties; (ii) additions or deletions from the Properties and/or the properties comprising the Common Areas; (iii) changes in the Use Restrictions and Rules; (iv) changes in maintenance, repair and replacement obligations; and (v) modifications of the use restrictions for Units. Declarant's right to amend under this provision is to be construed as broadly as possible. By way of example, and not as a limitation, Declarant may create easements over, under and across Units conveyed to Owners, provided that such easements do not prohibit the use of Units as residential dwellings. In the event the Association shall desire to amend this Declaration prior to the termination of the Class "B" Control Period, the Association must first obtain Declarant's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Declarant may be adopted by the Association pursuant to the requirements for amendments from and after the termination of the Class "B" Control Period. Declarant shall join in such identical amendment so that its consent to the same will be reflected in the Public Records. To the extent legally required, each Owner shall be deemed to have granted to Declarant and, thereafter, the Association, an irrevocable power of attorney, coupled with an interest, for the purposes herein expressed.

19.2 By the Association.

- (a) After the termination of the Class "B" Control Period, this Declaration may be amended with the approval of (i) majority of the Board; and (ii) fifty-one percent (51%) of the Voting Interests present (in person or by proxy) at a duly called meeting of the Members. Such votes must be cast at a Members' meeting called for the purpose of considering the proposed amendment and may be cast in person, by proxy, by written absentee ballot, or any combination thereof. The Association shall give Declarant and Club Owner sixty (60) days' prior written notice of its intent to amend this Declaration, along with their proposed written amendment, in accordance with the notice provisions contained in Section 20.2, or by prepaid certified mail, return receipt requested. Declarant and/or Club Owner shall be deemed to have approved such amendment if the Association does not receive a written response from Declarant and/or Club Owner within said 60-day period.
- (b) Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment under a particular clause specifying requisite percentage of affirmative votes shall be adopted with the approval of the Voting Interests present (in person or by proxy) at a duly called meeting of the Members.

19.3 Validity and Effective Date of Amendments.

- (a) Amendments to this Declaration shall become effective upon recordation in the Public Records, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six (6) months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.
- (b) If an Owner consents to any amendment to the Governing Documents, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.
- (c) No amendment may, directly or indirectly, remove, revoke, or modify the status of, or any right or privilege of, the Declarant or Club Owner without the written consent of the Declarant or Club Owner, as applicable (or the assignee of such right or privilege). Notwithstanding any other provision herein to the contrary, no amendment to this Declaration shall affect the rights of Declarant or Club Owner unless such amendment receives the prior written consent of Declarant

or Club Owner, as applicable, which consent may be withheld for any reason whatsoever.

- (d) 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.
- (e) Each Owner by acceptance of a deed to a Unit irrevocably waives any claim that such Owner has any vested rights pursuant to case law or statute with respect to the Governing Documents or the Club Plan. It is expressly intended that Declarant has the unfettered right to amend this Declaration and the other Governing Documents except as expressly set forth herein.
- (f) Any amendment to the Declaration that alters any provision relating to the SWMS, beyond maintenance in its original condition, including the water management portions of the Common Areas, must have the prior written approval of the SFWMD.

19.4 Compliance with HUD, FHA, VA, FNMA, GNMA and SFWMD. Notwithstanding any provision of this Declaration to the contrary, prior to the termination of the Class "B" Control Period, the Declarant shall have the right to amend this Declaration, from time to time, to make such changes, modifications and additions therein and thereto as may be requested or required by HUD, FHA, VA, FNMA, GNMA, SFWMD, or any other governmental agency or body as a condition to, or in connection with, such agency's or body's regulatory requirements or agreement to make, purchase, accept, insure, guaranty or otherwise approve loans secured by Mortgages on Units. No approval or joinder of the Association, other Owners, or any other party shall be required or necessary to such amendment. After the termination of the Class "B" Control Period, but subject to the general restrictions on amendments set forth above, the Board shall have the right to amend this Declaration, from time to time, to make such changes, modifications and additions therein and thereto as may be requested or required by HUD, FHA, VA, FNMA, GNMA, SFWMD or any other governmental agency or body as a condition to, or in connection with such agency's or body's regulatory requirements or agreement to make, purchase, accept, insure, guaranty or otherwise approve loans secured by Mortgages on Units. No approval or joinder of the Owners, or any other party shall be required or necessary to any such amendments by the Board. Any such amendments by the Board shall require the approval of a majority of the Board.

