

Stonebridge at Chapel Creek

HOA Summary

This summary is provided for general informational purposes and is not part of the recorded HOA documents nor a full list of restrictions and covenants. Refer to the full HOA governing docs for a complete understanding of the Homeowners' Association covenants, bylaws, and restrictions. Written approval from the Architectural Review Board may be required prior to making allowed changes to the property.

Fences

Materials: No limitations noted

Height: 6 feet. Waterfront lots shall be 4 feet along rear of property

Landscaping and Yard Use

Trees, plants, and landscaping: No limitations noted

Garden beds: No limitations noted

Swing sets and sports equipment: Allowed - Playground equipment must be located in the rear of yard and yard must be enclosed with a privacy fence.

Sheds: Max height at peak 8 feet. Similar in color to dwelling. Must be 5 feet from any property line. Cannot be located within a drainage or access easement. Must be enclosed by privacy fencing.

Swimming pools: Allowed - In ground. Not allowed - above ground.

Parking and Motor Vehicles

Commercial / Work Vehicles: Allowed in garage

Boats, RV's, ATV's, jet skis, etc.: Allowed in garage or area designated by declarant

Trailers: Allowed in garage or area designated by declarant

Animals

Number: 3 household pets

Restrictions: No limitations noted

Livestock: Not allowed

Rentals

Long term: No limitations noted

Short term: Shall not be less than 12 months

See recorded HOA documents in pages that follow



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For informational purposes only; subject to change without notice. Refer to the full covenants and association governing docs for a complete understanding of the Homeowners' Association.

**MASTER DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR STONEBRIDGE**

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TABLE OF EXHIBITS

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“B”	Articles of Incorporation of the Association
“C”	Bylaws of the Association
“D”	District Permit

**MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR STONEBRIDGE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STONEBRIDGE is made this 11th day of June, 2013 by NEW CHAPEL CREEK, LLC, a Florida limited liability company, whose address is in care of U.S. Bank National Association, Two James Center, 1021 East Cary Street, 18th Floor, Richmond, Virginia 23219.

RECITALS

- A. Declarant owns Phase 1A and additional undeveloped parcels of land located outside Phase 1A.
- B. Declarant desires to provide for the overall development, administration, maintenance and preservation of the Properties.
- C. Declarant has incorporated the Association to operate and maintain various areas and improvements, to administer and enforce the Governing Documents, and to collect and disburse the Assessments imposed pursuant to this Declaration.

DECLARATIONS

NOW, THEREFORE, Declarant, for itself and its successors and assigns, declares that the Properties are, and they shall hereafter continue to be, acquired, owned, improved, used, occupied, leased, mortgaged, transferred, sold and conveyed subject to all of the reservations, covenants, conditions, restrictions, easements, charges and liens set forth in the Governing Documents.

**ARTICLE I
DEFINITIONS**

Unless the context shall prohibit, wherever the words and phrases defined in this Article I are used in this Declaration, they shall have the meanings set forth in this article:

Section 1. Additional Property. “Additional Property” means and refers to so much of the Annexable Property, together with any improvements thereon, as is from time to time submitted to this Declaration by Declarant pursuant to the provisions of Article II of this Declaration.

Section 2. Affiliate. “Affiliate” means and refers to any of the following: (a) any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or other legally-recognized entity that controls, is controlled by, or is under common control with, Declarant, (b) any holder of any voting interest in Declarant (and any Person related directly or indirectly to any such holder), and (c) any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or other legally-recognized entity in which Declarant or any holder of any voting interest in Declarant (or any Person related directly or indirectly to any such holder) has an ownership interest.

Section 3. Annexable Property. “Annexable Property” means and refers to all portions of the land described on **Exhibit “A”** attached to this Declaration, together with any improvements located thereon, that have not been submitted to this Declaration by this Declaration or a Supplemental Declaration, or which have been excluded from the scope and effect of this Declaration by Declarant, but remain subject to potential re-submission to the scope and effect of this Declaration by Declarant.

Section 4. Annual Assessment. “Annual Assessment” means and refers to the charge levied against, and collected from, the Owners on an annual basis by the Association for the purpose of funding the estimated

annual operating budget of the Association. Annual Assessments include Common Expense, Limited Common Expense and Special Benefit Area Expense.

Section 5. ARB. “ARB” means and refers to the Architectural Review Board of the Association established for architectural, landscape and site plan control purposes pursuant to Article XII of this Declaration.

Section 6. Area of Common Responsibility. “Area of Common Responsibility” means and refers to any service, land or improvement that is provided, improved, operated, maintained, repaired, replaced and/or insured by the Association, at Common Expense, but which does not constitute Common Property or Limited Common Property because it is not owned by or leased to the Association. For example, if the Association elected to maintain and operate any landscaping, irrigation, lighting, gates and/or signage improvements within a public right-of-way lying within or adjoining the Properties, or within or along the medians or shoulders of such right-of-way, under authority granted by a right-of-way utilization permit issued by the applicable governmental or quasi-governmental authority, such improvements would constitute an Area of Common Responsibility, and the light fixture rents, utility charges, maintenance, and other expenses so incurred would be Common Expense of the Association. An Area of Common Responsibility must be designated by one of the following methods: (a) a specific designation of an Area of Common Responsibility by this Declaration, any Supplemental Declaration, or any plat of the Properties; (b) a contract entered into with any Person by the Association; or (c) a decision of the Board.

Section 7. Articles. “Articles” means and refers to the Articles of Incorporation of the Association, a copy of which is attached as **Exhibit “B”** to this Declaration, and any amendments thereto duly adopted and recorded from time to time in the Public Records. The Articles may be amended as provided therein. It shall not be necessary to amend this Declaration in order to amend the Articles; provided, however, that the Articles may not be amended or interpreted so as to conflict with this Declaration. In the event of any such conflict, the provisions of this Declaration shall prevail.

Section 8. Assessment. “Assessment” means and refers to each Annual Assessment, Special Assessment, Individual Assessment, Limited Common Expense Assessment, Special Benefit Area Expense Assessment and Working Capital Assessment levied by the Association pursuant to this Declaration.

Section 9. Association. “Association” means and refers to Stonebridge Master Association, Inc., a Florida corporation not for profit, its successors and assigns.

Section 10. Benefited Party. “Benefited Party” means and refers to Declarant, the Association, each Member and each Owner, together with each of their respective successors and assigns, and each tenant, guest and invitee of each Members and each Owner, but excluding the general public.

Section 11. Board. “Board” means and refers to the board of directors of the Association.

Section 12. Bylaws. “Bylaws” means and refers to the Bylaws of the Association, a copy of which is attached as **Exhibit “C”** to this Declaration, and any amendments thereto duly adopted and recorded from time to time in the Public Records. The Bylaws may be amended as provided therein. It shall not be necessary to amend this Declaration in order to amend the Bylaws; provided, however, that the Bylaws may not be amended or interpreted so as to conflict with this Declaration. In the event of any such conflict, the provisions of this Declaration shall prevail.

Section 13. CDD. “CDD” means and refers to the Chapel Creek Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*.

Section 14. CDD Property. “CDD Property” means and refers to any land, improvements and personal property owned by, or leased to, the CDD.

Section 15. Chapel Creek MPUD. “Chapel Creek MPUD” means and refers to the Chapel Creek Master Planned Unit Development District zoning approval, together with the amended Conditions of Approval, as adopted and approved by the Pasco County Board of County Commissioners on January 25, 2005, as the same may be amended from time to time. It shall not be necessary to amend this Declaration or any Neighborhood Declaration in order to amend the Chapel Creek MPUD.

Section 16. Common Expense. “Common Expense” means and refers to the liabilities, costs and expenses (other than Limited Common Expense) paid, owed or incurred by the Association in the performance of its duties and the exercise of its prerogatives, including but not limited to all liabilities, costs and expenses paid, owed or incurred for the ownership, operation, improvement, maintenance, repair, replacement and insurance of the Common Property and any Areas of Common Responsibility, together with any reserves for Common Expense established by the Board. Common Expense shall be assessed as Common Expense Assessments.

Section 17. Common Expense Assessment. “Common Expense Assessment” means and refers to each Assessment levied by the Association for Common Expense. Common Expense Assessments shall be levied against all Units, and paid by, all Owners.

Section 18. Common Property. “Common Property” means and refers to all land, improvements and personal property in the Properties devoted primarily to the common use and enjoyment of all Owners of the Properties, and owned by or leased to the Association. The Common Property shall be owned, operated, improved, maintained, repaired, replaced and insured by the Association, at Common Expense. Until the Outside Date, Declarant shall have the right (but not the obligation) to designate any land, improvements or personal property as Common Property by any plat, Supplemental Declaration or other instrument recorded by Declarant in the Public Records.

Section 19. Community Systems. “Community Systems” means and refers to any and all lines, fiber optic nodes and cables, wires, conduits, poles, towers, antennae, amplifiers and other fixtures and equipment installed anywhere in the Properties by Declarant or any Affiliate, nominee or licensee of Declarant pursuant to any easement or other authority granted by Declarant for the purpose of providing any (a) monitoring or alarm service, (b) Cable System or Cable Service, Multichannel Video Programming Service (whether franchised or un-franchised), Information Service or other Telecommunications Service, as said capitalized terms are defined in the Communications Act of 1934 (47 U.S.C. §151, et seq.), as amended through the date hereof, or (c) other form of wireline or wireless communication system or service, including, but not limited to, any system or service based on, containing or serving any technology not now generally available or not now known). Examples of the foregoing include (but they are not limited to) video, voice and data, such as open video, cable television, local and long distance telephone services and Internet.

Section 20. County. “County” means and refers to Pasco County, Florida, a political subdivision of the State of Florida.

Section 21. Declarant. “Declarant” means and refers to New Chapel Creek, LLC, a Florida limited liability company, and its successors and assigns; provided, however, that no successor or assignee of New Chapel Creek, LLC, such as but not limited to any Person that acquires any Unit or development parcel from New Chapel Creek, LLC, shall acquire or assume any right or obligations as Declarant under the Governing Documents except to the extent that any such right or obligation is specifically described in an instrument of succession or assignment that is executed by Declarant and recorded in the Public Records. New Chapel Creek, LLC may assign some or all of its rights or obligations as Declarant under the Governing Documents to be exercised or performed generally or solely with respect to limited portions of the Properties. In the event of a full assignment of all rights and obligations of New Chapel Creek, LLC as Declarant under the Governing Documents, the assignee shall be deemed to be and shall become Declarant under the Governing Documents and shall have and may exercise all of Declarant’s rights, and shall perform all of Declarant’s obligations, as

Declarant under the Governing Documents. In the event of any partial assignment by New Chapel Creek, LLC of its rights or obligations as Declarant under the Governing Documents, the assignee shall not be deemed to be or become Declarant under the Governing Documents, but the assignee may exercise only those rights as Declarant and shall be obligated to perform only those obligations that are specifically assigned by New Chapel Creek, LLC. Notwithstanding any assignment of Declarant's rights under the Governing Documents (whether in whole or in part), the assignee shall not be deemed to have assumed any of the obligations of Declarant as the declarant under the Governing Documents unless, and only to the extent that, the assignee expressly does so in writing.

Section 22. Declaration. "Declaration" means and refers to this Declaration of Covenants, Conditions and Restrictions for Stonebridge and all amendments, supplements and exhibits hereto and thereto duly adopted and recorded from time to time in the Public Records.

Section 23. Design Guidelines. "Design Guidelines" means and refers to the architectural, landscape and site plan control criteria published and amended from time to time by the ARB pursuant to Article XII of this Declaration. The Design Guidelines may include, without limitation, rules promulgated by the ARB as necessary to enforce the architectural, landscape and site plan control provisions of this Declaration.

Section 24. District. "District" means and refers to the Southwest Florida Water Management District, an agency created pursuant to Chapter 373, *Florida Statutes*.

Section 25. District Permit. "District Permit" means and refers separately and collectively to Environmental Resource Permits Numbers 44027015.001, et seq., copies of which are attached as **Exhibit "D"** to this Declaration, and each other permit or approval issued or granted by the District and applicable to any portion of the Properties, as any such permit or approval may be modified from time to time with the approval of the District. It shall not be necessary to amend this Declaration in order to amend any District Permit.

Section 26. Enforcement Expense. "Enforcement Expense" means and refers to all court costs and reasonable attorney, paralegal and expert fees and disbursements, all mediation and arbitration costs, and all other costs and expenses, reasonably incurred by any party in connection with any litigation or any mediation, arbitration, administrative, collection, bankruptcy or reorganization proceeding, including but not limited to any appeal, rehearing or retrial.

Section 27. First Mortgage. "First Mortgage" means and refers to each valid mortgage that has priority over all other mortgages encumbering the same Unit or other portion of the Properties.

Section 28. First Mortgage Holder, Insurer or Guarantor. "First Mortgage Holder, Insurer or Guarantor" means and refers to each holder, insurer or guarantor of a First Mortgage.

Section 29. Governing Documents. "Governing Documents" means and refers to this Declaration, the Articles, the Bylaws, the Design Guidelines, if any, and the Rules, if any, as the same are amended from time to time.

Section 30. Individual Assessment. "Individual Assessment" means and refers to each special, non-recurring Assessment levied by the Association against any Owner and that Owner's Unit to cover or recover any liability, cost or expense suffered or incurred or to be suffered or incurred by the Association due to that Owner's failure to maintain that Owner's Unit pursuant to the standards set forth in this Declaration, or to reimburse the Association for any damage to any Common Property, Limited Common Property or Area of Common Responsibility caused by that Owner or that Owner's tenant, guest or invitee, or for any other purpose permitted by this Declaration. "Individual Assessment" shall also mean and refer to any special, non-recurring Assessment levied by the Association against any Neighborhood Association to cover or recover any liability, cost or expense suffered or incurred or to be suffered or incurred by the Association due to that Neighborhood Association's failure to maintain that Neighborhood Association's Neighborhood Common Property or

Neighborhood Limited Common Property or any Unit pursuant to the standards set forth in this Declaration or any Neighborhood Declaration, or for any other purpose permitted by this Declaration.

Section 31. Limited Common Expense. “Limited Common Expense” means and refers to the liabilities, costs and expenses paid, owed or incurred by the Association in the performance of its duties and exercise of its prerogatives relative to the Limited Common Property, including but not limited to all liabilities, costs and expenses paid, owed or incurred for the ownership, operation, improvement, maintenance, repair, replacement and insurance of the Limited Common Property, together with any reserves for Limited Common Expense established by the Board. Limited Common Expense shall be assessed as Limited Common Expense Assessments.

Section 32. Limited Common Expense Assessment. “Limited Common Expense Assessment” means and refers to each Assessment levied by the Association for Limited Common Expense. Limited Common Expense Assessments shall be levied against, and paid by, the Owners who have use of such Limited Common Property.

Section 33. Limited Common Property. “Limited Common Property” means and refers to all land, improvements and personal property in the Properties devoted primarily to the common use and enjoyment of some (but not all) Owners. The Limited Common Property shall be owned, operated, improved, maintained, repaired, replaced and insured by the Association, at Limited Common Expense. Until the Outside Date, Declarant shall have the right (but not the obligation) to designate any land, improvements or personal property as Limited Common Property by any plat, Supplemental Declaration or other instrument recorded by Declarant in the Public Records.

Section 34. Master Site Plan. “Master Site Plan” means and refers to the non-binding general plan for improvement and use of Phase 1A and the portions of the Annexable Property owned by Declarant or an Affiliate, entitled “Chapel Creek MPUD As Approved”, dated March 29, 2004, and approved by the Pasco County Board of County Commissioners on January 25, 2005, as revised through February 28, 2005, and as further revised from time to time in Declarant’s sole and absolute discretion. It shall not be necessary to amend this Declaration or any Neighborhood Declaration in order to amend the Master Site Plan.

Section 35. Member. “Member” means and refers to each Person that is entitled to membership in the Association, for the term of said membership, as provided in Section 2 of Article III of this Declaration.

Section 36. Neighborhood. “Neighborhood” means and refers to each separate area of the Properties specifically designated by this Declaration or any Supplemental Declaration as having separate Neighborhood status. Declarant may designate any portion of the Properties as a separate Neighborhood or as an addition to a then-existing Neighborhood. A Neighborhood may contain more than one type of residential housing and may be composed of contiguous and/or noncontiguous portions of the Properties. A Neighborhood may be subjected to additional reservations, covenants, conditions, restrictions, easements, charges and liens or granted certain rights, not otherwise applicable to Owners or Units located outside that Neighborhood.

Section 37. Neighborhood Association. “Neighborhood Association” means and refers to each homeowners association, condominium association, cooperative association, timeshare or other interval ownership or commercial owners association or other corporation not for profit, other than the Association, established for the purpose of exercising jurisdiction over and administering a Neighborhood and for the purpose of owning, operating, improving, maintaining, repairing, replacing and/or insuring any Neighborhood Common Property or Neighborhood Limited Common Property located within that Neighborhood, and whose members will consist of the Owners of Units lying within the portion of the Properties encumbered by the Neighborhood Declaration that grants the Neighborhood Association its jurisdiction and/or power of administration.

Section 38. Neighborhood Common Property. “Neighborhood Common Property” means and refers to all land, improvements and personal property in the Properties devoted primarily to the common use and enjoyment of all Owners of Units lying within the Neighborhood in which the Neighborhood Common Property is located. Neighborhood Common Property shall be owned or leased (except in the case of the common elements of a condominium which are owned by the Owners of the condominium units), operated, improved, maintained, repaired, replaced and insured by the applicable Neighborhood Association, at the expense of all Owners of Units in the applicable Neighborhood. The common elements of any condominium in the Properties may also constitute Neighborhood Common Property. Until the Outside Date, Declarant shall have the right (but not the obligation) to designate any land, improvement or personal property as Neighborhood Common Property by any plat, Supplemental Declaration, Neighborhood Declaration or other instrument recorded by Declarant in the Public Records.

Section 39. Neighborhood Declaration. “Neighborhood Declaration” means and refers to each declaration of covenants, conditions and restrictions (other than this Declaration) that grants to a Neighborhood Association jurisdiction and/or power of administration over a Neighborhood.

Section 40. Neighborhood Limited Common Property. “Neighborhood Limited Common Property” means and refers to all land, improvements and personal property in the Properties devoted primarily to the common use and enjoyment of some (but not all) Owners of Units lying within the Neighborhood in which the Neighborhood Limited Common Property is located, as designated by Declarant. Neighborhood Limited Common Property shall be owned or leased (except in the case of the common elements of a condominium which are owned by the Owners of the condominium units), operated, improved, maintained, repaired, replaced and insured by the applicable Neighborhood Association, at the expense of the Owners entitled to use and enjoy the Neighborhood Limited Property. The limited common elements of any condominium in the Properties may also constitute Neighborhood Limited Common Property. Until the Outside Date, Declarant shall have the right (but not the obligation) to designate any land, improvement or personal property as Neighborhood Limited Common Property by any plat, Supplemental Declaration, Neighborhood Declaration or other instrument recorded by Declarant in the Public Records.

Section 41. Outside Date. “Outside Date” means and refers to the date when neither Declarant nor any Affiliate owns any Unit or other portion of the Properties, or any portion of the Annexable Property which is eligible for annexation to the Properties by Declarant pursuant to the Governing Documents.

Section 42. Owner. “Owner” means and refers to the record holder, whether one or more Persons, of fee simple title in and to any Unit, including, but not limited to, Declarant for so long as Declarant shall own any Unit. Owner shall not mean or refer to the holder of any mortgage or other lien to secure an indebtedness unless and until such mortgage or other lien holder has acquired title pursuant to a foreclosure proceeding or a conveyance in lieu of foreclosure. All owners of each Unit in the Properties shall be treated for all purposes as a single Owner for that Unit, irrespective of whether such ownership is a joint tenancy, tenancy in common, tenancy by the entireties or other shared or divided ownership structure.

Section 43. Person. “Person” means and refers to any natural person or any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or other legally-recognized entity.

Section 44. Phase 1A. “Phase 1A” means and refers to all of the numbered residential building lots created and shown on the Plat of **CHAPEL CREEK PHASE 1A**, according to the plat thereof as recorded in Plat Book 62, Pages 134 through 148, of the Public Records, together with all improvements from time to time located on the said lots. Phase 1A does not include any real property heretofore or hereafter dedicated or conveyed to the CDD, the County, any school board, or any other governmental or quasi-governmental agency, authority or board.

Section 45. Potential Unit. “Potential Unit” means and refers to any potential future Unit that could be developed or built on any portion of the Annexable Property owned by Declarant or an Affiliate based upon the maximum density of development or construction authorized or permitted under the Chapel Creek MPUD and any other applicable land use or development approvals or entitlements, but which has not yet come into existence as a Unit under this Declaration. Declarant does not warrant that any Potential Unit will be developed, built or annexed to the Properties.

Section 46. Properties. “Properties” means and refers to Phase 1A and all Additional Property from time to time annexed to the scope and effect of this Declaration pursuant to Article II of this Declaration, if, as and when any such Additional Property is so annexed. “Properties” shall exclude any land or improvement withdrawn from this Declaration pursuant to Article II of this Declaration.

Section 47. Public Records. “Public Records” means and refers to the public records of the County.

Section 48. Rules. “Rules” means and refers to rules and regulations governing the use and enjoyment of the Properties adopted by the Board, as the same may be amended from time to time. It shall not be necessary to amend this Declaration in order to amend the Rules; provided, however, that the Rules may not conflict with this Declaration, the Articles or the Bylaws.

Section 49. Special Assessment. “Special Assessment” means and refers to each special, non-recurring Assessment levied by the Association to pay any Common Expense, Limited Common Expense or Special Benefit Area Expense of the Association in excess of other Assessments levied and collected by the Association. Without limiting the generality of the foregoing, Special Assessments may be levied for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any improvements within any Common Property, Limited Common Property, Special Benefit Area or Area of Common Responsibility, including any fixtures and personal property, for the purpose of covering any insufficiency of previously-imposed Assessments for the funding of the actual monetary needs of the Association over and above previously budgeted Assessments, or for any other lawful use or purpose deemed desirable or appropriate by the Board.

Section 50. Special Benefit Area. “Special Benefit Area” means and refers to any one or more Neighborhoods, Owners or Units designated by Declarant or the Board for the purpose of receiving from the Association special benefits or services that are not provided generally to all Neighborhoods, Owners or Units within the Properties, or benefits or services that are provided at a different level than that which the Association otherwise generally provides. All costs and expenses associated with the provision of special or expanded services or benefits to a Special Benefit Area shall be assessed by the Association as a Special Benefit Area Expense Assessment applicable to the Neighborhoods, Owners or Units included in the Special Benefit Area. Special Benefit Areas may be designated, modified or eliminated by any of the following methods:

(a) In Declarant’s discretion until the Outside Date, Declarant may assign any Neighborhood, Owner or Unit in the Properties to any existing or newly-created Special Benefit Area, or Declarant may designate, re-designate or eliminate Special Benefit Area assignments or boundaries, by instrument recorded in the Public Records.

(b) The Board may adopt a resolution assigning any Neighborhood, Owner or Unit in the Properties to any existing or newly-created Special Benefit Area, or designating, re-designating or eliminating Special Benefit Area assignments or boundaries, a certified copy of which resolution shall be recorded in the Public Records. This subsection is subject to the limitation that, until the Outside Date, the Board shall not create, eliminate or alter the boundaries of any Special Benefit Area, or assign, reassign or remove any Neighborhood, Owner or Unit to or from any Special Benefit Area, without the prior written consent of Declarant.

The Board shall have the right and authority to delegate to any Neighborhood Association responsibility for administering any Special Benefit Area and for levying and collecting Special Benefit Area Expense Assessments to cover the associated Special Benefit Area Expense; provided, however, that the ultimate authority and responsibility for the administering any Special Benefit Area and for levying and collecting Special Benefit Area Expense Assessments pursuant to this Declaration shall remain with the Association.

Section 51. Special Benefit Area Expense. “Special Benefit Area Expense” means and refers to the liabilities, costs and expenses paid, owed or incurred by the Association (or its delegate) for special or expanded benefits or services provided by the Association (or its delegate) to a Special Benefit Area and for reasonable reserves related thereto. Special Benefit Area Expense shall be levied and assessed as Special Benefit Area Expense Assessment.

Section 52. Special Benefit Area Expense Assessment. “Special Benefit Area Expense Assessment” means and refers to each Assessment levied by the Association for Special Benefit Area Expense. Special Benefit Area Expense Assessments shall be levied against, and paid by, those Neighborhoods, Owners or Units benefited by the special or expanded benefits or services provided by the Association (or its delegate) to the applicable Special Benefit Area.

Section 53. Supplemental Declaration. “Supplemental Declaration” means and refers to each instrument executed and recorded in the Public Records by Declarant (joined by the owner of the Additional Property described therein if that Additional Property is not owned by Declarant) that makes specific reference to this Declaration and recites that it is being entered into and recorded for the purpose of extending this Declaration to Additional Property.

Section 54. Surface Water Management System. “Surface Water Management System” means and refers to all land, easements and facilities that together constitute the stormwater management system designed and constructed or implemented on or within the Properties to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution, or otherwise affect the quality and quantity of discharges from the system, all as permitted by the District and District Permit. The Surface Water Management System includes, but it is not limited to, all inlets, ditches, swales, culverts, water control structures, retention and detention areas, ponds, lakes, floodplain compensation areas, wetlands and any associated buffer areas, and wetland mitigation areas.

Section 55. Turnover Date. “Turnover Date” means and refers to the date when the earlier of the following events occurs: (a) three (3) months after ninety (90) percent of the Units and Potential Units in all phases of the Properties and any Annexable Property that will ultimately be operated by the Association have been conveyed to Owners other than Declarant or an Affiliate; or (b) such other percentage of the said Units and Potential Units has been conveyed to Owners other than Declarant or an Affiliate, or such other date or event has occurred, as is set forth in the Governing Documents in order to comply with the requirements of any governmentally chartered entity with regard to the mortgage financing of Units; or (c) such earlier date as may be selected by Declarant in Declarant’s sole and absolute discretion; or (d) such earlier date as may be required by applicable law. For the purposes hereof, the term “Owners other than Declarant or an Affiliate” shall not include builders, contractors or others who purchase any portion of Phase 1A or the Annexable Property for the purpose of constructing improvements thereon for resale.

Section 56. Unit. “Unit” means and refers to (a) each platted lot or other subdivided parcel of land in the Properties that is lawfully capable of separate conveyance and intended as a site for a single unit of residential housing, whether attached or detached, together with any improvements thereon and any interest in real property appurtenant thereto, and (b) each multifamily dwelling unit (whether rental, condominium, timeshare, cooperative or other form of multifamily ownership or occupancy, but excluding any hotel room) in the Properties that is lawfully capable of separate conveyance, and any interest in real property appurtenant

thereto. All timeshare intervals as to any timeshare or internal ownership dwelling unit in the Properties shall collectively constitute a single Unit. A Unit shall be deemed created upon the recordation of the deed, subdivision plat, declaration or other document by which the Unit is created, and whether or not any improvements to be constructed thereon or therein have been commenced or completed.

Section 57. Working Capital Assessment. “Working Capital Assessment” means and refers to each one-time-only contribution to the working capital of the Association required to be remitted to the Association for each Unit in the Properties pursuant to Article X of this Declaration.

ARTICLE II **PROPERTY SUBJECT TO THIS DECLARATION**

Section 1. Property Subject to this Declaration. Phase 1A is subject to this Declaration. In addition, commencing upon the annexation of any Additional Property to the scope and effect of this Declaration by any Supplemental Declaration executed and recorded by Declarant, the Additional Property so annexed shall be owned, improved, used, occupied, leased, mortgaged, transferred, sold and conveyed subject to the provisions, reservations, covenants, conditions, restrictions, easements, charges and liens set forth in the Governing Documents. None of the Annexable Property shall be subject to this Declaration except to the extent it is hereafter annexed by Supplemental Declaration in accordance with this Article II. The sole purpose for referencing the Annexable Property is to identify the real property (in addition to Phase 1A) that might hereafter be made subject to the scope and effect of this Declaration, and to provide for the means and effect of any such annexation.

Section 2. Annexation. Declarant shall have the sole right, but not the obligation, to annex some or all of the Annexable Property to the scope and effect of this Declaration, as Additional Property. Annexation of Additional Property shall occur, if at all, on or before twenty (20) years from the date this Declaration is recorded in the Public Records. Annexation may be accomplished without the consent of the Association, any Owner (other than Declarant), or any holder of any mortgage or other lien; provided, however, that, if the Additional Property to be annexed is owned by any Person other than Declarant, or if the Additional Property to be annexed is encumbered by any mortgage, the consent of each owner of the Additional Property and the holder of each mortgage on the Additional Property shall also be required.

Each annexation authorized under this article shall be made by the recordation in the Public Records of a Supplemental Declaration with respect to the Additional Property then being annexed. The Supplemental Declaration shall describe the Additional Property being annexed and it shall state that it is being recorded pursuant to this Declaration for the purpose of annexing Additional Property to this Declaration and extending the jurisdiction of the Association to that Additional Property.

Declarant shall have the right to impose additional reservations, covenants, conditions, restrictions, easements, charges and liens on each Additional Property by the Supplemental Declaration applicable to that Additional Property, including but not limited to those desired by Declarant to reflect the different character, if any, of the Additional Property or the various improvements, housing product type, uses or development approaches being developed, built or implemented on that Additional Property, any and all of which may be significantly at variance with earlier phases of the Properties.

Upon the recordation of any Supplemental Declaration in the Public Records, the Owners shall have a right and non-exclusive easement of use and enjoyment in and to the Common Property within the Additional Property annexed thereby and an obligation to contribute to Common Expense associated with that additional Common Property. Each Supplemental Declaration shall be conclusive in favor of all Persons who rely thereon in good faith. From and after recordation of any Supplemental Declaration, the Additional Property described therein shall be subject to the provisions of this Declaration and to the jurisdiction of the Association. Upon each expansion of the Properties by Declarant, the Association shall accept jurisdiction over the applicable

Additional Property, and the Owners of Units in the applicable Additional Property shall be entitled to membership and voting rights in the Association.

As to any Additional Property brought within the scope and effect of this Declaration, the owner of that Additional Property shall have the right to subject such Additional Property to a Neighborhood Declaration and to the jurisdiction of a Neighborhood Association; provided, however, that, until the Outside Date, no Neighborhood Declaration shall be imposed on any portion of the Properties and no Neighborhood Association shall be granted jurisdiction over any portion of the Properties without the prior written consent of Declarant.

If a Neighborhood Association is created with respect to any Additional Property, the Owners of Units in the Additional Property described in the Supplemental Declaration shall be members of the Association and the Neighborhood Association.

Nothing contained in any of the Governing Documents or the Master Site Plan shall be interpreted to: (a) affect or encumber any Annexable Property that has not been annexed; (b) require the annexation of any Annexable Property to the scope and effect of this Declaration; (c) prevent any Annexable Property from being subjected to another, independent declaration or plan of development; (d) bind Declarant to develop, improve, use or occupy any portion of the Annexable Property in accordance with the Master Site Plan or the Chapel Creek MPUD; or (e) require that any Additional Property be annexed in whole tracts or in any particular sequence or configuration.

Section 3. Withdrawal. Any provision of the Governing Documents to the contrary notwithstanding, until the Outside Date, Declarant (joined by the owner of the real property to be withdrawn and excluded) may withdraw and exclude any portions of the Properties from the scope and effect of the Governing Documents and from the jurisdiction of the Association by recording a withdrawal notice in the Public Records. Except for Declarant, the owner of the lands and any improvements thereon to be withdrawn (if other than Declarant), and any governmental authorities whose approval is required by law, the withdrawal and exclusion of any portion of the Properties shall not require the consent or approval of any other Person, such as but not limited to the Association, any Neighborhood Association, any Owner or any mortgage holder. Declarant's right to withdraw and exclude any portions of the Properties from the scope and effect of the Governing Documents and from the jurisdiction of the Association shall include, but it is not limited to, the unilateral right to withdraw and exclude any portion of the Properties that is conveyed or dedicated in fee simple to any governmental or quasi-governmental agency, authority or board, including, but not limited to, the County, the CDD or a school board.

Section 4. Non-Binding Plan of Development.

(a) **Master Site Plan.** Phase 1A and the Annexable Property may contain a broad variety of residential and non-residential development types, products, values and uses. The Master Site Plan is a tentative, evolving and dynamic design for development of Phase 1A and the portions of the Annexable Property owned by Declarant. The latest version of the Master Site Plan is available for inspection during normal business hours in the principal office of Declarant. Throughout the development and sale of the portions of the Annexable Property owned by Declarant or an Affiliate, Declarant shall have the unrestricted right and authority to change the Master Site Plan from time to time with respect to such portions of the Annexable Property in response to any changes in legal, market, technological, economic, environmental, demographic, social, cultural or other conditions affecting the development, improvement, marketing, sale or occupancy of any portion of such Annexable Property and in response to requirements of any government authorities or financial institutions. No change to the Master Site Plan by Declarant shall require the consent of any Owner (other than Declarant), the Association, any Neighborhood Association, any holder of a mortgage on any Unit, or any other Person, nor shall it require amendment of this Declaration.

(b) **Chapel Creek MPUD.** THE PROPERTIES ARE PART OF THE CHAPEL CREEK MPUD AND ARE SUBJECT TO THE CHAPEL CREEK MPUD, WHICH IMPOSES LIMITATIONS ON

THE USE AND DEVELOPMENT OF THE PROPERTIES THAT BIND EACH SUCCESSOR AND ASSIGN OF DECLARANT. Prior to the Outside Date, no Owner other than Declarant shall seek, directly or indirectly, to challenge, change or amend any aspect of the Chapel Creek MPUD or other applicable development approvals or entitlements for any of Phase 1A or any portion of the Annexable Property owned by Declarant or an Affiliate, including, but not limited to, any challenge, change or amendment to any amount or allocation of permitted development densities or intensities, permitted land uses, storm water drainage requirements or otherwise, without the prior written consent of Declarant. Because of the dynamic nature of the real estate market and of Declarant's development plans for the Annexable Property, Declarant reserves and shall have the unrestricted right and authority to apply for and obtain from time to time amendments to the Chapel Creek MPUD or other applicable development licenses, permits, approvals or entitlements without the consent of any Owner, the Association, any Neighborhood Association, any mortgage holder, or any other Person, and without amendment of this Declaration.

Section 5. Specific Reservations and Exemptions for Declarant. Until the Outside Date, and any provision of this Declaration to the contrary notwithstanding, Declarant shall be entitled to:

(a) develop and construct, and permit other Persons to develop and construct, homes and other improvements in the Properties as it deems necessary or desirable from time to time, and to modify the general plan of development as Declarant desires in its sole discretion from time to time;

(b) conduct, and permit other Persons to conduct, any and all sales and marketing activities deemed necessary or desirable in Declarant's sole discretion for the sale and resale of Units and development parcels within the Properties or in other lands being developed by Declarant or any other Person designated by Declarant, including, but not limited to, model homes and mobile sales facilities;

(c) construct, and permit other Persons to construct, on any portion of any Common Property, Limited Common Property, Neighborhood Limited Common Property, Neighborhood Limited Common Property, or any lands owned or leased by Declarant or any other Person designated by Declarant portable, temporary or accessory structures to be used for sales, marketing, construction, storage and/or general office purposes or as may be otherwise deemed necessary or desirable in Declarant's sole discretion;

(d) allow, and permit other Persons to allow, guests or potential purchasers of homes in the Properties to occupy on a short term, temporary or guest basis any home owned or leased by Declarant or any other Person designated by Declarant (so as to further sales and marketing activities in the Properties);

(e) conduct, and permit other Persons to conduct, tours of the Properties to any Persons as desired by Declarant or by any other Person designated by Declarant;

(f) conduct, and permit other Persons to conduct, commercial enterprises on the Properties as permitted by law and deemed necessary or desirable by Declarant or by any other Person designated by Declarant;

(g) construct, maintain and use, and permit other Persons to construct, maintain and use, maintenance facilities and buildings as may be needed from time to time for the proper operation of the Properties or to permit the Association to perform its duties hereunder and/or any Neighborhood Association to perform its duties under any Neighborhood Declaration;

(h) temporarily deposit, store, dump or accumulate, and permit other Persons to deposit, store, dump or accumulate, materials, trash, refuse and rubbish in connection with the development or construction of any portion of the Properties;

(i) post, display, inscribe or affix, and permit other Persons to post, display, inscribe or affix, to the exterior of any portion of the Common Property or Limited Common Property, or other portions of

the Properties owned by Declarant or any other Person designated by Declarant, signs or others materials used in developing, constructing, selling or promoting the sale of any portion of the Properties, including, without limitation, homes;

(j) excavate fill from any lakes or waterways within and/or contiguous to the Properties by dredge or dragline, store fill within the Properties and remove and/or sell excess fill, and grow or store plants and trees within, or contiguous to, the Properties and use and/or sell excess plants and trees, and permit other Persons to do any of the foregoing;

(k) construct, maintain and use, and permit other Persons to construct, maintain and use, buildings and offices necessary for the management of the Properties and the Association or any Neighborhood Association by any related or third party property management company;

(l) undertake, promote and hold, and permit other Persons to undertake, promote and hold, marketing, promotional and/or special events within the Properties from time to time as deemed or desirable by Declarant or any other Person designated by Declarant; and

(m) undertake, and permit other Persons to undertake, any other activities which, in the sole opinion of Declarant, are necessary for the promotion, development and sale of any portion of the Properties or any other projects owned or developed by Declarant or any other Person designated by Declarant.

ARTICLE III
ASSOCIATION

Section 1. Powers and Authority. The Association shall have all the common law and statutory powers and authority of a corporation not for profit organized under the laws of the State of Florida, including, but not limited to, the powers set forth in Section 617.0302, *Florida Statutes*, together with all other powers and authority to do any and all things, and to perform any and all acts, authorized, required or permitted to be done or performed by the Governing Documents or that are necessary or proper for, or incidental to, the carrying out of any of the duties or the exercise of any of the powers or authority of the Association pursuant to the Governing Documents, subject only to such limitations upon the exercise of such powers and authority as are expressly set forth in the Governing Documents or applicable law.

Without limiting the generality of the foregoing, the Association shall have the following express powers and authority: (a) to acquire, own, operate, mortgage, encumber, convey, sell, lease and exchange property of any and all types and uses; (b) to operate and maintain the Common Property and the Limited Common Property; (c) to promulgate and enforce the Rules; (d) to levy, collect and enforce Assessments against the Owners and their Units; (e) to sue and be sued; (f) to contract for services to provide for operation and maintenance of the Common Property and/or Limited Common Property if the Association elects to engage a contractor for this purpose; (g) to borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its operation, and to secure the same by mortgage, security interest or pledge; and (h) to take any other lawful action necessary or desirable in the opinion of the Board in order to carry out any purpose for which the Association has been organized.

The Association may also obtain and pay for the services of any Person to manage any of its affairs or to perform any of its duties or to exercise any of its powers or authority, and the Association may employ personnel for such purposes. In addition, the Association may engage engineering, architectural, construction, legal, accounting, information technology, and other consultants or contractors whose services are necessary or desirable in connection with the operation of the Association, the carrying out of any of the duties or the exercise of any of the powers or authority of the Association, or the administration and enforcement of the Governing Documents. All costs and expenses incurred for the employment of any manager, employee,

consultant or contractor shall be a Common Expense, Limited Common Expense, Special Benefit Area Expense or an expense to be charged as an Individual Assessment, as determined by the Board.

Section 2. Membership. Each Owner, including, but not limited to, Declarant, shall be a Member of the Association. A Member does not have authority to act for the Association by virtue of being a Member.

Section 3. Quorum. The holders of ten percent (10%) of the total voting interests in the Association, represented in person or by proxy, shall constitute a quorum for any meeting of the Members of the Association, but, unless prohibited by applicable law, if any properly noticed meeting is adjourned due to the failure to attain a quorum, the presence in person or by proxy at the reconvened meeting by the holders of at least ten percent (10%) of the total voting interests of the Association shall be sufficient to constitute a quorum for the conduct of any business that could have been conducted at the original meeting had a quorum been attained.