ARTICLE XX
MISCELLANEOUS PROVISIONS

- 20.1 Exhibits. Exhibits A, B, C, D, and E attached to this Declaration are incorporated herein and made a part hereof by this reference.
- 20.2 Notices. Unless otherwise provided in this Declaration, each notice or communication given under this Declaration shall be deemed delivered and received if in writing and either: (i) personally delivered; (ii) delivered by reliable overnight air courier service; (iii) deposited with the United States Postal Service or any official successor thereto, first-class or higher priority, postage prepaid, and delivered to the addressee's last known address at the time of such mailing; or (iv) when transmitted by any form of Electronic Transmission.
- 20.3 Conflicts. If there is any conflict between the provisions of Florida law, the Articles of Incorporation, the Bylaws and this Declaration, the provisions of Florida law, this Declaration, the Articles and the Bylaws, in that order, shall prevail. If there is any conflict between the provisions of this Declaration and the Club Plan the provisions of the Club Plan shall prevail. If there is any conflict between the provisions of this Declaration and the Master Declaration, the provisions of the Master Declaration shall prevail.
- 20.4 Applicable Law. Whenever this Declaration refers to the Florida Statutes, it shall be deemed to refer to the Florida Statutes as they exist and are effective on the date this Declaration is recorded in the Public Records, except to the extent provided otherwise as to any particular provision of the

Florida Statutes.

- 20.5 Termination of Rights Reserved by Declarant. Notwithstanding anything contained in this Declaration to the contrary, as to any right reserved by Declarant in this Declaration, such right may be terminated at any time by Declarant, in Declarant's sole discretion and without the consent of the Association or its Board or Members, by written instrument recorded among the Public Records, and thereafter Declarant shall have no right or obligation to exercise any such terminated right.
- 20.6 Authority of Board. Except when a vote of the membership of the Association is specifically required, all decisions, duties, and obligations of the Association hereunder may be made by the Board. The Association and Owners shall be bound thereby.
- 20.7 Municipal Service Taxing or Benefit Units. In order to perform the services contemplated by this Declaration, the Association or Declarant, in conjunction with local governmental authorities, may seek the formation of special purpose municipal service taxing units ("**MSTUs**") or municipal service benefit units ("**MSBUs**"). The MSTUs or MSBUs will have responsibilities defined in their enabling resolutions which may include, but are not limited to, maintaining roadway informational signs, traffic control signs, benches, trash receptacles and other street furniture, keeping all public roadways and roadside pedestrian easements clean of windblown trash and debris, mowing, payment of electrical charges, maintenance of drainage structures, maintenance of designated landscape areas, payment of energy charges for street and pedestrian lighting, and other services benefiting the Properties. In the event such MSTUs or MSBUs are formed, the Properties will be subject to ad valorem taxes or special assessments for the cost of services performed within the MSTU or MSBU and personnel working for or under contract with local governmental authorities shall have the right to enter upon lands within the Property to affect the services contemplated. The Association retains the right to contract with local governmental authorities to provide the services funded by the MSTU or MSBU.
- 20.8 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.
- 20.9 Enforcement of Governing Documents. Enforcement of the Governing Documents, including without limitation this Declaration, may be by proceeding at law for damages or in equity to compel compliance with the terms hereof or to prevent violation or breach of any of the covenants or terms herein. The Declarant, Club Owner, the Association, or any Owner may, but shall not be required to, seek enforcement of the Governing Documents.
- 20.10 Electronic or Video Communication. Wherever the Governing Documents require members' attendance at a meeting either "in person or by proxy," members may attend and participate at such meetings via telephone, real-time videoconferencing, or similar real-time electronic or video communication; provided, however, members may attend and participate in this manner only if a majority of the Board approved use of telephone, real-time videoconferencing, or similar real-time electronic or video communication for participation and attendance at meetings.
- 20.11 Electronic Transmission as Substitute for Writing. Wherever the Governing Documents require action by the Association to be taken in writing, such action may be taken by Electronic Transmission, with the exception of the following: (i) giving notice of a meeting called in whole or in part for the purpose of recalling and removing a member of the Board; and (ii) when levying fines, suspending use rights, requesting dispute resolution, or collecting payments for assessments and providing notice of lien claims.