Section 4. Voting Rights. The Association shall have two (2) classes of voting membership:

(a) **Class "A".** The Owner of each Unit in the Properties shall be a Class "A" Member, with the exception that Declarant shall not be a Class "A" Member for so long as Declarant is a Class "B" Member as provided below. There shall be one (1) Class "A" vote for each Unit in the Properties owned by a Class "A" Member. In addition, commencing upon the conversion of Declarant's Class "B" membership to Class "A" membership, as provided below, Declarant shall be a Class "A" Member for so long as Declarant owns any Unit or Potential Unit, and Declarant shall have one (1) Class "A" vote for each Unit owned by Declarant or an Affiliate, plus one (1) Class "A" vote for each Potential Unit that could be developed on any portion of the Annexable Property now or hereafter owned by Declarant or an Affiliate (whether or not the portion of the Annexable Property that may eventually contain that Potential Unit has been platted and/or annexed to the Properties).

(b) **Class "B".** Initially, Declarant shall be the Class "B" Member. As the Class "B" Member, Declarant shall be entitled to nine (9) Class "B" votes for each Unit owned by Declarant or an Affiliate, plus nine (9) Class "B" votes for each Potential Unit that could be developed on any portion of the Annexable Property now or hereafter owned by Declarant or an Affiliate (whether or not the portion of the Annexable Property that will eventually contain that Potential Unit has been platted and/or annexed to the Properties). On the date of execution of this Declaration by Declarant, Declarant has eight thousand one hundred fifty four (8,154) Class "B" votes, based on nine (9) votes for each of the one hundred seventy six (176) Units in Phase 1A, plus nine (9) votes for each of the seven hundred thirty (730) Potential Units that could be developed on the portions of the Annexable Property now owned by Declarant or an Affiliate. The number of Class "B" votes may increase and decrease over time in accordance with this Declaration. The Class "B" membership shall convert to Class "A" membership upon the earlier of the following: (i) the Turnover Date; (ii) December 31, 2032; or (iii) when, in its discretion, Declarant so elects and Declaration notifies the Association of that election in writing.

(c) **Election Not To Annex.** If Declarant or an Affiliate hereafter elects to exclude any portion of the Annexable Property from potential annexation to this Declaration, Declarant shall notify the Association in writing of that election and, effective upon the giving of such written notice to the Association by Declarant, Declarant's Class "A" or Class "B" votes for the Potential Units that could be developed on the excluded portion of the Annexable Property shall lapse.

(d) **Transfers.** The membership of each Owner (other than Declarant) in the Association shall be appurtenant to, and may not be separated from, the Unit giving rise to such membership, and such membership shall not be assigned, pledged, encumbered or transferred except upon the assignment, pledge, encumbrance or transfer of title to the Unit, and then only to the transferee of title thereto. Any prohibited separate assignment, pledge, encumbrance or transfer shall be void. Any transfer of title to a Unit in the Properties shall operate automatically to transfer the membership in the Association appurtenant to that Unit to

the new Owner of that Unit. Every Owner, including Declarant, shall be treated for all purposes as the owner of a separate membership interest in the Association for each Unit (or Potential Unit in the case of Declarant) in which it or they hold the interest required for membership, irrespective of whether such ownership is joint, in common or as tenants by the entirety. Declarant may freely assign, pledge, encumber and transfer to any person or entity any of Declarant's membership interest or voting rights in the Association (including, but not limited to, any one or more of Declarant's Class "B" votes or, following conversion, any one or more of Declarant's Class "A" votes) by instrument recorded in the Public Records. No transferee of any portion of Phase 1A or the Annexable Property owned by Declarant shall acquire any right granted or reserved to Declarant by this Declaration unless or until Declarant specifically assigns or transfers such right by instrument recorded in the Public Records.

(e) **Affiliate Voting.** Except to the extent that Declarant specifically assigns Class "A" voting rights to an Affiliate that acquires ownership of any portion of Phase 1A or the Annexable Property, Declarant shall be deemed (for voting purposes only) to be the Owner of the portion of Phase 1A or the Annexable Property owned by the Affiliate for so long as that portion is owned by the Affiliate, and, therefore, during the Affiliate's ownership, Declarant shall have and may exercise Class "B" votes (while Declarant is the Class "B" Member) or Class "A" votes (following conversion of Declarant's Class "B" membership to Class "A" membership) for all Units or Potential Units in the portion of Phase 1A or the Annexable Property owned by the Affiliate.

(f) **Manner of Voting.** Each vote in the Association must be cast as a single vote. No fractional vote shall be allowed. If joint or multiple Owners of any Unit are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote on behalf of a Unit, it shall be conclusively presumed for all purposes that such Owner was acting with the authority and consent of all other Owners of that Unit. Each Owner that is a legal entity may be required by the Association to maintain on file with the Secretary of the Association a certificate signed by the chief executive officer of the Owner identifying the name of the person designated to represent the interests and cast the vote of that Owner in meetings and proceedings of the Members. Each such certificate shall be conclusive in favor of the Association and the other Members unless and until changed or revoked by the applicable Owner. For voting purposes, each Member with jurisdiction over or ownership of any Unit that is subject to a timeshare or other interval ownership regime shall have one vote for each such Unit (not one vote per timeshare interval).

Section 5. Governance. The Board and such officers as the Board may appoint shall conduct the affairs of the Association in accordance with the Governing Documents. Each director and each officer of the Association must be an Owner, an officer or director of an Owner that is an entity, or an officer, director, employee or agent of Declarant or an Affiliate. The Association shall be governed by a Board consisting of not fewer than three (3) nor more than eleven (11) directors. Initially, the Board will consist of three (3) directors, with the number in subsequent years to be determined by the Board; provided, however, that there must always be an odd number of directorships, no director's term shall be shortened by reason of a resolution reducing the number of directors, and no change in the number of directors may be made without the prior written approval of Declarant for so long as Declarant shall have the right to designate at least one (1) member of the Board. At the Board's discretion, the terms of the directors may be staggered. Each director shall have one (1) vote in the meetings and proceedings of the Board.

Section 6. Appointment, Removal and Replacement of Directors. Despite the foregoing allocations of votes and anything else to the contrary in this Declaration, Declarant shall be entitled to appoint, remove and replace all directors until the Turnover Date. Commencing on the Turnover Date, Members other than Declarant shall be entitled to elect the majority of the directors and, for so long as Declarant holds for sale in the ordinary course of business any portion or portions of the Properties or the Annexable Property containing or intended to contain, in the aggregate, at least five percent (5%) of the total number of Units (existing Units and Potential Units) that will ultimately be operated by the Association, Declarant shall be entitled to appoint, remove and replace all other directors (which shall not be less than one (1) director). Declarant's right to

appoint, remove and replace one or more directors shall terminate when Declarant no longer holds for sale in the ordinary course of business any portion or portions of the Properties or the Annexable Property containing or intended to contain, in the aggregate, at least five percent (5%) of the total number of Units (existing Units and Potential Units) that will ultimately be operated by the Association. After Declarant relinquishes control of the Board, Declarant may exercise the right to vote any Declarant-owned voting interests in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of the directors. When determining the total number of Units that will ultimately be operated by the Association, all Units that have been developed or built and all Potential Units contemplated by the Master Site Plan, the Chapel Creek MPUD and/or any other applicable development approvals or entitlements to be developed or built in the future on the Properties and on the portions of the Annexable Property that Declarant or an Affiliate owns (and which have not been excluded by Declarant from potential annexation) shall be counted even though any such Unit or Potential Unit may not yet have been developed, built or annexed to this Declaration at the time of the count.

Only Declarant shall have the power to recall, remove or replace any director as to which Declarant has the power of appointment pursuant to this Declaration. Any other director may be recalled and removed from office, with or without cause, by a majority of the total voting interests in the Association in accordance with applicable law. Directors may be recalled by an agreement in writing, by written ballot without a membership meeting, or by a vote taken at a meeting of the Members. If a vacancy occurs on the Board as a result of a recall and less than a majority of the directors are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors. If vacancies occur on the board as a result of a recall and a majority or more of the directors are removed, the vacancies shall be filled by Members voting in favor of the recall, and if removal occurs at a meeting, any vacancies shall be filled by the Members at the meeting. If the recall occurred by agreement in writing or by written ballot, Members may vote for replacement directors in the same instrument in accordance with law. This paragraph does not apply to replacement of any director as to which Declarant has the power of appointment. Any director to be appointed to fill a vacancy on the Board as to which Declarant has the power of appointment or to fill a new Board position created by reason of an increase in the size of the Board as to which Declarant has the power of appointment, shall be appointed by Declarant.

Except as otherwise provided above with regard to vacancies created by the recall and removal of a director, any other vacancy occurring in the Board and any other directorship to be filled by reason of an increase in the size of the Board may be filled by the affirmative vote of a majority of the current directors, though less than a quorum of the Board, or may be filled by an election at an annual or special meeting of the Members called for that purpose. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office, or until the next election of one or more directors by Members if the vacancy is caused by an increase in the number of directors.

Section 7. Turnover. Within ninety (90) days after the Turnover Date, Declarant shall, at Declarant's expense, deliver the following documents to the Board: (a) all deeds to Common Property and Limited Common Property owned by the Association; (b) the original of this Declaration; (c) a certified copy of the Articles; (d) a copy of the Bylaws; (e) the minute books, including all minutes; (f) the books and records of the Association; (g) any policies and Rules that have been adopted; (h) resignations of directors who are required to resign because Declarant is required to relinquish control of the Association; (i) the financial records of the Association from the date of incorporation through the date of turnover, together with such other information, materials and certifications as may be required by applicable law; (j) possession of, and control over, all Association funds; (k) all tangible property of the Association; (l) copies of all contracts which may be in force with the Association as one of the parties; (m) a list of the names and addresses and telephone numbers of all contractors, subcontractors, or others in the current employ of the Association; (n) any and all insurance policies in effect; (o) any permits issued to the Association by governmental entities; (p) any and all warranties in effect; (q) a roster of current Members and their addresses, telephone numbers and Unit designations; (r) employment and service contracts in effect; and (s) all other contracts in effect to which the Association is a party.

Section 8. Rules. The Board shall have the power and authority to promulgate, amend, enforce and rescind the Rules. Rules promulgated by the Board shall be binding upon the Owners and their respective families, tenants, guests, invitees, successors or assigns. The Board shall make copies of the Rules available to the Owners prior to implementation. Until the Outside Date, all Rules and any amendment or rescission thereof must be approved in writing by Declarant prior to implementation. Rules may supplement or clarify the Governing Documents, but no Rule may conflict with any express provision of this Declaration, the Articles or the Bylaws.

Section 9. Declarant Approval Requirement. Anything in the Governing Documents to the contrary notwithstanding, until the Outside Date, no decision, action, policy or program of the Association, the Board or the Members, any amendment to any of the Governing Documents or any Rule that may materially adversely affect Declarant may be adopted, made or implemented unless the decision, action, policy, program, amendment or rule is first approved in writing by Declarant.

Section 10. Management Agreements, Maintenance Agreements and Leases. The Association, acting by and through the Board, shall have the power and authority to: (a) engage a manager for the purpose of exercising any of the powers and authority, and performing any of the duties, of the Association, (b) enter into agreements with any Person or Persons for the performance of any of the maintenance obligations of the Association, and (c) lease any Common Property or Limited Common Property and, in connection therewith, delegate to such lessee any or all of the powers and duties of the Association respecting the property leased. The Association shall further have the power to employ administrative and other personnel to perform the services required for proper administration of the Association. The undertakings and contracts authorized by the Board consisting of directors appointed by Declarant shall be binding upon the Association in the same manner as though such undertakings and contractors had been authorized by the Board consisting of directors duly elected by the membership of the Association. Any such manager, maintenance contractor or lessee may or may not be an Affiliate. All fees and reimbursements payable by the Association pursuant to any such agreement entered into by the Association shall be a Common Expense, Limited Common Expense, Special Benefit Area Expense or an expense to be charged as an Individual Assessment, as determined by the Board.

Section 11. Merger, Consolidation or Dissolution. If the Association at any time merges or consolidates with another corporation not for profit, the assets, rights and obligations of the Association may, by operation of law or by agreement, be transferred to the surviving or consolidated corporation not for profit or, alternatively, the assets, rights and obligations of the other corporation may, by operation of law or by agreement, be added to the Properties, rights and obligations of the Association as the surviving corporation not for profit. The surviving or consolidated corporation not for profit may administer the covenants established by the Governing Documents within the Properties, together with the covenants established upon any other properties, as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the Governing Documents applicable to the Properties.

ARTICLE IV

COMMON PROPERTY AND LIMITED COMMON PROPERTY

Section 1. Designations. Declarant shall have the right to designate portions of the Properties as Common Property or Limited Common Property of the Association without the consent of any Person other than the owner of the land, improvements and/or personal property to be so designated, if other than Declarant, and the holder of any mortgage lien on or security interest in the said land, improvements and/or personal property. In addition to any designations of Common Property or Limited Common Property set forth in this Declaration, Declarant may designate additional portions of the Properties as Common Property or Limited Common Property by recording an instrument to that effect in the Public Records.

Section 2. Responsibility. The Association will be responsible for owning, maintaining in good and presentable condition and repair, replacing, operating and insuring the Common Property and any Limited

Common Property in accordance with the Governing Documents. Upon request by Declarant, the Association shall accept the assignment of, and it shall assume in writing, all rights and obligations of the permittee under any governmental permit or approval applicable to any of the Common Property or Limited Common Property. The Association shall indemnify and defend Declarant, and hold Declarant harmless, from and against any loss, cost or liability, including, but not limited to, Enforcement Expense, that Declarant may incur as a result of the Association's failure to comply with any permit or approval assigned to it pursuant to this section.

Section 3. Title. Declarant or the owner thereof (if other than Declarant) may retain (but neither shall be obligated to retain) ownership of all or any portion of the Common Property or Limited Common Property until such time as any planned improvements thereon have been completed and, in the opinion of Declarant, the Association is able to assume responsibility for the applicable portion or portions of the Common Property or Limited Common Property. The Association shall accept all right, title and interest in and to all Common Property and Limited Common Property, if any, conveyed, transferred or assigned to the Association by, or as required by, Declarant. Property interests which may be transferred to the Association may include fee simple, easement and leasehold interests and licenses. Upon the recording in the Public Records of a deed, easement, lease, license, or other instrument or memorandum of conveyance, transfer or assignment of Common Property or Limited Common Property to the Association, the right, title, interest or use right thereby conveyed, transferred or assigned shall vest in the Association without the necessity of any further act, deed or approval of any Person, including, but not limited to, the grantor, lessor, the Association or any Owner. Fee simple interest in any Common Property or Limited Common Property transferred to the Association by Declarant may be transferred to the Association by quit claim deed, subject to the lien and encumbrance of the Governing Documents and any and all other easements, rights-of-way, reservations, covenants, conditions, restrictions, equitable servitudes and other encumbrances of record or reserved by Declarant in the instrument of conveyance, but free and clear of any mortgage liens. The instrument of conveyance, transfer or assignment to the Association may impose affirmative or negative covenants related to the operation and use of the Common Property or Limited Common Property thereby conveyed, transferred or assigned which shall bind the said property and the Association in addition to the requirements of the Governing Documents.

Notwithstanding the foregoing, Declarant shall not have the obligation to develop and/or convey any portion of the Properties to the Association as Common Property or Limited Common Property, and if Declarant desires to convey any portion of the Properties to the Association, the timing of the conveyance shall be in the sole discretion of Declarant.

Any Person other than Declarant may convey title to any portion of the Properties, or any easement or other interest therein, to the Association as Common Property or Limited Common Property, but the Association shall not be required to accept any such conveyance, and no such conveyance shall be effective to impose any obligation for the maintenance, operation or improvement of any such property upon the Association, unless the Board expressly accepts the conveyance by having an officer of the Association acknowledge such acceptance on the deed or other instrument of conveyance or by recording a later written acceptance of such conveyance in the Public Records.

The Association shall accept all Common Property and any Limited Common Property in its and their "as is", "where is" condition, with all faults. None of Declarant or any other Person that conveys, transfers or assigns any Common Property or Limited Common Property to the Association shall be deemed or required to make any representation or warranty, express or implied, with respect thereto or with respect to any improvements located thereon, including but not limited to any representation or warranty with regard to habitability, merchantability, fitness for any particular purpose, condition, construction, materials, accuracy, design, adequacy of size or capacity in relation to utilization, completeness, date of completion, future economic performance, operation, maintenance, repair, replacement or insurance, or with regard to any furniture, fixtures, systems or equipment that have been or will be placed or used in such property, and all such representations and warranties are hereby disclaimed.

All Common Property and Limited Common Property owned or leased by Association shall be held by the Association for the use and benefit of the Association, the Owners, Declarant and their respective tenants, guests and invitees, and any other Persons authorized by Declarant or the Association to use the Common Property or Limited Common Property, as their interests may appear pursuant to this Declaration or any Supplemental Declaration. All Common Property and Limited Common Property shall be used for all proper and reasonable purposes and uses for which the same are reasonably intended, subject to the terms of this Declaration, subject to the terms of any easement, restriction, reservation or limitation of record affecting the Common Property or Limited Common Property or contained in the deed or instrument conveying the Common Property or Limited Common Property to the Association, and subject to any Rules adopted by the Board. Until the Outside Date, Declarant shall have the right, in its sole discretion, to permit access to and use of the Common Property and Limited Common Property to and by individuals other than as so described herein, and Declarant reserves the right to grant easements and rights of way in, to, under and over the Common Property and Limited Common Property for such purposes as Declarant shall reasonably deem necessary or helpful in connection with the development, sale or operation of Phase 1A and the portions of the Annexable Property owned by Declarant or an Affiliate.

Section 4. Easements for Owners.

(a) **Common Property.** Every Owner shall have a perpetual, non-exclusive easement of use and enjoyment in and to the Common Property, which easement shall be appurtenant to and shall pass with the title to every Unit in the Properties. Said easement shall include, but shall not be limited to, the following rights:

- (i) ingress, egress and passage by vehicle over, across and through any streets and other vehicular passageways in the Common Property and on foot over, across and through any streets and walks in the Common Property;
- (ii) vehicular ingress, egress, passage and parking over, across and through any parking facilities located within the Common Property or within any easements serving the same for that purpose;
- (iii) drainage over, across and through any portions of the Surface Water Management System lying within the Common Property in accordance with the District Permit and requirements of the District;
- (iv) utilities as needed over the Common Property; and
- (v) use and enjoyment of the Common Property for any other purpose not inconsistent with the Governing Documents or governmental regulations.

(b) **Limited Common Property.** Each Owner that is expressly granted the right to use and enjoy any Limited Common Property shall also have a perpetual, non-exclusive easement of use and enjoyment in and to the applicable Limited Common Property, which easement shall be appurtenant to and shall pass with the title to each expressly benefited Unit in the Properties. Said easement shall include, but shall not be limited to, the following rights:

- (i) ingress, egress and passage by vehicle over, across and through any streets and other vehicular passageways in the applicable Limited Common Property and on foot over, across and through any streets, and walks in the applicable Limited Common Property;
- (ii) vehicular ingress, egress, passage and parking over, across and through any parking facilities located within the applicable Limited Common Property or within any easements serving the same for that purpose;

(iii) drainage over, across and through any portions of the Surface Water Management System lying within the applicable Limited Common Property in accordance with the District Permit and District requirements; and

(iv) utilities as needed over the Limited Common Property, and

(v) use and enjoyment of the Limited Common Property for any other purpose not inconsistent with the Governing Documents or governmental regulations.

Section 5. Extent of Owners' Easements. The easements affecting the Common Property and Limited Common Property which are created hereby in favor of the Owners shall be subject to the following:

(a) the right and responsibility of the Association (subject further to the rights of Declarant) to manage and control the Common Property and the Limited Common Property, to limit the use thereof and the access thereto, and to adopt and enforce Rules pertaining to the use thereof, as provided in this Declaration;

(b) the easements and other rights of Declarant created, granted or reserved in the Governing Documents;

(c) the right of the Association to borrow money and to pledge its Assessments revenues and assets for the purposes of (i) improving the Common Property, Limited Common Property or any Area of Common Responsibility, (ii) acquiring additional Common Property or Limited Common Property, (iii) constructing, repairing, maintaining or improving any facilities located within the Common Property, Limited Common Property or any Area of Common Responsibility, or (iv) providing the services authorized or required by the Governing Documents, and to give as security for the payment of any such loan a mortgage and other security instruments conveying all or any portion of the Common Property or Limited Common Property; provided, however, that the lien and encumbrance of any such security instrument given by the Association shall be subject and subordinate to any and all rights, interests, licenses, easements and privileges reserved or established by the Governing Documents for the benefit of Declarant, the Members, the Owners and the holders of any mortgages on Units, irrespective of when such mortgage is executed or given, with the exception that the lender shall have the right, following the taking of possession of any Common Property or Limited Common Property due to a default under any mortgage granted by the Association, and only for so long as such default shall exist, to charge reasonable admission and other fees as a condition to continued enjoyment of the mortgaged properties by the Owners and their tenants, guests and invitees;

(d) the right of the Association to charge reasonable admission and other fees for special or extraordinary uses of the Common Property or any Limited Common Property;

(e) the right of the Association, consistent with applicable zoning and subdivision ordinances and the Chapel Creek MPUD, to transfer part of the Common Property or any Limited Common Property for the purpose of adjusting boundaries; provided, however, that doing so does not reduce the open space of the Properties below zoning requirements and any Unit previously adjacent to the Common Property or Limited Common Property remains substantially so located;

(f) the right of the Association to grant easements over, under and through the Common Property and any Limited Common Property which are reasonably necessary to the ongoing development and operation of Phase 1A and the Annexable Property, and for any other purpose not inconsistent with the use of the Common Property or any Limited Common Property by the Owners entitled to the use thereof;

(g) the right of the Association to suspend, for a reasonable period of time, the rights of any Owner, or any Owner's tenant, guest or invitee, or any or all of them, to use the Common Property and any applicable Limited Common Property whenever any Owner or an Owner's tenant, guest or invitee, fails to comply with any provision of the Governing Documents; and

(h) any reservations, covenants, conditions, restrictions, easements, charges or liens created or imposed by any subdivision plat of any portion of the Properties.

Section 6. Declarant Easements. Declarant shall have the right to grant and reserve easements over the Common Property and Limited Common Property, including, but not limited to, easements for grading, construction, pedestrian and vehicular ingress, egress and passage, parking, utilities, Community Systems, drainage, lighting and signage, in order to facilitate the installation, expansion, maintenance, repair, replacement and operation of any roadway, curb, sidewalk, recreational, parking, utility, drainage, landscaping, lighting, signage or other infrastructure improvement or amenity located or to be located on any of the Common Property or Limited Common Property, to facilitate the marketing of Phase 1A and the Annexable Property, or to facilitate the use and enjoyment of the Properties by the Owners and occupants of the Properties. Without limiting the generality of the foregoing, Declarant hereby creates and reserves in favor of Declarant a private, perpetual and non-exclusive easement over, under and through the Common Property and Limited Common Property for the purposes set forth below in order to facilitate the development, marketing, use and enjoyment of Phase 1A and the Annexable Property owned by Declarant or an Affiliate (whether or not annexed to this Declaration):

(a) construction, installation, maintenance, repair, replacement and use of wires, cables, poles, conduits, lines, pipes, wells, pumping stations, irrigation systems and other fixtures, equipment and improvements for wastewater, potable water, reclaimed water, gas, electric, Community Systems and other services;

(b) construction, installation, maintenance, repair, replacement and use of Surface Water Management System for drainage, conveyance and discharge of surface water onto, within and through the Common Property and the Limited Common Property;

(c) cutting and trimming of trees and shrubs, grading of the soil and taking of any other action reasonably necessary to provide economical and safe utility and drainage systems and services or to maintain reasonable standards of health, convenience, safety and appearance;

(d) pedestrian and vehicular ingress, egress and passage over, across and through all streets within the Common Property or the Limited Common Property or within any easements serving the same for that purpose;

(e) pedestrian ingress, egress and passage over, across and through the Common Property or the Limited Common Property, or within any easements serving the same for that purpose;

(f) vehicular ingress, egress, passage and parking over, across and through all parking facilities located within the Common Property or the Limited Common Property or within any easements serving the same for that purpose;

(g) construction, installation, maintenance, repair, replacement and use of temporary and permanent buildings, landscaping, irrigation, sidewalk, parking, street, lighting, drainage, signage, walls, fences and other improvements;

(h) such other uses and activities as may be reasonably necessary or convenient to facilitate development, marketing, use and enjoyment of Phase 1A and the Annexable Property;

(i) access to, and use and enjoyment of, some or all of the amenities located on the Common Property (but not the Limited Common Property) by the owners of lands or improvements located in the Annexable Property and their respective families, tenants, guests and invitees, based on a cost-sharing arrangement approved by Declarant; and

(j) the right to use the Common Property for the conduct of public or private events and activities, such as but not limited to concerts, fairs, sales, shows, contests, receptions, carnivals and picnics, and to install temporary facilities in support thereof, such as but not limited to kiosks, tents and stages.

Declarant, and any Affiliate or other Person doing business in the Properties authorized in writing from time to time by Declarant, may use any of the Common Property, any Limited Common Property, and/or the Amenities Property, including but not limited to any community center or clubhouse located therein, for sales and marketing activities and events, and, at Declarant's election, in its sole and absolute discretion, Declarant may elect to delay transfer to the Association of the ownership of any such Common Property or Limited Common Property during the time it is being used by Declarant or an Affiliate for sales and marketing activities and events. Despite any such retention by Declarant of the title to any Common Property or Limited Common Property, the Association shall be responsible for the maintenance of the said Common Property or Limited Common Property, at Common Expense or Limited Common Expense, as determined by the Board.

Declarant also hereby creates and reserves an easement in favor of Declarant, but not the obligation, until the Outside Date, to improve further from time to time the Common Property and Limited Common Property, at Declarant's expense, in anticipation of, or in connection with, development of any Additional Property. Upon the completion of any such further improvements, all right, title and ownership thereof shall be transferred (subject to the right and easement herein created and reserved) to the Association, and the Association shall thereafter maintain, repair, operate, insure and replace those amenities and other improvements at Common Expense or Limited Common Expense, as determined by the Board.

The easements created and reserved to Declarant by this section shall not pass to or be exercisable by Declarant's successors or assigns except to the extent specifically designated by Declarant by instrument recorded in the Public Records. This reservation shall not impose any obligation on Declarant to provide or maintain any of the aforementioned improvements or services. Except as otherwise expressly provided above, this grant of easements shall expire on the Outside Date.

Section 7. Easement for Access. The Association is hereby granted an easement over the portions of each Unit (but not on or within any building located thereon) abutting any Common Property or Limited Common Property to facilitate maintenance of the Common Property or Limited Common Property; provided, however, that the said easement shall be exercised in a manner that does not unreasonably interfere with use or enjoyment of the Unit.

Section 8. Community Systems. Declarant hereby creates and reserves to Declarant and Declarant's Affiliates, nominees and licensees the right, but not the obligation, to install and provide Community Systems and to provide services through the Community Systems to some or all of the Units, Common Property and Limited Common Property in the Properties. None of the Association, any Neighborhood Association or any Owner will have any interest in or claim to the Community Systems or any fees or revenues derived from the ownership, operation or sale of the Community Systems. Services provided by means of the Community Systems may be provided indirectly through the Association or a Neighborhood Association and paid for as part of the assessments levied by the applicable association, or directly to the Owners and paid for directly by the Owners, or through a combination of the foregoing arrangements.

The Community Systems and all revenues and profits derived from the operations of the Community Systems shall be the property of Declarant or its Affiliate, nominee or licensee and, upon any sale or other transfer of any Community Systems by Declarant or Declarant's Affiliate, nominee or licensee, all proceeds of such sale or other transfer shall belong to whichever one of Declarant or Declarant's Affiliate, nominee or licensee is the seller or transferor. Also, Declarant shall have the right, but not the obligation, to convey, transfer, sell or assign all or any portion of any of the Community Systems, or all or any portion of the rights, duties or obligations associated with any of the Community Systems, to the Association, any Neighborhood Association, or any other Person (including but not limited to an Owner as to any portion of the Community

System located on such Owner's Unit), and any such association or other Person shall accept and assume the same.

The rights of Declarant and Declarant's Affiliate, nominee or licensee with respect to the Community Systems installed by Declarant or Declarant's Affiliate, nominee or licensee, and the services provided through said Community Systems, are exclusive, and no other Person may provide such services through the Community Systems installed by Declarant or Declarant's Affiliate, nominee or licensee without the prior written consent of the owner of the Community Systems.

All Persons are hereby notified that the Association and/or any Neighborhood Association may be a party to one or more contracts for Community Systems serving the Properties for a term which extends beyond the time Declarant is in control of the Association and/or Neighborhood Association, and that, if so provided in any such contract, the Assessments payable as to each applicable Unit may include charges payable by the Association and/or applicable Neighborhood Association under any such contract, regardless of whether or not the Owner of such Unit elects to receive the services made available by means of the Community Systems.

Despite any provision of this Declaration to the contrary, until the Outside Date, no additional easement may be granted for utility purposes anywhere within the Properties without the prior written consent of Declarant. For the purposes of the preceding sentence, "utility" means and refers to each form of utility service now existing or hereafter developed, including, but not limited to, each wastewater, potable water, reclaimed water, electric and gas service, each "cable system" or "cable service", "multichannel video programming service" (whether franchised or unfranchised), "information service" or other "telecommunications service", as said terms are defined in the Communications Act of 1934 (47 U.S.C. §151, et seq.), as amended through the date hereof, each monitoring service, and each other form of wireline or wireless communication system or service.

Section 9. Beneficiaries. The beneficiary of any easement, license, right or privilege created or imposed by this Declaration may delegate the benefit of such easement, license, right or privilege to the beneficiary's tenants, guests and invitees for the duration of their tenancies or visits, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public.

Section 10. Location Does Not Control Use. Designation by Declarant of any property as Common Property (as opposed to Limited Common Property which is intended to be restricted as to user identity) shall result in general Owner use and enjoyment entitlement regardless of the tract or phase in which the Common Property is located.

Section 11. Changes in Boundaries. Declarant reserves the right to change and realign the boundary of any of the Common Property or the Limited Common Property with any Unit within the Properties, subject to the prior written approval of the Owner and any mortgagee of any Unit the boundary of which is to be adjusted.

Section 12. Accessible Parking. The Association shall have the power to assign or reassign accessible parking spaces within the Common Property or Limited Common Property order to comply with the reasonable accommodation provisions of the Fair Housing Act, the Americans with Disabilities Act or any similar law.

Section 13. MSTU/MSBU. Declarant may (but shall not be obligated to) cause a municipal service taxing unit, municipal service benefit unit, or similar arrangement ("MSTU/MSBU") to be established as to some or all of the Properties in order to provide for fire protection, law enforcement, recreation service and facilities, water, alternative water supplies, including, but not limited to, reclaimed water and water from aquifer storage and recovery and desalination systems, streets, sidewalks, street lighting, garbage and trash collection and disposal, waste and sewage collection and disposal, drainage, transportation and other essential facilities and municipal services from funds derived from service charges, special assessments, or taxes within such unit.

Section 14. Easement for Encroachments. Each portion of a Unit, the Common Property and any Limited Common Property is hereby subjected to a perpetual easement appurtenant to any adjoining Unit, Common Property or Limited Common Property to permit the use, construction, existence, maintenance, repair and restoration of any structure intended to be located on such adjoining Unit, Common Property or Limited Common Property, including, but not limited to, any driveway, walkway and roof structure which overhangs or encroaches upon the servient Unit, Common Property or Limited Common Property; provided, however, that such structures were constructed by Declarant or the construction of such structure is permitted and approved as elsewhere herein provided. The owner of the dominant property shall have the right, at all reasonable times, to enter the easement area in order to make full use of such structure for its intended purposes and to maintain, repair and restore any improvements located on the dominant property; provided, however, that any such entry made for purpose of maintenance, restoration or repair, shall be limited to daylight hours and shall only be made with the prior knowledge of the owner of the servient property. In case of emergency, the right of entry for maintenance, restoration or repair shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the owner of the servient property. Any damage or dislocation of or to plants or other landscaping on the servient property caused to accommodate the use of this easement by the owner of the dominant property shall be restored to its earlier condition by such latter owner. However, the owner of the servient property shall not place any improvement, material or obstacle in or over the easement area on the servient property which would unreasonably interfere with the rights of the owner of the dominant property granted by this section. Any such improvement, material or obstacle shall be promptly removed by the owner of the servient property at such owner's expense when requested by the owner of the dominant property notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the easement area. However, in no event shall a valid easement for any encroachment be created hereby if such encroachment or use is materially detrimental to, or materially interferes with, the reasonable use and enjoyment of the servient property or if it occurred due to the willful conduct of the owner of any Unit, Common Property or Limited Common Property.

ARTICLE V

COMMUNITY DEVELOPMENT DISTRICT

Section 1. General Description. The CDD has been established to fund, construct, install and maintain the CDD Property, the Surface Water Management System and other infrastructure improvements within, or in the vicinity of, the Properties. The Association shall cooperate with the CDD in connection with the CDD's performance of its rights and obligations in connection with the foregoing.

Declarant reserves the right, with the consent of the CDD, to donate, sell, lease or otherwise transfer ownership of any lands and/or improvements within, or in the vicinity of, the Properties (other than any Unit not owned by Declarant, any Common Property and any Limited Common Property) to the CDD, for ownership, improvement, maintenance, repair, replacement, management, operation and insurance as permitted by Chapter 190, *Florida Statutes*, or other applicable law. Such lands and improvements may include, but they are not necessarily limited to, Surface Water Management System parcels or components, streets, street lights, wastewater, potable water and reclaimed water facilities, sidewalks, parking facilities, entry features, gates, gatehouses, walls, fences, landscaping, irrigation, lighting, signs, buildings, swimming pools, parks, open spaces, gazebos, leisure trails, bike paths and other recreational, cultural and educational facilities. The mention in this Section 1 of any feature or improvement shall not be deemed to be a covenant, representation or warranty that any such feature or improvement will be included in the Properties.

The Association shall have the power and authority to enter into agreements providing for any one or more of the following: (a) the improvement, maintenance, repair, replacement, management, operation and/or insurance by the Association of any CDD Property, or the provision of any other service to the CDD, or (b) the improvement, maintenance, repair, replacement, management, operation and/or insurance by the CDD of any Common Property, Limited Common Property or Area of Common Responsibility, or the provision of any other service to the Association or the Owners by the CDD. Without limiting the generality of the foregoing, and by way of example only, the Association has the power and authority to enter into agreements with the CDD

pursuant to which the Association is delegated responsibility for the construction, installation, maintenance, repair and replacement of paving, curbs, paths, trails, sidewalks, Surface Water Management System components, signs, lighting, landscaping, irrigation, benches, exercise equipment, and other improvements, fixtures or furnishings within any CDD Property located within, or in the vicinity of, the Properties. All unreimbursed cost and expense incurred by the Association in connection with any such agreement, including, but not limited to, any associated replacement reserves established by the Board, shall constitute Common Expense, Limited Common Expense, or Special Benefit Area Expense, as determined by the Board, and included in the corresponding Assessments levied against the Owners.

Upon the request of Declarant, each Owner shall cooperate and execute all approvals, consents and other documents necessary to make some or all of the Properties subject to the CDD and the related legal requirements. Each Owner hereby appoints Declarant as attorney-in-fact for the Owner to execute any and all approvals, consents and other documents necessary to fully implement the CDD and make the Owners and any portion of the Properties, including but not limited to Units, subject to the CDD and the related legal requirements. The foregoing appointment is a power coupled with an interest and shall be irrevocable.

THE CDD MAY IMPOSE AND LEVY TAXES OR ASSESSMENTS, OR BOTH TAXES AND ASSESSMENTS, ON THE PROPERTIES, INCLUDING BUT NOT LIMITED TO THE UNITS IN THE PROPERTIES. THESE TAXES AND ASSESSMENTS PAY THE CONSTRUCTION, OPERATION, AND MAINTENANCE COSTS OF CERTAIN PUBLIC FACILITIES AND SERVICES OF THE CDD AND ARE SET ANNUALLY BY THE GOVERNING BOARD OF THE CDD. THESE TAXES AND ASSESSMENTS ARE IN ADDITION TO COUNTY AND OTHER LOCAL GOVERNMENTAL TAXES AND ASSESSMENTS AND ALL OTHER TAXES AND ASSESSMENTS PROVIDED FOR BY LAW.

EACH OWNER SHALL BE SOLELY RESPONSIBLE FOR ALL TAXES AND ASSESSMENTS LEVIED AGAINST THAT OWNER'S UNIT BY THE CDD, AND FAILURE TO PAY SAME WHEN DUE MAY RESULT IN ENFORCEMENT OF ONE OR MORE LIENS AGAINST THE UNIT AND POTENTIAL LOSS OF TITLE TO THE UNIT.

The CDD may be managed and controlled by one or more officers, directors or agents of Declarant, any Affiliate, the Association or any Neighborhood Association.

ARTICLE VI

SURFACE WATER MANAGEMENT SYSTEM AND CONSERVATION AREAS

Section 1. Responsibility. The CDD is responsible for the operation, maintenance, repair, replacement and management of the Surface Water Management System in a manner consistent with the District Permit and District rules. Maintenance of the Surface Water Management System shall mean the exercise of practices which allow the Surface Water Management System to provide drainage, water storage, treatment, conveyance or other surface water or stormwater management capabilities as permitted by the District. Any repair or reconstruction of the Surface Water Management System shall be as permitted or, if modified, as approved in writing by the District. The CDD shall be responsible for such maintenance and operation of the entire Surface Water Management System within the Properties, including, but not limited to, all lakes, canals, swale areas, retention areas, culverts, pipes, and related appurtenances regardless of location or whether or not owned by the CDD. The Surface Water Management System and Surface Water Management System Facilities are or will be located on CDD Property or Association common areas, or on land that is subject to an easement in favor of the CDD or the Association and its successors.

The foregoing to the contrary notwithstanding, each Owner shall provide routine landscape maintenance, mowing and removal of trash and debris within the portions of the Surface Water Management System lying within that Owner's Unit.

Each property owner within the Properties, at the time of construction of a building, residence, or structure, shall comply with the construction plans for the Surface Water Management System approved and on file with the Southwest Florida Water Management District.

If a drainage swale has been constructed on any Unit for the purpose of managing and containing the flow of excess water, if any, found upon such Unit from time to time, the Owner of that Unit, including any builder, shall be responsible for the maintenance, operation and repair of the swales on that Unit. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the District. Filling, excavation, construction of fences, or otherwise obstructing the surface water flow in the swales is prohibited. No drainage swale may be altered without the prior written consent of the District, the CDD and the ARB, with the exception that the Declarant need not obtain the consent of the ARB, 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 of the Unit on which the drainage swale is located.

The CDD shall have sole and exclusive jurisdiction over and responsibility for the administration, monitoring, management, regulation, care, maintenance, repair, restoration, replacement, improvement, preservation and protection of the Surface Water Management System. Each Owner, by acceptance of a deed to a Unit, shall be deemed automatically and conclusively to have agreed that none of Declarant, the Association, Pasco County shall have any liability or responsibility (financial or otherwise) with respect to the Surface Water Management System and each Owner shall look exclusively to the CDD with respect to any such liability or responsibility.

The Association shall assist the CDD and the District in the enforcement of the portions of this Declaration relating to the Surface Water Management System, but the Association shall have no obligation to maintain, repair or replace any portion of the Surface Water Management System located outside any Common Property or Limited Common Property.