ARTICLE XXI
RESOLUTION OF DISPUTES

- 21.1. By acceptance of a deed to a Unit, each Owner specifically agrees that the purchase of a Unit involves interstate commerce and that any Dispute (as hereinafter defined) shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by or in a court of law or equity. "Disputes" (whether contract, warranty, tort, statutory or otherwise), shall include, but are not limited to, any and all controversies, disputes or claims (1) arising under, or related to, this Declaration or any dealings between the Owner and the Declarant; (2) arising by virtue of any representations, promises or warranties alleged to have been made by Declarant or Declarant's representative; (3) relating to personal injury or property damage alleged to have been sustained by the Owner, Owner's children or other Occupants of the Unit; or (4) issues of formation, validity or enforceability of this Article XXI. Each Owner agrees to the foregoing on behalf of his or her children and other Occupants of the Unit with the intent that all such parties be bound hereby. Any Dispute shall be submitted for binding arbitration within a reasonable time after such Dispute has arisen. Nothing herein shall extend the time period by which a claim or cause of action may be asserted under the applicable statute of limitations or statute of repose, and in no event shall the Dispute be submitted for arbitration after the date when institution of a legal or equitable proceeding based on the underlying claims in such Dispute would be barred by the applicable statute of limitations or statute of repose.
- 21.2. Any and all mediations commenced by any Owner or Declarant shall be filed with and administered by the American Arbitration Association or any successor thereto ("AAA") in accordance with the AAA's Home Construction Mediation Procedures in effect on the date of the request. If there are no Home Construction Mediation Procedures currently in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of such request shall be utilized. Any party who will be relying upon an expert report or repair estimate at the mediation shall provide the mediator and the other parties with a copy of the reports. If one or more issues directly or indirectly relate to alleged deficiencies in design, materials or construction, all parties and their experts shall be allowed to inspect, document (by photograph, videotape or otherwise) and test the alleged deficiencies prior to mediation. Unless mutually waived in writing by the parties, submission to mediation is a condition precedent to either party taking further action with regard to any matter covered hereunder.
- 21.3. If the Dispute is not fully resolved by mediation, the Dispute shall be submitted to binding arbitration and administered by the AAA in accordance with the AAA's Home Construction Arbitration Rules in effect on the date of the request. If there are no Home Construction Arbitration Rules currently in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. If the claimed amount exceeds \$250,000.00 or includes a demand for punitive damages, the Dispute shall be heard and determined by three arbitrators; however, if mutually agreed to by the Owner and the Declarant, then the Dispute shall be heard and determined by one arbitrator. Arbitrators shall have expertise in the area(s) of Dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Dispute shall be decided by the arbitrator(s). At the request of any party, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.
- 21.4. The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Article XXI. By acceptance of a deed to a Unit, each Owner specifically agrees (i) that any Dispute involving Declarant's affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein, and shall not be pursued in a court of law or equity; (2) that Declarant may, at its sole election, include Declarant's

contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; and (3) that the mediation and arbitration will be limited to the parties specified herein.

- 21.5. To the fullest extent permitted by applicable law, by acceptance of a deed to a Unit, each Owner specifically agrees that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is mutuality of parties. In addition, by acceptance of a deed to a Unit, each Owner agrees that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is mutuality of parties.
- 21.6. Unless otherwise recoverable by law or statute, each party shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any mediation and arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the non-contesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if a party fails to abide by the terms of a mediation settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.
- 21.7. An Owner may obtain additional information concerning the rules of the AAA by visiting its website at www.adr.org or by writing the AAA at 335 Madison Avenue, New York, New York 10017.
- 21.8. Declarant supports the principles set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees to the following:
- (a) Notwithstanding the requirements of arbitration stated in this Article XXI, each Owner shall have the option, after pursuing mediation as provided herein, to seek relief in a small claims court for disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. This option does not apply to any appeal from a decision by a small claims court.
 - (b) Declarant agrees to pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by the parties.
 - (c) The fees for any claim pursued via arbitration in an amount of \$10,000.00 or less shall be apportioned as provided in the Home Construction Arbitration Rules of the AAA or other applicable rules.
- 21.9. Notwithstanding the foregoing, if either Declarant or an Owner seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such actions shall not be interpreted to indicate that either party has waived the right to mediate or arbitrate. The right to mediate and arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief had been filed with a court.
- 21.10. THE DECLARANT AND EACH OWNER BY ACCEPTANCE OF A DEED TO A UNIT SPECIFICALLY AGREE THAT THE PARTIES MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS AND NOT AS A MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION OR COLLECTIVE PROCEEDING. THE ARBITRATOR(S) MAY NOT CONSOLIDATE OR JOIN CLAIMS REGARDING MORE THAN ONE PROPERTY AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. ALSO, THE ARBITRATOR(S) MAY AWARD RELIEF (INCLUDING

MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S). ANY RELIEF AWARDED CANNOT BE AWARDED ON CLASS-WIDE OR MASS-PARTY BASIS OR OTHERWISE AFFECT PARTIES WHO ARE NOT A PARTY TO THE ARBITRATION. NOTHING IN THE FOREGOING PREVENTS DECLARANT FROM EXERCISING ITS RIGHT TO INCLUDE IN THE MEDIATION AND ARBITRATION THOSE PERSONS OR ENTITIES REFERRED TO IN SECTION 21.4 ABOVE.