Section 2. Prohibited Activities. Except as may be permitted by the District Permit or with the prior consent of the District, Pasco County, the CDD and the ARB, (a) no construction activities may be conducted relative to any portion of the Surface Water Management System, including, but not limited to, construction or alteration of any water control structure, wall, fence, paving, planting or other improvement, with the exception that the CDD shall not be required to obtain the consent of the ARB for any of the foregoing, (b) no modification may be made to the Surface Water Management System by digging, excavating or depositing any fill, dike, rip-rap, debris or other material or item within any portion of the Surface Water Management System, (c) no alteration or obstruction to the drainage flow of the Surface Water Management System, including, but not limited to, any buffer area or swale, may be made or permitted, (d) no interference with, and no filling, blocking, diversion, or changing of the Surface Water Management System or the flow of drainage therein may be made or permitted, (e) change in the grade or elevation of any Unit in any manner that will materially adversely affect the drainage of or to any neighboring Unit or other portion of the Properties as improved in accordance with any applicable District Permit may be made or permitted, (f) no increase the usable area of any Unit may be made by filling in any portion of the Surface Water Management System, and (g) no native vegetation that becomes established within the Surface Water Management System may be removed, whether by dredging, application of herbicide, cutting, introduction of grass carp, or other means. Owners should address any questions regarding authorized activities within the Surface Water Management System to the CDD, Pasco County, the District's Permitting Department and, if applicable, the ARB.

Without limiting the foregoing, no Owner of property within the Properties 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 any approved District Permit

and recorded plat of the Properties, unless prior approval is received from the Southwest Florida Water Management District, Brooksville Regulation Department.

No Owner shall deny or prevent ingress and egress by Declarant, the CDD, the Association, Pasco County, or the District to any portion of the Surface Water Management System for maintenance or landscape purposes.

Section 3. Easements to the CDD and Pasco County. The CDD is hereby granted a perpetual, non-exclusive easement over all areas of the Surface Water Management System and the adjoining portions of the Properties for access to, and for the operation, maintenance, repair and replacement of, the Surface Water Management System. By this easement, the CDD shall have the right to enter upon any portion of any Common Property, Limited Common Property or Unit (but not on or within any building located thereon) to gain access to the Surface Water Management System and to operate, maintain or repair the Surface Water Management System as required by the District Permit. Additionally, the CDD is hereby granted a perpetual, non-exclusive easement for drainage over the entire Surface Water Management System. The CDD shall have the right to enforce, by a proceeding at law or in equity, the provisions of this Article VI pertaining to the Surface Water Management System. Subdivision plats of the Properties may also contain easements in favor of Pasco County for ingress to, egress from, maintenance, repair and replacement of, and drainage into, over and through the Surface Water Management System.

Section 4. Reservation of Easement to Declarant. Declarant hereby creates and reserves a non-exclusive easement over, under and through the Surface Water or Stormwater Management System and the adjoining portions of the Properties for access to, and for the operation, maintenance, repair and replacement of, the Surface Water Management System in the event the CDD fails to do so or in the event Declarant desires to provide a higher standard of operation, maintenance, repair or replacement than that provided by the CDD; provided, however, that this reservation shall not impose any obligation on Declarant. This easement shall expire on the Outside Date.

Section 5. Wetland Conservation Areas. With respect to those areas denoted on any plat of the Properties as wetland conservation areas, if any, it is contemplated that ownership of such areas will be conveyed to the CDD or Association, as determined by Declarant. The CDD or Association, as the owner thereof, shall be responsible for the payment of taxes, if any, on the wetland conservation areas. The following acts and activities are expressly prohibited within the wetland conservation areas in the absence of a specific permit from the District and owner thereof:

- (a) construction or placing of buildings, roads, signs, billboards, or other advertising, utilities, or other structures on or above the ground;
- (b) dumping or placing of soil or other substance or material as landfill or dumping or placing of trash, waste, or unsightly or offensive materials;
- (c) removal or destruction of trees, shrubs, or other vegetation, including mowing or clearing of any kind;
- (d) excavation, dredging, removal of loam, peat, gravel, soil, rock, or other material substance in such manner as to effect the surface;
- (e) surface use except for purposes that permit the land or water area to remain predominately in its natural condition;
- (f) activities detrimental to drainage, flood control, water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation; or

(g) acts or uses detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archeological, or cultural significance.

ARTICLE VII **NEIGHBORHOODS**

Section 1. General. In order to provide for the administration of any portion of the Properties, and for the ownership, operation, maintenance, repair, replacement and insurance of any Neighborhood Common Property and any Neighborhood Limited Common Property located therein, Declarant shall be entitled to designate any portion of the Properties as a separate Neighborhood and, if desired by Declarant, to establish a Neighborhood Association to exercise jurisdiction over that Neighborhood. Declarant may designate an unlimited number of Neighborhoods within the Properties and Declarant may designate any portion of the Properties as an addition to a then-existing Neighborhood. No such designation shall require the consent of anyone other than the owner of the land included in the Neighborhood (if other than Declarant) and the holder of any mortgage lien on that land. Each Neighborhood Association shall have such jurisdictional boundaries, membership, powers and duties as shall be determined by Declarant, in Declarant's sole and absolute discretion. The powers and authority of each Neighborhood Association shall be subject and subordinate to the overriding power and authority of the Association in any matters in which the power and authority of the two associations may overlap. In Declarant's discretion, any Neighborhood may be subjected to additional or different reservations, covenants, conditions, restrictions, easements, charges and liens not otherwise applicable to the Units located outside that Neighborhood or the Owners of those other Units. Declarant shall have the sole and absolute right to determine whether any portion of the Properties will be designated as a Neighborhood and, if so, whether any such Neighborhood will also be subjected to a Neighborhood Declaration or Neighborhood Association. If any portion of the Properties designated as a Neighborhood contains Neighborhood Common Property or Neighborhood Limited Common Property, but Declarant elects not to establish a Neighborhood Association for that Neighborhood, then the Association shall own, maintain repair, replace, manage, operate and insure the Neighborhood Common Property or Neighborhood Limited Common Property located therein as a Special Benefit Area Expense of the Owners of the Units located within that Neighborhood.

Section 2. Phase 1A. Phase 1A is hereby designated as the first phase of a Neighborhood to be known hereafter as "Stonebridge." No Neighborhood Declaration will be recorded or Neighborhood Association established for Stonebridge.

ARTICLE VIII **INSURANCE**

Section 1. Insurance. The Board shall have the authority to obtain and maintain, at Common Expense, Limited Common Expense or Special Benefit Area Expense, as determined by the Board, any and all types of insurance coverage with respect to such perils, Persons or properties, and with such deductibles provisions and coverage limits, as shall be deemed necessary or desirable by the Board, including, but not limited to (a) insurance against loss or damage by fire or any other risk or peril, including, but not limited to, comprehensive or extended coverage, vandalism, and malicious mischief, for any insurable improvements located on any Common Property, Limited Common Property or Area of Common Responsibility; (b) public liability insurance covering the Association, its directors, officers, employees or agents; and (c) directors' and officers' liability insurance covering the directors and officers of the Association. The Board shall have the authority to cause to be named as additional insured on any policy of insurance obtained by the Board any one or more Persons deemed by the Board to be desirable or appropriate. The Board shall also have the discretion to have the Association refrain from insuring, underinsure or self-insure against any risk.

All insurance coverage obtained by the Board shall be written in the name of the Association, as trustee or agent for the respective benefited parties. Exclusive authority to adjust losses under policies in force on the

Common Property, any Limited Common Property or any Area of Common Responsibility, shall be vested exclusively in the Board.

It shall be the responsibility of each Owner, at that Owner's expense, to provide such public liability, property casualty, title and other insurance coverage with respect to that Owner's own activities and property as may be desired by that Owner, and the Association shall have no obligation to procure or maintain any such insurance coverage.

In the event of damage or destruction by fire or other casualty to any improvements or vegetation on any Common Property, Limited Common Property, Area of Common Responsibility, Neighborhood Common Property, Neighborhood Limited Common Property or Unit, the Association (in the case of any damage or destruction to any Common Property, Limited Common Property or Area of Common Responsibility of the Association), the Neighborhood Association (in the case of any damage or destruction to any Neighborhood Common Property, Neighborhood Limited Common Property or other area maintained by the Neighborhood Association), or the Person legally responsible for the maintenance, repair and replacement of the improvements located on, or comprising, the applicable Unit (in the case of any damage or destruction to any Unit), as the case may be, shall clear away and remove the ruins and debris of such damaged or destroyed improvements or vegetation, and the said responsible Person shall thereafter maintain the lands and remaining improvements and vegetation in a clean, safe and presentable condition. If feasible, the clearing and removal of ruins and debris shall be performed in stages, with the first stage being composed of the securing of the damaged site and removal of any ruins and debris that interfere with the safety, use or operation of any portion of the Properties, or any public area or improvement, and the second stage being composed of the clearing and removal of all other ruins and debris. The said first stage shall be completed as soon as possible after the casualty occurs and the said second stage shall be completed within a commercially reasonable period of time which shall not exceed sixty (60) days after the casualty occurs. All reconstruction and repair of the damaged or destroyed improvements or vegetation shall be carried out in accordance with the Governing Documents and, following commencement, all reconstruction and repair activity shall be carried out diligently to conclusion. There shall be no abatement or reduction in Assessments due to any damage to, or destruction of, any improvements or vegetation in the Properties.

Section 2. Non-Liability. The Owners shall hold the Association and its directors harmless from any loss, damage or claim resulting from the Board's decisions to purchase or not purchase any optional insurance coverage or from the exercise of the Board's judgment and discretion with regard to the matters referred to in Section 1 above. The Association shall indemnify the directors of the Association for all claims and judgments not covered by any directors and officers liability insurance that result from any legal actions pertaining to the purchase or failure to purchase of any insurance or from the exercise of the Board's discretion with regard to the matters referred to in said Section 1.

**ARTICLE IX
CONDEMNATION**

Section 1. Notice. Whenever any part of the Common Property or Limited Common Property is taken or conveyed under threat of condemnation by any authority having the power of eminent domain, the Board shall determine, in the exercise of its business judgment, whether each Owner should be notified.

Section 2. Settlement of Claims. Exclusive authority to negotiate and adjust claims and execute releases and other documents in connection with any condemnation or threatened condemnation affecting the Common Property or the Limited Common Property shall be vested in the Board. The award made for such taking shall be paid to the Association as trustee for all Owners (in the case of a taking affecting Common Property) or as trustee for the Owners of the Units to which the Limited Common Property appertains (in the case of a taking affecting any Limited Common Property).

Section 3. Repair or Replacement. The determination whether or not to repair or replace any improvements on the Common Property or any Limited Common Property affected by condemnation, and the disposition of any award derived from any such condemnation, shall be made and handled as follows:

If the taking involves a portion of the Common Property or any Limited Common Property on which improvements have been constructed, then, to the extent practicable, the Association shall repair or replace such improvements on the remaining Common Property or Limited Common Property, as applicable, unless, within ninety (90) days after the title or other interest taken passes to the condemning authority, Members representing at least two thirds (2/3) of the total Class "A" votes in the Association, if Common Property, or two thirds (2/3) of the Class "A" votes held by the Members entitled to use the Limited Common Property, if Limited Common Property, and Declarant until the Outside Date, decide not to repair or replace the improvement. If either the condemnation award amount or the estimated cost to repair or replace the affected improvements has not been established by the Association within the said ninety (90) day period, then the period may be extended by the Board until ninety (90) days after such information is available. Each such repair or replacement of improvements shall be in accordance with plans approved by the Board.

If the taking does not involve any improvements on the Common Property or the Limited Common Property, or if a decision is made not to repair or replace, or if net funds remain after any such repair or replacement is complete, then the Association shall deposit any such award or the balance thereof remaining after paying the costs of repair or replacement in a capital improvements account for the benefit of all Owners (in the case of a condemnation affecting the Common Property) or the Owners of the Units to which the Limited Common Property appertains (in the case of a condemnation affecting any Limited Common Property) or, in the alternative, the Board may disburse the same to the Owners and their mortgagees, as their interests may appear in the Public Records, in proportion to their respective collective Assessment allocations from the entire Association annual budget.

ARTICLE X **ASSESSMENTS**

Section 1. Obligation to Pay Assessments. Each Owner, by the acceptance of ownership of any Unit included in the Properties, whether or not it shall be so expressed in any deed or other instrument by which ownership of the Unit is acquired by the Owner, shall be deemed to, and does hereby, covenant and agree to pay to the Association, when due, the following Assessments levied from time to time by the Association in accordance with this Declaration: (a) Annual Assessments; (b) Special Assessments; (c) Individual Assessments; (d) Limited Common Expense Assessments; (e) Special Benefit Area Expense Assessments; (f) Working Capital Assessments; and (g) Transfer Fees.

Assessments shall be established and assessed against the Owners and their respective Units as provided in this Declaration. Each Assessment levied by the Association against an Owner and that Owner's Unit, together with interest, late charges and Enforcement Expense, shall be the personal obligation of the Owner at the time the Assessment came due, and each subsequent Owner shall take title to the Unit subject to the equitable charge and continuing lien for such unpaid amounts, but without prejudice to the rights of any subsequent Owner to recover from any prior Owner liable for the unpaid Assessment any amount paid by such subsequent Owner for the foregoing. In the event of co-ownership of any Unit subject to this Declaration, all of the co-Owners shall be jointly and severally liable for the entire unpaid amounts of all Assessments coming due during their period of ownership. No Owner may avoid the obligation for payment of any Assessment by non-use or abandonment by the Owner of any Unit, Common Property or Limited Common Property.

The Board may designate the method of payment of Assessments, including but not limited to personal check, bank check, certified check, wire transfer, money order or electronic funds transfer (also known as automated clearinghouse debit or auto debit).

Section 2. Exempt Property. Assessments shall be levied only against the Units from time to time existing in the Properties that are not exempt from assessment pursuant to this section. Any provision of the Governing Documents to the contrary notwithstanding, the following property now or hereafter subject to this Declaration shall be exempt from the Assessments, interest, late charges, Enforcement Expense and the liens to secure same created in this Declaration:

- (a) all Common Property, Limited Common Property, Neighborhood Common Property and Neighborhood Limited Common Property;
- (b) all Units owned by Declarant during the time Declarant pays the amount, if any, by which the current operating expenses of the Association exceed the Assessments due from Owners other than Declarant and any other income of the Association in accordance with Section 14 below;
- (c) each Potential Unit prior to the time the plat, declaration or other document that converts the Potential Unit to an existing Unit is recorded in the Public Records; and
- (d) all CDD Property and other property owned by, or leased to, any governmental or quasigovernmental body or agency or dedicated to the public.

Except as set forth in this section, no Owner or Unit in the Properties shall be exempt from the Assessments or the liens to secure same created in this Declaration.

Section 3. Uses of Assessments. The Assessments shall be used to carry out the duties imposed upon the Association, and to exercise the powers conferred upon the Association by the Governing Documents and for such other uses and purposes as may from time to time be deemed necessary or desirable in the judgment of the Board to promote the recreation, education, health, safety, welfare and enjoyment of the Owners, to preserve and enhance the values of the Units and/or to provide benefits and services to the Owners. Potential uses of Assessments include (but they are not limited to):

- (a) paying the expenses of owning, improving, maintaining, repairing, replacing, operating and/or insuring the Common Property and Limited Common Property (whether or not yet designated as such and conveyed to the Association) any Areas of Common Responsibility, and any Special Benefit Areas, including, but not limited to, any taxes or assessments separately levied against the Association or any Common Property or Limited Common Property;
- (b) repaying deficits previously incurred by the Association; and
- (c) funding reserves for future expenses for the construction, maintenance, repair and replacement of the Common Property, Limited Common Property, Areas of Common Responsibility, and Special Benefit Areas, if any.

Section 4. Taxes. It is the intent of this Declaration that, because the easements of use and enjoyment of the Common Property and any Limited Common Property granted by this Declaration constitute interests in real property appurtenant to each benefited Unit, the value of the benefits to be derived by the Owners from those rights should be included on a fair and reasonable basis in the assessed values of the Units and that any taxes levied against the Association with regard to any of the Common Property or Limited Common Property should be minimized. The Association shall have the power and authority to contest and comprise any real or personal property taxes or assessments levied against the Association with regard to any of the Common Property or Limited Common Property.

Section 5. Annual Budgets. Upon the formation of the Association, the Board shall adopt an estimated budget for the remainder of the first fiscal year setting forth the anticipated Common Expense, Limited Common Expense and Special Benefit Area Expense of the Association for the remainder of the first

fiscal year and make copies of the approved budget available to the Owners. Thereafter, prior to the end of each fiscal year, the Board shall prepare and approve an estimated annual budget for the next fiscal year setting forth the anticipated Common Expense, Limited Common Expense and Special Benefit Area Expense of the Association for the next fiscal year and make copies of the approved budget available to the Owners. Each annual budget shall disclose the estimated Annual Assessment to be levied against each Unit, broken down into the Common Expense Assessment and any applicable Limited Common Expense Assessment and/or Special Benefit Area Expense Assessment. The budget and Annual Assessments shall become effective unless disapproved at a special meeting of the Members held not later than sixty (60) days after the budget and assessments are made available to the Owners. To be effective, the disapproval must be by a vote of two-thirds (2/3) of the total voting interests of the Association, without regard to class. If the membership so disapproves the budget for the succeeding year, or if the Board fails to propose a budget for any year, the budget and Annual Assessments in effect for the preceding fiscal year shall continue in effect until a new budget is approved by the Board. Any Special Benefit Area Assessments or Limited Common Expense shall be separately accounted for in each annual budget of the Association. The annual budgets of the Association and the corresponding Assessments may be amended from time to time as deemed necessary by the Board.

The initial annual budget is projected and is based upon good faith estimates and analysis and not upon historical operating figures. Each Owner is hereby notified that the amount of the Assessments that actually are levied by the Association may be significantly lower or higher than originally projected based upon actual cost experience and changes in the number and type of facilities and services provided from time to time by the Association.

Section 6. Allocations of Assessments. All portions of the annual budget that are Common Expense shall be assessed as Common Expense Assessments against, and they shall be paid by, the Owners of all non-exempt Units in the Properties based on an equal amount for each non-exempt Unit; provided, however, that, in the case of any Unit that actually includes a garage apartment permitted by the Chapel Creek MPUD, the Common Expense Assessment applicable to such Unit shall be one hundred fifty percent (150%) of the Common Expense Assessment applicable to non-exempt Units that do not actually include a garage apartment permitted by the Chapel Creek MPUD. All portions of the annual budget that are Limited Common Expense shall be assessed as Limited Common Expense Assessments against, and they shall be paid by, the Owners of all non-exempt Units in the Properties that are benefited by the Limited Common Property based on an equal amount for each non-exempt benefited Unit; provided, however, that, in the case of any non-exempt benefited Unit that actually includes a garage apartment permitted by the Chapel Creek MPUD, the Limited Common Expense Assessment applicable to such Unit shall be one hundred fifty percent (150%) of the Limited Common Expense Assessment applicable to non-exempt Units benefited by the Limited Common Property that do not actually include a garage apartment permitted by the Chapel Creek MPUD. All portions of the annual budget that are Special Benefit Area Expense shall be assessed as Special Benefit Area Expense Assessments against, and they shall be paid by, the Owners of all non-exempt Units within the applicable Special Benefit Area based on an equal amount for each non-exempt benefited Unit; provided, however, that, in the case of any non-exempt Unit within the Special Benefit Area that actually includes a garage apartment permitted by the Chapel Creek MPUD, the Special Benefit Area Expense Assessment applicable to such Unit shall be one hundred fifty percent (150%) of the Special Benefit Area Expense Assessment applicable to non-exempt benefited Units within the applicable Special Benefit Area that do not actually include a garage apartment permitted by the Chapel Creek MPUD.

Section 7. Commencement and Due Dates of Annual Assessments. Annual Assessments for each Unit shall commence on the date that the subdivision plat or other document creating that Unit is recorded in the Public Records. For each Unit that is created at a time other than at the beginning of the Association's fiscal year, the first Annual Assessment levied by the Association against the Owner of that Unit shall be prorated based on the remaining number of days in that fiscal year and it shall be due and payable thirty (30) days after billing. Otherwise, except to the extent the Board authorizes, in writing, payment of Annual Assessments at a later date or in installments, all Annual Assessments shall be due and payable by the Owners, in advance, on or

before the first (1st) day of the fiscal year for which they are imposed. If for any reason the actual revenues of the Association fall short of the Assessment revenues required in order to meet the financial requirements of the Association, the Board shall make an adjustment of the estimated Annual Assessment budget and a calculation of the estimated deficit for the remainder of the applicable fiscal year and the deficit so determined shall be levied through adjustments in installment payments remaining due for the balance of the applicable year, if Annual Assessments are being collected in installments, or by Special Assessments against the Owners pursuant to Section 8 below.

Section 8. Special Assessments. The Board may levy Special Assessments at any time. Any portion of any Special Assessment that is Common Expense shall be levied against, and paid by, all Owners based on an equal amount for each non-exempt Unit; provided, however, that, in the case of any Unit that actually includes a garage apartment permitted by the Chapel Creek MPUD, the Special Assessment applicable to such Unit shall be one hundred fifty percent (150%) of the Special Assessment applicable to Units that do not actually include a garage apartment permitted by the Chapel Creek MPUD. Any portion of any Special Assessment that is Limited Common Expense shall only be levied against, and paid by, the Owners of non-exempt Units that benefit from the applicable Limited Common Property based on an equal amount for each non-exempt benefited Unit; provided, however, that, in the case of any Unit that actually includes a garage apartment permitted by the Chapel Creek MPUD, the Special Assessment for Limited Common Expense applicable to such Unit shall be one hundred fifty percent (150%) of the Special Assessment for Limited Common Expense applicable to Units that do not actually include a garage apartment permitted by the Chapel Creek MPUD. Any portion of any Special Assessment that is Special Benefit Area Expense shall only be levied against, and paid by, the Owners of non-exempt Units within the applicable Special Benefit Area based on an equal amount for each non-exempt benefited Unit; provided, however, that, in the case of any Unit that actually includes a garage apartment permitted by the Chapel Creek MPUD, the Special Assessment Special Benefit Area Expense applicable to such Unit shall be one hundred fifty percent (150%) of the Special Assessment for Special Benefit Area Expense applicable to Units that do not actually include a garage apartment permitted by the Chapel Creek MPUD. Unless otherwise determined by the Board, Special Assessments shall be due thirty (30) days after billing.

Section 9. Individual Assessments. The Board may levy Individual Assessments at any time. Unless otherwise permitted by the Board, Individual Assessments shall be due thirty (30) days after written notice to the Owner that owes the Individual Assessment. Declarant shall never have any liability for an Individual Assessment.

Section 10. Non-payment. If any Assessment or any installment thereon is not paid when due, the Association shall have, and it shall be entitled to pursue against the defaulting Owner, any and all rights and remedies provided by the Governing Documents or otherwise available at law and in equity for the collection of the delinquent Assessment, together with interest accrued thereon at the highest lawful rate of interest (or at such lesser rate of interest as may from time to time be acceptable to the Board) from the date the Assessment is due until the date it is received by the Association, any late charge imposed by the Board at its discretion and Enforcement Expense. Enforcement Expense shall be recoverable by the Association whether or not suit is brought. The delinquent Assessment, together with interest thereon, any late charges imposed by the Board at its discretion, and Enforcement Expense shall all be secured by a continuing lien on the Unit with respect to which the Assessment is owed. The lien shall run with and bind the title to the Unit until all unpaid Assessments are paid in full. The lien may be foreclosed in the same manner as a mortgage on real property in Florida. The Association shall have all remedies available at law and in equity for the purpose of collecting delinquent Assessments. The Association may pursue one or more of its remedies at the same time or successively. The lien shall be prior to, and superior in dignity to, homestead status. The lien shall be prior to all other liens and interests hereafter created except liens for taxes or assessments levied by governmental authority and the liens of mortgages held by institutional lenders as provided in Section 17 below. The personal obligation of an Owner to pay the delinquent Assessment, interest, late charges and Enforcement Expense shall remain that Owner's personal obligation for the statutory limitations period and the said personal obligation shall not pass to that Owner's successors in title (except as a lien upon the applicable Unit) unless expressly

assumed by them, and no such assumption shall relieve any Owner personally obligated from such Owner's said personal liability for the delinquent Assessment, interest, late charges and Enforcement Expense. In furtherance of the foregoing, the Association shall have the power and authority to record a claim of lien against any Unit for any delinquent Assessment and any applicable interest, late charges and Enforcement Expense and, if it does so, the Association shall be entitled to impose a lien fee in the amount set by the Board. The lien fee shall be included in the amount due and it shall be secured by the lien.

Any Assessment or installment thereon not paid within thirty (30) days after the due date shall bear interest from the date due at the highest rate allowed by law, or at such lesser rate as may be determined by the Board and uniformly applied, and the Association may bring actions at law and in equity for collection against the Owner personally obligated to pay the same and/or to foreclose the lien against the Unit, and there shall be added to the amount of such Assessment the aforesaid interest, late charges, if any, and Enforcement Expense. The Owner shall also be required to pay to the Association any Assessments against the Unit which become due during the period of foreclosure.

The Association shall also have the right to collect delinquent assessments and other charges due from any Owner from such Owner's tenants as contemplated by Section 720.3085, *Florida Statutes*.

Section 11. Application of Payments. Any payment received by the Association from any Member or Owner shall be applied first to any fine levied by the Association, then to any Enforcement Expense incurred by the Association, then to any late fee, then to any lien fee, then to any accrued interest, and then to any delinquent and/or accelerated Assessment, and then to any non-delinquent Assessment then due. The foregoing application of funds received shall be applicable despite any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

Section 12. Deferred Payments. The Board shall have the discretion (but not the obligation) to collect any Assessment in installments at such payment intervals as it shall determine. The Board shall also be permitted (but not required) to charge a uniform rate of interest upon the amounts from time to time remaining unpaid at any rate deemed appropriate by the Board; provided, however, such rate shall not exceed the maximum rate permitted by applicable law. In addition to any other remedy the Association may have for non-payment of any Assessment, the Board may accelerate the unpaid balance of any Assessment upon default in the payment of any installment thereon.

Section 13. Certificate. Upon request, the Association shall furnish to any Owner or First Mortgage Holder, Insurer or Guarantor a certificate in writing and signed by an officer of the Association stating whether or not any Assessment or any installment thereof payable by the Owner of the applicable Unit remains unpaid. Any such certificate issued by the Association shall be conclusive evidence in favor of third parties (but not the applicable Owner) of the payment of the Assessment therein stated to have been paid. The Association may charge a reasonable fee for each such certificate.

Section 14. Declarant Subsidy. Until not later than the Turnover Date, Declarant or any successor owner of any portion of the Properties designated in writing by Declarant may elect to pay the operating expenses incurred by the Association in excess of the Assessments (including, but not limited to, Working Capital Assessments) receivable from Owners other than Declarant or such designee and any other income of the Association. So long as Declarant or such designee pays the shortfall described in the preceding sentence, Declarant or such designee shall be exempt from payment of Assessments with respect to all Units in the Properties owned by Declarant or such designee. The foregoing notwithstanding, except as otherwise required by law, Declarant or such designee shall not be required by this section to pay more than the Assessments that Declarant or such designee would have been required to pay if the exempted Units in the Properties were not exempt. At any time, Declarant or such designee may deliver written notice to the Association of Declarant's or such designee's election to stop paying the operating deficits of the Association. Following the termination or expiration of Declarant's or such designee's shortfall payments under this section,

Declarant or such designee shall commence paying, in accordance with this Declaration, the applicable per-Unit Assessments for each non-exempt Unit then owned by Declarant or such designee in the Properties, prorated for the year in which such payment commences.

Section 15. Working Capital Assessments and Transfer Fees. A one time only, non-recurring Working Capital Assessment and recurring Transfer Fees shall be paid for each Unit in the Properties in accordance with this section.

Each Working Capital Assessment shall be in the amount equal to two twelfths (2/12) of the applicable per-Unit Annual Assessment rate as disclosed by the annual budget in effect for the fiscal year in which the Working Capital Assessment is due. The Working Capital Assessment for each Unit shall be paid to the Association by the Owner (other than Declarant) of the Unit upon the earlier of: (a) the first occupancy of that Unit by any Person as a dwelling; or (b) the closing of the sale of that Unit (with or without a dwelling) to the first Owner (other than Declarant) that is not a licensed home builder purchasing the Unit for resale in the ordinary course of the purchaser's home building business.

In addition to the non-recurring Working Capital Assessment for each Unit, upon each closing of a subsequent sale or transfer of a Unit from an Owner (other than the Declarant or a builder) to a successor Owner (other than the Declarant or a builder), the successor Owner shall pay to the community association manager then engaged by the Association, or if no community association manager is then engaged by the Association, to the Association, a recurring transfer fee (the "**Transfer Fee**") in the amount established and amended from time to time pursuant to the management agreement between the Association and the community association manager or, if no such agreement exists, by the Board. Declarant and each builder shall be exempt from paying Working Capital Assessments and Transfer Fees. Working Capital Assessments and any Transfer Fees received by the Association may be used for any purpose for which any Assessment is permitted to be used pursuant to the Governing Documents and may be used to reduce or offset the Declarant's or its designee's subsidy pursuant to Section 14 above. Working Capital Assessments and Transfer Fees are not advance payments of any Annual Assessment, Special Assessment or Individual Assessment. Working Capital Assessments and Transfer Fees shall not be returned to any Owner by the Association under any circumstance, including, but not limited to, the sale of any Owner's Unit. Transfer Fees paid to a community association manager shall belong to the community association manager unless otherwise provided in the applicable management agreement.

Section 16. Association's Right to Acquire Units. The Association shall have the power and authority to bid for and to purchase any Unit at any Assessment lien foreclosure sale, and to accept a deed conveying title to any Unit in lieu of foreclosure, and thereafter to hold, convey, lease, rent, encumber, use and otherwise deal with such Unit as its owner. In the event of any such purchase of a Unit by the Association, or acceptance by the Association of any deed in lieu of foreclosure of any Assessment lien on any Unit, the purchase price paid and any other expense incurred by the Association in connection therewith shall be a Common Expense.

Section 17. Subordination. The liens for Assessments provided for in this Declaration shall be subject and subordinate only to real property tax liens and, subject to the limitations, set forth below, to the lien of any First Mortgage. Notwithstanding anything to the contrary contained in this article, the liability of a First Mortgage Holder, Insurer or Guarantor, or its successor or assignee as a subsequent First Mortgage Holder who acquires title to a Unit by foreclosure or by deed in lieu of foreclosure for the unpaid Assessments that became due before the First Mortgage Holder's acquisition of title, shall be the lesser of: (a) the Unit's unpaid Assessments that accrued or came due during the twelve (12) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or (2) one percent (1%) of the original mortgage debt. The limitations on the liability of a First Mortgage Holder provided by this section apply only if the First Mortgage Holder filed suit against the Unit Owner and initially joined the Association as a defendant in the mortgagee foreclosure action. Joinder of the Association is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at

a location that was known to or reasonably discoverable by the First Mortgage Holder. Any unpaid amounts which cannot be collected as a lien against any Unit by reason of the provisions of this section, shall be deemed to be a Common Expense, Limited Common Expense, and/or Special Benefit Area Expense, as applicable, which shall be paid in equal amounts per Unit by the Owners of all other similarly situated, non-exempt Units. Any transfer to, or by, a First Mortgage Holder shall not relieve the transferee of responsibility, or the applicable Unit from the lien, for Assessments thereafter falling due.

ARTICLE XI

PROPRIETARY WORDS AND PHRASES

In addition to any other intellectual property protections to which Declarant or any Affiliate may be entitled, no Person may use "Chapel Creek" or "Stonebridge", or any deceptively similar derivative thereof, in any printed or promotional material pertaining in any way to Declarant or to any of Phase 1A or the Annexable Property owned by Declarant or an Affiliate without Declarant's prior written consent. The foregoing restriction is subject to the limitation that Owners may use the aforementioned words or phrases, or derivatives thereof, without Declarant's prior written consent, in any printed or promotional material where such words or derivatives are used solely to specify that particular property is located in the Properties.

ARTICLE XII

ARCHITECTURAL, LANDSCAPE AND SITE PLAN CONTROL

Section 1. ARB. Until the Outside Date, Declarant shall be entitled to appoint, remove and replace all members of the ARB. Thereafter, the Board shall have the power to appoint, remove and replace all members of the ARB. The ARB shall consist of no less than three (3) members. Declarant may at any time assign in writing to any Person Declarant's power of appointment, removal and replacement of the members of the ARB. A majority of the members of the ARB shall constitute a quorum for transacting business and the concurrence of a majority of the members of the ARB shall be required for any decision of the ARB. The Association shall indemnify and hold harmless each member of the ARB from all costs, expenses, and liabilities, including, but not limited to, attorney's and paraprofessional's fees, incurred by virtue of service on the ARB.

Section 2. Design Guidelines. The ARB shall adopt, and may amend from time to time, the Design Guidelines. The Design Guidelines shall be set forth in writing and made available to all builders and developers doing business in the Properties and all Owners and prospective Owners of Units in the Properties. The Design Guidelines may include any matters considered appropriate by the ARB that are not inconsistent with the provisions of any other Governing Documents, including but not limited to requirements pertaining to the height, size and placement of improvements, lists of pre-approved and prohibited building and landscape colors and materials, standards for design of irrigation systems, and requirements for the payment to the Association or its designee of construction damage deposits in amounts determined by the ARB to be necessary to ensure the repair and replacement of any damage to Common Property, Limited Common Property or Area of Common Responsibility resulting from any construction activity in the Properties. The Design Guidelines shall not prohibit any Owner or Neighborhood Association from implementing xeriscaping or Florida-friendly landscape (as defined in Section 373.185(1), *Florida Statutes*) on that Owner's or Neighborhood Association's property but any such xeriscaping or Florida-friendly landscape shall be subject to the architectural, landscape and site plan control provisions of the Governing Documents. The foregoing to the contrary notwithstanding, until the Outside Date, the Design Guidelines and all amendments thereto must be submitted to Declarant and approved in writing by Declarant prior to adoption or implementation by the ARB. After Declarant's said right of approval expires, the Design Guidelines and all amendments thereto must be submitted to the Board and approved in writing by the Board prior to adoption or implementation.

Section 3. Approval Requirements. Except as otherwise provided in this Declaration, every improvement made, constructed or installed in the Properties, and every alteration of, addition to, and demolition or removal of, any improvement in the Properties, is subject to the architectural, landscape and site

plan control provisions of this Declaration. Except as otherwise provided in this Declaration, no temporary or permanent site work, landscaping, artificial vegetation, utility extension, sidewalk, drainage improvement, irrigation system, driveway, parking area, fence, wall, mailbox, deck, patio, greenhouse, awning, canopy, shutter, exterior lighting, garage, screen enclosure, swimming pool, spa, tennis court, basketball court, basketball standard, basketball backboard, or hoop, flag, flagpole, fountain, sculpture, trivet or other yard ornament or accessory, rollerblade ramp, skateboard ramp, bicycle ramp, swing set or other play structure, dwelling or other building, outbuilding, shed, shack, tent, or any other temporary or permanent improvement, or any exterior alteration or addition to any improvement, or any demolition or removal of any improvement, may be commenced, constructed, installed, maintained or carried out in the Properties, and no building or demolition permit may be applied for, unless and until the plans, specifications and site plans (collectively, "Required Plans") for the proposed improvement, alteration, addition, demolition or removal have been submitted to and approved in writing by the ARB. Despite the mention in this section of any specific object, feature or improvement, such as but not limited to fence, wall, tennis court, basketball court, basketball standard, basketball backboard or hoop, flag, flagpole, sculpture, trivet or other yard ornament or accessory, rollerblade ramp, skateboard ramp, bicycle ramp, swing set or other play structure, any such object, feature or improvement shall be subject to all applicable provisions of the Governing Documents, and the ARB shall have the power and authority to promulgate or amend the Design Guidelines in such manner as to restrict or prohibit any such object, feature or improvement.

All Required Plans submitted to the ARB for approval must comply with the form, content and detail requirements promulgated and amended from time to time by the ARB. Unless waived by the ARB, all Required Plans must be prepared by a Florida licensed architect and/or engineer employed by, and at the expense of, the Owner or Neighborhood Association making application. Two (2) sets of the Required Plans, and of each revision thereto, or such other number of sets as may be required by the ARB, shall be submitted to the ARB by the Owner or Neighborhood Association. In addition, if requested by the ARB, there shall be submitted to the ARB for consideration such samples of building materials proposed to be used as the ARB shall require. The architect and/or professional engineer that prepares the Required Plans must state in writing that he or she has visited the site and is familiar with the existing site conditions.

The ARB may charge and collect from the Owners and Neighborhood Associations that submit Required Plans for approval a review fee in the amount established and amended from time to time by the Board, plus such additional amounts as may be sufficient to cover the expenses of reviewing the Required Plans and to compensate any urban planners or designers, architects, engineers, inspectors, attorneys or other professionals engaged by the ARB to assist with the administration of the architectural, landscape and site plan control provisions of this Declaration.

In addition to complying with the Required Plans approved by the ARB, all improvements constructed in the Properties shall be designed and constructed in compliance with all applicable governmental requirements. Any approval of a proposed activity by the ARB shall immediately and automatically become null and void upon a written rejection of an application to a governmental authority for authorization to undertake the proposed activity (e.g., denial of a building permit).

Any approval by the ARB pursuant to this article may be conditioned upon the Owner or Neighborhood Association requesting such approval obtaining a building permit for the proposed work, or providing the ARB with written evidence from the controlling governmental authority that no permit will be required, and in that event the Owner or Neighborhood Association requesting the approval shall not proceed with any work until such building permit, or evidence that no building permit is required, is delivered to the ARB.

Section 4. Approval or Disapproval. Within forty five (45) days after the ARB receives any Required Plans or any resubmission thereof, the ARB shall deliver to the applicable Owner or Neighborhood Association written notice of the approval or disapproval of the Required Plans, or a request for such additional information as the ARB deems necessary in its discretion to be able to render a decision. Any notice of

approval or disapproval shall be accompanied by one (1) set of the approved or disapproved Required Plans. The second set of Required Plans shall be property of the Association. Whenever the ARB disapproves any Required Plans, the notice of disapproval shall set forth in reasonable detail the reasons for the disapproval and the changes, if any, that are required to obtain the approval of the ARB. If the ARB fails to respond to any submission or re-submission of any Required Plans within the said forty five (45) day review period, the Owner or Neighborhood Association may give to the ARB written notice of the failure of the ARB to provide a timely response, which notice shall refer to this section and shall state that, unless the ARB delivers to the Owner or Neighborhood Association written notice of approval or disapproval of the Required Plans, with specification of the reasons for any disapproval, within ten (10) days after the ARB receives the Owner's or Neighborhood Association's said notice, then the ARB shall be deemed to have approved the Required Plans in the form last submitted by the Owner or Neighborhood Association. Then, if the ARB fails to deliver to the Owner or Neighborhood Association written notice of approval or disapproval of the Required Plans, with specification of the reasons for any disapproval, within the said ten (10) day additional response period, then the ARB shall be deemed to have approved the Required Plans last submitted or resubmitted by the Owner or Neighborhood Association.

Except to the extent overruled by the Board upon the appeal of any decision of the ARB, the approval or disapproval of the Required Plans by the ARB shall be binding. The ARB shall have the sole discretion to determine whether the Required Plans for any proposed improvement, alteration, addition, removal or demolition submitted for approval are acceptable to the ARB. If for any reason not inconsistent with the Governing Documents, including purely aesthetic reasons, the ARB determines that any proposed improvement, alteration, addition, demolition or removal is not acceptable to the ARB, the said improvement, alteration, addition, demolition or removal shall not be constructed, installed or carried out. Without limiting the generality of the foregoing, the ARB may disapprove any Required Plans because of noncompliance with the Governing Documents, or because of the dissatisfaction of the ARB with any characteristic of the proposed improvement, alteration, addition, demolition or removal, such as but not limited to the location, setbacks, drainage, elevation, topography, architectural style, design, proportions, color, materials, finishes, landscaping or harmony thereof with any neighboring structure, or the effect or appearance of the proposed construction as viewed from any neighboring property, or for any reason connected with Declarant's future development plans for the Annexable Property owned by Declarant or an Affiliate.