ARTICLE XXII
GOLF FACILITIES

- 22.1 **Right to Use the Golf Facilities.** Rights to use any Golf Facilities will be granted only to such persons, on and such terms and conditions, as may be determined from time to time by the Club Owner. The Owner(s) of each Unit are entitled use the Golf Facilities as provided in the Club Plan.
- 22.2 **Golf Facilities Hazards.** THE LOCATION, CONSTRUCTION, AND OPERATION OF GOLF FACILITIES WITHIN THE PROPERTIES CONFERS A SUBSTANTIAL BENEFIT UPON THE OWNERS OF ANY UNIT, WHETHER OR NOT ANY SUCH OWNER USES THE GOLF FACILITIES AND WHETHER OR NOT ANY SUCH UNIT IS LOCATED NEAR OR ADJACENT TO THE GOLF FACILITIES. BY ACCEPTANCE OF A DEED TO A UNIT EACH OWNER ACKNOWLEDGES THE DECLARANT, CLUB OWNER, AND THE ASSOCIATION SHALL HAVE NO RESPONSIBILITY OR LIABILITY TO SUCH OWNER, MEMBERS OF HIS OR HER FAMILY, GUESTS OR INVITEES, BECAUSE OF NOISE ASSOCIATED WITH USE OR MAINTENANCE OF THE GOLF FACILITIES, OR BECAUSE OF ANY DAMAGE OR INJURY CAUSED TO OWNER, HIS OR HER FAMILY, GUESTS, INVITEES, LICENSEES, EMPLOYEES, AND AGENTS, OR TO PROPERTY OF OWNER, HIS OR HER FAMILY, GUESTS, INVITEES, LICENSEES, EMPLOYEES, AND AGENTS FROM THE FLIGHT OF ERRANT GOLF BALLS, FROM PERSONS RECOVERING GOLF BALLS, OR FROM OTHER ACTS OF PERSONS ARISING OUT OF, OR ASSOCIATED WITH, USE OF THE GOLF FACILITIES. BY ACCEPTANCE OF A DEED TO ANY UNIT EACH OWNER WAIVES ANY CLAIMS OR CAUSES OF ACTION WHICH HE OR SHE, HIS OR HER FAMILY, GUESTS, INVITEES, LICENSEES, EMPLOYEES, OR AGENTS MAY HAVE AGAINST THE DECLARANT, CLUB OWNER, AND THE ASSOCIATION ARISING OUT OF SUCH PERSONAL INJURY OR PROPERTY DAMAGE. BY ACCEPTANCE OF SAID DEED TO A UNIT, EACH OWNER ACKNOWLEDGES THAT HE OR SHE KNOWS AND APPRECIATES THE NATURE OF ALL RISKS BOTH APPARENT AND LATENT ASSOCIATED WITH LIVING IN A GOLF COURSE COMMUNITY AND EXPRESSLY ASSUMES THE RISKS OF PERSONAL INJURY OR PROPERTY DAMAGE THAT MAY OCCUR IN CONNECTION WITH SUCH RISKS.
- 22.3 **Easement for Benefit of Golf Facilities.** All permitted users of the Golf Facilities, including guests, customers and invitees of the Club Owner, shall have an easement, or easements, over and across the Common Areas for the purpose of providing access to, and facilitating the use of, the Golf Facilities. In addition, an easement is hereby created as to all portions of the Properties, including all Units in favor of the permitted users of the Golf Facilities and their permitted guests and invitees, to permit the doing of every act necessary and incident to the playing of golf on the Golf Facilities and to permit the doing of every act necessary and incident to maintaining the Golf Facilities. These acts shall include without limitation, the recovery of golf balls from any Unit, the flight of golf balls over and upon any Unit, the creation of the usual noise level associated with the playing of the game of golf, the creation of the usual noise level associated with maintenance of a golf course, the driving of machinery and equipment used in connection with maintenance of a golf course over and upon the Properties and the Golf Facilities, together with all such other common and normal activities associated with the game of golf and with all such other common and normal activities

associated with the maintenance and operation of a golf course. Such noises and activities may occur on or off the Golf Facilities, throughout the day from early morning until late evening.

- 22.4 Additional Restrictions, Easements and Conditions. No Owner, and no guest, invitee, tenant, employee, agent or contractor of any Owner, shall at any time interfere in any way with golf play on the Golf Facilities, whether in the form of physical interference, noise, harassment of players or spectators, or otherwise. Each Owner (for such Owner and its tenants, guests and invitees) recognizes, agrees and accepts that: (i) operation of a golf course and related facilities will often involve parties and other gatherings (whether or not related to golf, and including without limitation weddings and other social functions) at or on the Golf Facilities, tournaments, loud music, use of public address systems and the like, occasional supplemental lighting and other similar or dissimilar activities throughout the day, from early in the morning until late at night; (ii) by their very nature, golf courses present certain potentially hazardous conditions that may include, without limitation, lakes or other bodies of water and man-made or naturally occurring topological features such as washes, gullies, canyons, uneven surfaces and the like; and (iii) neither such Owner nor its tenants, guests, and invitees shall make any claim against the Declarant, Club Owner, the Association, any committee of the Association, any sponsor, promoter or organizer of any tournament or other event, or the owner or operator of any golf course within, adjacent to or near the Properties (or any affiliate, agent, employee or representative of any of the foregoing) in connection with the matters described or referenced in (i) or (ii) above, whether in the nature of a claim for damages relating to personal injury or property damage, or otherwise.
- 22.5 Golf Course Area Encroachments. If (i) any portion of the Golf Facilities encroaches upon any Unit; (ii) any Unit encroaches upon any portion of the Golf Facilities; or (iii) any encroachment shall hereafter occur as a result of (1) construction of the Golf Facilities; (2) settling or shifting of the Golf Facilities; (3) any alteration or repair to the Golf Facilities made by or with the consent of the Club Owner; or (4) any repair or restoration of the Golf Facilities (or any portion thereof) after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Golf Facilities, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of same.
- 22.6 Golf Ball Damage or Injury. Golf balls are not susceptible of being easily controlled and may enter a Unit's airspace, strike an Owner, Owner's guests, yard, walls, roof, windows, landscaping and personal property causing personal injury and property damage. The Declarant, the Association and the Club Owner, and any agents, servants, employees, directors, officers, affiliates, representatives, receivers, subsidiaries, predecessors, successors and assigns of any such party ("Released Parties"), are all not in any way be responsible for any claims, damages, losses, demands, liabilities, obligations, actions or causes of action whatsoever, including, without limitation, actions based on (i) any invasion of the Owner's use or enjoyment of their Unit, (ii) improper design of the golf course, (iii) the level of skill of any golfer (regardless of whether such golfer has the permission of the management to use the golf course), or (iv) trespass by any golfer on any Unit, that may result from property damage or personal injury from golf balls (regardless of number) or from the exercise by any golfer of the easements granted herein. Furthermore, each Owner hereby assumes the risk inherent in owning property adjacent to or nearby a golf course, including, without limitation, the risk of personal injury and property damage from errant golf balls, and hereby agrees to hold the Released Parties harmless from any and all loss arising from claims by such Owner, or any Owner's guests, tenants and invitees, for any personal injury or property damage.

[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned, being Declarant hereunder, has hereunto set its hand and seal this 9th day of December, 2015.

WITNESSES:

"DECLARANT"

BIRCHWOOD ACRES LIMITED PARTNERSHIP, LLLP, a Florida limited liability limited partnership

By: VII GP HARMONY, L.L.C., a Delaware limited liability company, its General Partner

By: [Signature]
Name: ROSITA GRANT
Title: AUTHORIZED AGENT

[Signature]
Print Name: Bill Kinnison Howard

[Signature]
Print Name: Lori E. Joyce

STATE OF FLORIDA
COUNTY OF MANATEE

The foregoing instrument was acknowledged before me this 9 day of December, 2015, by Robert Grant as Authorized Agent of VII GP HARMONY, L.L.C., a Delaware limited liability company, as General Partner of BIRCHWOOD ACRES LIMITED PARTNERSHIP, LLLP, a Florida limited liability limited partnership. He/She [is personally known to me] [has produced as identification].

My commission expires: 9/19/19

[Signature]
NOTARY PUBLIC, State of Florida at Large

Print Name: Lori E. Joyce



S:\Christian\Starwood Land\Harmony\Sub-Association\Governing Documents\Declaration\Declaration7 - South Lakes of Harmony.docx

JOINDER

SOUTH LAKES OF HARMONY COMMUNITY ASSOCIATION, INC., a Florida not-for-profit corporation (the "Association") does hereby join in this COMMUNITY DECLARATION FOR SOUTH LAKES OF HARMONY (this "Declaration"), to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. The Association agrees this joinder is for the purpose of evidencing the Association's acceptance of the rights and obligations provided in the Declaration and does not affect the validity of this Declaration as the Association has no right to approve this Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 8th day of December, 2015.

WITNESSES:

SOUTH LAKES OF HARMONY COMMUNITY ASSOCIATION, INC., a Florida corporation not for profit

Print Name: Lori E. Joyce

By: [Signature]
Name: Bill Kouwenhoven
Title: President

Print Name: Tracy Griffith

{CORPORATE SEAL}

STATE OF FLORIDA
COUNTY OF MANATEE

The foregoing instrument was acknowledged before me this 8 day of December, 2015, by Bill Kouwenhoven, as President of SOUTH LAKES OF HARMONY COMMUNITY ASSOCIATION, INC., a Florida corporation not for profit, on behalf of the corporation, who is personally known to me or who has produced _____ as identification.