The approval of any Required Plans by the ARB shall not be deemed to be a waiver by the ARB of its right to disapprove any feature or element included in the approved Required Plans if and when the same feature or element is included in any Required Plans subsequently submitted to the ARB.

Upon approval of any Required Plans by the ARB, it shall be conclusively presumed that each improvement, alteration, addition, demolition or removal that is constructed, installed or carried out strictly in accordance with the approved Required Plans complies with the Governing Documents.

An Owner or Neighborhood Association whose Required Plans have been disapproved by the ARB may appeal the adverse decision of the ARB to the Board in accordance with rules adopted and amended from time to time by the Board.

Section 5. Term of Approval. The approval of any Required Plans by the ARB shall be effective for a period of nine (9) months from the date the ARB delivers written notice of approval the Required Plans, or nine (9) months from the expiration of the ten (10) day additional response period provided in Section 4 above in any case in which the Required Plans are deemed approved because of the ARB's failure to provide timely written notice of approval or disapproval of the Required Plans. If the work is not commenced within the applicable nine (9) months period, the approval shall expire and the proposed improvement, alteration, addition, demolition or removal shall not be constructed, installed or carried out until the Owner or Neighborhood Association resubmits the Required Plans to the ARB and receives its prior written approval thereof in accordance with this article.

Section 6. Performance of the Work; Inspections. Following commencement, the work shall be performed in a diligent and expeditious manner and strictly in accordance with the Required Plans approved by the ARB. If any improvement, alteration, addition, demolition or removal is constructed, installed or carried out other than in strict conformity with the Required Plans approved by the ARB, the work shall be deemed to have been undertaken without the approval of the ARB having been obtained as required by this Declaration. The ARB shall have the right during reasonable hours to cause its representatives to enter upon and inspect any Unit, Neighborhood Common Property or Neighborhood Limited Common Property and the improvements thereon for the purpose of verifying that the work is being carried out strictly in accordance with the Required Plans approved by the ARB. After the expiration of nine (9) months from the date of completion of any improvement, alteration, addition, demolition or removal, any Person that acquires ownership of, or any mortgage or other lien upon, any portion of the Properties in good faith, for value and without notice of any violation of this article, shall be entitled to assume that the improvement, alteration, addition, demolition or removal was constructed, installed and/or carried out in compliance with this article unless the ARB records a notice of noncompliance in the Public Records or institutes a legal proceeding to enforce compliance with this article prior to the time the said purchaser, mortgagee or other lienor acquires its interest in or lien upon the applicable Unit, Neighborhood Common Property or Neighborhood Limited Common Property.

Section 7. Variances. The ARB may authorize variances from compliance with any of the architectural, landscape and site plan control provisions of this Declaration, including but not limited to variances from any restriction on height, size or placement of any structure, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may make it reasonable to do so in the judgment of the ARB. Variances must be set forth in writing and signed by at least two (2) members of the ARB. Variances will take effect upon delivery to the applicable Owner or Neighborhood Association. If any variance is authorized, no violation of this Declaration will be deemed to occur with respect to the matter for which the variance is granted. The authorization of a variance shall not operate to waive, or to estop the strict enforcement of, any provision of this Declaration or the Design Guidelines for any purpose except as to the particular Unit, Neighborhood Common Property or Neighborhood Limited Common Property and the particular matter covered by the variance, nor shall it affect in any way the Owner's or Neighborhood Association's obligation to comply with applicable governmental laws and building, fire and safety codes. The foregoing is subject to the limitation that no variance may be granted as to any requirement of the District without the prior written approval of the District.

Section 8. Waivers and Disclaimers. None of Declarant, the Association, the ARB, any member of the ARB, any Neighborhood Association or any of their respective partners, members, directors, officers, employees, agents, representatives or consultants shall be responsible or liable in any way to any Person submitting Required Plans for approval, to any Owner, tenant, guest or invitee of the Properties and Neighborhood Association or anyone else by reason of any mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval of any Required Plans, the failure to approve or disapprove any Required Plans, any defects in any Required Plans submitted, revised or approved in accordance with the requirements of the ARB or the Design Guidelines, or any structural or other defect in any work constructed, installed or carried out in accordance with the Required Plans. Every Person that submits Required Plans for approval, by submission thereof, and every Owner, tenant, guest and invitee of any Unit, and each Neighborhood Association, by acquiring title to, occupying or visiting the Unit, Neighborhood Common Property or Neighborhood Limited Common Property, as applicable agrees to hold the aforementioned Persons harmless from, and to refrain from bringing or participating in, any action, proceeding or suit for damages or other remedy against any of the aforementioned Persons in connection with, any of the aforementioned matters or circumstances.

The publication and enforcement of the Design Guidelines and any amendments thereto, and the approval of any Required Plans, by the ARB, shall be deemed solely for the purpose of protecting and enhancing the aesthetic qualities of the Properties. No publication or enforcement of the Design Guidelines or any amendments thereto, and no approval of any Required Plans, shall be construed as a determination,

covenant, warranty or representation that the Design Guidelines, as amended, or the Required Plans, as approved, are complete and free of defects, meet any applicable standard, guideline and/or criteria, are architecturally or aesthetically appropriate, will satisfy the requirements of any governmental authority for the issuance of any required permit or approval, or will, if followed, result in any improvement, alteration, addition, demolition or removal that is safe or compliant with any applicable law or building, fire or safety code.

Section 9. Enforcement. The Association shall have the standing and authority to enforce, in any mediation or arbitration proceeding required or permitted by law and in any court of competent jurisdiction, the Design Guidelines and the decisions of the ARB, and the Association shall have all remedies available at law and in equity, including but not limited to suits to enjoin any improvement, alteration, addition, demolition or removal or to require the removal or correction of any work in place that has not been approved by the ARB or that does not comply with the Governing Documents or the Required Plans approved by the ARB. If the Association finds it necessary to enforce the provisions hereof, the violating Owner or Neighborhood Association shall be liable to the Association for all Enforcement Expense incurred by the Association, whether or not judicial proceedings are instituted, and the Association shall be entitled to levy an Individual Assessment against that Owner or Neighborhood Association for the Enforcement Expense. In addition, if any Owner or Neighborhood Association fails to correct or eliminate any violation of any of the site plan, architectural and landscape control provisions of the Governing Documents within thirty (30) days after receipt of written notice of the violation from the Association, which notice shall specify the nature of the violation and the action required to cure it, the Association shall have the right (but not the obligation) to enter upon the applicable Unit, Neighborhood Common Property or Neighborhood Limited Common Property to take any action deemed necessary by the Association in order to cure or eliminate the violation, including but not limited to constructing, installing and carrying out of any improvement, alteration, addition, demolition or removal, and the Association shall be entitled to levy an Individual Assessment against the applicable Owner or Neighborhood Association for all cost and expense incurred by the Association for the purpose of curing or eliminating the violation, plus Enforcement Expense. None of the Association or its Members, directors, officers, employees, agents, representatives, consultants or contractors shall be liable to any Neighborhood Association, Owner, tenant, guest or invitee of the Properties for any trespass, any damage to or loss of any property, or any injury to any Person, suffered or incurred in connection with any entry on any Unit, Neighborhood Common Property or Neighborhood Limited Common Property or any construction, installation or carrying out of any improvement, alteration, addition, demolition or removal thereon, pursuant to this section except to the extent caused by the gross negligence or intentional wrongdoing of the Person against whom or against which the claim is asserted.

Section 10. Exempt Persons and Property. Neither this article nor the Design Guidelines shall apply to Declarant, any Affiliate, or any portion of the Properties owned by Declarant or an Affiliate during the time that the said portion is owned by Declarant or an Affiliate. Accordingly, the design, construction, installation and carrying out of any improvement, alteration, addition, demolition or removal on any portion of the Properties owned by Declarant or an Affiliate while the said portion is owned by Declarant or the Affiliate, shall be exempt from compliance with the architectural, landscape and site plan control provisions of the Governing Documents. Also, the architectural, landscape and site plan control provisions of the Governing Documents do not apply to the construction, installation, alteration, addition, demolition or removal of any interior portion of any building that is not, and will not be, visible from the exterior of the building.

Section 11. Delegation by Association. The Association, with the consent of Declarant for so long as Declarant is entitled to appoint the members to the ARB, shall be entitled to delegate to any Neighborhood Association, solely as to the Units from time to time under the jurisdiction of that Neighborhood Association, and upon such terms and conditions as shall be established by the Board, the duty and authority to administer and enforce the architectural, landscape and site plan control provisions of this Declaration and the Design Guidelines, but the Association shall also have the right to enforce this article and the Design Guidelines during the period of any such delegation, and the Association shall have the right to withdraw any such delegation at

will. A Neighborhood Association shall not have any power or authority to administer or enforce the Design Guidelines or this Declaration unless and until the Association delegates such power and authority in writing.

ARTICLE XIII **EXTERIOR MAINTENANCE**

Section 1. Units and Neighborhood Common and Limited Common Properties. Each Unit, Neighborhood Common Property and Neighborhood Limited Common Property in the Properties, including but not limited to all improvements and landscaping from time to time located thereon or therein, shall be maintained, repaired replaced and kept in good repair and in a neat and attractive condition by the responsible Person in accordance with the Governing Documents and any applicable Neighborhood Declaration. The minimum but not exclusive standard for maintenance of improvements shall be consistency with the approved Required Plans for those improvements and with the general appearance of the other occupied improvements in the Properties as a whole when initially constructed and improved (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness). The maintenance obligation as to building improvements shall include, without limitation, maintenance of all exterior surfaces and roofs, fasciae and soffits, awnings, trellises, decorative facades, screens, windows and doors. The responsible Persons shall clean, repaint or re-stain, as appropriate, the exterior portions of the building improvements (with the colors shown on the Required Plans approved by the ARB or with other colors approved in advance by the ARB), including exterior surfaces of garage doors, as often as is necessary to comply with the foregoing standards. The responsible Persons shall also keep, maintain and irrigate the trees, shrubbery, grass and other landscape material located on the Unit, Neighborhood Common Property or Neighborhood Limited Common Property in good condition and repair and in a neat and attractive condition. The minimum, but not exclusive, standard for maintenance of those improvements shall be consistency with the approved Required Plans for the landscaping and with the general appearance of the other occupied portions of the Properties as a whole when initially landscaped (taking into account, however, the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained). Landscape maintenance shall include, without limitation, irrigation, fertilization, weeding, mowing, trimming, spraying for insects and disease, and periodic replacement (with the plant material shown on the Required Plans or with other plant material approved in advance by the ARB) of dead, damaged or diseased plantings. All landscaped areas on or comprising part of a Unit shall be watered by means of an automatic underground sprinkler system which shall be employed so as to keep all vegetation in a healthy condition. The responsible Person's obligations hereunder shall include routine landscape maintenance, mowing and removal of trash and debris within the portions of the Surface Water Management System lying within the applicable Unit, Neighborhood Common Property or Neighborhood Limited Common Property.

Except to the extent that any Supplemental Declaration or Neighborhood Declaration imposes any maintenance, repair or replacement obligation as to any Unit on the Association, a Neighborhood Association, or some other Person, the Owner of each Unit shall be the Person responsible for the maintenance, repair and replacement of all improvements and landscaping located on or comprising part of that Unit, and the applicable Neighborhood Association shall be the entity responsible for the maintenance, repair and replacement of all improvements and landscaping located on or comprising part of any Neighborhood Common Property or Neighborhood Limited Common Property.

If, and to the extent, required or permitted by the CDD and the Board, the Person responsible for the maintenance, repair and replacement of each Pond Frontage Lot (as defined below) shall landscape, irrigate, mow, trim and otherwise maintain in good and presentable condition and repair those portions of the CDD Property, Common Property or Limited Common Property that are bounded by rear lot line, the imaginary rearward extensions of the two side lot lines from the rear lot line to the edge of the water (for wet ponds) or center of the pond (for dry ponds), and the said edge of the water (for wet ponds) or center of the pond (for dry ponds). For the purposes of this paragraph, a "**Pond Frontage Lot**" is any platted lot comprising part of a Unit that would front on a drainage pond if the side lot lines were projected in straight lines from the rear lot line to a

drainage pond located within the CDD Property, Common Property or Limited Common Property abutting the rear line of that lot. All activities conducted in accordance with this paragraph shall at all times be subject to the paramount rights and authority of the CDD and District with respect to the CDD Property and Surface Water Management Systems, and the Association with respect to any Common Property and Limited Common Property.

To the fullest extent required or permitted by the County or the CDD, the Person responsible for the maintenance, repair and replacement of each Unit that abuts any street shall landscape, irrigate, mow, trim and otherwise maintain in good and presentable condition and repair all landscaping and sidewalks lying within the unpaved portions of the right-of-way lying between that Unit and the edge of curb in the said right-of-way.

Section 2. Default. In addition to any other remedy the Association may have under the Governing Documents or applicable law, the Association shall have the right (but not the obligation) to provide exterior maintenance, repair, replacement and cleanup on any Unit, Neighborhood Common Property or Neighborhood Limited Common Property if the Person responsible for the work fails to perform the work in accordance with the Governing Documents or applicable Neighborhood Declaration. Before performing any work on any Unit, Neighborhood Common Property or Neighborhood Limited Common Property pursuant to this section, the Board must first determine that, in the opinion of the Board, the Unit, Neighborhood Common Property or Neighborhood Limited Common Property is in need of maintenance, repair, replacement or cleanup and is detracting from the health, safety or overall beauty of the Properties.

Except in an emergency, before commencing any work on any Unit, Neighborhood Common Property or Neighborhood Limited Common Property pursuant to this section, the Association shall furnish written notice to the Person responsible for the defaulted maintenance, repair, replacement or cleanup advising that, unless the work specified in the notice is commenced within ten (10) days after receipt of the notice and thereafter diligently pursued to completion, the Association may procure the specified maintenance, repair, replacement and/or cleanup and charge the cost and expense thereof to the responsible Person. Upon the failure of the responsible the responsible Person to commence in good faith the specified work within said period of time and thereafter to pursue the same with diligence to completion, the Association shall have the right (but not the obligation) to enter upon the Unit, Neighborhood Common Property or Neighborhood Limited Common Property, as applicable, including but not limited to the exterior of any improvements from time to time located thereon or therein, or to hire personnel or contractors to do so, in order to perform the maintenance, repair, replacement and/or cleanup specified in the notice. In an emergency situation, as determined by the Board in its sole and absolute discretion, entry on any Unit, Neighborhood Common Property or Neighborhood Limited Common Property pursuant to this section may be made on any day and at any hour, with or without advance notice. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor in its sole and absolute discretion.

The work that the Association is entitled (but not obligated) to perform pursuant to this section includes, but is not limited to, maintaining, repairing, replacing, cleaning up and caring for the following: (a) exterior building surfaces, such as but not limited to walls, supports, roofs, gutters, down spouts and decorative elements; (b) pools, spas and other recreational facilities; (c) walls, fences and pool and spa enclosures; (d) sidewalks, driveways, curbs, signs, parking areas and other hardscape materials and improvements; (e) grounds and landscape materials, areas and improvements, including but not limited to cleanup and removal of underbrush, weeds, stumps, garbage, trash and debris, application of weed and pest controls, and planting, fertilizing, trimming, pruning, mowing and watering of trees, shrubs, flowers and grass; (f) sprinklers; (g) exterior lighting; and (h) gutters, swales, berms, pipes, ponds and other drainage improvements and areas.

Section 3. Individual Assessment. If the Association performs or procures any maintenance, repair, replacement or cleanup on any Unit, Neighborhood Common Property or Neighborhood Limited Common Property pursuant to Section 2 above, the Association shall be entitled to levy an Individual Assessment against the Person responsible for the defaulted work for all cost and expense incurred by the Association for the work,

together with interest thereon from the date each cost or expense is paid by the Association to the date reimbursement is received by the Association, late charges and Enforcement Expense.

Section 4. Easement to Association. The Association is hereby granted a perpetual, non-exclusive easement over, under and through all Units (excluding the interiors of any buildings located thereon), Neighborhood Common Property and Neighborhood Limited Common Property for the purpose of allowing the Association and its directors, officers, employees, agents, representatives, consultants and contractors to perform or exercise any of the Association’s rights or duties under the Governing Documents, including but not limited to the Association’s right provide exterior maintenance, repair, replacement and cleanup on any Unit, Neighborhood Common Property or Neighborhood Limited Common pursuant to Section 2 above. Whenever the Association, its directors, officers, employees, agents and contractors are permitted by the Governing Documents to enter upon any Unit, Neighborhood Common Property or Neighborhood Limited Common Property, the entering thereon and the taking of such action as may be permitted by the Governing Documents shall not be deemed to be trespass, and none of the Association or its Members, directors, officers, employees, agents, representatives, consultants or contractors shall be liable to any Neighborhood Association, Owner, tenant, guest or invitee of the Properties for any trespass, any damage to or loss of any property, or any injury to any Person, suffered or incurred in connection with any such entry on any portion of the Properties, or any work or other activity conducted thereon, pursuant to this section except to the extent caused by the gross negligence or intentional wrongdoing of the Person against whom or against which the claim is asserted.

Section 5. Common and Limited Common Properties and Areas of Common Responsibility. Regardless of whether or not ownership of the Common Property or any Limited Common Property has yet been conveyed to the Association, the Association shall operate, maintain, repair and replace the Common Property and any Limited Common Property, including but not limited to all improvements from time to time located thereon or therein. In addition, the Association shall operate, maintain, repair and replace any Areas of Common Responsibility. The work that the Association is obligated to perform pursuant to this section may include, but is not limited to, maintaining, repairing, replacing, cleaning up and caring for the following to the extent, if at all, they exist from time to time within any of the Common Property, any Limited Common Property or any Area of Common Responsibility: (a) exterior building surfaces, such as but not limited to walls, supports, roofs, gutters, down spouts and decorative elements; (b) any recreational facilities; (c) walls, fences and enclosures; (d) entry features, signs, sidewalks, paving, pavers, curbs, parking areas and other hardscape materials and improvements; (e) grounds and landscaping, including but not limited to cleanup and removal of underbrush, weeds, stumps, garbage, trash and debris, application of weed and pest controls, and planting, fertilizing, trimming, pruning, mowing and watering of trees, shrubs, flowers and grass; (f) sprinklers; (g) exterior lighting; and (h) gutters, swales, berms, pipes, ponds and other drainage improvements and areas.

ARTICLE XIV
AFFIRMATIVE AND RESTRICTIVE COVENANTS

Except as otherwise provided in any Supplemental Declaration with respect to the Additional Property thereby annexed to the Properties, and also except as otherwise provided in the Governing Documents, including, but not limited to, the rights and exemptions reserved to Declarant and any other Persons designated by Declarant, the following affirmative and restrictive covenants shall bind each Owner and Unit in the Properties:

Section 1. Prohibited Activities and Uses. No activity or use shall be allowed on the Properties that is a source of unreasonable annoyance, embarrassment or discomfort to the Owners or their tenants, invitees, or guests, or that interferes with the peaceful possession and proper use and enjoyment of the Properties, nor shall any improper, unsightly, offensive or unlawful use shall be made of any Unit, Common Property or Limited Common Property, and all laws and regulations of the applicable governmental bodies shall be observed. The Properties shall be used, enjoyed, and occupied in such manner as not to cause or produce any of the following effects discernible outside any Unit: noise or sound that is objectionable because of its volume, duration, beat, frequency or shrillness; smoke, noxious, toxic, or corrosive fumes or gases; obnoxious odors; dust, dirt or fly

ash; unusual fire or explosive hazards; vibration; or interference with normal television, radio or other telecommunication reception by any other Owner.

Section 2. Residential Use. Units shall be used for residential purposes only and, except as permitted by this section, no trade or business of any kind may be carried on therein. The use of a portion of a residence as a home office by an Owner or other occupant will not violate this covenant if (a) such use is lawful, (b) such use does not generate unreasonable customer, client or employee traffic, as determined by the Board, and (c) Section 9 of this Article is not violated at any time in connection with such use. The lease or rental of any Unit for residential purposes as permitted by Section 26 below will not violate this covenant. This section shall not restrict the rights of Declarant or any builders designated by Declarant to maintain any model homes within the Properties or otherwise exercise rights reserved to the Declarant under the Governing Documents, nor shall this section restrict the showing or display of any Unit for the purpose of sale or lease of the same.

Section 3. Animals. Birds, fish, dogs, cats, reptiles, insects and all other non-human, non-plant living organisms (individually called "Animal" and collectively called "Animals") may be kept as pets only, and shall not be held or offered for sale or maintained or bred for any commercial purpose. Not more than three (3) Animals may be kept on or within any Unit at any one time. All Animals shall be sheltered inside the residences. Unless first approved, or deemed approved, by the ARB in accordance with Article XII, no separate or exterior shelter for any Animal shall be permitted. All Animals must be kept in a fully fenced area or leashed when outside and shall not be permitted to run loose. All owners of Animals shall clean up immediately any excretions of their Animals within the Properties. No Animal shall be permitted to remain on the Properties if it disturbs the tranquility of the Properties or the Owners or occupants thereof, if it is unlawful, dangerous, annoying or a nuisance to, or destructive of, wildlife, or if it is specifically excluded from the Properties by the Board after notice and hearing. Upon the written request of any Owner or occupant of the Properties, the Board may conclusively determine, in its sole and absolute discretion, whether any Animal has violated or threatens to violate the Governing Documents, and the Board shall have the right to require the owner of any Animal to remove that Animal from the Properties. If the Association incurs any expense to correct or repair any damage to, or condition of, the Common Property or Limited Common Property caused by any Animal, the Association may recover the expense so incurred by levying an Individual Assessment against the owner of the applicable Animal and the applicable Unit.

Section 4. Garbage and Trash. No trash, garbage or other waste material or refuse shall be placed, stored or permitted to accumulate on any Unit except in covered or sealed containers approved by the ARB. All such containers must be stored within each residence or concealed by means of a wall or enclosure in accordance with Required Plans which have been submitted to, and approved or deemed approved, by the ARB in accordance with Article XII.

Section 5. Exterior Equipment. All exterior air conditioning, heating and ventilation equipment, water treatment systems, well pumps, sprinkler pumps, pool and spa equipment and heaters, and other mechanical fixtures and equipment, all wood piles, and all exterior fuel tanks and other storage receptacles, shall be installed only within approved accessory buildings or screened areas so as not to be visible from any street or from any other Unit, and they shall also comply with any additional standards established from time to time by the ARB and applicable law. Window air conditioning units are prohibited. No wall-mounted air conditioning equipment will be permitted unless Required Plans showing the same have been approved by the ARB. The ARB shall have the authority to determine the specific location where any solar collector may be installed on the Properties; provided, however, that such determination does not unreasonably restrict the effective operation of the solar collector or violate any applicable law.

Section 6. Vehicles and Equipment. No watercraft, camper, trailer, mobile home, motor home, recreational vehicle, commercial vehicle or equipment, construction vehicle or equipment, freight or delivery vehicle, repair vehicle or equipment or disabled vehicle of any type may be parked or stored within the Properties, except within a garage or any area specifically designated for that purpose by Declarant or the Board.

This prohibition does not apply to temporary parking of prohibited vehicles or equipment while in use for pick-up, delivery, construction, repair or maintenance activities. This prohibition is also subject to the qualification that Declarant and anyone authorized by Declarant may erect and maintain temporary structures, staging and storage areas, trailers and mobile vehicles in the Properties for the purpose of facilitating development, construction and sale of the Properties, the Units or any residences. No repair of vehicles or equipment will be performed within the Properties except (a) within an enclosed garage, or (b) for emergency repairs, and then only to the extent necessary to enable the movement thereof to a repair facility outside the Properties. All emergency repairs must be completed within twenty four (24) hours from the time the vehicle or equipment becomes disabled, failing which the disabled vehicle or equipment must be removed from the Properties. Any vehicle or equipment parked or stored in violation of this Declaration or the rules promulgated by the Association for a period of twenty four (24) consecutive hours or for forty-eight (48) nonconsecutive hours in any seven (7) day period may be towed by the Association at the expense of the owner of such vehicle or equipment. The Association will not be liable to the owner of such vehicle or equipment for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and neither its removal nor failure of the owner of such vehicle or equipment to receive any notice of such violation will be grounds for relief of any kind. Additional rules regarding use, repair and storage of vehicles in the Properties may be promulgated from time to time by the Board.

Section 7. Receiving and Transmitting Devices and Flagpoles. Except to the extent required to be permitted by applicable law, no exterior antenna, satellite dish or other signal receiving or transmitting device may be installed or maintained outside any residence in the Properties, and no flagpole will be permitted to be installed or maintained on any Unit, unless Required Plans showing the same have been approved by the ARB. The foregoing is subject to the qualification that this section shall not prohibit or limit Declarant, the Association, or their respective designated licensees, from installing any Community System anywhere within the Properties.

Section 8. Temporary Structures. Except as authorized elsewhere in this Declaration, no building or structure of a temporary or portable character such as sheds, shacks or tents shall be permitted on any Unit unless Required Plans showing the same have been approved by the ARB in accordance with Article XII. This prohibition is subject to the qualification that Declarant, and anyone authorized by Declarant, may erect and maintain temporary structures, staging and storage areas, trailers and mobile vehicles on the Properties for the purpose of facilitating development, construction and sale of the Units.

Section 9. Graphic Materials or Devices. No sign, solicitation, advertisement, notice, letter or other graphic material or device, including, but not limited to, any "for rent" or "for sale" sign or notice, may be exhibited, displayed, inscribed, painted or affixed upon any Common Property or Limited Common Property without the prior written consent of the Board. Also, no sign, solicitation, advertisement, notice, letter or other graphic material or device, including, but not limited to, any "for rent" or "for sale" sign or notice, may be exhibited, displayed, inscribed, painted or affixed upon any Unit or vehicle in the Properties (or on, or within, any window or other place visible from the exterior of any residence) without the prior written consent of the ARB. The restrictions of this section shall not apply to any sign, solicitation, advertisement, notice, letter or other graphic material or device that is exhibited, displayed, inscribed, painted or affixed: (a) by Declarant or anyone authorized in writing by Declarant; (b) as required by applicable law or legal proceeding; or (c) as permitted by any sign license or easement granted or reserved by Declarant or the Association.

Section 10. Landscaping. Except for any tree, shrub or other vegetation that is located under or within six (6) feet of a permitted improvement to a Unit, no tree or shrub on any Unit that has a trunk diameter of three (3) inches or more at a point four (4) feet above ground level, and no other vegetation designated for protection from time to time by the ARB, may be removed or damaged by anyone other than Declarant or any builders designated by Declarant without prior written approval of the ARB; provided, however, that any dead or diseased tree, shrub or other vegetation which is inspected and certified as dead or diseased by the ARB shall be removed promptly by the Owner of the applicable Unit. In the event of conflict between the provisions of this

section and any law pertaining to removal of, or damage to, any trees, shrubs or other vegetation, the more restrictive of the two shall apply.

Section 11. Construction Activities. Following the commencement of construction of any improvement, alteration, addition or repair on any Unit, the Owner shall diligently and continuously prosecute the work so that it is completed without unreasonable delay. The Owner of the Unit on which any improvement, alteration, addition or repair is being constructed shall keep the streets and other common areas of the Properties free from damage, dirt, mud, garbage, trash or other debris occasioned by such construction. During construction, the Owner of the applicable Unit shall require its contractors to maintain the Unit upon which such work is being done in a reasonably clean and uncluttered condition and, to the extent possible, all construction trash and debris shall be kept within refuse containers located on the Unit. Upon completion of construction, the Owner shall cause its contractors to immediately remove all equipment, tools, and excess construction material and debris from the Unit.

Section 12. Clearing and Excavation. No clearing or excavation shall be made on any Unit except incidental to the construction of any improvement, alteration, or addition that has been approved by the ARB, or the maintenance or repair of any previously approved improvement, alteration or addition, and, upon completion thereof, all exposed openings shall be back-filled and disturbed ground shall be leveled, graded and covered with sod, mulch, plantings or seeded in accordance with the approved Required Plans.

Section 13. Sidewalks. If required by the County, the Owner of each Unit shall construct, prior to occupancy of the residence comprising part of that Unit, a sidewalk along each boundary line of the Unit which abuts a platted street.

Section 14. Mailboxes. If required by the U. S. Postal Service, clustered “gang-type” mailboxes shall be utilized. If separate, individual mailboxes are permitted, then before occupying a residence in the Properties, the Owner thereof shall install a U.S. Postal Service-approved mailbox meeting the requirements of the ARB.

Section 15. Walls and Fences. Except for any walls or fences constructed or installed by Declarant or the CDD, there shall be no wall or fence permitted on any Unit unless first approved, or deemed approved, by the ARB in accordance with Article XII. Except for any wall or fence constructed or installed by Declarant, the ARB shall have the right to prohibit any or all walls and/or fences. Alternatively, if any wall or fence is approved by the ARB, the ARB shall have the right to impose conditions and requirements applicable to any such wall or fence, such as but not limited to a requirement for a landscape buffer on the outside of such wall or fence. The ARB shall not approve construction of any wall or fence between the street along the front of the residence and a straight line being the extensions of the surface of the furthest set back portion of the front side of the residence to each of the two side Unit lines.

All walls and fences approved by the ARB located within any portion of the Properties designated as a drainage easement shall meet the following criteria:

(a) All Owners of each Unit within which any such wall or fence is located will, in perpetuity, be solely responsible for all costs related to removal and replacement of the wall or fence in the event the County, CDD, District, Declarant, Association or any vendor of the Association requires access to the drainage easement.

(b) All Owners of each Unit within which any such wall or fence is located will, in perpetuity, indemnify, defend, and hold harmless the County, CDD, District, Declarant, Association and any vendor of the Association in the event the wall or fence must be removed or is damaged in the course of access to or maintenance of the drainage easement.

(c) All Owners of each Unit within which any such wall or fence is located will, in perpetuity, at all times assume all risks of and indemnify, defend and hold harmless the County, CDD, District, Declarant, Association and any vendor of the Association from and against all loss, damage, cost or expense arising in any manner as a result of the installation of the wall or fence.

(d) The wall or fence will be installed a few inches higher than ground level and otherwise designed and installed so as to not impede any flow of water.

(e) The wall or fence will be installed in such a manner as not to interfere with or damage any drainage structure installed within the drainage easement.

Additional wall and fence criteria may be found in the Design Guidelines as adopted by the ARB or the Rules as adopted by the Board.

Notwithstanding anything herein to the contrary, so long as Declarant or any builders designated by Declarant maintain any model homes within the Properties, they shall have the right to enclose by wall and/or fence all or any part of any Unit being used for vehicular parking for the term of such use.

Section 16. Pools, Spas and Enclosures. No swimming pool, spa, or screen enclosure may be located in the front or side yard of any Unit, nor nearer than the residence to any side street lot line. In the event any Owner constructs a swimming pool on a Unit, such swimming pool must be entirely in-ground, and the Owner of the Unit must erect a screen enclosure or a fence at least five (5) feet in height around the entire perimeter of that portion of the Unit located behind the house so as to prevent access to such swimming pool. However, this section shall not create any liability or responsibility on the part of the Declarant or the Association with respect to any claims arising from the lack of a screened enclosure or fence around any swimming pool. The term swimming pool shall also include any spa, whirlpool bath, or similar device as determined by the ARB. All porch enclosures must be approved by the ARB and shall (a) be no higher than twelve (12) feet unless otherwise approved by the ARB; and (b) be constructed with white or bronze aluminum supports with charcoal screen unless otherwise approved by the ARB. Higher density private screening will be permitted for pool enclosures. Screening of entryways and garage doors is not permitted.

Section 17. Residences. As noted above, unless otherwise specified in any Supplemental Declaration as to any Additional Property thereby annexed to this Declaration:

(a) No residence shall contain less than one thousand three hundred (1,300) square feet of air conditioned floor area under roof, exclusive of screened area, open porches, terraces, patios and garage.

(b) Each residence shall have an attached garage capable of housing not less than two (2) standard sized automobiles.

(c) Setbacks for residences shall be as established by the Chapel Creek MPUD and County or as otherwise approved by the ARB. All costs associated with obtaining approvals for reduced setback requirements shall be borne by the Owner of the applicable Unit.

(d) No residence shall exceed two (2) stories in height.

(e) Except as approved, or deemed approved, by the ARB, no projections of any type other than chimneys, skylights and vent stacks shall be placed or permitted to remain above the roof of any residence.

(f) No residence shall have exposed structural block on its front elevation.

(g) All driveways shall be constructed of solid concrete or decorative pavers approved by the ARB.

Section 18. Garage Conversions. The primary use of all garages in the Properties shall be for the storage of motor vehicles, and the secondary use of all garages shall include, but not be limited to, the storage of personal items, such as equipment, tools, holiday decorations, recreational vehicles, etc. No garage shall be converted to living area nor used for living area at any time. Any garage of a model home that was converted to an office or other living space by the Declarant shall be converted back to a garage upon sale of the model to a homeowner intending to use the model as a residence. All garage doors facing a street or right-of-way must be closed at all times with the exception of (a) ingress to or egress from the interior of said garage; (b) while performing maintenance on the exterior of the home; or (c) while supervising children while playing in the yard. Nothing in this section shall restrict or prohibit garage apartments permitted by the Chapel Creek MPUD.

Section 19. Exterior Lighting. The design and location of all exterior lighting fixtures and other illumination devices on Units must be approved by the ARB prior to installation. No light fixture or other illumination device, including, but not limited to, any holiday lighting display or ornament, visible from the exterior of any Unit may be located or directed, or be of such intensity or number, so as to adversely affect, in the opinion of the ARB, the nighttime environment of any adjoining property. Holiday lighting and decoration shall be permitted to be placed upon the exterior portions of a residence and upon the lot in the manner permitted hereunder during a period commencing on Thanksgiving and continuing through January 15 of the following year, after which such lighting shall be removed. Lighting and decoration for any holiday other than that referenced above shall be permitted commencing fifteen (15) days prior to said holiday and continuing for 15 days following said holiday, after which time said lighting and decoration shall be removed. The ARB may establish additional standards for holiday lights and may require the removal of any lighting that creates a nuisance.

Section 20. Garbage and Refuse Collection. All garbage and refuse shall be placed outside the residence for collection not earlier than the evening preceding the scheduled pickup, and all containers for garbage and refuse shall be returned to their normal, hidden location no later than midnight on the day of pickup. Except for normal construction debris on any Unit during the course of construction of the approved improvements, no weeds, garbage, refuse or debris of any kind shall be placed or permitted to accumulate on any Unit.

Section 21. No Further Subdivision, Covenant or Restriction. For so long as Declarant owns any of the Properties or either Declarant or an Affiliate owns any of the Annexable Property, none of the Properties may be subdivided or re-subdivided, and no additional covenant or restriction (beyond those contained in this Declaration or in any Supplemental Declaration executed by Declarant) may be imposed on any Unit, without the prior written consent of Declarant. Thereafter, any such subdivision, re-subdivision or additional covenants and restrictions shall require the prior written consent of the Board; provided, however, that Declarant may at any time subdivide, re-subdivide or impose additional covenants and restrictions on any property then owned by Declarant or an Affiliate without the consent of the Board or anyone else.

Section 22. Basketball Goals and Playground Equipment. Basketball goals and hoops may be installed provided that the design and placement thereof meet the standards of the ARB and are approved pursuant to Article XII. Basketball goals must be permanently affixed to the ground and have clear glass backboards. In no event shall any basketball goal or hoop be affixed to the exterior of any garage or other portion of any residence. Playground equipment may be installed within a fenced-in rear yard of a home with the written approval of the ARB prior to installation if the fence complies with Section 15 of this Article and no color of equipment other than that approved by the ARB is visible above the height of the fence. All recreational toys, etc. must be stored in the garage when not in use, unless stored in a fenced yard.

Section 23. Outdoor Clotheslines. No clothesline or similar device shall be permitted to be erected on any Unit or other part of the Properties unless erected and located in such manner so as not to be visible from the subdivision right-of-way or from any adjoining Unit, including Units to the rear. This provision shall not be interpreted as a prohibition against clotheslines, but rather as a requirement that they be completely screened so as to not be visible to other Owners.

Section 24. Lakes and Water Bodies. Lakes and water bodies within the Properties are designed solely for management of storm water runoff and surface waters. As such, they are not designed for, nor are they intended to be used for, aquatic activities. Therefore, use of ponds, lakes, and other water bodies for boating, fishing, swimming or any other aquatic activity is prohibited.

Section 25. Window Treatments. In order to promote uniformity in the exterior presentation of residential structures within the Properties, curtains, blinds, and other window treatments, when viewed from the exterior of the residence, shall be white or of a style, color and material that shall be the same or compatible with the outside color and style of the residence. No clothing, bedding or other items shall be hung over any window.

Section 26. Leases. In order to keep the Properties from becoming a transient community and to assure enforcement of this Declaration, the following provisions apply to all leases of Units:

(a) All leases shall be in writing. Each lease shall contain, at a minimum, the following provisions: (i) the lease term shall not be less than twelve (12) consecutive months; (ii) the lease shall be for the entire Unit, including, but not limited to, the garage, with the sole exception that, in the case of any Unit that contains a garage apartment permitted by the Chapel Creek MPUD, the Owner may lease either the primary residence or the garage apartment as long as the Owner continues in possession of, and does not lease to any other tenant, the balance of the Unit; (iii) no tenant or tenants shall be permitted the use of more than a total of two (2) parking spaces (including the garage) per Unit; (iv) every lease shall provide that the tenant shall be bound by and subject to all of the obligations of the Owner under this Declaration.

(b) Any Owner that has leased such Owner's Unit shall provide to the Association, by not later than the date of occupancy by the tenant, the name, address and telephone number of the tenant, the name, address and telephone number of the Owner, and a copy of the signed lease.

(c) No tenant shall be entitled to use the Common Property of the Association, including, but not limited to, any recreational facilities until the Owner has complied with this Section 26.

(d) The use of the Common Property, including, but not limited to, any recreational facilities, is limited to one (1) family for each Unit without an approved garage apartment and two (2) families for each Unit with an approved garage apartment. Therefore, by leasing any Unit or approved garage apartment, the Owner thereof shall forego, for the term of the lease, any right to use the Common Property appurtenant to the leased Unit or garage apartment except that such Owner shall continue to have access to such Owner's Unit at all times.

(e) Each Owner shall be responsible to the Association for enforcing compliance, and for any non-compliance, by such Owner's tenants with the Governing Documents.

(f) The Association shall have the right to collect delinquent assessments and other charges due from any Owner from such Owner's tenants as contemplated by Section 720.3085, *Florida Statutes*.

(h) Each Owner shall collect from their respective tenant and remit to the Association a security deposit in the amount of Two Hundred and No/100 Dollars (\$200.00), or such other amount as may be determined by the Board from time to time, to cover expenses related to the maintenance and repairs of the Unit

and/or damage caused to the Common Property by the tenant, members of the tenant's family, or the tenant's guests and invitees. The Association shall be entitled to apply the deposit to any tenant obligations in connection with the Unit, Common Property, or otherwise described in the Governing Documents in the event the tenant does not satisfy such obligations after notice from the Association. Unless otherwise applied as provided herein, the deposit shall be returned to the Owner upon termination of the lease term after the Association receives notice of such termination. If the Owner does not comply with this Section, the Association may charge the deposit to the Owner as an Individual Assessment. Notwithstanding anything to the contrary herein, the leasing of a Unit or garage apartment to a tenant and the collection of the deposit referred to herein from an Owner shall not reduce or abate any Owner's obligations pursuant to the Governing Documents, or give any Owner the right to avoid any of the covenants, agreements, or obligations to be performed hereunder or thereunder.