My commission expires:



[Signature]
NOTARY PUBLIC, State of Florida at Large
Print Name: Lori E. Joyce

EXHIBIT A

LEGAL DESCRIPTION

A PARCEL OF LAND LYING IN A PORTION OF SECTION 29, TOWNSHIP 26 SOUTH, RANGE 32 EAST, OSCEOLA COUNTY, FLORIDA.

BEING IN PART A REPLAT OF PORTIONS OF TRACT I/J, PARK TRACT "C", AND TRACT L/U-2, HARMONY PHASE THREE, AS FILED AND RECORDED IN PLAT BOOK 20, PAGES 120 THRU 128, AND BEING IN PART A REPLAT OF GOLF COURSE TRACT-2, BIRCHWOOD GOLF COURSE, AS FILED AND RECORDED IN PLAT BOOK 15, PAGES 139 THRU 151, ALL OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF TRACT I/J, HARMONY PHASE THREE, AS FILED AND RECORDED IN PLAT BOOK 20, PAGES 120 THRU 128, INCLUSIVE, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA; THENCE N07°07'13"W, A DISTANCE OF 92.53 FEET; THENCE N82°52'47"E, A DISTANCE OF 8.00 FEET; THENCE N07°07'13"W, A DISTANCE OF 54.31 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 1,229.00 FEET AND A CENTRAL ANGLE OF 13°58'46"; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 299.86 FEET; THENCE N83°08'27"W, A DISTANCE OF 12.00 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES S83°08'27"E, A RADIAL DISTANCE OF 1,244.00 FEET; THENCE NORTHERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 05°55'09", A DISTANCE OF 128.52 FEET; THENCE S77°13'18"E, A DISTANCE OF 15.00 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES S77°13'18"E, A RADIAL DISTANCE OF 1,229.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 24°05'17", A DISTANCE OF 516.69 FEET; THENCE N36°51'59"E, A DISTANCE OF 565.25 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 799.50 FEET AND A CENTRAL ANGLE OF 06°46'44"; THENCE NORTHEASTERLY ALONG THE ARC A DISTANCE OF 94.46 FEET; THENCE S59°54'12"E, A DISTANCE OF 83.47 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE LEFT, OF WHICH THE RADIUS POINT LIES N85°16'51"E, A RADIAL DISTANCE OF 260.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 45°42'21", A DISTANCE OF 207.41 FEET TO A POINT OF COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 394.00 FEET AND A CENTRAL ANGLE OF 21°00'57"; THENCE SOUTHEASTERLY ALONG THE ARC, A DISTANCE OF 144.52 FEET TO A POINT OF COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 1,151.00 FEET AND A CENTRAL ANGLE OF 13°51'20"; THENCE EASTERLY ALONG THE ARC, A DISTANCE OF 278.34 FEET TO A POINT OF COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 462.00 FEET AND A CENTRAL ANGLE OF 37°43'39"; THENCE EASTERLY ALONG THE ARC, A DISTANCE OF 304.21 FEET; THENCE N84°18'21"E, A DISTANCE OF 163.59 FEET; THENCE S03°23'25"W, A DISTANCE OF 0.04 FEET; THENCE CONTINUE SOUTHERLY ALONG SAID LINE, A DISTANCE OF 12.66 FEET; THENCE S18°13'05"E, A DISTANCE OF 76.74 FEET; THENCE S02°06'45"W, A DISTANCE OF 28.96 FEET; THENCE S11°41'44"E, A DISTANCE OF 66.11 FEET; THENCE S20°42'09"W, A DISTANCE OF 47.40 FEET; THENCE S13°42'28"E, A DISTANCE OF 60.67 FEET; THENCE S12°12'17"W, A DISTANCE OF 58.13 FEET; THENCE S73°31'54"W, A DISTANCE OF 48.55 FEET; THENCE S74°23'54"W, A DISTANCE OF 48.93 FEET; THENCE S66°46'41"W, A DISTANCE OF 48.69 FEET; THENCE S79°35'13"W, A DISTANCE OF 37.27 FEET; THENCE N89°40'40"W, A DISTANCE OF 54.72 FEET; THENCE S83°50'41"W, A DISTANCE OF 105.72 FEET; THENCE S18°32'00"E, A DISTANCE OF 54.89 FEET; THENCE S11°49'31"E, A DISTANCE OF 38.62 FEET; THENCE S17°51'35"W, A DISTANCE OF 59.39 FEET; THENCE S04°51'53"W, A DISTANCE OF 86.61 FEET; THENCE S13°11'09"W, A DISTANCE OF