Section 27. Variances. The Board, with the prior written consent of Declarant for so long as Declarant owns any of the Properties or either Declarant or an Affiliate owns any of the Annexable Property, shall have the right and power to grant variances from the provisions of this Article XIV. In addition, the Board shall have the right and power to grant variances from the provisions of the Rules. Variances may be granted only for good cause shown, as determined in the sole and absolute discretion of the Board. No variance shall alter, waive or impair the operation or effect of the provisions of this Article XIV or the Rules in any instance, or in favor of any Unit or Owner, except as to which or to whom the variance is expressly granted.

Section 28. Completion of Development and Sale. The foregoing to the contrary notwithstanding, nothing contained in this Article shall preclude or limit the rights of Declarant or any builder doing business within the Properties, or their respective contractors or subcontractors, from doing or performing within the portions of the Properties owned or controlled by them whatever they reasonably deem necessary or desirable in connection with completion of the development, including without limitation: (a) erecting, constructing and maintaining such structures as may be reasonably necessary for the conduct of their business of completing the development and establishing the Properties as a residential community and disposing of the same by sale, lease or other means; or (b) conducting within the Properties their lawful businesses.

ARTICLE XV

DISCLOSURES, DISCLAIMERS AND WAIVERS

Section 1. No Assurances of Views. NEITHER DECLARANT NOR THE ASSOCIATION WARRANTS OR REPRESENTS THAT ANY VIEW OVER AND ACROSS ANY UNIT, COMMON PROPERTY OR LIMITED COMMON PROPERTY WILL BE PRESERVED WITHOUT IMPAIRMENT. NEITHER DECLARANT NOR THE ASSOCIATION WILL HAVE ANY OBLIGATION TO PRUNE OR THIN TREES OR OTHER LANDSCAPING AND THEY WILL HAVE THE RIGHT, IN THEIR SOLE AND ABSOLUTE DISCRETION, TO ADD TREES OR OTHER LANDSCAPING TO THE COMMON PROPERTY AND LIMITED COMMON PROPERTY FROM TIME TO TIME. IN ADDITION, DECLARANT AND THE ASSOCIATION, IN ITS OR THEIR SOLE AND ABSOLUTE DISCRETION, MAY ADD TO, REMOVE OR CHANGE THE LOCATION, CONFIGURATION, SIZE, TYPE, NUMBER AND ELEVATION OF TREES AND OTHER LANDSCAPE MATERIALS, BUILDINGS AND OTHER IMPROVEMENTS ON THE COMMON PROPERTY AND LIMITED COMMON PROPERTY AT ANY TIME AND FROM TIME TO TIME. ANY SUCH ADDITIONS OR CHANGES MAY AFFECT THE VIEWS FROM THE UNITS, COMMON PROPERTY AND/OR LIMITED COMMON PROPERTY.

Section 2. Disclaimers and Waivers. NONE OF THE BOARD MEMBERS, THE ASSOCIATION OR DECLARANT, AND NONE OF THE MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS OF THE ASSOCIATION OR DECLARANT, (A) SHALL HAVE ANY LIABILITY OR RESPONSIBILITY FOR ANY VIOLATION OF THIS DECLARATION OR APPLICABLE LOCAL, STATE OR FEDERAL LAW BY ANY OTHER PERSON OR ENTITY, (B) MAKES ANY WARRANTY OR REPRESENTATION REGARDING THE SECURITY OF THE PROPERTIES OR ANY UNIT, OR

REGARDING THE EFFECTIVENESS OR RELIABILITY OF ANY GATE, FENCE, WALL, SAFETY MEASURE, SECURITY SYSTEM OR SERVICE, SMOKE OR FIRE DETECTION SYSTEM, OR MEDICAL ALERT OR OTHER MONITORING SYSTEM FROM TIME TO TIME LOCATED OR OPERATED WITHIN OR FOR THE BENEFIT OF THE PROPERTIES, OR (C) SHALL HAVE ANY LIABILITY OR RESPONSIBILITY FOR ANY LOSS, DAMAGE OR CLAIM RESULTING FROM ANY FAILURE TO PROVIDE ANY SECURITY, SAFETY, FIRE, MEDICAL OR MONITORING SERVICE, MEASURE OR FACILITY OR FROM ANY FAILURE OR INEFFECTIVENESS OF ANY SUCH SERVICE, MEASURE OR FACILITY FROM TIME TO TIME UNDERTAKEN OR PROVIDED BY ANY OF THEM.

NO REFERENCE IN THIS DECLARATION TO ANY IMPROVEMENT OR OTHER FACILITY SHALL CONSTITUTE, OR BE INTERPRETED TO BE, A REPRESENTATION OR WARRANTY BY DECLARANT THAT ANY SUCH IMPROVEMENT OR FACILITY WILL BE CONSTRUCTED OR PROVIDED.

EXCEPT AS EXPRESSLY PROVIDED IN THIS DECLARATION OR IN ANY SEPARATE WRITTEN AGREEMENT SIGNED BY DECLARANT, NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, HAS BEEN GIVEN OR MADE BY DECLARANT OR ITS MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS IN CONNECTION WITH THE PROPERTIES, THEIR PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF. IF ANY SUCH REPRESENTATION OR WARRANTY CANNOT LAWFULLY BE DISCLAIMED, AND AS TO ANY CLAIMS WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NONE OF DECLARANT OR THE ASSOCIATION OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY ADJACENT TO OR WITHIN THE PROPERTIES, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTIES LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PORTIONS OF THE PROPERTIES, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS, POISONOUS SNAKES, AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES AND NATURAL AREAS WITHIN THE PROPERTIES AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

ALL PERSONS ARE HEREBY NOTIFIED THAT LAKE BANKS AND SLOPES WITHIN CERTAIN AREAS OF THE PROPERTIES MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY ACCEPTANCE OF A DEED TO, OR USE OF, ANY UNIT OR OTHER PORTION OF THE PROPERTIES, ALL OWNERS OR USERS OF SUCH PORTIONS OF THE PROPERTIES SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES

FROM ANY AND ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION, OR TOPOGRAPHY OF ANY LAKE BANKS, SLOPES OR LAKE BOTTOMS LOCATED THEREIN.

EACH OWNER (BY ITS PURCHASE OF A UNIT), AND EACH OTHER PERSON IN THE PROPERTIES (BY HIS OR HER ENTRY UPON THE PROPERTIES) ASSUMES THE RISK OF NOISE, PERSONAL INJURY OR PROPERTY DAMAGE CAUSED BY CONSTRUCTION, MAINTENANCE, REPAIR, REPLACEMENT, OPERATION AND USE OF THE COMMON PROPERTY, LIMITED COMMON PROPERTY, AND ANY SPECIAL BENEFIT AREAS AND AREAS OF COMMON RESPONSIBILITY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING: (A) NOISE AND COMMOTION FROM MACHINERY AND EQUIPMENT, (B) NOISE AND COMMOTION CAUSED BY OTHER USERS AND INVITEES OF THE PROPERTIES, (C) LAWFUL USE OF PESTICIDES, HERBICIDES AND FERTILIZERS, (D) VIEW RESTRICTIONS CAUSED BY INSTALLATION AND MATURATION OF TREES AND SHRUBBERY AND CHANGES IN GRADE WITHIN THE PROPERTIES, (E) NOISE, COMMOTION AND CONGESTION CAUSED BY VEHICULAR AND PEDESTRIAN TRAFFIC, (F) LOSS OF, OR REDUCTION IN, PRIVACY RESULTING FROM THE REMOVAL OR PRUNING OF TREES OR SHRUBBERY OR CHANGES IN GRADE OF THE PROPERTIES, AND (G) DESIGN AND CONSTRUCTION OF THE COMMON PROPERTY, LIMITED COMMON PROPERTY, AND ANY SPECIAL BENEFIT AREAS AND AREAS OF COMMON RESPONSIBILITY, OR ANY IMPROVEMENTS OR PERSONAL PROPERTY LOCATED THEREON OR THEREIN.

EACH OWNER AGREES TO INDEMNIFY AND HOLD HARMLESS DECLARANT AND THE ASSOCIATION AND THEIR RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, PARTNERS, AGENTS, EMPLOYEES, AFFILIATES, AND ATTORNEYS (COLLECTIVELY, "INDEMNIFIED PARTIES") AGAINST ALL ACTIONS, INJURY (PERSONAL OR OTHERWISE), CLAIMS, LOSS, LIABILITY, DAMAGES COSTS, AND EXPENSES OF ANY KIND OR NATURE WHATSOEVER (COLLECTIVELY, "LOSSES") INCURRED BY OR ASSERTED AGAINST ANY OF THE INDEMNIFIED PARTIES FROM AND AFTER THE DATE HEREOF, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, AS A RESULT OF OR IN ANY WAY RELATED TO THE COMMON PROPERTY, LIMITED COMMON PROPERTY, OR ANY SPECIAL BENEFIT AREAS AND AREAS OF COMMON RESPONSIBILITY, OR ANY IMPROVEMENTS OR PERSONAL PROPERTY LOCATED THEREON OR THEREIN, BY OWNERS, AND THEIR GUESTS, FAMILY MEMBERS, INVITEES OR AGENTS, OR FROM THE INTERPRETATION OF THIS DECLARATION AND/OR EXHIBITS ATTACHED HERETO AND/OR FROM ANY ACT OR OMISSION OF THE INDEMNIFIED PARTIES. SHOULD ANY OWNER BRING SUIT AGAINST ONE OR MORE 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.

BECAUSE OF ITS SIZE AND DEPENDENCE UPON MARKET CONDITIONS, THE DEVELOPMENT OF THE PROPERTIES WILL EXTEND FOR SEVERAL YEARS. INCIDENT TO THE DEVELOPMENT PROCESS, THE QUIET ENJOYMENT OF THE PROPERTIES BY THE OWNERS, THEIR TENANTS, INVITEES AND GUESTS MAY BE INTERFERED WITH BY DEVELOPMENT, CONSTRUCTION AND SALES OPERATIONS. THE OWNERS EXPRESSLY CONSENT TO SUCH DEVELOPMENT, CONSTRUCTION AND SALES OPERATIONS AND THEY ACKNOWLEDGE, COVENANT AND AGREE THAT NONE OF DECLARANT, ANY OTHER DEVELOPER OF ANY PORTION OF THE PROPERTIES OR THE ASSOCIATION, AND ANY OF THEIR RESPECTIVE MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR CONTRACTORS, WILL HAVE ANY LIABILITY FOR ANY DISTURBANCE TO QUIET ENJOYMENT SUFFERED BY ANY OWNER, TENANT, INVITEE OR GUEST OF THE PROPERTIES DUE TO ANY DEVELOPMENT, CONSTRUCTION AND/OR SALES ACTIVITY.

ANY PROVISION OF THIS DECLARATION TO THE CONTRARY NOTWITHSTANDING, UNTIL DECLARANT AND EVERY OTHER DEVELOPER OR BUILDER OPERATING IN THE PROPERTIES HAVE COMPLETED ALL OF THE CONTEMPLATED IMPROVEMENTS AND CLOSED THE SALES OF ALL OF THE UNITS, NONE OF THE OWNERS OR THE ASSOCIATION SHALL INTERFERE WITH THE COMPLETION OF THE PLANNED IMPROVEMENTS AND THE SALE OF THE UNITS. SUBJECT TO OBTAINING THE PRIOR WRITTEN APPROVAL OF DECLARANT AND COMPLYING WITH THE REQUIREMENTS OF THE GOVERNING DOCUMENTS, DECLARANT AND EVERY OTHER DEVELOPER AND BUILDER OPERATING IN THE PROPERTIES MAY MAKE SUCH LAWFUL USE OF UNSOLD UNITS, THE COMMON PROPERTY AND ANY LIMITED COMMON PROPERTY AS MAY FACILITATE SUCH COMPLETION AND SALE, WITHOUT CHARGE, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

(a) DOING ON ANY PROPERTY OWNED BY IT WHATEVER IT DETERMINES TO BE NECESSARY OR ADVISABLE IN CONNECTION WITH THE COMPLETION OF THE DEVELOPMENT OF THE PROPERTIES AND SALES OF THE UNITS, INCLUDING WITHOUT LIMITATION, THE ALTERATION OF ITS DEVELOPMENT AND/OR CONSTRUCTION PLANS AND DESIGNS (ALL MODELS OR SKETCHES SHOWING PLANS FOR FUTURE DEVELOPMENT OF THE ANNEXABLE PROPERTY OWNED BY DECLARANT OR AN AFFILIATE MAY BE MODIFIED BY, OR WITH THE APPROVAL OF, DECLARANT AT ANY TIME AND FROM TIME TO TIME, WITHOUT NOTICE); OR

(b) ERECTING, CONSTRUCTING AND MAINTAINING ON ANY PROPERTY OWNED OR CONTROLLED BY IT SUCH STRUCTURES, INCLUDING, BUT NOT LIMITED TO, SALES AND CONSTRUCTION TRAILERS AND OFFICES, AS MAY BE DESIRED FOR THE CONDUCT OF ITS BUSINESS OF COMPLETING SAID DEVELOPMENT AND ESTABLISHING THE PROPERTIES AS A PROPERTIES AND DISPOSING OF THE SAME BY SALE, LEASE OR OTHERWISE; OR

(c) CONDUCTING ON ANY PROPERTY OWNED OR CONTROLLED BY IT, ITS BUSINESS OF DEVELOPING, SUBDIVIDING, GRADING AND CONSTRUCTING IMPROVEMENTS IN THE PROPERTIES AND OF DISPOSING OF UNITS THEREIN BY SALE, LEASE OR OTHERWISE; OR

(d) DETERMINING IN ITS SOLE DISCRETION THE NATURE OF ANY TYPE OF IMPROVEMENTS TO BE INITIALLY CONSTRUCTED AS PART OF THE PROPERTIES; OR

(e) MAINTAINING SUCH SIGN OR SIGNS ON ANY PROPERTY OWNED OR CONTROLLED BY IT AS MAY BE NECESSARY OR DESIRED IN CONNECTION WITH THE OPERATION OF ANY UNSOLD UNITS OR THE SALE, LEASE, MARKETING OR OPERATION OF ANY UNSOLD ; OR

(f) SHOWING OF THE UNITS AND THE DISPLAY OF SIGNS AND THE USE OF UNITS FOR VEHICULAR PARKING; OR

(g) FILING SUPPLEMENTAL DECLARATIONS WHICH MODIFY OR AMEND THIS DECLARATION, WHICH ADD OR WITHDRAW ADDITIONAL PROPERTY AS PROVIDED IN THIS DECLARATION, OR EFFECTING ANY ACTION WHICH MAY BE REQUIRED OF DECLARANT BY THE COUNTY OR ANY OTHER FEDERAL, STATE OR LOCAL GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY IN CONNECTION WITH THE DEVELOPMENT AND CONTINUING OPERATION OF THE PROPERTIES; OR

(h) MODIFYING, CHANGING, RE-CONFIGURING, REMOVING OR OTHERWISE ALTERING ANY IMPROVEMENTS LOCATED ON THE COMMON PROPERTY OR ANY LIMITED COMMON PROPERTY AND UTILIZING ALL OR PORTIONS OF THE COMMON PROPERTY AND

ANY LIMITED COMMON PROPERTY FOR CONSTRUCTION ACCESS OR STAGING (PROVIDED THAT SAME DOES NOT IMPAIR EXISTING ACCESS OR UTILITY SERVICES TO THE SOLD UNITS); OR

(i) CAUSING UTILITIES TO BE AVAILABLE TO ALL PORTIONS OF THE PROPERTIES, INCLUDING, BUT NOT LIMITED, TO THE GRANTING OF EASEMENTS AND RIGHTS-OF-WAY AS MAY BE NECESSARY TO LOCATE, INSTALL AND MAINTAIN FACILITIES AND CONNECTIONS.

EACH OWNER, BY THE ACCEPTANCE OF TITLE TO A UNIT, SHALL BE DEEMED TO HAVE AGREED THAT DECLARANT SHALL NOT HAVE ANY LIABILITY OR RESPONSIBILITY (WHETHER FINANCIAL OR OTHERWISE) WITH RESPECT TO ANY COMMON PROPERTY OR ANY LIMITED COMMON PROPERTY FOLLOWING THE CONVEYANCE THEREOF TO THE ASSOCIATION, AND EACH OWNER SHALL BE DEEMED TO HAVE AGREED TO LOOK SOLELY TO THE ASSOCIATION WITH REGARD TO ANY SUCH LIABILITY OR RESPONSIBILITY.

ARTICLE XVI

PARTY WALLS OR PARTY FENCES

Section 1. General Rules of Law to Apply. Each wall and fence, if any, built as part of the original construction of any Unit in the Properties and placed on the dividing line between adjacent Units, or between any Unit and adjoining Common Property or any Limited Common Property, and acting as a commonly shared wall or fence shall constitute a party wall or party fence. To the extent not inconsistent with the provisions of this article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each party wall or party fence which is built as part of the original construction and any replacement of improvements in the Properties. In the event any party wall or fence shall protrude over an adjoining Unit, Common Property or any Limited Common Property, such structure, party wall or fence shall not be deemed to be an encroachment upon the adjoining lands, and the affected Owner shall not maintain any action for the removal of the party wall or party fence or for damages. In the event there is a protrusion, it shall be deemed that the affected Owner has granted a perpetual non-exclusive easement to the adjoining Owner for continuing maintenance and use of the party wall or party fence. The foregoing shall also apply to any replacements of any party wall or party fence that are constructed in conformity with the original party wall or party fence.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or party fence shall be shared equally by the Owners who benefit from the wall or fence in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall or party fence is destroyed or damaged by fire or other casualty, the Owner of the improvements incidental to the construction of which the party wall or party fence was originally constructed shall restore it, and the Owners of the adjoining lands benefited served by the party wall or party fence shall contribute to the cost of restoration thereof in proportion to the portions of the party wall or party fence adjoining each contributing Owner's lands, but without prejudice, however, to the right of any such Owner to call for a larger contribution from other Owners under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this article, an Owner who by his negligent or willful act causes the party wall or party fence to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Dispute Resolution. If any controversy or claim arises from or relates to a party wall or party fence, or under the provisions of this article, and if the controversy or claim cannot be settled through direct discussions, the parties to the controversy or claim shall endeavor first to settle the controversy or claim by mediation administered by the American Arbitration Association under its Commercial Mediation Rules, or by another mediation method mutually acceptable to the parties involved in the controversy or claim, before resorting to arbitration. Any controversy or claim arising from or relating to a party wall or party fence, or under the provisions of this article, that cannot be resolved through such mediation may be litigated in accordance with Florida law.

Section 7. Contrary Provisions. This Article XVI may be modified as to any Additional Property by contrary provisions contained in the Supplemental Declaration applicable to that Additional Property, if any.

ARTICLE XVII **AMENDMENT**

Section 1. Amendment by Owners. Except as otherwise expressly provided by law or this Declaration, this Declaration may be amended by the Owners in accordance with this section. The Owners may amend any provision of this Declaration by either one of the following methods: (a) by written agreement (the "Owner Declaration Amendment Agreement") setting forth the amendment and signed by the holders of at least two-thirds (2/3) of the votes in the Association (without regard to class), or (b) by vote in favor of a resolution (the "Owner Declaration Amendment Resolution") approving the amendment by Owners holding at least two-thirds (2/3) of the votes (without regard to class) represented, in person or by proxy, at a duly-convened annual or special meeting of the Owners, which meeting must be attended, in person or by proxy, by the holders of at least thirty percent (30%) of the total votes in the Association. An amendment by the Owners may be proposed by Declarant (until the Outside Date), by the Board, or by petition signed by the holders of at least ten percent (10%) of the votes in the Association.

Except as provided in the next sentence, each amendment made by the Owners pursuant to this section shall take effect upon the recordation in the Public Records of the executed and acknowledged Owner Declaration Amendment Agreement (if the amendment was adopted by written agreement) or, in the alternative, a fully executed and acknowledged certificate signed by an officer of the Association certifying that the copy of the Owner Declaration Amendment Resolution attached thereto is a true and correct copy of the Owner Declaration Amendment Resolution duly adopted by the affirmative vote of Owners holding at least two-thirds (2/3) of the votes (without regard to class) represented, in person or by proxy, at a duly-convened annual or special meeting of the Owners at which meeting Owners holding at least thirty percent (30%) of the total votes in the Association were in attendance, in person or by proxy (if the amendment was approved by vote). If the amendment expressly provides for a later effective date, the later effective date shall control.

Any provision of this Declaration to the contrary notwithstanding, until the Outside Date, no amendment may be made to any of the Governing Documents that may materially, adversely affect Declarant unless the amendment is first approved in writing by Declarant. Amendments that will be considered to materially, adversely affect Declarant include, but they are not limited to, any amendment that does any of the following: (a) directly or indirectly by its provisions or in practical application relates to Declarant in a manner different from the manner in which it relates to other Owners; (b) modifies the definitions provided for by Article I of this Declaration in a manner which alters Declarant's rights or status; (c) modifies or repeals any provision of Article II of this Declaration; (d) alters the nature or rights of membership as provided for by Article III of this Declaration; (e) alters or conflicts with any agreement between Declarant and any governmental or quasi-governmental authority or utility provider respecting any land use or zoning approval or entitlement, street, easement or facility pertaining to or serving any of the Properties; (f) interferes with Declarant's right to convey any Common Property or Limited Common Property to the Association; (g) modifies the basis or manner of assessment, or any exemption from assessment, applicable to Declarant or any portion of the Properties owned by Declarant or an Affiliate; or (h) alters or repeals any provision of the

Governing Documents pertaining to Declarant's rights, such as but not limited to the easements created in favor of, or reserved to, Declarant over, under and through the Common Property and any Limited Common Property pursuant to Article IV.

Section 2. Amendment by Declarant. Until the Turnover Date, Declarant may unilaterally amend this Declaration for any purpose, including, but not limited to, satisfying the requirements of any of the following: (a) any applicable governmental statute, rule, regulation or judicial determination; (b) any local, state, or federal governmental agency; (c) any title insurance company proposing to issue title insurance coverage on any Unit or other portion of the Properties; and (d) any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Department of Housing and Urban Development or Veteran's Administration, proposing to make, purchase, insure, or guarantee any mortgage loan on any Unit or other portion of the Properties. Except as otherwise expressly provided to the contrary in Sections 3, 5 and 6 of this article, no amendment by Declarant pursuant to this section shall require any approval, consent or joinder by the Association, any Owner, the holder of any mortgage or other lien upon any of the Properties, or anyone else.

Except as provided in the next sentence, each amendment made by Declarant pursuant to this section shall take effect on the date a written instrument setting forth the amendment to this Declaration and executed and acknowledged by Declarant and any Owner or mortgage holder whose joinder is expressly required by this section, if any, is recorded in the Public Records. If the amendment expressly provides for a later effective date, the later effective date shall control.

Section 3. Limitation. The provisions of Sections 1 and 2 of this article are subject to the limitation that an amendment to this Declaration by the Owners or Declarant may not materially and adversely alter the proportionate voting interest of any Owner or appurtenant to any Unit or increase the proportion or percentage by which any Owner or any Unit shares in the Common Expense or Limited Common Expense of the Association beyond any such alteration or increase that is expressly permitted by the Governing Documents, unless the adversely affected Owner, and all record owners of liens, if any, on that Owner's Unit, join in the execution of the amendment. For the purposes of this section, (a) a change in any quorum requirement shall not be deemed a material or adverse alteration of voting interests, (b) the merger or consolidation of the Association and one or more other associations under a plan of merger or consolidation under Chapter 607 or Chapter 617, *Florida Statutes*, shall not be considered a material or adverse alteration of the proportionate voting interest of any Owner or appurtenant to a Unit, and (c) the signing and recording of a Supplemental Declaration for the purpose of annexing Additional Property to this Declaration pursuant to Article II hereof shall not be deemed an amendment to this Declaration.

Section 4. Reliance. Each Owner Declaration Amendment Agreement, each certified copy of a Owner Declaration Amendment Resolution and each amendment by Declarant recorded in the Public Records shall be binding upon, and conclusive in favor of, all Persons having any interest in the Properties and no such Person shall have any duty or obligation to inquire regarding any fact or circumstance pertaining to adoption of the amendment described therein

Section 5. District Approval. Any provision of this Declaration to the contrary notwithstanding, any amendment to any of the Governing Documents which alters any provision relating to or affecting the Surface Water Management System (including, but not limited to, environmental conservation areas and the water management portions of the Common Property and Limited Common Property) must have the prior written approval of the District and the CDD. Any such amendment must be submitted to the District for a determination of whether the amendment necessitates a modification of any environmental resource or surface water management permit. If a modification is necessary, the District will so advise the permittee and the amendment may not be finalized until any necessary permit modification is approved by the District.

Section 6. FNMA, FHLMC, GNMA, FHA, HUD, or VA Approval. Any provision of this Declaration to the contrary notwithstanding, until the Turnover Date, if any one or more of Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, Federal Housing Administration, Department of Housing and Urban Development, or Veteran's Administration requires approval or consent by it or them to annexation of Additional Property, any merger or consolidation involving the Association, the placing of any mortgage lien on any Common Property or Limited Common Property, dedication to the public of any Common Property or Limited Common Property, any amendment of this Declaration, or dissolution of the Association, by any one or more of said agencies or entities as a condition of making, insuring or purchasing loans on any Unit in the Properties, and any such loan has been approved, insured or purchased by the applicable agency or entity at the time of the proposed annexation, merger, consolidation, mortgaging, dedication, amendment or dissolution, then the required consent or approval shall be obtained.

ARTICLE XVIII **DURATION AND TERMINATION**

This Declaration shall take effect upon execution by Declarant and recordation in the Public Records. This Declaration shall run with and bind the title to the Properties, and it shall inure to the benefit of and bind Declarant, the Association, each Owner, and their respective heirs, personal representatives, successors and assigns, until the fortieth (40th) anniversary of the date on which this Declaration is recorded in the Public Records, after which time this Declaration shall be automatically extended for successive periods of ten (10) years each until terminated as provided below. This Declaration may be terminated at any time by the recordation of an instrument signed by the Owners holding at least eighty percent (80%) of the votes in the Association agreeing to terminate this Declaration; provided, however, that the foregoing is subject to the limitation that, for so long as Declarant owns any portion of the Properties or either Declarant or an Affiliate owns any of the Annexable Property, no termination of this Declaration will be effective without the prior written consent of Declarant. Any provision of the Governing Documents to the contrary notwithstanding, if this or any other provision of the Governing Documents would be invalid under the Florida Uniform Statutory Rule Against Perpetuities, such provision shall expire upon the earlier of eighty nine (89) years after this Declaration is recorded in the Public Records or such latest earlier date as may be required in order to avoid any such invalidity.

ARTICLE XIX **ENFORCEMENT**

Section 1. Remedies. If any person or entity shall violate or threaten to violate any provision of the Governing Documents, it shall be lawful for Declarant, the Association and any other Owner (but only if and to the extent that the Owner other than Declarant demonstrates by a preponderance of the evidence that said Owner has suffered or will suffer Special Damage that is or will be directly and proximately caused by the violation sought to be enforced) to submit the matter to mediation or arbitration as required or permitted by applicable law, to prosecute proceedings for the recovery of damages against those violating or threatening to violate any provision of the Governing Documents, or to maintain a proceeding in any court of competent jurisdiction against those violating or threatening to violate any provision of the Governing Documents, or any combination of the foregoing, for the purpose of preventing, enjoining, correcting or making amends for any such violation or threatened violation. For the purposes of this section, the phrase "**Special Damage**" shall mean and refer to material damage that is different in kind, and not merely different in degree, from any damage suffered or to be suffered by any other similarly-situated Owner. The remedies contained in this provision shall be construed as cumulative of all other remedies now or hereafter provided by law or the Governing Documents. The failure of Declarant, the Association or any Owner with appropriate standing to enforce any provision of the Governing Documents, however long continued, shall in no event be deemed a waiver of the right to enforce the same provision thereafter as to the same breach or violation, or as to any other breach or violation thereof occurring

prior to or subsequent thereto. All Enforcement Expense shall be recoverable by the substantially prevailing party.

Because the enforcement of the provisions of the Governing Documents are essential for the effectuation of the general plan of development contemplated hereby, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Association or any Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction to restrain any such violation or breach or any threatened violation or breach.

No right of action shall accrue, nor shall any action be brought or maintained by anyone, against Declarant or the Association for or on account of any failure by either to bring any action on account of any violation or threatened violation of the Governing Documents by any Person, however long continued.

Section 2. CDD and District. The CDD shall each have the right to enforce, by a proceeding at law or in equity, including, but not limited to, suit for injunctive relief, the provisions of the Governing Documents which relate to the maintenance, operation and repair of the Surface Water Management System. In addition, the District has the right to take enforcement measures, including a civil action for injunction and/or penalties, against the CDD or Association, as applicable, to compel it to correct any outstanding problems with the Surface Water Management System. District Permits may permit District authorized staff, upon proper identification, to enter upon, inspect and observe the Surface Water Management System to ensure compliance with the approved plans and specifications included in the District Permit.

Section 3. Tenants, Guests and Invitees. All tenants, guests and invitees of the Properties shall be bound by, and they shall comply with, the Governing Documents. Each Owner shall require all of that Owner's tenants, guests and invitees to comply with the Governing Documents. If a tenant, guest or invitee of any Owner violates any provision of the Governing Documents or causes any loss or damage to the Common Property or Limited Common Property, the Association, any Owner and Declarant shall each have the right, power and authority to sue the applicable tenant, guest or invitee and/or the applicable Owner for any remedy or recourse available at law, in equity or pursuant to the Governing Documents. Every lease applicable to a Unit shall be deemed to include an agreement by the tenant that the tenant and all occupants, guests and invitees of the leased Unit are bound by, and obligated to comply with, the Governing Documents and an acknowledgment by the tenant that the tenant has received a copy of the Governing Documents. The Owner of the leased Unit shall be responsible for providing a copy of the Governing Documents to the tenant prior to execution of the lease and that Owner shall monitor compliance with the Governing Documents by his, her or its tenants, guests and invitees.

Section 4. Suspensions and Fines. Whenever any Owner or an Owner's tenant, guest or invitee, fails to comply with any provision of the Governing Documents, including but not limited to the failure to pay any Assessment when due, the Association may do any one or more of the following: (1) suspend, for a reasonable period of time, the rights of any Owner, or any Owner's tenant, guest or invitee, or any or all of them, to use the Common Property and any applicable Limited Common Property, (2) suspend, for so long as the delinquency remains uncured, the voting rights of a Member for the nonpayment of Annual Assessments that are delinquent in excess of ninety (90) days, and (3) levy fines against any Owner, tenant, guest or invitee. The foregoing to the contrary notwithstanding, no suspension of use rights pursuant to this section may impair the right of any Owner or tenant of a Unit to have vehicular and pedestrian ingress to and egress from the Unit or the right to park in any parking area designated to serve the Unit, and no suspension or fine may ever be imposed on Declarant or any Affiliate of Declarant.

(a) **Notice and Hearing.** Before imposing any suspension or fine (other than a suspension or fine for the failure to pay any Assessment to the Association when due), the Association shall notify the person against whom the suspension or fine is sought to be imposed, in writing, of the alleged non-compliance and the date and time of a hearing to be held for the purpose of providing that person an opportunity to present

reasons why a suspension or fine should not be imposed. The notice shall be sent at least fourteen (14) days before the date of the hearing. At the hearing, the alleged non-compliance shall be presented to a committee (the "**Sanctions Committee**") composed of at least three (3) members who shall be appointed by the Board and who shall not be an officer, director, or employee of the Association, or the spouse, parent, child, brother, or sister of an officer, director, or employee of the Association. At the hearing, the alleged non-compliance shall be presented to the Sanctions Committee after which the Sanctions Committee shall hear reasons why a suspension or fine should not be imposed. The person against whom the suspension or fine is sought to be imposed shall have the right to be represented by counsel and to cross examine witnesses at the hearing. The proposed suspension or fine may not be imposed unless it is approved by a majority vote of the members of the Sanctions Committee and written notice of the imposition of the suspension or fine is sent to the person against whom the suspension or fine is sought to be imposed within twenty one (21) days after the hearing. The requirements of this Subsection (a) do not apply to the imposition of suspensions or fines upon any Owner because of the failure of the Owner to pay any Assessment when due. The Association is authorized to impose suspensions and fines on Owners (in the amounts determined and adjusted from time to time by the Board and applied uniformly) for any non-payment of Assessments and no notice to the non-paying Owner or hearing shall be required in order to impose any suspension or fine for non-payment of any Assessment.

(b) **Amounts of Fines.** If the Sanctions Committee approves the imposition of a fine against any Owner, tenant, guest or invitee, the amount of the fine shall be determined as follows: (i) for each violation, the fine shall not exceed the greater of One Hundred Dollars (\$100.00) or such higher amount as may be set and adjusted from time to time by the Board without exceeding any limit imposed by law; and (ii), for continuing violations, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, except that the fine shall not exceed, in the aggregate, the greater of One Thousand Dollars (\$1,000.00) or such higher amount as may be set and adjusted from time to time by the Board.

(c) **Collection of Fines.** Fines against Owners shall be treated as Individual Assessments to be paid and collected as set forth elsewhere in this Declaration; provided, however, that a fine shall not become a lien against any Unit in violation of Florida law. Fines against tenants, guests and invitees shall be collectible from the tenants, guests and invitees by any and all lawful means. In an action filed by the Association to collect a fine, the substantially prevailing party is entitled to collect its reasonable Enforcement Expense from the non-prevailing party as determined by the court.

(d) **Use of Fines.** All money received from the imposition of fines shall be used or applied as directed by the Board.

(e) **Non-exclusive Remedy.** The right to impose suspensions and fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled.

Section 5. Pre-suit Mediation and Arbitration. Despite any enforcement or remedy provision of this Declaration to the contrary, (a) any election dispute between a Member and the Association and any director recall dispute is required to be submitted to mandatory binding arbitration in accordance with Section 720.306(9), Florida Statutes, and (b) before the filing of a claim in a court of competent jurisdiction in connection with any of the following disputes between the Association and an Owner, the dispute is required to be the subject of a demand for pre-suit mediation in accordance with Section 720.311, Florida Statutes: (i) disputes regarding the use of or changes to a Unit, the Common Property or any Limited Common Property, and other covenant enforcement disputes, (ii) disputes regarding amendments to the Governing Documents, (iii) disputes regarding meetings of the Board and any committees appointed by the Board, (iv) disputes regarding Member meetings (not including election meetings), and (v) disputes regarding access to the official records of the Association.

ARTICLE XX
MISCELLANEOUS

Section 1. Number and Gender. Any references to the singular shall include the plural and any reference to the plural shall include the singular, as indicated by the context of use. Any reference to any gender shall include all genders.

Section 2. Severability. This Declaration shall be effective to the fullest extent permitted by law. The invalidation of any provision of this Declaration shall not affect or modify any other provision and all other provisions shall remain in full force and effect. If any provision of this Declaration, or the application thereof to any Person or circumstance, shall for any reason and to any extent be determined or held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of this Declaration and the application of such provision to any other Persons or circumstances as to which it is legal, valid and enforceable, if any, shall not be affected thereby and it shall be enforced to the maximum extent possible. To the extent reasonable under the circumstances, a provision that is as close as possible to the operation and effect of any illegal, invalid or unenforceable provision stricken from this Declaration due to such determination or holding, but which is not illegal, invalid or unenforceable, shall be inserted in lieu of any provision of this Declaration that is determined or held by a court to be illegal, invalid or unenforceable. The provisions of this section shall also apply to any amendment of this Declaration.

Section 3. Headings. Article and section headings are for reference purposes only and they shall not affect the meaning or interpretation of this Declaration.

Section 4. Notices. Except as otherwise required or permitted by this Declaration, the Bylaws or applicable law, notices permitted or required by the Governing Documents shall be in writing and shall be delivered by hand or overnight commercial courier or sent by United States Mail, postage prepaid. Notices to each Owner shall be delivered or sent to the address designated from time to time by that Owner by written notice to the Association or, if no address has been so designated, at the address of such Owner's Unit. Notices to any Neighborhood Association shall be delivered or sent to the address designated from time to time by that Neighborhood Association by written notice to the Association or, if no address has been so designated, at the principal office address for that Neighborhood Association as shown on the records of the Florida Department of State. Notices to the Association shall be delivered or sent to the Association at 5020 West Linebaugh Avenue, Suite 250, Tampa, Florida 33624, or to such other address as the Association may from time to time designate by written notice to the Owners. Notices to Declarant shall be delivered or sent to Declarant in care of U.S. Bank National Association, Two James Center, 1021 East Cary Street, 18th Floor, Richmond, Virginia 23219, or to such other address as Declarant may from time to time designate by written notice to the Association. Notices to any other Person entitled to notice pursuant to the Governing Documents shall be delivered or sent to such address as such Person may from time to time designate by written notice to the sender, or, in the absence of such designation, to such address as may reasonably be expected by the sender to be received by the party to be notified.

Section 5. No Dedication. Nothing in this Declaration shall be deemed to be a dedication of any right, title, claim or interest to the public.

Section 6. Exhibits. All exhibits referred to in this Declaration are hereby incorporated into this Declaration as fully as if set forth verbatim herein.

Section 7. Approvals by Declarant. Any approval or consent required by any of the Governing Documents to be obtained from Declarant may be granted or denied by Declarant in Declarant's sole and absolute discretion.

Section 8. Not Condominium Association or Common Elements. The Association shall not be deemed to be a condominium association. None of the Common Property or Limited Common Property be deemed to be common elements or limited common elements of any condominium.

Section 9. Interpretation. The provisions of the Governing Documents shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Association and the Properties, the preservation of the value of the Properties and the protection of Declarant's rights, benefits and privileges herein contemplated. Notwithstanding that the Governing Documents may have been prepared at the direction of Declarant, and notwithstanding any general rule of construction to the contrary, the Governing Documents shall not be more strictly construed against Declarant than against any other Person.

In the event of conflict between the Governing Documents and any Neighborhood Declaration or the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant to any Neighborhood Declaration, the Governing Documents shall control. The foregoing priorities shall apply, but not be limited to, the liens for Assessments created in favor of the Association.

Section 10. Waiver. No provision of any of the Governing Documents shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 11. Cooperation. Each Owner, by acceptance of title to any Unit, shall be deemed to covenant and agree to cooperate in, and to support, any and all zoning, administrative, governmental and/or quasi-governmental filings, applications, requests, submissions and other actions by Declarant necessary or desired by Declarant for development and/or improvement of the portions of the Annexable Property owned by Declarant or an Affiliate, including, without limitation, signing any required applications, plats, etc. when requested by Declarant.

Section 12. Easements. If the intended creation of any easement provided for in this Declaration fails by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such failed grant of easement shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the Person or Persons to whom the easements were originally intended to have been granted the benefit of such easement and the Owners hereby designate Declarant and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein.

Section 13. Constructive Notice and Acceptance. Every Person who owns, occupies or acquires any right, title, estate or interest in or to any Unit or other portion of the Properties shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition, lien and covenant contained in the Governing Documents, whether or not any reference to the Governing Documents is contained in the instrument by which such Person acquired an interest in that Unit or other portion of the Properties.

Section 14. Covenants Running With the Land. All provisions of the Governing Documents, and all amendments thereto, shall be construed as covenants running with the Properties, and of every part thereof and interest therein, including but not limited to every Unit and the appurtenances thereto, and every Owner and occupant of the Properties or any part thereof, or of any interest therein, and his, her or its heirs, personal representatives, successors and assigns, shall be bound by all of the provisions of the Governing Documents and any amendments thereto.

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EXHIBIT "A"

LEGAL DESCRIPTION OF THE ANNEXABLE PROPERTY

THE ANNEXABLE PROPERTY IS COMPOSED OF THE FOLLOWING DESCRIBED LAND:

THE NORTHWEST ¼ OF THE NORTHWEST ¼ OF SECTION 5, TOWNSHIP 26 SOUTH, RANGE 21 EAST, PASCO COUNTY FLORIDA; AND

TRACTS 3 THROUGH 6, INCLUSIVE; TRACTS 11 THROUGH 14, INCLUSIVE; TRACTS 19 THROUGH 22, INCLUSIVE; TRACTS 27 THROUGH 30, INCLUSIVE; TRACTS 35 THROUGH 46 INCLUSIVE; TRACTS 51 THROUGH 56 INCLUSIVE; TRACTS 59 THROUGH 62, INCLUSIVE; TRACTS 67 AND 68 INCLUSIVE; TRACTS 57 AND 58 LESS THE SOUTH 30 FEET THEREOF, ZEPHYRHILLS COLONY COMPANY LANDS, IN SECTION 5, TOWNSHIP 26 SOUTH, RANGE 21 EAST, AS PER PLAT THEREOF RECORDED IN PLAT BOOK 1, PAGE 55, PUBLIC RECORDS OF PASCO COUNTY, FLORIDA; AND

THE EAST ¼ OF SECTION 6, TOWNSHIP 26 SOUTH, RANGE 21 EAST, PASCO COUNTY, FLORIDA;

LESS AND EXCEPT THE FOLLOWING PARCELS:

PARCEL "A"

THAT PORTION OF THE EAST 1/8 OF THE SOUTHEAST ¼ OF SECTION 6, TOWNSHIP 26 SOUTH, RANGE 21 EAST, LYING NORTH OF EILAND BOULEVARD, LYING AND BEING IN PASCO COUNTY, FLORIDA.

PARCEL "B"

THE SOUTH 58.25 FEET OF THE EAST 1/8 OF THE NORTHEAST ¼ OF SECTION 6, TOWNSHIP 26 SOUTH, RANGE 21 EAST, LYING AND BEING IN PASCO COUNTY, FLORIDA.

PARCEL "C"

THE SOUTH 43.25 FEET OF TRACTS 57 AND 58 OF ZEPHYRHILLS COLONY COMPANY IN SECTION 5, TOWNSHIP 26 SOUTH, RANGE 21 EAST, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 1, PAGE 55, PUBLIC RECORDS OF PASCO COUNTY, FLORIDA.

PARCEL "D"

THAT PART OF THE EAST ¼ OF SECTION 6, TOWNSHIP 26 SOUTH, RANGE 21 EAST, PASCO COUNTY, FLORIDA, LYING SOUTH OF THE ZEPHYRHILLS BY-PASS WEST (AKA EILAND BOULEVARD).

"PARCEL E"

A PORTION OF SECTION 6, TOWNSHIP 26 SOUTH, RANGE 21 EAST, PASCO COUNTY, FLORIDA, BEING FURTHER DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF THE SOUTHEAST ¼ OF SAID SECTION 6; THENCE ALONG THE EAST BOUNDARY LINE OF THE SOUTHEAST ¼ OF SAID SECTION 6, N. 01°27'41" E., A DISTANCE OF 1613.75 FEET FOR A POINT OF BEGINNING; THENCE A DISTANCE OF 1035.93 FEET ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A RADIUS OF 2270.00 FEET AND A CHORD OF 1026.97 FEET WHICH BEARS S. 81°22'19" W.; THENCE N., 21°42'07" W., A DISTANCE OF 10.00 FEET; THENCE A DISTANCE OF 286.98 FEET ALONG THE ARC OF A CURVE TO THE LEFT TO THE WEST BOUNDARY LINE OF THE EAST ¼ OF SAID SECTION 6, SAID CURVE HAVING A RADIUS OF 2280.00 FEET AND A CHORD OF 286.79 FEET WHICH BEARS S. 64°41'32" W.; THENCE ALONG THE WEST BOUNDARY LINE OF THE EAST ¼ OF SAID SECTION 6, N. 00°48'41"

E., A DISTANCE OF 243.07 FEET; THENCE A DISTANCE OF 1319.83 FEET ALONG THE ARC OF A CURVE TO THE RIGHT TO THE EAST BOUNDARY LINE OF THE SOUTHEAST ¼ OF SAID SECTION 6, SAID CURVE HAVING A RADIUS OF 2494.00 FEET AND A CHORD OF 1304.48 FEET WHICH BEARS N. 79°01'00" E.; THENCE ALONG THE EAST BOUNDARY LINE OF THE SOUTHEAST ¼ OF SAID SECTION 6, S. 01°27'41" W., A DISTANCE OF 224.28 FEET TO THE POINT OF BEGINNING.

ALL CONTAINING 350.69 ACRES, MORE OR LESS.

TOGETHER WITH ANY OTHER LAND HEREAFTER DESIGNATED BY DECLARANT PRIOR TO THE OUTSIDE DATE AND LYING WITHIN A TWO THOUSAND (2000) FEET RADIUS OF ANY EXTERIOR BOUNDARY OF ANY PORTION OF THE ABOVE DESCRIBED LAND.

LESS AND EXCEPT PHASE 1A (WHICH IS SUBMITTED TO THIS DECLARATION BY THIS DECLARATION) AND ALL PORTIONS OF THE ABOVE DESCRIBED LANDS HERETOFORE OR HEREAFTER DEDICATED OR CONVEYED TO ANY COMMUNITY DEVELOPMENT DISTRICT, COUNTY, SCHOOL BOARD OR OTHER GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY, AUTHORITY OR BOARD.

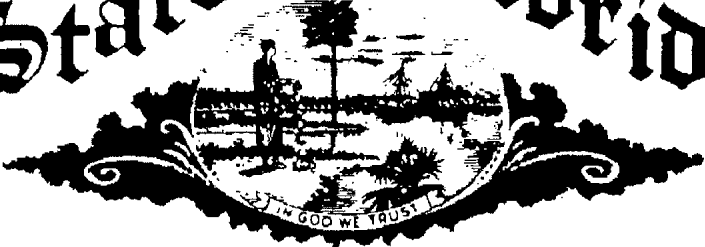
NOTE TO CLERK AND TITLE EXAMINERS: THE REFERENCE TO POSSIBLE ANNEXATION OF LAND NOT CURRENTLY OWNED BY DECLARANT IS MADE SOLELY TO ADDRESS THE POSSIBILITY THAT DECLARANT MIGHT IN THE FUTURE ACQUIRE TITLE TO ADDITIONAL LAND AND ANNEX IT TO THIS DECLARATION, OR THAT DECLARANT MIGHT JOIN WITH THE OWNER OF NEIGHBORING LAND IN JOINTLY ANNEXING IT TO THIS DECLARATION. THIS REFERENCE TO ANY LAND NOT CURRENTLY OWNED BY DECLARANT IS NOT INTENDED (AND SHALL NOT BE INTERPRETED) TO ENCUMBER ANY SUCH LAND, OR TO EVIDENCE ANY CLAIM OF ANY RIGHT, TITLE OR INTEREST IN OR TO SUCH LAND, OR TO EVIDENCE ANY RIGHT OR CLAIM OF ANY RIGHT TO PURCHASE OR ACQUIRE ANY SUCH LAND, OR TO EVIDENCE ANY OBLIGATION TO ANNEX ANY SUCH LAND TO THIS DECLARATION.

EXHIBIT "B"

**ARTICLES OF INCORPORATION OF
STONEBRIDGE MASTER ASSOCIATION, INC.**

[SEE ATTACHED]

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of STONEBRIDGE MASTER ASSOCIATION, INC., a Florida corporation, filed on June 13, 2013, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H13000134177. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N13000005539.

Authentication Code: 913A00014993-061413-N13000005539-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Fourteenth day of June, 2013



Ken Detzner
Ken Detzner
Secretary of State

**ARTICLES OF INCORPORATION OF
STONEBRIDGE MASTER ASSOCIATION, INC.**

The undersigned incorporator hereby acknowledges and adopts these Articles of Incorporation (these "Articles") for the purpose of forming a corporation not for profit under the laws of the State of Florida.

ARTICLE I
DEFINITIONS

Section 1. **Declaration.** "Declaration" means and refers to the Master Declaration of Covenants, Conditions and Restrictions for Stonebridge recorded or to be recorded by Declarant in the Public Records of Pasco County, Florida, as amended and supplemented from time to time.

Section 2. **Defined Terms.** All capitalized terms used in these Articles that are not expressly defined in these Articles shall have the definitions and meanings assigned to those terms by the Declaration and the said definitions and meanings are hereby incorporated herein by this reference.

ARTICLE II
NAME

The name of the corporation is Stonebridge Master Association, Inc. For convenience, the corporation is sometimes referred to herein as the "Association".

ARTICLE III
COMMENCEMENT, DURATION AND TERMINATION

The Association shall commence existence upon the filing of these Articles with the Florida Department of State. The corporation shall have perpetual existence.

ARTICLE IV
MEMBERS

The Association shall be a membership corporation without certificates or shares of stock. Initially, there shall be two (2) classes of membership, as is set forth more fully in the Declaration. Declarant and each Owner of a Unit in the Properties shall be a Member of the Association and shall be entitled to vote as provided in the Declaration and the Bylaws. Except in the case of Declarant whose membership shall not require ownership of any Unit, as is set forth more fully in the Declaration, membership in the Association is appurtenant to, and may not be severed from the Unit. The rights and obligations of a Member may not be assigned or delegated except as provided in the Declaration, and it shall pass automatically to the successor in interest of any Owner upon the transfer or conveyance of such Owner's interest in the Unit. Except as may be provided to the contrary in the Declaration, change of an Owner's membership in the Association shall be established by recording in the Public Records of a deed or other instrument establishing record title to a Unit.

ARTICLE V
PRINCIPAL OFFICE AND MAILING ADDRESS

The initial principal office and mailing address of the Association is 5020 West Linebaugh Avenue, Suite 250, Tampa, Florida 33624. The Board may change the principal office and/or mailing address of the Association at any time and from time to time without amending these Articles.

ARTICLE VI
REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Association is 5020 West Linebaugh Avenue, Suite 250, Tampa, Florida 33624, and the initial registered agent at that address is John C. Blakley. The Board may change the registered office and/or registered agent of the Association at any time and from time to time without amending these Articles.

ARTICLE VII
PURPOSE

The purpose for which the Association is organized is to constitute and serve as a Homeowners Association within the scope and meaning of Chapter 720, *Florida Statutes*, and to carry out the duties imposed, and to exercise the powers conferred, on the Association pursuant to the Declaration and other Governing Documents.

ARTICLE VIII
POWERS AND AUTHORITY

Section 1. Generally. The Association shall have all the common law and statutory powers and authority of a corporation not for profit organized under the laws of the State of Florida, together with all other powers and authority to do any and all things, and to perform any and all acts, authorized, required or permitted to be done or performed by the Governing Documents or that are necessary or proper for, or incidental to, the carrying out of any of the duties or the exercise of any of the powers or authority of the Association pursuant to the Governing Documents, subject only to such limitations upon the exercise of such powers and authority as are expressly set forth in the Governing Documents or applicable law.

Section 2. Certain Express Powers. Without limiting the generality of Section 1 above, the Association shall have the following express powers and authority: (a) to acquire, own, operate, mortgage, encumber, convey, sell, lease and exchange property of any and all types and uses; (b) to operate and maintain the Common Property and Limited Common Property; (c) to promulgate and enforce Rules; (d) to levy and collect Assessments against the Owners and their Units; (e) to sue and be sued; (f) to contract for services to provide for operation, maintenance and repair of the Common Property and Limited Common Property if the Association elects to engage a third party contractor for this purpose; (g) to borrow money and issue evidences of indebtedness in furtherance of any or all of the objects of its operation, and to secure the same by mortgage, security interest or pledge; and (h) to take any other lawful action necessary or desirable to carry out any purpose for which the Association has been organized.

Section 3. Employees, Consultants and Contractors. The Association may also obtain and pay for the services of any Person to manage any of its affairs or to perform any of its duties or to exercise any of its powers or authority, and the Association may employ personnel for such purposes. In addition, the Association may engage engineering, architectural, construction, legal, accounting, information technology, and other consultants or contractors whose services are necessary or desirable in connection with the operation of the Association, the carrying out of any of the duties or the exercise of any of the powers or authority of the Association, or the administration and enforcement of the Governing Documents. All costs and expenses incurred for the employment of any manager, employee, consultant or contractor shall be a Common Expense, Limited Common Expense, Special Benefit Area Expense or an expense to be charged as an Individual Assessment, as determined by the Board.

Section 4. No Profits or Distributions. The Association does not contemplate pecuniary gain or profit. The Association shall not pay dividends and, except for the refund of any overpayment made by any Member, no part of any income of the Association shall be distributed to its Members.

ARTICLE IX
DIRECTORS

The property, business and affairs of the Association shall be managed by the Board consisting of the number of directors determined in the manner provided by the Declaration and Bylaws. Directors of the Association shall be elected or appointed in the manner determined by, and subject to the qualifications requirements set forth in, the Declaration and Bylaws. Directors may be removed and vacancies on the Board shall be filled in the manner provided in the Declaration and Bylaws.

ARTICLE X
EXCULPATION AND INDEMNIFICATION

All agreements entered into by the directors and officers of the Association on behalf of, and with the authority of, the Association shall be deemed executed by them as agent for the Association and the Association shall indemnify and hold them harmless from and against all contractual liabilities to others arising out of such agreements.

Except to the extent a director or officer has knowledge concerning a matter in question that makes reliance unwarranted, a director or officer, in discharging his or her duties, may rely on any information, opinion, report or statement, including any financial statement and supporting data, if prepared or presented by any officer or employee of the Association whom the director or officer reasonably believes to be competent in the matters presented, any legal counsel, public accountant or other Person as to any matter the director or officer reasonably believes is within the Person's professional or expert competence, or any committee of directors if the director or officer reasonably believes the committee merits confidence.

In the absence of bad faith, illegality and gross negligence, no director or officer of the Association shall be liable to the Association or any Owner for any decision, action or omission made or performed by such director or officer in the course of his or her duties on behalf of the Association.

The Association shall defend, indemnify and hold harmless any Person who is made a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of the Association, but only if and to the extent he or she acted in good faith, without gross negligence or intentional wrongdoing, and, with respect to any criminal action or proceeding, he or she believed his or her conduct was lawful. This obligation includes, without limitation, payment of any judgment, fine, penalty, interest, settlement amount and expense (including but not limited to court costs and reasonable attorney, paralegal and expert fees and disbursements, and any other cost or expense reasonably incurred in connection with any litigation or administrative, bankruptcy or reorganization proceeding) actually and reasonably incurred by him or her in connection with any such action, suit or proceeding.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Person did not act in good faith, that the Person acted in a grossly negligent manner, or, with respect to any criminal action or proceeding, that the Person did not believe that his or her conduct was lawful.

Expenses incurred in defending an action, suit or proceeding covered by this article shall be paid by the Association as incurred from time to time rather than only after the final disposition of such action, suit or proceeding. Payment of such expenses shall be authorized by the Board in each specific case only after receipt by the Association of an undertaking by or on behalf of the director or officer to repay such amounts if it shall later develop that he or she is not entitled to be defended, indemnified and held harmless by the Association.

The defense, indemnification and hold harmless provided by this article shall not be deemed to be exclusive of any other rights to which the Association's directors and officers may be entitled under the

Governing Documents, any agreement binding on the Association, any vote of the Members or disinterested directors, applicable law or otherwise. The rights of defense, indemnification and hold harmless hereunder shall continue as to a Person who has ceased to be a director or officer for all actions, events and circumstances taken or occurring while he or she held office and said rights shall inure to the benefit of the personal representatives and heirs of any such Person.

The Association shall have the power, but it shall not be obligated, to purchase and maintain, at Common Expense, insurance to provide coverage for any liability asserted against, or any expense incurred by, any director or officer of the Association in his or her capacity as such, whether or not the Association would have the obligation to defend or indemnify him or her, or to hold him or her harmless, pursuant to this article.

The Association shall be only obligated to indemnify a Person otherwise entitled to indemnification under this article if and to the extent such Person is not indemnified by any insurance maintained by the Association or that Person. Accordingly, any Person otherwise entitled to indemnification under this article shall first seek indemnification from any insurance maintained by the Association or that Person before seeking indemnification from the Association. If and to the extent any judgment, fine, penalty, interest, settlement amount or expense is paid pursuant to insurance maintained by the Association or the Person entitled to indemnification, the Association shall have no obligation to reimburse the insurance company.

ARTICLE XI TRANSACTION IN WHICH DIRECTOR OR OFFICER IS INTERESTED

No contract or transaction between the Association and any director or officer, or between the Association and any Affiliate or other entity in which any director or officer of the Association serves as a director or officer, or has a financial interest, shall be invalid, void or voidable solely for such reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because his, her or their votes are counted for such purpose. No director or officer of the Association shall incur liability by reason of the fact that he or she is, or may become, interested in any such contract or transaction. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorized the contract or transaction.

ARTICLE XII AMENDMENTS

Section 1. Members. Except as otherwise expressly required by law or these Articles, these Articles may be amended by the Members in accordance with this section. The Members may amend any provision of these Articles by either one of the following methods: (a) by written agreement (the "**Member Articles Amendment Agreement**") setting forth the amendment and signed by the holders of at least two-thirds (2/3) of the votes in the Association (without regard to class), or (b) by vote in favor of a resolution (the "**Member Articles Amendment Resolution**") approving the amendment by Members holding at least two-thirds (2/3) of the votes (without regard to class) represented, in person or by proxy, at a duly-convened annual or special meeting of the Members, which meeting must be attended, in person or by proxy, by the holders of at least thirty percent (30%) of the total votes in the Association. An amendment by the Members may be proposed by Declarant (until the Outside Date), by the Board, or by petition signed by the holders of at least ten percent (10%) of the votes in the Association.

Except as provided in the next sentence, each amendment made by the Members pursuant to this section shall take effect upon the filing of the amendment with the Florida Department of State in accordance with Florida law and the recordation in the Public Records of the executed and acknowledged Member Articles Amendment Agreement (if the amendment was adopted by written agreement) or, in the alternative, a fully executed and acknowledged certificate signed by an officer of the Association certifying that the copy of the

Member Articles Amendment Resolution attached thereto is a true and correct copy of the Member Articles Amendment Resolution duly adopted by the affirmative vote of Members holding at least two-thirds (2/3) of the votes (without regard to class) represented, in person or by proxy, at a duly-convened annual or special meeting of the Members, which meeting was attended, in person or by proxy, by the holders of at least thirty percent (30%) of the total votes in the Association (if the amendment was approved by vote). The foregoing is subject to the exception that, if the amendment expressly provides for a later effective date, the later effective date shall control.

Any provision of these Articles to the contrary notwithstanding, for so long as Declarant owns any portion of the Properties or either Declarant or an Affiliate owns any Annexable Property, no amendment may be made to any of the Governing Documents that may materially, adversely affect Declarant unless the amendment is first approved in writing by Declarant. Amendments that will be considered to materially, adversely affect Declarant include, but they are not limited to, any amendment that does any of the following: (a) directly or indirectly by its provisions or in practical application relates to Declarant in a manner different from the manner in which it relates to other Owners; (b) modifies the definitions provided for by Article I of the Declaration in a manner which alters Declarant's rights or status; (c) modifies or repeals any provision of Article II of the Declaration; (d) alters the nature or rights of membership as provided for by Article III of the Declaration; (e) alters or conflicts with any agreement between Declarant and any governmental or quasi-governmental authority or utility provider respecting any land use or zoning approval or entitlement, street, easement or facility pertaining to or serving any of the Properties; (f) interferes with Declarant's right to convey any Common Property or Limited Common Property to the Association; (g) modifies the basis or manner of assessment, or exemption from assessment, applicable to Declarant or any portion of the Properties owned by Declarant or an Affiliate; or (h) alters or repeals any provision of the Governing Documents pertaining to Declarant's rights, such as but not limited to the easements created in favor of, or reserved to, Declarant over, under and through the Common Property and Limited Common Property pursuant to Article IV of the Declaration.

Section 2. Declarant. Until the Turnover Date, Declarant may unilaterally amend these Articles for any purpose, including, but not limited to, satisfying the requirements of any of the following: (a) any applicable governmental statute, rule, regulation or judicial determination; (b) any local, state, or federal governmental agency; (c) any title insurance company proposing to issue title insurance coverage on any Unit or other portion of the Properties; and (d) any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Department of Housing and Urban Development or Veteran's Administration, proposing to make, purchase, insure, or guarantee any mortgage loan on any Unit or other portion of the Properties.

Except as otherwise expressly provided in the next sentence, no amendment by Declarant pursuant to this section shall require any approval, consent or joinder by the Association, any Owner or the holder of any mortgage or other lien upon any of the Properties. The preceding sentence is subject to the exceptions that an amendment by Declarant pursuant to this section may not materially and adversely alter the proportionate voting interest appurtenant to any Unit or increase the proportion or percentage by which any Owner shares in the Common Expense or Limited Common Expense of the Association beyond any such alteration or increase that is expressly permitted by the Declaration unless the adversely affected Owner, as the case may be, and all record owners of liens on the adversely affected Owner's Unit, if applicable, join in the execution of the amendment. For purposes of this section, a change in any quorum requirement shall not be deemed a material or adverse alteration of voting interests and the signing and recording of a Supplemental Declaration for the purpose of annexing Additional Property to the Declaration pursuant to Article II thereof shall not be deemed an amendment to these Articles.

Except as provided in the next sentence, each amendment of these Articles made by Declarant pursuant to this section shall take effect on the date a written instrument setting forth the amendment to these Articles,

executed and acknowledged by Declarant and any Owner or mortgage holder, if any, whose joinder is expressly required by this section, is filed with the Florida Department of State in accordance with Florida law and recorded in the Public Records. The foregoing is subject to the exception that, if the amendment expressly provides for a later effective date, the later effective date shall control.

Section 3. Reliance. Each Member Articles Amendment Agreement, each certified copy of a Member Articles Amendment Resolution and each amendment by Declarant recorded in the Public Records shall be binding upon, and conclusive in favor of, all persons and entities having any interest in the Properties and no such person or entity shall have any duty or obligation to inquire regarding any fact or circumstance pertaining to adoption of the amendment described therein.

Section 4. District Approval. Any provision of these Articles to the contrary notwithstanding, any amendment to these Articles which alters any provision relating to or affecting the Surface Water Management System (including, but not limited to, environmental conservation areas and the water management portions of the Common Property and Limited Common Property) must have the prior written approval of the District and the CDD. Any such amendment must be submitted to the District for a determination of whether the amendment necessitates a modification of any environmental resource or surface water management permit. If a modification is necessary, the District will so advise the permittee and the amendment may not be finalized until any necessary permit modification is approved by the District.

Section 5. Limitation. These Articles may not be amended or interpreted so as to conflict with the Declaration.

ARTICLE XIII
INCONSISTENCY AND SEVERABILITY

In the event of any inconsistency between the Declaration and these Articles, the Declaration shall control. These Articles shall be effective to the fullest extent permitted by law. The invalidation of any provision of these Articles shall not affect or modify any other provision and all other provisions shall remain in full force and effect. If any provision of these Articles, or the application thereof to any Person or circumstance, shall for any reason and to any extent be determined or held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of these Articles and the application of such provision to any other Persons or circumstances as to which it is legal, valid and enforceable, if any, shall not be affected thereby and it shall be enforced to the maximum extent possible. To the extent reasonable under the circumstances, a provision that is as close as possible to the operation and effect of any illegal, invalid or unenforceable provision stricken from these Articles due to such determination or holding, but which is not illegal, invalid or unenforceable, shall be inserted in lieu of any provision of these Articles that is determined or held by a court to be illegal, invalid or unenforceable. The provisions of this article shall also apply to any amendment of these Articles.

ARTICLE XIV
INCORPORATOR

The name and street address of the sole incorporator to these Articles is as follows:

New Chapel Creek, LLC, a Florida limited liability company
c/o U.S. Bank National Association
Two James Center
1021 East Cary Street, 18th Floor
Richmond, Virginia 23219
Attention: Christopher Gehman

IN WITNESS WHEREOF, the undersigned sole incorporator of this corporation has executed these Articles on this 11th day of June, 2013.

NEW CHAPEL CREEK, LLC, a Florida limited liability company

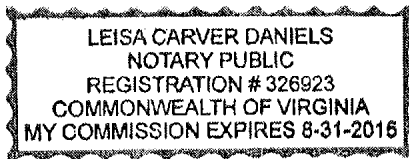
By: [Signature]
Name: Christopher Gehman
Title: President

COMMONWEALTH OF VIRGINIA)
) ss:
CITY OF RICHMOND)

The foregoing instrument was acknowledged before me this 11 day of June, 2013, by Christopher Gehman, the President of New Chapel Creek, LLC, a Florida limited liability company, on behalf of the said limited liability company. He [X] is personally known to me or [] has produced _____ as identification.

Notary Stamp:

[Signature]
Signature of Notary Public
Printed Name: Leisa Carver Daniels



CERTIFICATE DESIGNATING REGISTERED AGENT FOR SERVICE OF PROCESS

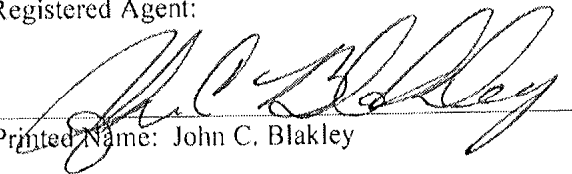
This Certificate is submitted pursuant to Section 48.091 and Section 617.0501, *Florida Statutes*.

STONEBRIDGE MASTER ASSOCIATION, INC., desiring to organize as a corporation under the laws of the State of Florida, with its initial registered office at 5020 West Linebaugh Avenue, Suite 250, Tampa, Florida 33624, has named John C. Blakley as its agent to accept service of process within this state.

ACKNOWLEDGMENT:

Having been named to accept service of process for the corporation named above, at the place designated in this Certificate, I hereby accept appointment as registered agent, agree to act in this capacity, and agree to comply with the provisions of said statutes relative to keeping open said office. I acknowledge that I am familiar with the obligations of a registered agent under Florida law.

Registered Agent:


Printed Name: John C. Blakley

Dated: 6/11, 2013

EXHIBIT "C"

BYLAWS OF STONEBRIDGE MASTER ASSOCIATION, INC.

ARTICLE I
IDENTITY

These are the Bylaws of **STONEBRIDGE MASTER ASSOCIATION, INC.** (the "Association"), a corporation not for profit organized and existing under Chapter 617, *Florida Statutes*, for the purpose of administering the Properties in accordance with the Declaration.

ARTICLE II
DEFINITIONS

Section 1. Declaration. "Declaration" means and refers to the Master Declaration of Covenants, Conditions and Restrictions for Stonebridge recorded or to be recorded by Declarant in the Public Records of Pasco County, Florida, as amended and supplemented from time to time.

Section 2. Defined Terms. All capitalized terms used in these Bylaws that are not expressly defined in these Bylaws shall have the definitions and meanings assigned to those terms by the Declaration and the said definitions and meanings are hereby incorporated herein by this reference.

ARTICLE III
OFFICES

Section 1. Principal Office. The initial principal office of the Association is 5020 West Linebaugh Avenue, Suite 250, Tampa, Florida 33624. The Board may change the principal office and/or mailing address of the Association at any time and from time to time.

Section 2. Other Offices. The Association may also have offices at such other places within the State of Florida as the Board may from time to time determine to be in the best interests of the Association or its Members.

ARTICLE IV
PURPOSES, POWERS AND AUTHORITY

The Association has been organized for such purposes, and the Association has such powers and authority, as are set forth in the Governing Documents, including but not limited to these Bylaws.

ARTICLE V
MEMBERS

Section 1. Qualifications. The qualifications for membership in the Association are set forth in the Declaration.

Section 2. Transfers. Provisions pertaining to transfers of each Member's membership in the Association are set forth the Declaration.

Section 3. Voting Rights. The voting rights of the Members are set forth in the Declaration.

ARTICLE VI
MEETINGS OF MEMBERS

Section 1. Dates and Times of Meetings. Each meeting of the Members shall be held on such date and at such time of the day as shall be fixed by the Board and stated in the notice of the meeting.

Section 2. Places of Meetings. Each meeting of the Members shall be held at such place in the County or in Pasco County, Florida as may be designated by the Board and stated in the notice of the meeting.

Section 3. Annual Meetings. An annual meeting of the Members shall be held every year for the purpose of transacting any business as may properly be brought before the meeting. Beginning when Members other than Declarant are entitled to elect one or more directors, the election of directors must be held at, or in conjunction with, the annual meeting of the Members.

Section 4. Special Meetings. Special meetings of the Members shall be held when called by the Board or by any one or more Members holding in the aggregate at least ten percent (10%) of the total voting interests of the Association. Business conducted at any special meeting shall be limited to the purposes described in the notice of the special meeting.

Section 5. Notices. The Association shall give to all Members and, if required by law, to all Owners, actual notice of each meeting of the Members stating the date, time and place of the meeting and any other information as may be required by law. Unless otherwise required by law, the notice of an annual meeting need not state the purposes of the annual meeting, but any notice of a special meeting must describe the purposes of the special meeting. Notices shall be mailed, delivered, or electronically transmitted to the Members not less than fourteen (14) days prior to the meeting; provided, however, that, if required by law, the consent of the Member to receive notice by electronic transmission shall be obtained in writing before any notice of any meeting of the Members is sent to the Member by electronic transmission. Evidence of compliance with this 14-day notice requirement shall be made by an affidavit executed by the Person providing the notice and filed upon execution among the official records of the Association. In addition to mailing, delivering, or electronically transmitting the notice of any meeting, the Association may adopt a reasonable rule setting forth the procedure for conspicuously posting and repeatedly broadcasting the notice and the agenda on a cable television system serving the Association. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda. Members may waive notice of any specific meeting by written notice to the Secretary of the Association. Attendance by a Member at a meeting of Members shall constitute a waiver of notice of that meeting by that Member, except when the Member attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting.

Section 6. Quorum. The holders of ten percent (10%) of the total voting interests in the Association, represented in person or by proxy, shall constitute a quorum for any meeting of the Members of the Association, but, unless prohibited by applicable law, if any properly noticed meeting is adjourned due to the failure to attain a quorum, the presence in person or by proxy at the reconvened meeting by the holders of at least ten percent (10%) of the total voting interests of the Association shall be sufficient to constitute a quorum for the conduct of any business that could have been conducted at the original meeting had a quorum been attained.

Section 7. Required Vote. Except to the extent a larger number of votes is expressly required elsewhere in the Governing Documents or by applicable law, decisions that require a vote of the Members must be made by the concurrence of at least a majority of the voting interests present, in person or by proxy, at a meeting at which a quorum has been attained.

Section 8. Manner of Voting. The voting rights of the Members shall be exercised in the manner provided in the Declaration.

Section 9. Adjournment. Members who are present, either in person or by proxy, may adjourn any annual or special meeting of the Members to a different date, time or place. If a meeting is adjourned to a different date, time or place, and if an announcement of the new date, time or place is made at the meeting, it shall not be necessary to give notice of the adjourned meeting unless the Board fixes a new date, time or place for the adjourned meeting after adjournment. If the different date, time, or place for the adjourned meeting is not announced at that meeting before the adjournment is taken, notice must be given of the new date, time, or place by posting the notice in a conspicuous place in the Properties at least forty eight (48) hours in advance of the new meeting or by mailing, delivering or electronically transmitting the notice to each Member at least seven (7) days before the adjourned meeting. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting. If a new record date for the adjourned meeting is or must be fixed under these Bylaws or Section 617.0707, *Florida Statutes*, notice of the adjourned meeting must be given to Members who are entitled to vote and are Members as of the new record date but were not Members as of the previous record date.

Section 10. Proxies. The Members have the right to vote in person or by proxy. To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it was given, and must be signed by the authorized Person who executed the proxy. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and shall automatically expire ninety (90) days after the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of the Member who executes it. If the proxy form expressly so provides, any proxy holder may appoint, in writing, a substitute to act in his or her place. The Board may (but need not) require by rule the filing of proxies with the Secretary of the Association at some designated time prior to the meeting for which the proxies are intended to be used.

Section 11. Conduct of Meetings. The president or, in his or her absence, a vice president of the Association shall preside at the annual and special meetings of Members. At each annual meeting and, to the extent practical and appropriate, at each special meeting, the order of business shall be as follows:

- (a) Call to order.
- (b) Introduction of the Board, certifying proxies and establishing a quorum.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and approval of the minutes of the last meeting, or waiver of the reading of the minutes, and disposal of any unapproved minutes.
- (e) Appointment of a judges of the vote.
- (f) Reports from the Board and any committees.
- (g) Election of directors (when the Members are entitled to elect any director).
- (h) Other business and discussion.
- (i) Adjournment.

Section 12. Member Participation. Members have the right to attend all membership meetings and to speak at any meeting with reference to all items opened for discussion or included on the agenda. A Member has the right to speak for at least three (3) minutes on any item, but only if the Member submits to the Association a

written request to speak prior to the meeting. The Board may adopt rules governing the frequency, duration, and other manner of Member statements. The Board may also adopt reasonable rules governing audio and visual recordings of meetings of the Members.

Section 13. Action Without Meeting. Unless prohibited by law, any action that may be taken at a meeting of the Members may be taken without a meeting or notice if a consent or consents, in writing, setting forth the action so taken, is signed by the holders of not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted with respect to the subject matter thereof. Such consent shall have the same force and effect as a vote of Members taken at a meeting duly noticed and convened in accordance with the Governing Documents and Florida law.

Section 14. Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or in order to make a determination of Members for any other purpose, the Board may fix in advance a date as the record date for any such determination of Members, such date in any case to be not more than sixty (60) days, and, in case of a meeting of Members, not less than ten (10) days, prior to the date on which the particular action requiring such determination of Members is to be taken. If no other record date is fixed by the Board for the determination of Members entitled to notice of or to vote at a meeting of Members, the date on which the notice of the meeting is first distributed shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof, except where the Board fixes a new record date for the adjourned meeting.

Section 15. Judges of the Vote. In advance of any meeting at which an election of directors or other vote of the Members will take place, the Board may, but need not, appoint one or more judges of the vote to supervise the election of directors or other vote at the meeting or any adjournment thereof. If any one or more judges are not appointed by the Board in advance of the meeting, the Person presiding at the meeting may, but need not, appoint one or more judges of the vote. If any Person appointed as a judge of the vote fails to appear or act, the vacancy may be filled in advance of the meeting by the Board or at the meeting by the Person presiding at the meeting. The judge or judges, if any, shall determine the number of votes outstanding and allocation of those votes among the Members, the voting interests represented at the meeting, the existence of a quorum, and the validity and effect of proxies. They shall also receive votes, ballots and consents, determine whether any votes must be disqualified, count and tabulate valid votes, ballots and consents, determine the result and certify the same to the Board, and perform such acts as are proper to conduct the election or vote with fairness to the Members. In the event of any disagreement among the judges of the vote over any matter pertaining to any vote, the matter shall be referred to the Board and the Board's decision shall bind the judges of the vote. At the request of the Board or the Person presiding at the meeting, the judge or judges, if any, shall certify in writing as to any fact or matter determined by him, her or them in his, her or their capacity as judge or judges of the vote.

Section 16. Minutes. Minutes of all meetings of the Members must be maintained in written form or in another form that can be converted into written form within a reasonable time.

ARTICLE VII **DIRECTORS**

Section 1. Board. The Board and such officers as the Board may appoint shall conduct the affairs of the Association in accordance with the Governing Documents. Each director and each officer of the Association must be an Owner, an officer or director of an Owner that is an entity, or an officer, director, employee or agent of Declarant or an Affiliate. The Association shall be governed by a Board consisting of not fewer than three (3) nor more than eleven (11) directors. Initially, the Board will consist of three (3) directors, with the number in subsequent years to be determined by the Board; provided, however, that there must always be an odd number

of directorships, no director's term shall be shortened by reason of a resolution reducing the number of directors, and no change in the number of directors may be made without the prior written approval of Declarant for so long as Declarant shall have the right to designate at least one (1) member of the Board. Each director shall have one (1) vote in the meetings and proceedings of the Board.

Section 2. Elections. Beginning when the Members other than Declarant are entitled to elect one or more directors to the Board, the election of directors shall be conducted in accordance with applicable law and the Governing Documents. Each election of directors whose terms are due to expire shall be held at, or in conjunction with, an annual meeting of the Members or at a special meeting called for that purpose. A Member may nominate himself or herself as a candidate for the Board at a meeting where the election is to be held. Directors shall be elected by a plurality of the votes cast by eligible voters. Any election dispute between a Member and the Association shall be submitted to mandatory binding arbitration in accordance with applicable law.

Section 3. Term of Service. Any director appointed to the Board by Declarant shall serve at the pleasure of Declarant for so long as Declarant is entitled to appoint that director pursuant to the Governing Documents. The term of each other director shall be three (3) years, and thereafter until such director's successor is duly elected and qualified, or until such earlier time as that director is removed in the manner hereinafter provided. The terms of the directors other than those appointed by Declarant shall be staggered. In order to achieve staggered terms, the first director elected by the Members other than Declarant shall have a term of one (1) year, the second director elected by the Members other than Declarant shall have a term of two (2) years, and thereafter all directors elected by the Members other than Declarant shall have terms of three (3) years.

Section 4. Compensation of Directors and Committees. The directors and the members of any special or standing committees of the Association may be reimbursed by the Association for any expenses reasonably incurred by them incidental to the performance of their duties or the furtherance of the business of the Association, such as but not limited to expenses incurred to attend any meeting of the Board, any committee or the Members.

Section 5. Resignation. A director of the Association may resign at any time by giving a written notice to the Board or the Association. The resignation of any director shall take effect upon delivery of the notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Board Meetings. Except for attendance of a quorum of the Board at a mediation or arbitration proceeding pursuant to Section 720.311(2)(a), *Florida Statutes*, a meeting of the Board of the Association occurs whenever a quorum of the Board gathers to conduct business of the Association. Following the Turnover Date, each newly-elected Board shall hold an organizational meeting within thirty (30) days after its election. Unless otherwise determined by the Board, the Board shall meet at least quarterly. Meetings of the Board may be called by the president and they shall be called at the written request of at least forty percent (40%) of the directors.

Section 7. Telephone Meetings. Directors and committee members may participate in and hold a meeting by means of conference telephone or other communication equipment that permits all Persons participating in or observing the meeting to hear the discussion. Participation by any Person in any such meeting shall constitute the presence of that Person at the meeting, except where the Person participates in the meeting for the sole and express purpose of objecting to the transaction of any business on the ground the meeting is not lawfully called or convened.

Section 8. Members' Rights to Attend. Except as provided below, all meetings of the Board and all meetings of any committees must be open to all Members and the Members have the right to attend all meetings

of the Board and all meetings of any committees. The Members have the right to speak for at least three (3) minutes on any matter placed on the agenda by petition of the voting interests. The Association may adopt written reasonable rules expanding the right of Members to speak and governing the frequency, duration, and other manner of Member statements, which rules must be consistent with applicable law and may include a sign-up sheet for Members wishing to speak. The requirement that Board meetings and committee meetings be open to the Members is inapplicable to meetings between the Board or a committee and the Association's attorney, with respect to meetings of the Board held for the purpose of discussing personnel matters.

Section 9. Petitions by Members. If twenty percent (20%) of the total voting interests petition the Board to address an item of business, the Board shall at its next regular Board meeting or at a special meeting of the Board, but not later than sixty (60) days after the receipt of the petition, take the petitioned item up on an agenda. Each Member shall have the right to speak for at least three (3) minutes on each matter placed on the agenda by petition, provided that the Member signs the sign-up sheet, if one is provided, or submits a written request to speak prior to the meeting. Other than addressing the petitioned item at the meeting, the Board is not obligated to take any other action requested by the petition.

Section 10. Minutes. Minutes of all meetings of the Board and each standing committee must be maintained in written form or in another form that can be converted into written form within a reasonable time. A vote or abstention from voting on each matter voted upon for each director present at a Board meeting must be recorded in the minutes.