76.13 FEET; THENCE S23°40'26"E, A DISTANCE OF 116.25 FEET; THENCE S14°56'21"E, A DISTANCE OF 74.20 FEET; THENCE S19°01'26"E, A DISTANCE OF 126.89 FEET; THENCE S16°58'23"E, A DISTANCE OF 118.08 FEET; THENCE S08°25'48"E, A DISTANCE OF 62.91 FEET; THENCE S13°33'58"E, A DISTANCE OF 131.27 FEET; THENCE S10°16'46"E, A DISTANCE OF 60.80 FEET; THENCE S14°47'32"E, A DISTANCE OF 34.92 FEET; THENCE S17°26'30"W, A DISTANCE OF 84.64 FEET; THENCE S02°44'13"W, A DISTANCE OF 49.55 FEET; THENCE S21°35'31"W, A DISTANCE OF 60.34 FEET; THENCE S25°15'36"W, A DISTANCE OF 91.16 FEET; THENCE S25°15'18"W, A DISTANCE OF 94.11 FEET; THENCE S22°10'48"W, A DISTANCE OF 104.34 FEET; THENCE S26°48'51"W, A DISTANCE OF 72.16 FEET; THENCE S14°15'42"W, A DISTANCE OF 71.76 FEET; THENCE S21°02'54"W, A DISTANCE OF 72.40 FEET; THENCE S19°10'52"W, A DISTANCE OF 45.87 FEET; THENCE S16°12'33"W, A DISTANCE OF 55.65 FEET; THENCE S23°48'49"W, A DISTANCE OF 65.47 FEET; THENCE S14°44'16"W, A DISTANCE OF 55.39 FEET; THENCE S29°19'28"W, A DISTANCE OF 66.64 FEET; THENCE S35°07'44"W, A DISTANCE OF 54.60 FEET; THENCE S37°26'03"W, A DISTANCE OF 47.46 FEET; THENCE S30°01'40"W, A DISTANCE OF 40.75 FEET; THENCE N40°03'00"W, A DISTANCE OF 172.23 FEET; THENCE N71°53'59"W, A DISTANCE OF 459.22 FEET; THENCE N23°03'47"W, A DISTANCE OF 282.17 FEET; THENCE N20°13'58"E, A DISTANCE OF 107.92 FEET; THENCE N37°50'34"W, A DISTANCE OF 117.19 FEET; THENCE N15°10'41"E, A DISTANCE OF 176.58 FEET; THENCE N00°14'02"E, A DISTANCE OF 191.84 FEET; THENCE N45°53'52"W, A DISTANCE OF 128.23 FEET; THENCE WEST, A DISTANCE OF 74.11 FEET; THENCE S55°20'14"W, A DISTANCE OF 120.56 FEET; THENCE WEST, A DISTANCE OF 58.85 FEET; THENCE N55°16'56"W, A DISTANCE OF 51.54 FEET; THENCE S82°52'47"W, A DISTANCE OF 62.23 FEET TO THE POINT OF BEGINNING.

CONTAINING 61.34 ACRES, MORE OR LESS.

LESS AND EXCEPT:

TRACTS I-100, I-200, I-300, I-550, AND I-560 AS DEPICTED ON THE PLAT FOR "HARMONY NEIGHBORHOOD I," ACCORDING TO THE PLAT THEREOF, RECORDED IN PLAT BOOK 24, PAGE 110-119, PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