Section 11. Recording. Any Member may make an audio and/or video record of any meeting of the Board, a committee or the Members. The Board may adopt reasonable rules governing audio and visual recordings of meetings.

Section 12. Action Without a Meeting. Despite anything herein to the contrary, if and to the extent permitted by applicable law, any action required or which may be taken at any meeting of the Board may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all directors. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by all directors, and delivered to the Secretary of the Association, or other authorized agent of the Association. Written consent shall not be effective to take the corporate action referred to in the consent unless signed by all directors within sixty (60) days of the date of the earliest dated consent and delivered to the Association as described above. Any written consent may be revoked prior to the date the Association receives the required number of consents to authorize the proposed action. A revocation is not effective unless in writing and until received by the Secretary of the Association or other authorized agent of the Association. A consent signed in accordance with the foregoing has the effect of a meeting vote and may be described as such in any document.

Section 13. Notices of Meetings. Notice of the date, time and place of each Board meeting must be posted in a conspicuous place in the Properties at least forty eight (48) hours in advance of the meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the Properties, notice of each Board meeting must be mailed, delivered, or transmitted electronically in a manner authorized by law, to each Member at least seven (7) days before the meeting, except in an emergency; provided, however, that, if required by law, the consent of the Member to receive notice by electronic transmission shall be obtained in writing before any notice of any meeting of the Board is sent to the Member by electronic transmission.

Notwithstanding this general notice requirement, if the Properties contains more than one hundred (100) Units, and the Association is required by applicable law to give notice to Owners of the date, time and place of each Board meeting, the Board may adopt by rule a reasonable alternative to posting or mailing of notice for each Board meeting, including publication of notice, provision of a schedule of board meetings, or the conspicuous posting and repeated broadcasting of the notice on a cable television system serving the Properties. However, if broadcast notice is used in lieu of a notice posted physically in the Properties, the notice must be

broadcast at least four (4) times every broadcast hour of each day that a posted notice is otherwise required. When broadcast notice is provided, the notice and agenda must be broadcast in a manner and for a sufficient continuous length of time so as to allow an average reader to observe the notice and read and comprehend the entire content of the notice and the agenda.

An Assessment may not be levied at a Board meeting unless written notice of the meeting, including a statement that an Assessment will be considered and the nature of the Assessment, is provided to all Members at least fourteen (14) days before the meeting. Rules that regulate the use of any parcel in the Properties may not be adopted, amended or revoked at a Board meeting unless written notice of the meeting, including the statement that changes to the rules regarding the use of parcels in the Properties will be considered at the meeting, is provided to all Members at least fourteen (14) days before the meeting. Written notice of any meeting at which any Special Assessment will be considered, or at which any amendment to the Rules regarding parcel use will be considered, or at which any item placed on the agenda by petition of the Members will be addressed, must be mailed, delivered, or electronically transmitted to the Members and posted conspicuously on the Properties or broadcast on cable television not less than fourteen (14) days before the meeting. This paragraph also applies to the meetings of any committee or other similar body, when a final decision will be made regarding the expenditure of Association funds, and to any meeting of the ARB.

Written notice of each meeting of the Board shall be mailed, delivered, or transmitted electronically to each director at his or her address appearing on the books of the Association. Unless waived, the notices to the directors shall be provided at least forty eight (48) hours before the meeting, except in an emergency. Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the sole and express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting.

Section 14. Quorum Requirement and Voting at Board Meetings. A quorum for a meeting of the Board shall consist of directors entitled to cast a majority of the votes of the entire Board, and any action requiring a vote of the Board may be approved by a majority of votes cast at a meeting at which a quorum is present. Unless prohibited by law, the joinder of a director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of that director for the purpose of determining a quorum.

Section 15. Adjournment. The directors who attend any Board meeting and the committee members who attend any committee meeting may adjourn the meeting to a different date, time or place. If a meeting is adjourned to a different date, time or place, and if an announcement of the new date, time or place is made at the meeting, it shall not be necessary to give notice of the adjourned meeting unless the Board or committee fixes a new date, time or place for the adjourned meeting after adjournment. If the different date, time, or place for the adjourned meeting is not announced at that meeting before the adjournment is taken, notice must be given of the new date, time, or place in accordance with the requirements of Section 13 of this article. Any business that might have been transacted on the original date of the meeting may be transacted at the adjourned meeting.

Section 16. Proxies and Secret Ballots. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used in the election of officers. This section also applies to the meetings of any committee or other similar body, when a final decision will be made regarding the expenditure of Association funds, and to any meeting of the ARB.

Section 17. Presiding Officer. The presiding officer at a meeting of the Board shall be the president. In the absence of the president, the directors present shall designate one of their number to preside.

Section 18. Committees. The Board may designate from among its members an executive committee and one or more other committees, each of which, to the extent expressly delegated by the Board, shall have and

may exercise the authority of the Board in the business and affairs of the Association except where the action of the Board is required by Florida law. Vacancies in the membership of a committee shall be filled by the Board at a regular or special meeting of the Board. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required by the Board. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board or any director of any responsibility imposed upon the Board or director by law.

Section 19. Board Powers. The Board shall have and may exercise all powers and authority vested in the Association pursuant to the Governing Documents and the Board shall perform all duties imposed on the Association pursuant to the Governing Documents, including but not limited to the following:

- (a) to establish, levy and collect Assessments and to expend the proceeds of Assessments;
- (b) to improve, maintain, repair, replace, operate and/or insure the Common Property, Limited Common Property and any Areas of Common Responsibility;
- (c) to promulgate, amend, enforce and rescind rules governing the use of the Common Property, Limited Common Property and any Areas of Common Responsibility;
- (d) to enforce by lawful means the provisions of the Governing Documents and to impose fines and suspensions for violations of said provisions;
- (e) to appoint and remove at its pleasure all officers, employees and agents of the Association, prescribe their duties, fix their compensation and require of them such security or provide for them such fidelity insurance or bonds as the Board may desire;
- (f) to obtain and pay for the services of any Person to manage any of the business or affairs of the Association or to perform any of the Board's duties or to exercise any of the Board's powers or authority, and to employ personnel for such purposes, which manager or personnel may or may not be an Affiliate; provided, however, that any actions and matters that, under the terms of the Governing Documents or applicable law, expressly require a specified vote of the Board and/or of the Members of the Association shall continue to require such vote, and no such action may be taken or matter disposed of by the manager or any personnel engaged or employed for these purposes without the required vote of the Board and/or the Members of the Association, as applicable;
- (g) to engage engineering, architectural, construction, legal, accounting, information technology, and other consultants or contractors whose services are necessary or desirable in connection with the operation of the Association, the carrying out of any of the duties or the exercise of any of the powers or authority of the Association, or the administration and enforcement of the Governing Documents;
- (h) to enter into contracts and leases with other parties, and to lease, purchase or acquire from other parties other interests in any land and improvements in the name of the Association alone, or together with other associations or entities, for the benefit of the Owners;
- (i) to call regular and special meetings of the Members and of the Board;
- (j) to fill vacancies on the Board pursuant to Section 21 of this article; and
- (k) to borrow money, unsecured or secured by mortgages on, or pledges of, the Common Property or Limited Common Property, as and when deemed by the Board to be necessary or desirable for the performance of the duties or for the exercise of the powers and authority of the Association.

Section 20. Emergency Bylaws.

(a) During any emergency, as defined below, the Board shall be authorized to implement the following provisions for the management and operation of the Association:

(i) Notice of a meeting of the Board need be given only to those directors whom it is practicable to reach and said notice may be given in any practicable manner, including but not limited to by telephone, facsimile, delivery or electronic transmission;

(ii) One or more officers of the Association present at a meeting of the Board may be deemed to be directors for the meeting, in order of rank and within the same rank in order of seniority, as necessary to achieve a quorum; and

(iii) The director or directors in attendance at a meeting constitute a quorum.

(b) Either before or during any such emergency, the Board, may:

(i) Modify lines of succession to accommodate the incapacity of any director or officer; and

(ii) Relocate the principal office or designate an alternative principal office or authorize the officers to do so.

(c) Action taken in good faith during an emergency under this section to further the ordinary business and affairs of the Association binds the Association and may not be used to impose liability on an Association director, officer or employee. Any officer, director or employee acting in accordance with these emergency bylaws is only liable for willful misconduct.

(d) Except as provided above, all provisions of the regular bylaws of the Association shall remain in effect during any emergency. The emergency bylaws are not effective after the emergency ends.

(e) An emergency exists for purposes of this section if a quorum of the Association's directors cannot readily be assembled because of some catastrophic event, including but not limited to war, insurrection, riot, terrorist acts, hurricane, tornado, flood, earthquake or conflagration.

Section 21. Removal and Replacement of Directors. Only Declarant shall have the power to recall, remove or replace any director as to which Declarant has the power of appointment pursuant to the Governing Documents. Any other director may be recalled and removed from office, with or without cause, by a majority of the total voting interests in the Association in accordance with applicable law.

Directors may be recalled by an agreement in writing, by written ballot without a membership meeting, or by a vote taken at a meeting of the Members. When the recall of more than one (1) director is sought, the written agreement, ballot, or vote at a meeting shall provide for a separate vote for each director sought to be recalled. If the recall is by agreement in writing or written ballot without a membership meeting and at least a majority of the Board is sought to be recalled, the agreement or ballot shall list at least as many possible replacement directors as there are directors subject to the recall and the Person executing the recall instrument may vote for as many replacement candidates as there are directors subject to the recall.

A special meeting of the Members to recall a director or directors of the Board may be called by ten percent (10%) of the voting interests giving notice of the meeting as required for a special meeting of Members, and the notice shall state the purpose of the meeting. Electronic transmission may not be used as a method of giving notice of a meeting called in whole or in part for the purpose of considering the recall of any director.

If any director is recalled by an agreement in writing or by written ballot without a membership meeting, the agreement in writing or the written ballots, or a copy thereof, shall be served on the Association in accordance with applicable law. The Board shall duly notice and hold a meeting of the board within five (5) business days after receipt of the agreement in writing or written ballots. At the meeting, the Board shall either certify the written ballots or written agreement to recall a director or directors, in which case such director or directors shall be recalled effective immediately and shall turn over to the Board within five (5) business days any and all records and property of the Association in his, her or their possession, or, if the board determines not to certify the written agreement or written ballots to recall a director or directors, the Board shall, within five (5) business days after the Board meeting, file a petition for binding arbitration in accordance with applicable law. If any director is recalled by vote at a meeting of the Members, the Board shall duly notice and hold a Board meeting within five (5) business days after the adjournment of the Member meeting to recall one or more directors. At the meeting, the Board shall certify the recall, in which case such director or directors shall be recalled effective immediately and they shall turn over to the Board within five (5) business days any and all records and property of the Association in their possession, or, if the board determines not to certify the recall by a vote at a meeting of the Members, the Board shall, within five (5) business days after the Board meeting, file a petition for binding arbitration in accordance with applicable law. For the purposes of this section, the Members who voted at the meeting or who executed the agreement in writing or written ballot shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any director or directors, the recall will be effective upon mailing of the final order of arbitration to the Association and the director or directors so recalled shall deliver to the Board any and all records of the Association in their possession within five (5) business days after the effective date of the recall. If the Board fails to duly notice and hold a board meeting within five (5) business days after service of an agreement in writing or written ballot, or within five (5) business days after the adjournment of the Member recall meeting, the recall shall be deemed effective and the directors so recalled shall immediately turn over to the Board all records and property of the Association.

The minutes of the Board meeting at which the Board decides whether to certify the recall are an official record of the Association. The minutes must record the date and time of the meeting, the decision of the Board, and the vote count taken on each Board member subject to the recall. In addition, when the Board decides not to certify the recall, as to each vote rejected, the minutes must identify the address or legal description of the Unit and the specific reason for each such rejection.

Whenever it is determined pursuant to binding arbitration proceedings that an initial recall effort was defective, written recall agreements or written ballots used in the first recall effort and not found to be defective may be reused in one subsequent recall effort. However, in no event is a written agreement or written ballot valid for more than one hundred twenty (120) days after it has been signed by the Member. Any rescission or revocation of a Member's written recall ballot or agreement must be in writing and, in order to be effective, must be delivered to the Association before the Association is served with the written recall agreements or ballots.

Notwithstanding anything to the contrary set forth in these Bylaws, if a vacancy occurs on the Board as a result of a recall and less than a majority of the directors are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining directors. If vacancies occur on the Board as a result of a recall and a majority or more of the directors are removed, the vacancies shall be filled by Members voting in favor of the recall, and if removal occurs at a meeting, any vacancies shall be filled by the Members at the meeting. If the recall occurred by agreement in writing or by written ballot, Members may vote for replacement directors in the same instrument in accordance with applicable law. This paragraph does not apply to replacement of any director as to which Declarant has the power of appointment.

Any director to be appointed to fill a vacancy on the Board as to which Declarant has the power of appointment or to fill a new Board position created by reason of an increase in the size of the Board as to which Declarant has the power of appointment, shall be appointed by Declarant. Except as otherwise provided in this article, any vacancy occurring in the Board and any other directorship to be filled by reason of an increase in the

size of the Board may be filled by the affirmative vote of a majority of the current directors, though less than a quorum of the Board, or may be filled by an election at an annual or special meeting of the Members called for that purpose. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office, or until the next election of one or more directors by Members if the vacancy is caused by an increase in the number of directors.

ARTICLE VIII
OFFICERS

Section 1. Officers of the Association. The officers of the Association shall be a president, one or more vice presidents, a secretary, a treasurer and such other officers as the Board may from time to time desire to appoint. The officers may or may not be directors of the Association.

Section 2. Term. All officers of the Association shall be appointed by the Board. The officers of the Association shall hold office until their successors are appointed and qualified. Any officer may be removed, with or without cause, by the Board whenever in the Board’s judgment the best interests of the Association will be served by such removal. Any vacancy occurring in any office of the Association by incapacity, death, resignation, removal or otherwise shall be filled by the Board.

Section 3. Compensation. The salaries and other compensation of the officers of the Association, if any, shall be established from time to time by the Board.

Section 4. Powers and Duties of the President. The president shall be a member of the Board and an ex officio member of all standing committees, and shall be the chief executive officer of the Association. The president shall be the most senior officer of the Association and shall be responsible for the normal day-to-day management, operation and maintenance of the business and affairs of the Association in accordance with the Association’s business plan and budget. The president shall be responsible for interpretation and executive implementation of the corporate policies set by the Board, and shall perform all the duties and have and exercise all rights and powers usually pertaining and attributable, by law, custom, or otherwise, to the chief executive officer. The president shall have the authority to execute contracts, deeds, notes, mortgages, bonds and other instruments and papers in the name of the Association and on its behalf. At each annual meeting of the Members and at each annual meeting of the Board, the president shall present a report of the business and affairs of the Association. The president shall coordinate and supervise the activities of all other officers of the Association. The president shall have such other powers and shall perform such other duties, if any, as may be designated by the Board.

Section 5. Powers and Duties of the Vice President. During any absence or disability of the president, a vice president shall perform the duties and exercise the powers of the president. If there are more than one vice president, they shall serve in the absence or disability of the president in the order of their seniority, unless otherwise determined by the Board. The vice president shall have such powers and shall perform such other duties as the Board may from time to time designate.

Section 6. Powers and Duties of the Secretary. The secretary shall attend all meetings of the Board and all meetings of the Members and record all the proceedings of the meetings of the Members and of the Board in books to be kept for that purpose and shall perform like duties for the standing committees when required. The secretary shall give, or cause to be given, notice of all meetings of the Members and the Board, and shall perform such other duties as may be prescribed by the Board. The secretary shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Board may also appoint an assistant secretary, in which event the assistant secretary shall perform the duties of the secretary during any absence or disability of the Secretary.

Section 7. Powers and Duties of the Treasurer. The treasurer shall have the custody of all corporate funds, securities and evidences of indebtedness of the Association and he or she shall keep full and accurate

accounts of receipts and disbursements in books belonging to the Association and in accordance with good accounting practices and applicable law. The treasurer shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board. The treasurer shall disburse the funds of the Association in the manner and at the times ordered by the Board and he or she shall render to the Board at its regular meetings or when the Board so requires an account of all his or her transactions as treasurer and a report on of the financial condition of the Association.

ARTICLE IX FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:

Section 1. Annual Budget. By a majority vote of a quorum of the directors present at a meeting of the Board called for such purpose, the Board shall adopt an annual budget for each fiscal year. The annual budget shall reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges for any recreational amenities, whether owned by the Association, Declarant or another Person. The Association shall provide each Member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the Member. The copy must be provided to the Member within the time limits set forth in Article X.

Section 2. Members Accounts. The financial records of the Association shall include a current account and a periodic statement of the account for each Member which shall, at a minimum, designate the name and current address of each Member who is obligated to pay Assessments, the due date and amount of each Assessment or other charge against the Member, the date and amount of each payment on the account, and the balance due.

Section 3. Depository. Each depository in which the monies of the Association will be deposited shall be designated from time to time by the Board. Withdrawal of monies from each such account shall only be made by check signed by such signatories as may be authorized by the Board.

Section 4. Financial Reporting. Within sixty (60) days after the close of each fiscal year, the Association shall prepare an annual financial report in accordance with applicable law. The Association shall provide each Member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the Member. If a Member requests a copy, it shall be provided by the Association within the time limits set forth in Article X.

Section 5. Fiscal Year. Unless and until changed by the Board, the fiscal year of the Association shall be the first day of January through the last day of December.

ARTICLE X OFFICIAL RECORDS

Section 1. Official Records. The Association shall maintain for the benefit of the Association and each Owner each of the following items, when applicable, which constitute the official records of the Association:

- (a) copies of any plans, specifications, permits, and warranties related to improvements constructed on the Common Property, Limited Common Property or any Areas of Common Responsibility, including, but not limited to, all District Permits and all further permitting actions of, or related to, the District or any District Permit.
- (b) a copy of these Bylaws and of each amendment to these Bylaws;

- (c) a copy of the Articles and of each amendment to the Articles;
- (d) a copy of the Declaration and a copy of each amendment to the Declaration and each Supplemental Declaration;
- (e) a copy of the current Rules of the Association;
- (f) a copy of the current Design Guidelines;
- (g) the minutes of all meetings of the Board and of the Members, which minutes shall be retained for at least seven (7) years;
- (h) a current roster of all Members and their mailing addresses and, if applicable, parcel identifications, together with the electronic mailing addresses and the numbers designated by Members for receiving notice sent by electronic transmission to those Members who have consenting in writing to receipt of notice by electronic transmission, and which said electronic mailing addresses and numbers provided by Members to receive notice by electronic transmission shall be removed from records of the Association when consent to receive notice by electronic transmission is revoked; provided, however, that none of the Association or any of its directors, officers, employees or agents shall have any liability for any erroneous disclosure of the electronic mail address or the number for receiving electronic transmission of notices;
- (i) all of the Association's insurance policies or a copy thereof, which policies shall be retained for at least seven (7) years;
- (j) a current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility, together with any bids received by the Association for work to be performed which bids are not in excess of one (1) year old;
- (k) the financial and accounting records of the Association, which said records shall be kept according to good accounting practices and applicable law, shall be maintained for a period of at least seven (7) years, and shall include the following:
 - (i) accurate, itemized, and detailed records of all receipts and expenditures;
 - (ii) the Member accounts described in Section 2 of Article IX;
 - (iii) all tax returns, financial statements, and financial reports of the Association;
 - (iv) any other records of the Association that identify, measure, record, or communicate financial information;
 - (v) a copy of the disclosure summary described in s. 720.401(1), *Florida Statutes*;and
 - (vi) all other written records of the Association not specifically included in the foregoing which are related to the operation of the Association.

Section 2. Inspection And Copying of Official Records. The official records of the Association shall be maintained within the State of Florida and must be open to inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. This section may be (but need not be) complied with by having a copy of the official records available for inspection or copying within the Properties. If the Association has a photocopy

machine available where the records are maintained, it must provide those Persons entitled by law to receive them with copies on request during the inspection if the entire request is limited to no more than twenty five (25) pages. The Association may adopt reasonable written rules governing the frequency, time, location, notice, records to be inspected, and manner of inspections, but may not impose a requirement that a Member demonstrate any proper purpose for the inspection, state any reason for the inspection, or limit a Member's right to inspect records to less than one (1) eight (8) hour business day per month. The Association may impose fees to cover the costs of providing copies of the official records, including but not limited to the costs of copying. The Association may charge an amount per page (not exceeding any limit imposed by law) for copies made on the Association's photocopier, if any. If the Association does not have a photocopy machine available where the records are kept, or if the records requested to be copied exceed twenty five (25) pages in length, the Association may have copies made by an outside vendor and may charge the actual cost of copying. The Association shall maintain an adequate number of copies of the Governing Documents to ensure their availability to those entitled by law to receive them. Despite the provisions of this paragraph to the contrary, the following records shall not be accessible to any Member or his, her or its authorized agent:

- (a) any record protected by the lawyer-client privilege as defined by applicable law and any record protected by the work-product privilege, including, but not limited to, any record prepared by an attorney for the Association or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy, or legal theory of the attorney or the Association and was prepared exclusively for civil or criminal litigation or for adversarial administrative proceedings or which was prepared in anticipation of imminent civil or criminal litigation or imminent adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceedings;
- (b) information obtained by the Association in connection with the approval of the lease, sale, or other transfer of a parcel, if applicable;
- (c) disciplinary, health, insurance, and personnel records of any employee of the Association;
- (d) medical records of any Owner or resident of the Properties; and
- (e) any other record from time to time excluded by law from disclosure.

ARTICLE XI
GENERAL PROVISIONS

Section 1. Seal. The seal of the Association shall bear the name of the Association, the year of incorporation, the word "Florida" and the phrase "corporation not for profit."

Section 2. Conflicts. It is intended that the provisions of the Declaration and the Articles which apply to the governance of the Association, as supplemented by the provisions in these Bylaws which are not contained in or in conflict with the Declaration or the Articles, shall operate as the Bylaws of the Association. In the case of any conflict between the provisions of the Declaration or the Articles with these Bylaws, the Declaration or the Articles shall control.

Section 3. Waiver. No provision of these Bylaws or any rule promulgated by the Board shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

Section 4. Severability. These Bylaws shall be effective to the fullest extent permitted by law. The invalidation of any provision of these Bylaws shall not affect or modify any other provision and all other provisions shall remain in full force and effect. If any provision of these Bylaws, or the application thereof to any Person or circumstance, shall for any reason and to any extent be determined or held by a court of

competent jurisdiction to be illegal, invalid or unenforceable, the remainder of these Bylaws and the application of such provision to any other Persons or circumstances as to which it is legal, valid and enforceable, if any, shall not be affected thereby and it shall be enforced to the maximum extent possible. To the extent reasonable under the circumstances, a provision that is as close as possible to the operation and effect of any illegal, invalid or unenforceable provision stricken from these Bylaws due to such determination or holding, but which is not illegal, invalid or unenforceable, shall be inserted in lieu of any provision of these Bylaws that is determined or held by a court to be illegal, invalid or unenforceable. The provisions of this section shall also apply to any amendment of these Bylaws.

Section 5. Captions. Captions are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision.

Section 6. Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and the plural shall include the singular whenever the context requires or permits.

Section 7. Roberts Rules. All meetings of the membership of the Board shall be conducted in accordance with *Roberts Rules of Order Revised*.

ARTICLE XII
AMENDMENT

These Bylaws may be amended or repealed or new Bylaws may be adopted at any meeting of the Board at which a quorum is present, by the affirmative vote of a majority of the directors present at such meeting and, except as provided below with regard to Declarant, no approval of any Member shall be required; provided, however, that these Bylaws may not be amended or interpreted so as to conflict with the Declaration or the Articles. Also, the amendment, repeal or replacement of these Bylaws is subject to the approval rights of Declarant as provided in the Declaration and any limitation on amendment imposed by law.

No amendment to these Bylaws may materially and adversely alter the proportionate voting interest appurtenant to any Unit or increase the proportion or percentage by which any Owner shares in the Common Expense or Limited Common Expense of the Association beyond any such alteration or increase that is expressly permitted by the Declaration unless the adversely affected Owner and all record owners of liens on the adversely affected Owner's Unit, if applicable, join in the execution of the amendment. For purposes of this article, a change in any quorum requirement shall not be deemed a material or adverse alteration of voting interests.

Any provision of these Bylaws to the contrary notwithstanding, any amendment to these Bylaws which alters any provision relating to or affecting the Surface Water Management System (including, but not limited to, environmental conservation areas and the water management portions of the Common Property and Limited Common Property) must have the prior written approval of the District and the CDD. Any such amendment must be submitted to the District for a determination of whether the amendment necessitates a modification of any environmental resource or surface water management permit. If a modification is necessary, the amendment may not be finalized until any necessary permit modification is approved by the District.

I HEREBY CERTIFY that, as of the date set forth below, the foregoing is a complete and correct copy of the Bylaws of the Association as adopted and amended by the Board.

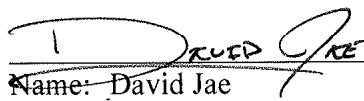

Name: David Jae
Title: Secretary
Date: June 21, 2013

EXHIBIT "D"

DISTRICT PERMIT

[SEE ATTACHED COPIES OF ENVIRONMENTAL RESOURCE PERMITS NUMBERS 44027015.001, 44027015.002, 44027015.003, 44027015.004, 44027015.005 AND 44027015.006.]



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Southwest Florida Water Management District

2379 Broad S., Brooksville, Florida 34604-6899
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On the Internet at: WaterMatters.org

Bartow Service Office
170 Century Boulevard
Bartow, Florida 33830-7700
(883) 534-1448 or
1-800-492-7862 (FL only)
SUNCOM 572-6200

Lecanto Service Office
Suite 226
3600 West Sovereign Path
Lecanto, Florida 34461-8070
(352) 527-8131
SUNCOM 667-3271

Sarasota Service Office
6750 Fruitville Road
Sarasota, Florida 34240-9711
(941) 377-3722 or
1-800-320-3503 (FL only)
SUNCOM 531-6900

Tampa Service Office
7601 Highway 301 North
Tampa, Florida 33637-6759
(813) 985-7481 or
1-800-836-0797 (FL only)
SUNCOM 578-2070

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- Taimadge G. "Jerry" Rice**
Vice Chair, Pasco
- Patsy C. Symons**
Secretary, DeSoto
- Judith C. Whitehead**
Treasurer, Hernando
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- Watson L. Haynes II**
Pinellas
- Janet D. Kovach**
Hillsborough
- Todd Pressman**
Pinellas

- David L. Moore**
Executive Director
- Gene A. Heath**
Assistant Executive Director
- William S. Bilenky**
General Counsel

October 25, 2005

Perry J. Reader
Maconi-Crossland Oak Creek, LLC
5850 T.G. Lee Boulevard, Suite 200
Orlando, FL 32822

Subject: **Final Agency Action Transmittal Letter**
ERP General Construction
Permit No.: 44027015.001
Project Name: Chapel Creek Subdivision - Phase 1A
County: Pasco
Sec/Twp/Rge: 05,06/26S/21E

Dear Mr. Reader:

This letter constitutes notice of Final Agency Action for **approval** of the permit referenced above. Final approval is contingent upon no objection to the District's action being received by the District within the time frames described below.

You or any person whose substantial interests are affected by the District's action regarding a permit may request an administrative hearing in accordance with Sections 120.569 and 120.57, Florida Statute (F.S.), and Chapter 28-106, Florida Administrative Code (F.A.C.), of the Uniform Rules of Procedure. *A request for hearing must: (1) explain how the substantial interests of each person requesting the hearing will be affected by the District's action, or proposed action, (2) state all material facts disputed by the person requesting the hearing or state that there are no disputed facts, and (3) otherwise comply with Chapter 28-106, F.A.C.* Copies of Sections 28-106.201 and 28-106.301, F.A.C. are enclosed for your reference. A request for hearing must be filed with (received by) the Agency Clerk of the District at the District's Brooksville address within 21 days of receipt of this notice. Receipt is deemed to be the fifth day after the date on which this notice is deposited in the United States mail. Failure to file a request for hearing within this time period shall constitute a waiver of any right you or such person may have to request a hearing under Sections 120.569 and 120.57, F.S. Mediation pursuant to Section 120.573, F.S., to settle an administrative dispute regarding the District's action in this matter is not available prior to the filing of a request for hearing.

Enclosed is a "Noticing Packet" that provides information regarding the District Rule 40D-1.1010, F.A.C., which addresses the notification of persons whose substantial interests may be affected by the District's action in this matter. The packet contains guidelines on how to provide notice of the District's action, and a notice that you may use.

The enclosed approved construction plans are part of the permit, and construction must be in accordance with these plans.

Permit No.: 44027015.001

Page 2

October 25, 2005

If you have questions concerning the permit, please contact William H. Roberts, P.E. at the Brooksville Service Office, extension 4350. For assistance with environmental concerns, please contact Kim M. Dorsten, extension 4353.

Sincerely,



Henry Robert Lue, P.E., Director
Brooksville Regulation Department

HRL:WHR:KMD:mej

Enclosures: Approved Permit w/Conditions Attached
Approved Construction Drawings
Statement of Completion
Notice of Authorization to Commence Construction
Noticing Packet (42.00-039)
Sections 28-106.201 and 28-106.301, F.A.C.

cc/enc: File of Record 44027015.001
Lawrence E. Emery, P.E., Hills & Associates, Inc.
US Army Corps of Engineers

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
ENVIRONMENTAL RESOURCE
GENERAL CONSTRUCTION
PERMIT NO. 44027015.001

Expiration Date: October 25, 2010

PERMIT ISSUE DATE: October 25, 2005

This permit is issued under the provisions of Chapter 373, Florida Statutes (F.S.), and the Rules contained in Chapters 40D-4 and 40, Florida Administrative Code (F.A.C.). The permit authorizes the Permittee to proceed with the construction of a surface water management system in accordance with the information outlined herein and shown by the application, approved drawings, plans, specifications, and other documents, attached hereto and kept on file at the Southwest Florida Water Management District (District). Unless otherwise stated by permit specific condition, permit issuance constitutes certification of compliance with state water quality standards under Section 401 of the Clean Water Act, 33 U.S.C. 1341. All construction, operation and maintenance of the surface water management system authorized by this permit shall occur in compliance with Florida Statutes and Administrative Code and the conditions of this permit.

PROJECT NAME: Chapel Creek Subdivision - Phase 1A

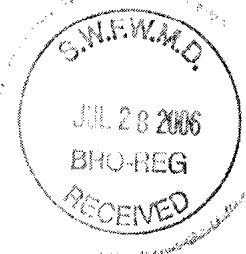
GRANTED TO: Maconi-Crossland Oak Creek, LLC
5850 T.G. Lee Boulevard, Suite 200
Orlando, FL 32822

ABSTRACT: This permit is for the construction of a new surface water management system to serve a 98.43-acre phase of a residential subdivision. The project site is located on the north side of Eiland Boulevard approximately 1,600 feet east of the intersection of Handcart Road and Eiland Boulevard in Sections 5 & 6, Township 26 South, Range 21 East, in Pasco County, Florida.

The project is located within hydrologically open drainage basins. Consistent with Chapter 40D-4, F.A.C., water quantity requirements, the principal design storm was based on a 25-year, 24-hour rainfall event of 8.70 inches, for peak discharge rate attenuation. The 100-year, 24-hour rainfall event of 12.00 inches was also run by the project engineer to demonstrate that off-site conveyance of stormwater will occur through the project site without flooding on-site or off-site. The project engineer used the Soil Conservation Service Type II Florida-modified rainfall distribution and a unit hydrograph shape factor of 256 to generate flood hydrographs for the individual basins.

The proposed surface water management system will be comprised of nine wet detention ponds, identified as Ponds 1, 2, 4, 5, 6, 7, 9, 10 and 13. Ponds 1, 4, 5, 6, 7, 9, 10 and 13 are wet detention ponds that are designed utilizing Wet Detention Design Pool requirements with V-Notch weirs. Pond 2 is designed as a wet detention pond utilizing a 1.25-inch diameter orifice. Project runoff will be discharged to off-site wetland systems, as occurs in pre-development conditions. Tail-water conditions at the receiving systems are time/stage sensitive and have been based on data developed by the design engineer. Allowable discharges for the project were established as the pre-development peak rates of runoff discharging to the off-site wetland systems and to the Eiland Boulevard right-of-way. The post-development peak rates of runoff discharging to the existing Eiland Boulevard right-of-way and Wetlands "A & Q" are less than the pre-development peak discharge rates. Each pond will be equipped with a discharge structure sized to attenuate post-development discharges from the 25-year, 24-hour rainfall design storm. Flood Insurance Rate Map (F.I.R.M.) Panel No. 120230 0290D indicates the project does not lie within the 100-year floodplain. No adverse off-site/on-site water quantity impacts are expected.

FILE OF RECORD



Permit No.: 44027015.001

Page 2

October 25, 2005

If you have questions concerning the permit, please contact William H. Roberts, P.E., at the Brooksville Service Office, extension 4350. For assistance with environmental concerns, please contact Kim M. Dorsten, extension 4353.

Sincerely,



Henry Robert Lue, P.E., Director
Brooksville Regulation Department

HRL:WHR:KMD:mej

Enclosures: Approved Permit w/Conditions Attached
 Approved Construction Drawings
 Statement of Completion
 Notice of Authorization to Commence Construction
 Noticing Packet (42.00-039)
 Sections 28-106.201 and 28-106.301, F.A.C.

cc/enc: File of Record 44027015.001
 Lawrence E. Emery, P.E., Hills & Associates, Inc.
 US Army Corps of Engineers





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Bartow, Florida 33830-7700
(863) 534-1448 or
1-800-492-7862 (FL only)
SUNCOM 572-6200

Lecanto Service Office
Suite 226
3600 West Sovereign Path
Lecanto, Florida 34461-8070
(352) 527-8131

Sarasota Service Office
6750 Fruitville Road
Sarasota, Florida 34240-9711
(941) 377-3722 or
1-800-320-3503 (FL only)
SUNCOM 531-6900

Tampa Service Office
7601 Highway 301 North
Tampa, Florida 33637-6759
(813) 985-7481 or
1-800-836-0797 (FL only)
SUNCOM 578-2070

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Patsy C. Symons
DeSoto

February 22, 2007

Ross A. Puzzitiello
Chapel Creek Partners, LLC
12610 Race Track Road
Tampa, FL 33626

Subject: **Final Agency Action Transmittal Letter**
ERP General Construction
Permit No.: 44027015.002
Project Name: Chapel Creek Subdivision - Ph 1B
County: Pasco
Sec/Twp/Rge: 5,6/26S/21E

Dear Mr. Puzzitiello:

This letter constitutes notice of Final Agency Action for **approval** of the permit referenced above. Final approval is contingent upon no objection to the District's action being received by the District within the time frames described below.

You or any person whose substantial interests are affected by the District's action regarding a permit may request an administrative hearing in accordance with Sections 120.569 and 120.57, Florida Statute, (F.S.), and Chapter 28-106, Florida Administrative Code, (F.A.C.), of the Uniform Rules of Procedure. *A request for hearing must: (1) explain how the substantial interests of each person requesting the hearing will be affected by the District's action, or proposed action, (2) state all material facts disputed by the person requesting the hearing or state that there are no disputed facts, and (3) otherwise comply with Chapter 28-106, F.A.C.* Copies of Sections 28-106.201 and 28-106.301, F.A.C. are enclosed for your reference. A request for hearing must be filed with (received by) the Agency Clerk of the District at the District's Brooksville address within 21 days of receipt of this notice. Receipt is deemed to be the fifth day after the date on which this notice is deposited in the United States mail. Failure to file a request for hearing within this time period shall constitute a waiver of any right you or such person may have to request a hearing under Sections 120.569 and 120.57, F.S. Mediation pursuant to Section 120.573, F.S., to settle an administrative dispute regarding the District's action in this matter is not available prior to the filing of a request for hearing.

Enclosed is a "Noticing Packet" that provides information regarding the District Rule 40D-1.1010, F.A.C., which addresses the notification of persons whose substantial interests may be affected by the District's action in this matter. The packet contains guidelines on how to provide notice of the District's action, and a notice that you may use.

The enclosed approved construction plans are part of the permit, and construction must be in accordance with these plans.

David L. Moore
Executive Director

William S. Bifenky
General Counsel

Permit No.: 44027015.002

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If you have questions concerning the permit, please contact Monte G. Ritter, P.E., at the Brooksville Service Office, extension 4351. For assistance with environmental concerns, please contact Kim M. Dymond, extension 4353.

Sincerely,



Henry Robert Lue, P.E., Director
Brooksville Regulation Department

HRL:MGR:KMD:mej

Enclosures: Approved Permit w/Conditions Attached
 Approved Construction Drawings
 Statement of Completion
 Notice of Authorization to Commence Construction
 Noticing Packet (42.00-039)
 Sections 28-106.201 and 28-106.301, F.A.C.

cc/enc: File of Record 44027015.002
 Lawrence E. Emery, P.E., Hills & Associates, Inc.
 US Army Corps of Engineers

SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT
ENVIRONMENTAL RESOURCE
GENERAL CONSTRUCTION
PERMIT NO. 44027015.002

Expiration Date: February 22, 2012

PERMIT ISSUE DATE: February 22, 2007

This permit is issued under the provisions of Chapter 373, Florida Statutes, (F.S.), and the Rules contained in Chapters 40D-4 and 40, Florida Administrative Code, (F.A.C.). The permit authorizes the Permittee to proceed with the construction of a surface water management system in accordance with the information outlined herein and shown by the application, approved drawings, plans, specifications, and other documents, attached hereto and kept on file at the Southwest Florida Water Management District (District). Unless otherwise stated by permit specific condition, permit issuance constitutes certification of compliance with state water quality standards under Section 401 of the Clean Water Act, 33 U.S.C. 1341. All construction, operation and maintenance of the surface water management system authorized by this permit shall occur in compliance with Florida Statutes and Administrative Code and the conditions of this permit.

PROJECT NAME: Chapel Creek Subdivision - Ph 1B

GRANTED TO: Chapel Creek Partners, LLC
12610 Race Track Road
Tampa, FL 33626

ABSTRACT: This permit is for the construction of a new surface water management system to serve a 94.22-acre phase of a residential subdivision. The project site is located on the north side of Eiland Boulevard approximately 1,600 feet east of the intersection of Handcart Road and Eiland Boulevard, in Pasco County. Adjacent permitted projects, which abut the project, include Chapel Creek Phase 1A (Environmental Resource Permit No. 44027015.001) to the south. Information regarding the surface water management system is included in the tables below.

OP. & MAINT. ENTITY: Chapel Creek Partners, LLC

COUNTY: Pasco

SEC/TWP/RGE: 5,6/26S/21E

**TOTAL ACRES OWNED
OR UNDER CONTROL:** 188.32

PROJECT SIZE: 94.22 Acres

LAND USE: Residential

DATE APPLICATION FILED: July 11, 2006

AMENDED DATE: N/A

I. Water Quantity/Quality

POND NO.	AREA ACRES @ TOP OF BANK	TREATMENT TYPE
8	3.26	Wet Detention
11	4.51	Wet Detention
12	0.29	Wet Detention
14	2.13	Wet Detention
16	1.51	Wet Detention
17A/17B	1.66	Wet Detention
18	0.37	Wet Detention
TOTAL	13.73	

A mixing zone is not required.
 A variance is not required.

II. 100-Year Floodplain

Encroachment (Acre-Feet of fill)	Compensation (Acre-Feet of excavation)	Compensation Type*	Encroachment Result**(feet)
0.00	0.00	SM [X]	Depth [N/A]

*Codes [X] for the type or method of compensation provided are as follows:
SM = Storage Modeling hydrographs of pond and receiving stages indicate timing separation;
MI = Minimal Impact based on modeling of existing stages vs. post-project encroachment.
N/A = Not Applicable

Depth of change in flood stage (level) over existing receiving water stage resulting from floodplain encroachment caused by a project that claims **MI type of compensation.

III. Environmental Considerations

Wetland/Surface Water Information

Count of Wetlands: 7

Wetland Name	Total Acres	Not Impacted Acres	Permanent Impacts		Temporary Impacts	
			Acres	Functional Loss*	Acres	Functional Loss*
Wetland A	1.86	1.80	0.05	0.03	0.01	0.00
Surface Water F	0.89	0.83	0.06	0.04	0.00	0.00
Wetland S	0.19	0.19	0.00	0.00	0.00	0.00
Wetland U	0.54	0.54	0.00	0.00	0.00	0.00
Wetland V	0.44	0.44	0.00	0.00	0.00	0.00
Wetland Q	2.29	2.29	0.00	0.00	0.00	0.00
Wetland R	0.58	0.58	0.00	0.00	0.00	0.00
Total:	6.79	6.67	0.11	0.07	0.01	0.00

* For impacts that do not require mitigation, their functional loss is not included.

Wetland Comments: This project contains 6.79 acres of wetlands and surface waters. Project construction will result in the permanent impact to 0.11 acre of wetlands and surface waters, resulting in a Functional Loss of 0.07 units. Project construction will also result in the temporary impact to 0.01 acre of surface waters.

Mitigation Information

Count of Mitigation: 1

Mitigation Name	Creation/Restoration		Enhancement		Preservation		Other	
	Acres	Functional Gain	Acres	Functional Gain	Acres	Functional Gain	Acres	Functional Gain
Wetland Creation Area	0.55	0.13	0.00	0.00	0.00	0.00	0.00	0.00
Total:	0.55	0.13	0.00	0.00	0.00	0.00	0.00	0.00

Mitigation Comments: To mitigate for 0.11 acre of permanent wetland and surface water impacts, the Permittee will create 0.55 acre of wetlands from uplands, resulting in a Functional Gain of 0.13 units. The 0.06 units of excess functional net gain are not available for future mitigation projects. In addition, the 0.01 acre of temporary surface water impacts will be replanted and monitored on the same schedule as the wetland creation area.

A regulatory conservation easement is not required.

A proprietary conservation easement is not required.

SPECIFIC CONDITIONS

1. If the ownership of the project area covered by the subject permit is divided, with someone other than the Permittee becoming the owner of part of the project area, this permit shall terminate, pursuant to Section 40D-1.6105, F.A.C. In such situations, each land owner shall obtain a permit (which may be a modification of this permit) for the land owned by that person. This condition shall not apply to the division and sale of lots or units in residential subdivisions or condominiums.
2. Unless specified otherwise herein, two copies of all information and reports required by this permit shall be submitted to:

 Brooksville Regulation Department
 Southwest Florida Water Management District
 2379 Broad Street
 Brooksville, FL 34604-6899

 The permit number, title of report or information and event (for recurring report or information submittal) shall be identified on all information and reports submitted.
3. The Permittee shall retain the design engineer, or other professional engineer registered in Florida, to conduct on-site observations of construction and assist with the as-built certification requirements of this project. The Permittee shall inform the District in writing of the name, address and phone number of the professional engineer so employed. This information shall be submitted prior to construction.
4. Within 30 days after completion of construction of the permitted activity, the Permittee shall submit to the Brooksville Service Office a written statement of completion and certification by a registered professional engineer or other appropriate individual as authorized by law, utilizing the required Statement of Completion and Request for Transfer to Operation Entity form identified in Chapter 40D-1.659, F.A.C., and signed, dated and sealed as-built drawings. The as-built drawings shall identify any deviations from the approved construction drawings.
5. The District reserves the right, upon prior notice to the Permittee, to conduct on-site research to assess the pollutant removal efficiency of the surface water management system. The Permittee may be required to cooperate in this regard by allowing on-site access by District representatives, by allowing the installation and operation of testing and monitoring equipment, and by allowing other assistance measures as needed on site.

6. WETLAND MITIGATION SUCCESS CRITERIA MITIGATION AREA – Wetland Creation Area, 0.55 acres

Mitigation is expected to offset adverse impacts to wetlands and other surface waters caused by regulated activities and to achieve viable, sustainable ecological and hydrological wetland functions. Wetlands constructed for mitigation purposes will be considered successful and will be released from monitoring and reporting requirements when the following criteria are met continuously for a period of at least one year without intervention in the form of irrigation or the addition or removal of vegetation.

- a. The mitigation area can be reasonably expected to develop into a wetland hardwood forest as determined by the Florida Land Use, Cover and Forms Classification System (third edition; January 1999).
- b. Topography, water depth and water level fluctuation in the mitigation area are characteristic of the wetland/surface water type specified in criterion "a."
- c. Planted or recruited wetland species (or plant species providing the same function) shall meet the criteria specified:

ZONE	STRATUM	PERCENT COVER	DOMINANT SPECIES ¹	SUBDOMINANT SPECIES ^{1,2}
B (0.35 acre)	Canopy	85	<i>Quercus laurifolia</i>	
			<i>Acer rubrum</i>	
			<i>Gordonia lasianthus</i>	
	Subcanopy	70	<i>Viburnum obovatum</i>	
	Groundcover	60	<i>Osmunda cinnamomea</i>	
C (0.20 acre)	Canopy	80	<i>Persea palustris</i>	
	Subcanopy	70	<i>Cephalanthus occidentalis</i>	
	Groundcover	80	<i>Saururus cernuus</i>	
<i>Sagittaria lancifolia</i>				
Hydrological Connections (0.01 acre)	Groundcover	50	<i>Juncus effusus</i>	

¹ Tree species must be greater than 12 feet in height and have been planted for greater than three years.

² Plant species providing the same function as those listed may also be considered in determining success.

This criterion must be achieved within five years of mitigation area construction. The Permittee shall complete any activities necessary to ensure the successful achievement of the mitigation requirements by the deadline specified. Any request for an extension of the deadline specified shall be accompanied with an explanation and submitted as a permit letter modification to the District for evaluation.

- d. Species composition of recruiting wetland vegetation is indicative of the wetland type specified in criterion "a."

- e. Coverage by nuisance or exotic species does not exceed five percent at any location in the mitigation site and five percent for the entire mitigation site.
- f. The wetland mitigation area can be determined to be a wetland or other surface water according to Chapter 62-340, F.A.C.

The mitigation area may be released from monitoring and reporting requirements and be deemed successful at any time during the monitoring period if the Permittee demonstrates that the conditions in the mitigation area have adequately replaced the wetland and surface water functions affected by the regulated activity and that the site conditions are sustainable.

REQUIRED MONITORING OF WET DETENTION POND No. 12 – LITTORAL SHELF AREA

- a. The littoral shelf for the wet detention treatment pond that is located immediately adjacent to the wetland creation mitigation area will be planted with desirable, nursery-grown wetland vegetation. The dominant and subdominant species of desirable wetland plants comprising each vegetation zone and stratum of the littoral shelf area shall be as follows:

ZONE	STRATUM	PERCENT COVER	DOMINANT SPECIES ¹	SUBDOMINANT SPECIES ¹
Littoral Shelf	Groundcover	80	<i>Sagittaria lancifolia</i>	

¹ Plant species providing the same function as those listed may also be considered in determining success.

- b. The wet detention littoral shelf planted in accordance with condition "a", above will be monitored concurrent with monitoring of the adjacent/proximal wetland mitigation area to ensure that nuisance vegetative coverage of the littoral shelf does not exceed 5%.
 - c. The degree of nuisance/exotic vegetation cover for the pond littoral shelf will be reported along with the required mitigation area data and any necessary recommendations for maintenance or management will be made in the required monitoring reports.
 - d. Monitoring data will be provided according to the permit specified schedule for wetland mitigation area monitoring.
 - e. Other vegetated littoral shelf functions (i.e. vegetative cover, erosion, siltation, etc.) will be monitored and reported in association with the designated operation and maintenance inspection schedule for each respective stormwater pond.
7. The Permittee shall monitor and maintain the wetland mitigation areas until the criteria set forth in the Wetland Mitigation Success Criteria Conditions above are met. The Permittee shall perform corrective actions identified by the District if the District identifies a wetland mitigation deficiency.
 8. The Permittee shall undertake required maintenance activities within the wetland mitigation areas as needed at any time between mitigation area construction and termination of monitoring, with the exception of the final year. Maintenance shall include the manual removal of all nuisance and exotic species, with sufficient frequency that their combined coverage at no time exceeds the Wetland Mitigation Success Criteria Conditions above. Herbicides shall not be used without the prior written approval of the District.
 9. A Wetland Mitigation Completion Report shall be submitted to the District within 30 days of completing construction and planting of the wetland mitigation areas. Upon District inspection and approval of the mitigation areas, the monitoring program shall be initiated with the date of the District field inspection being the construction completion date of the mitigation areas. Monitoring

events shall occur between March 1 and November 30 of each year. An Annual Wetland Monitoring Report shall be submitted upon the anniversary date of District approval to initiate monitoring.

Annual reports shall provide documentation that a sufficient number of maintenance inspection/activities were conducted to maintain the mitigation areas in compliance with the Wetland Mitigation Success Criteria Conditions above. Note that the performance of maintenance inspections and maintenance activities will normally need to be conducted more frequently than the collection of other monitoring data to maintain the mitigation areas in compliance with the Wetland Mitigation Success Criteria Conditions above.

Monitoring Data shall be collected semi-annually.

10. Termination of monitoring for the wetland mitigation areas shall be coordinated with the District by:
 - a. notifying the District in writing when the criteria set forth in the Wetland Mitigation Success Criteria Conditions have been achieved;
 - b. suspending all maintenance activities in the wetland mitigation areas including, but not limited to, irrigation and addition or removal of vegetation; and
 - c. submitting a monitoring report to the District one year following the written notification and suspension of maintenance activities.

Upon receipt of the monitoring report, the District will evaluate the wetland mitigation sites to determine if the Mitigation Success Criteria Conditions have been met and maintained. The District will notify the Permittee in writing of the evaluation results. The Permittee shall perform corrective actions for any portions of the wetland mitigation areas that fail to maintain the criteria set forth in the Wetland Mitigation Success Criteria Conditions.

11. Following the District's determination that the wetland mitigation has been successfully completed, the Permittee shall operate and maintain the wetland mitigation areas such that they remain in their current or intended condition for the life of the surface water management facility. The Permittee must perform corrective actions for any portions of the wetland mitigation areas where conditions no longer meet the criteria set forth in the Wetland Mitigation Success Criteria Conditions.
12. The Permittee shall, within 120 days of initial wetland impact and prior to beneficial use of the site, complete all aspects of the mitigation plan, including the grading, mulching, and planting, in accordance with the design details in the final approved construction drawings and information submitted in support of the application.
13. The Permittee shall commence construction of the mitigation areas within 30 days of wetland impacts, if wetland impacts occur between February 1 and August 31. If wetland impacts occur between September 1 and January 31, construction of the mitigation areas shall commence by March 1. In either case, construction of the mitigation areas shall be completed within 120 days of the commencement date unless a time extension is approved in writing by the District.
14. The construction of all wetland impacts and wetland mitigation shall be supervised by a qualified environmental scientist/specialist/consultant. The Permittee shall identify, in writing, the environmental professional retained for construction oversight prior to initial clearing and grading activities.
15. Wetland buffers shall remain in an undisturbed condition except for approved drainage facility construction/maintenance.

16. The following boundaries, as shown on the approved construction drawings, shall be clearly delineated on the site prior to initial clearing or grading activities:

wetland preservation
wetland buffers
limits of approved wetland impacts
construction access for Wetland Creation Area and Littoral Shelf Area

The delineation shall endure throughout the construction period and be readily discernible to construction and District personnel.

17. All wetland boundaries shown on the approved construction drawings shall be binding upon the Permittee and the District.

18. The following language shall be included as part of the deed restrictions for each lot:

"No owner of property within the subdivision 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 approved permit and recorded plat of the subdivision, unless prior approval is received from the Southwest Florida Water Management District, Brooksville Regulation Department."

19. Rights-of-way and easement locations necessary to construct, operate and maintain all facilities, which constitute the permitted surface water management system (including all wetlands and wetland buffers), shall be shown on the final plat recorded in the County Public Records. Documentation of this plat recording shall be submitted to the District with the Statement of Completion and Request for Transfer to Operation Entity Form, and prior to beneficial occupancy or use of the site.

20. The following language shall be included as part of the deed restrictions for each lot:

"Each property owner within the subdivision at the time of construction of a building, residence, or structure shall comply with the construction plans for the surface water management system approved and on file with the Southwest Florida Water Management District (SWFWMD)."

21. The operation and maintenance entity shall submit inspection reports in the form required by the District, in accordance with the following schedule.

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

22. The removal of littoral shelf vegetation (including cattails) from wet detention ponds is prohibited unless otherwise approved by the District. Removal includes dredging, the application of herbicide, cutting, and the introduction of grass carp. Any questions regarding authorized activities within the wet detention ponds shall be addressed to the District's Surface Water Regulation Manager, Brooksville Service Office.


23. If limestone bedrock is encountered during construction of the surface water management system, the District must be notified and construction in the affected area shall cease.

24. The Permittee shall notify the District of any sinkhole development in the surface water management system within 48 hours of discovery and must submit a detailed sinkhole evaluation and repair plan for approval by the District within 30 days of discovery.

25. The District, upon prior notice to the Permittee, may conduct on-site inspections to assess the effectiveness of the erosion control barriers and other measures employed to prevent violations of state water quality standards and avoid downstream impacts. Such barriers or other measures should control discharges, erosion, and sediment transport during construction and thereafter. The District will also determine any potential environmental problems that may develop as a result of leaving or removing the barriers and other measures during construction or after construction of the project has been completed. The Permittee must provide any remedial measures that are needed.
26. This permit is issued based upon the design prepared by the Permittee's consultant. If at any time it is determined by the District that the Conditions for Issuance of Permits in Rules 40D-4.301 and 40D-4.302, F.A.C., have not been met, upon written notice by the District, the Permittee shall obtain a permit modification and perform any construction necessary thereunder to correct any deficiencies in the system design or construction to meet District rule criteria. The Permittee is advised that the correction of deficiencies may require re-construction of the surface water management system and/or mitigation areas.
27. The Permittee will install permanent markers indicating the wetland and wetland buffer boundary at the locations designated on Sheet Nos. 10 and 11 of the approved construction drawings. The Permittee will affix a plaque to the markers containing the following wording: "Upland Buffer and Wetland Area: No mowing, clearing, filling, dumping, excavations or other alterations are allowed within this area without prior approval from the SWFWMD"

GENERAL CONDITIONS

1. The general conditions attached hereto as Exhibit "A" are hereby incorporated into this permit by reference and the Permittee shall comply with them.



Authorized Signature

HENRY ROBERT LUE, P.E., DIRECTOR
BROOKSVILLE REGULATION DEPARTMENT

EXHIBIT "A"

1. All activities shall be implemented as set forth in the plans, specifications and performance criteria as approved by this permit. Any deviation from the permitted activity and the conditions for undertaking that activity shall constitute a violation of this permit.
2. This permit or a copy thereof, complete with all conditions, attachments, exhibits, and modifications, shall be kept at the work site of the permitted activity. The complete permit shall be available for review at the work site upon request by District staff. The permittee shall require the contractor to review the complete permit prior to commencement of the activity authorized by this permit.
3. For general permits authorizing incidental site activities, the following limiting general conditions shall also apply:
 - a. If the decision to issue the associated individual permit is not final within 90 days of issuance of the incidental site activities permit, the site must be restored by the permittee within 90 days after notification by the District. Restoration must be completed by re-contouring the disturbed site to previous grades and slopes re-establishing and maintaining suitable vegetation and erosion control to provide stabilized hydraulic conditions. The period for completing restoration may be extended if requested by the permittee and determined by the District to be warranted due to adverse weather conditions or other good cause. In addition, the permittee shall institute stabilization measures for erosion and sediment control as soon as practicable, but in no case more than 7 days after notification by the District.
 - b. The incidental site activities are commenced at the permittee's own risk. The Governing Board will not consider the monetary costs associated with the incidental site activities or any potential restoration costs in making its decision to approve or deny the individual environmental resource permit application. Issuance of this permit shall not in any way be construed as commitment to issue the associated individual environmental resource permit.
4. Activities approved by this permit shall be conducted in a manner which does not cause violations of state water quality standards. The permittee shall implement best management practices for erosion and a pollution control to prevent violation of state water quality standards. Temporary erosion control shall be implemented prior to and during construction, and permanent control measures shall be completed within 7 days of any construction activity. Turbidity barriers shall be installed and maintained at all locations where the possibility of transferring suspended solids into the receiving waterbody exists due to the permitted work. Turbidity barriers shall remain in place at all locations until construction is completed and soils are stabilized and vegetation has been established. Thereafter the permittee shall be responsible for the removal of the barriers. The permittee shall correct any erosion or shoaling that causes adverse impacts to the water resources.
5. Water quality data for the water discharged from the permittee's property or into the surface waters of the state shall be submitted to the District as required by the permit. Analyses shall be performed according to procedures outlined in the current edition of Standard Methods for the Examination of Water and Wastewater by the American Public Health Association or Methods for Chemical Analyses of Water and Wastes by the U.S. Environmental Protection Agency. If water quality data are required, the permittee shall provide data as required on volumes of water discharged, including total volume discharged during the days of sampling and total monthly volume discharged from the property or into surface waters of the state.

6. District staff must be notified in advance of any proposed construction dewatering. If the dewatering activity is likely to result in offsite discharge or sediment transport into wetlands or surface waters, a written dewatering plan must either have been submitted and approved with the permit application or submitted to the District as a permit modification. A water use permit may be required prior to any use exceeding the thresholds in Chapter 40D-2, F.A.C.
7. Stabilization measures shall be initiated for erosion and sediment control on disturbed areas as soon as practicable in portions of the site where construction activities have temporarily or permanently ceased, but in no case more than 7 days after the construction activity in that portion of the site has temporarily or permanently ceased.
8. Off-site discharges during construction and development shall be made only through the facilities authorized by this permit. Water discharged from the project shall be through structures having a mechanism suitable for regulating upstream stages. Stages may be subject to operating schedules satisfactory to the District.
9. The permittee shall complete construction of all aspects of the surface water management system, including wetland compensation (grading, mulching, planting), water quality treatment features, and discharge control facilities prior to beneficial occupancy or use of the development being served by this system.
10. The following shall be properly abandoned and/or removed in accordance with the applicable regulations:
 - a. Any existing wells in the path of construction shall be properly plugged and abandoned by a licensed well contractor.
 - b. Any existing septic tanks on site shall be abandoned at the beginning of construction.
 - c. Any existing fuel storage tanks and fuel pumps shall be removed at the beginning of construction.
11. All surface water management systems shall be operated to conserve water in order to maintain environmental quality and resource protection; to increase the efficiency of transport, application and use; to decrease waste; to minimize unnatural runoff from the property and to minimize dewatering of offsite property.
12. At least 48 hours prior to commencement of activity authorized by this permit, the permittee shall submit to the District a written notification of commencement indicating the actual start date and the expected completion date.
13. Each phase or independent portion of the permitted system must be completed in accordance with the permitted plans and permit conditions prior to the occupation of the site or operation of site infrastructure located within the area served by that portion or phase of the system. Each phase or independent portion of the system must be completed in accordance with the permitted plans and permit conditions prior to transfer of responsibility for operation and maintenance of that phase or portion of the system to a local government or other responsible entity.
14. Within 30 days after completion of construction of the permitted activity, the permittee shall submit a written statement of completion and certification by a registered professional engineer or other appropriate individual as authorized by law, utilizing the required Statement of Completion and Request for Transfer to Operation Entity form identified in Chapter 40D-1, F.A.C. Additionally, if deviation from the approved drawings are discovered during the certification process the certification must be accompanied by a copy of the approved permit drawings with deviations noted.

15. This permit is valid only for the specific processes, operations and designs indicated on the approved drawings or exhibits submitted in support of the permit application. Any substantial deviation from the approved drawings, exhibits, specifications or permit conditions, including construction within the total land area but outside the approved project area(s), may constitute grounds for revocation or enforcement action by the District, unless a modification has been applied for and approved. Examples of substantial deviations include excavation of ponds, ditches or sump areas deeper than shown on the approved plans.
16. The operation phase of this permit shall not become effective until the permittee has complied with the requirements of the conditions herein, the District determines the system to be in compliance with the permitted plans, and the entity approved by the District accepts responsibility for operation and maintenance of the system. The permit may not be transferred to the operation and maintenance entity approved by the District until the operation phase of the permit becomes effective. Following inspection and approval of the permitted system by the District, the permittee shall request transfer of the permit to the responsible operation and maintenance entity approved by the District, if different from the permittee. Until a transfer is approved by the District, the permittee shall be liable for compliance with the terms of the permit.
17. Should any other regulatory agency require changes to the permitted system, the District shall be notified of the changes prior to implementation so that a determination can be made whether a permit modification is required.
18. This permit does not eliminate the necessity to obtain any required federal, state, local and special District authorizations including a determination of the proposed activities' compliance with the applicable comprehensive plan prior to the start of any activity approved by this permit.
19. This permit does not convey to the permittee or create in the permittee any property right, or any interest in real property, nor does it authorize any entrance upon or activities on property which is not owned or controlled by the permittee, or convey any rights or privileges other than those specified in the permit and Chapter 40D-4 or Chapter 40D-40, F.A.C.
20. The permittee shall hold and save the District harmless from any and all damages, claims, or liabilities which may arise by reason of the activities authorized by the permit or any use of the permitted system.
21. Any delineation of the extent of a wetland or other surface water submitted as part of the permit application, including plans or other supporting documentation, shall not be considered binding unless a specific condition of this permit or a formal determination under section 373.421(2), F.S., provides otherwise.
22. The permittee shall notify the District in writing within 30 days of any sale, conveyance, or other transfer of ownership or control of the permitted system or the real property at which the permitted system is located. All transfers of ownership or transfers of a permit are subject to the requirements of Rule 40D-4.351, F.A.C. The permittee transferring the permit shall remain liable for any corrective actions that may be required as a result of any permit violations prior to such sale, conveyance or other transfer.
23. Upon reasonable notice to the permittee, District authorized staff with proper identification shall have permission to enter, inspect, sample and test the system to insure conformity with District rules, regulations and conditions of the permits.
24. If historical or archaeological artifacts are discovered at any time on the project site, the permittee shall immediately notify the District and the Florida Department of State, Division of Historical Resources.
25. The permittee shall immediately notify the District in writing of any previously submitted information that is later discovered to be inaccurate.



An Equal Opportunity Employer

Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899
(352) 796-7211 or 1-800-423-1476 (FL only)
SUNCOM 628-4150 TDD only 1-800-231-6103 (FL only)
On the Internet at: WaterMatters.org

Bartow Service Office
170 Century Boulevard
Bartow, Florida 33830-7700
(863) 534-1448 or
1-800-492-7862 (FL only)
SUNCOM 572-6200

Lecanto Service Office
Suite 226
3600 West Sovereign Path
Lecanto, Florida 34461-8070
(352) 527-8131

Sarasota Service Office
6750 Fruitville Road
Sarasota, Florida 34240-9711
(941) 377-3722 or
1-800-320-3503 (FL only)
SUNCOM 531-6900

Tampa Service Office
7601 Highway 301 North
Tampa, Florida 33637-6759
(813) 985-7481 or
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William S. Bilenky
General Counsel

December 20, 2006

Ross A. Puzzitiello
Chapel Creek Investments and Chapel Creek Partners, LLC
12610 Race Track Road
Tampa, FL 33626

**Subject: Notice of Final Agency Action - Approval
Modification of Permit by Letter**

Project Name: Chapel Creek - Ph 1A
Permit No: 44027015.003
County: Pasco
Sec/Twp/Rge: 5/26S/21E
Letter Received: July 19, 2006
Expiration Date: October 25, 2010

References: Chapters 40D-4 and 40, Florida Administrative Code (F.A.C.)
Sections 373.4141 and 120.60, Florida Statutes (F.S.)

Dear Mr. Puzzitiello:

Your request to modify Environmental Resource Permit (ERP) No. 44027015.001 by letter has been approved. This modification authorizes:

- Changes to the Pond 10 basin area, pond size and control structure, and other incidental revisions to the overall surface water management system, as depicted in the construction drawings and supporting documentation received by the District on September 14 and October 13, 2006.
- All other terms and conditions of ERP No. 44027015.001, dated October 25, 2005, entitled Chapel Creek Subdivision – Phase 1A, apply.

Plans and information you submitted to support your request to modify this permit will be kept on file.

Final approval is contingent upon no objection to the District's action being received by the District within the time frames described below.

You or any person whose substantial interests are affected by the District's action regarding a permit may request an administrative hearing in accordance with Sections 120.569 and 120.57, Florida Statute, (F.S.), and Chapter 28-106, Florida Administrative Code, (F.A.C.), of the Uniform Rules of Procedure. A request for hearing must: (1) explain how the substantial interests of each person requesting the hearing will be affected by the District's action, or proposed action, (2) state all material facts disputed by the person requesting the hearing or state that there are no disputed facts, and (3) otherwise comply with Chapter 28-106, F.A.C. Copies of Sections 28-106.201 and 28-106.301, F.A.C. are enclosed for your reference.

A request for hearing must be filed with (received by) the Agency Clerk of the District at the District's Brooksville address within 21 days of receipt of this notice. Receipt is deemed to be the fifth day after the date on which this notice is deposited in the United States mail. Failure to file a request for hearing within this time period shall constitute a waiver of any right you or such person may have to request a hearing under Sections 120.569 and 120.57, F.S. Mediation pursuant to Section 120.573, F.S., to settle an administrative dispute regarding the District's action in this matter is not available prior to the filing of a request for hearing.

Enclosed is a "Noticing Packet" that provides information regarding the District Rule 40D-1.1010, F.A.C., which addresses the notification of persons whose substantial interests may be affected by the District's action in this matter. The packet contains guidelines on how to provide notice of the District's action, and a notice that you may use.

If you have questions regarding this letter modification, please contact Monte G. Ritter, P.E., at the Brooksville Service Office, extension 4351.

Sincerely,



Henry Robert Lue, P.E., Director
Brooksville Regulation Department

HRL:MGR:mej

Enclosure: Noticing Packet (42.00-039)
Sections 28-106.201 and 28-106.301, F.A.C.
Drawings

cc: File of Record 44027015.003
Jeffery S. Hills, P.E., Hills & Associates, Inc.

June 20, 2007

Ross A. Puzzitiello
Chapel Creek Partners, LLC
12610 Race Track Road
Tampa, FL 33626

Subject: **Notice of Final Agency Action - Approval
Modification of Permit by Letter**
Project Name: Chapel Creek Subdivision - PH 1B Modification
Permit No: 44027015.004
County: Pasco
Sec/Twp/Rge: 5,6/26S/21E
Letter Received: May 17, 2007
Expiration Date: February 22, 2012

References: Chapters 40D-4 and 40, Florida Administrative Code (F.A.C.)
Sections 373.4141 and 120.60, Florida Statutes (F.S.)

Dear Mr. Puzzitiello:

Your request to modify Permit No. 44027015.002 by letter has been approved. This modification authorizes:

1. The replacement of the previously permitted box culverts at Arley Road near Station 147+00 and Knowle Park Drive near Station 324+00, with triple 84-inch reinforced concrete pipes, as depicted in the construction drawings and in the ICPR input received by the District on May 17, 2007.
2. All other terms and conditions of Permit No. 44027015.002, dated February 22, 2007, and entitled Chapel Creek Subdivision - PH 1B, apply.

Plans and information you submitted to support your request to modify this permit will be kept on file.

Final approval is contingent upon no objection to the District's action being received by the District within the time frames described below.

You or any person whose substantial interests are affected by the District's action regarding a permit may request an administrative hearing in accordance with Sections 120.569 and 120.57, Florida Statute, (F.S.), and Chapter 28-106, Florida Administrative Code, (F.A.C.), of the Uniform Rules of Procedure.

A request for hearing must: (1) explain how the substantial interests of each person requesting the hearing will be affected by the District's action, or proposed action, (2) state all material facts disputed by the person requesting the hearing or state that there are no disputed facts, and (3) otherwise comply with Chapter 28-106, F.A.C. Copies of Sections 28-106.201 and 28-106.301, F.A.C. are enclosed for your reference. A request for hearing must be filed with (received by) the Agency Clerk of the District at the District's Brooksville address within 21 days of receipt of this notice. Receipt is deemed to be the fifth day after the date on which this notice is deposited in the United States mail. Failure to file a request for hearing within this time period shall constitute a waiver of any right you or such person may have to request a hearing under Sections 120.569 and 120.57, F.S. Mediation pursuant to Section 120.573, F.S., to settle an administrative dispute regarding the District's action in this matter is not available prior to the filing of a request for hearing.

Enclosed is a "Noticing Packet" that provides information regarding the District Rule 40D-1.1010, F.A.C., which addresses the notification of persons whose substantial interests may be affected by the District's action in this matter. The packet contains guidelines on how to provide notice of the District's action, and a notice that you may use.

If you have questions regarding this letter modification, please contact Monte G. Ritter, P.E., at the Brooksville Service Office, extension 4351.

Sincerely,

Henry Robert Lue, P.E., Director
Brooksville Regulation Department

HRL:MGR:dkh
Enclosure: Noticing Packet (42.00-039)
Sections 28-106.201 and 28-106.301, F.A.C.
Drawings
cc: File of Record 44027015.004
Jeffery S. Hills, P.E., Hills & Associates, Inc.
Jennifer Deem, Hills and Associates
US Army Corps of Engineers

September 4, 2007

Ross A. Puzzitiello
Chapel Creek Partners, LLC
12610 Race Track Road
Tampa, FL 33626

Subject: **Notice of Final Agency Action - Approval
Modification of Permit by Letter**

Project Name: Chapel Creek Subdivision - Ph 1B
Permit No: 44027015.005
County: Pasco
Sec/Twp/Rge: 5,6/26S/21E
Letter Received: June 13, 2007
Expiration Date: February 22, 2012

References: Chapters 40D-4 and 40, Florida Administrative Code (F.A.C.)
Sections 373.4141 and 120.60, Florida Statutes (F.S.)

Dear Mr. Puzzitiello:

Your request to modify Environmental Resource Permit (ERP) No. 44027015.002 by letter has been approved. This modification authorizes:

1. The proposed grading and drainage revisions shown on the plans and in the post-development ICPR analyses received by the District on August 2, 2007, including modifications to Control Structure Nos. CS-11, CS-14, CS-16, CS-16-2, and CS-18.
2. All other terms and conditions of ERP No. 44027015.002, dated February 22, 2007, entitled Chapel Creek - Phase 1B, apply.

Plans and information you submitted to support your request to modify this permit will be kept on file.

Final approval is contingent upon no objection to the District's action being received by the District within the time frames described below.

You or any person whose substantial interests are affected by the District's action regarding a permit may request an administrative hearing in accordance with Sections 120.569 and 120.57, Florida Statute, (F.S.), and Chapter 28-106, Florida Administrative Code, (F.A.C.), of the Uniform Rules of Procedure. *A request for hearing must: (1) explain how the substantial interests of each person requesting the hearing will be affected by the District's action, or proposed action, (2) state all material facts disputed by the person requesting the hearing or state that there are no disputed facts, and (3) otherwise comply with Chapter 28-106, F.A.C.* Copies of Sections 28-106.201 and 28-106.301, F.A.C. are enclosed for your reference.

Permit No.: 44027015.005

Page 2 of 2

September 4, 2007

A request for hearing must be filed with (received by) the Agency Clerk of the District at the District's Brooksville address within 21 days of receipt of this notice. Receipt is deemed to be the fifth day after the date on which this notice is deposited in the United States mail. Failure to file a request for hearing within this time period shall constitute a waiver of any right you or such person may have to request a hearing under Sections 120.569 and 120.57, F.S. Mediation pursuant to Section 120.573, F.S., to settle an administrative dispute regarding the District's action in this matter is not available prior to the filing of a request for hearing.

Enclosed is a "Noticing Packet" that provides information regarding the District Rule 40D-1.1010, F.A.C., which addresses the notification of persons whose substantial interests may be affected by the District's action in this matter. The packet contains guidelines on how to provide notice of the District's action, and a notice that you may use.

If you have questions regarding this letter modification, please contact Monte G. Ritter, P.E., at the Brooksville Service Office, extension 4351.

Sincerely,

Henry Robert Lue, P.E., Director
Brooksville Regulation Department

HRL:MGR:mej

Enclosure: Noticing Packet (42.00-039)
Sections 28-106.201 and 28-106.301, F.A.C.
Drawings

cc: File of Record 44027015.005
Jeffery S. Hills, P.E., Hills & Associates, Inc.



Southwest Florida Water Management District

2379 Broad Street, Brooksville, Florida 34604-6899
 (352) 796-7211 or 1-800-423-1476 (FL only)
 SUNCOM 628-4150 TDD only 1-800-231-6103 (FL only)
 On the Internet at: WaterMatters.org

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Bartow Service Office
 170 Century Boulevard
 Bartow, Florida 33830-7700
 (863) 534-1448 or
 1-800-492-7862 (FL only)

Sarasota Service Office
 6750 Fruitville Road
 Sarasota, Florida 34240-9711
 (941) 377-3722 or
 1-800-320-3503 (FL only)

Tampa Service Office
 7601 Highway 301 North
 Tampa, Florida 33637-6759
 (813) 985-7481 or
 1-800-836-0797 (FL only)

November 21, 2011

Chapel Creek CDD
 c/o 5680 W Cypress St
 Tampa, FL 33607

**Subject: Notice of Final Agency Action for Approval
 ERP Short Form**

Project Name: Chapel Creek Subdivision - Phase 1B
 App ID/Permit No: 656932 / 44027015.006
 County: PASCO
 Letter Received: November 07, 2011
 Expiration Date: February 22, 2017
 Sec/Twp/Rge: S05/T26S/R21E, S06/T26S/R21E

Reference: Chapters 40D-4 and 40, Florida Administrative Code (F.A.C)
 Sections 373.4141 and 120.60, Florida Status (F.S)

Dear Permittee(s):

Your request to modify Environmental Resource Permit (ERP) No. 44027015.002 by letter has been approved. This modification authorizes:

1. A five-year extension of the permit from February 22, 2012 to February 22, 2017.
2. The transfer of the Environmental Resource Permit from Chapel Creek Partners, LLC to Chapel Creek CDD.
3. All other terms and conditions of Permit No. 44027015.002, dated February 22, 2007, and entitled Chapel Creek Subdivision - PH 1B, apply.

Final approval is contingent upon no objection to the District's action being received by the District within the time frames described in the enclosed Notice of Rights.

Approved construction plans are part of the permit, and construction must be in accordance with these plans. These drawings are available for viewing or downloading through the District's Application and Permit Search Tools located at www.WaterMatters.org/permits.

The District's action in this matter only becomes closed to future legal challenges from members of the public if such persons have been properly notified of the District's action and no person objects to the District's action within the prescribed period of time following the notification. The District does not publish notices of agency action. If you wish to limit the time within which a person who does not receive actual written notice from the District may request an administrative hearing regarding this action, you are strongly encouraged to publish, at your own expense, a notice of agency action in the legal advertisement section of a newspaper of general circulation in the county or counties where the activity will occur. Publishing notice of agency action will close the window for filing a petition for hearing. Legal requirements and instructions for publishing notice of agency action, as well as a noticing form that can be used is available from the District's website at www.WaterMatters.org/permits/noticing.

If you publish notice of agency action, a copy of the affidavit of publishing provided by the newspaper should be sent to the District Regulation Department that reviewed your permit or other agency action, for retention in the File of Record for this agency action.

If you have questions regarding this letter modification, please contact John Powanda, at the Brooksville Service Office, extension 4386. For assistance with environmental concerns, please contact Kim Dymond, extension 4353.

Sincerely,

H. Robert Lue, P.E., Director

Brooksville Regulation Department

Enclosures: Notice of Rights

cc: Gary D Miller PE, Atwell

Notice of Rights

ADMINISTRATIVE HEARING

1. You or any person whose substantial interests are or may be affected by the District's action may request an administrative hearing on that action by filing a written petition in accordance with Sections 120.569 and 120.57, Florida Statutes (F.S.), Uniform Rules of Procedure Chapter 28-106, Florida Administrative Code (F.A.C.) and District Rule 40D-1.1010, F.A.C. Unless otherwise provided by law, a petition for administrative hearing must be filed with (received by) the District within 21 days of receipt of written notice of agency action. "Written notice" means either actual written notice, or newspaper publication of notice, that the District has taken or intends to take agency action. "Receipt of written notice" is deemed to be the fifth day after the date on which actual notice is deposited in the United States mail, if notice is mailed to you, or the date that actual notice is issued, if sent to you by electronic mail or delivered to you, or the date that notice is published in a newspaper, for those persons to whom the District does not provide actual notice.
2. Pursuant to Subsection 373.427(2)(c), F.S., for notices of agency action on a consolidated application for an environmental resource permit and use of sovereignty submerged lands concurrently reviewed by the District, a petition for administrative hearing must be filed with (received by) the District within 14 days of receipt of written notice.
3. Pursuant to Rule 62-532.430, F.A.C., for notices of intent to deny a well construction permit, a petition for administrative hearing must be filed with (received by) the District within 30 days of receipt of written notice of intent to deny.
4. Any person who receives written notice of an agency decision and who fails to file a written request for a hearing within 21 days of receipt or other period as required by law waives the right to request a hearing on such matters.
5. Mediation pursuant to Section 120.573, F.S., to settle an administrative dispute regarding District action is not available prior to the filing of a petition for hearing.
6. A request or petition for administrative hearing must comply with the requirements set forth in Chapter 28.106, F.A.C. A request or petition for a hearing must: (1) explain how the substantial interests of each person requesting the hearing will be affected by the District's action or proposed action, (2) state all material facts disputed by the person requesting the hearing or state that there are no material facts in dispute, and (3) otherwise comply with Rules 28-106.201 and 28-106.301, F.A.C. Chapter 28-106, F.A.C. can be viewed at www.flrules.org or at the District's website at www.WaterMatters.org/permits/rules.
7. A petition for administrative hearing is deemed filed upon receipt of the complete petition by the District Agency Clerk at the District's Brooksville headquarters during normal business hours, which are 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding District holidays. Filings with the District Agency Clerk may be made by mail, hand-delivery or facsimile transfer (fax). The District does not accept petitions for administrative hearing by electronic mail. Mailed filings must be addressed to, and hand-delivered filings must be delivered to, the Agency Clerk, Southwest Florida Water Management District, 2379 Broad Street, Brooksville, FL 34604-6899. Faxed filings must be transmitted to the District Agency Clerk at (352) 754-6874. Any petition not received during normal business hours shall be filed as of 8:00 a.m. on the next business day. The District's acceptance of faxed petitions for filing is subject to certain conditions set forth in the District's Statement of Agency Organization and Operation, available for viewing at www.WaterMatters.org/about.

JUDICIAL REVIEW

1. Pursuant to Sections 120.60(3) and 120.68, F.S., a party who is adversely affected by final District action may seek judicial review of the District's final action. Judicial review shall be sought in the Fifth District Court of Appeal or in the appellate district where a party resides or as otherwise provided by law.
2. All proceedings shall be instituted by filing an original notice of appeal with the District Agency clerk within 30 days after the rendition of the order being appealed, and a copy of the notice of appeal, accompanied by any filing fees prescribed by law, with the clerk of the court, in accordance with Rules 9.110 and 9.190 of the Florida Rules of Appellate Procedure (Fla. R. App. P.). Pursuant to Fla. R. App. P. 9.020(h), an order is rendered when a signed written order is filed with the clerk of the lower tribunal.

Chapel Creek CDD
c/o 5680 W Cypress St
Tampa, FL 33607

Gary D Miller PE
Atwell
4805 W Independence Pkwy, Ste 100
Tampa, FL 33634

