

LEGAL DISCLAIMER:

**THIS IS A GENERAL SYNOPSIS OF THE ASSOCIATION DOCUMENTS,
FOR ACTUAL WORDING, RECORDATION INFORMATION AND PAGE
NUMBERING, REFER TO THE ACTUAL RECORDED DOCUMENTS**

DECLARATION OF COVENANTS AND RESTRICTIONS FOR CRESCENT PARK

THIS DECLARATION is made on the date hereinafter set forth by **CALTON HOMES OF FLORIDA, INC.**, a Florida corporation, hereinafter referred to as "Developer":

WITNESSETH:

WHEREAS, Developer is the owner of certain property more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter referred to as "the Community"); and

WHEREAS, Developer has established a land use plan for the Community and desires to provide for the preservation of the values and amenities hereby established and as may be established for the Community hereafter committed to a land use plan and to this end does hereby subject the Community to use covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth; and

WHEREAS, Developer has deemed it desirable for the efficient preservation of the values and amenities established as aforesaid to create a corporation known as Crescent Park Homeowners Association to which there has been and will be delegated and assigned certain powers and duties of ownership, operation, administration, maintenance and repair, the enforcement of the covenants, restrictions, and easements contained herein and the collection and disbursement of the assessments and charges hereinafter provided.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, Developer hereby declares that the Community shall be owned, held, used, transferred, sold conveyed, demised and occupied subject to the covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to the Crescent Park Owners Association, Inc., a Florida corporation not-for-profit, its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directors of the Association.

Section 3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, home or Condominium Unit, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4. "The community" shall mean and refer to that certain real property legally described in Exhibit "A" attached hereto and made a part hereof, and such additional lands that may be subjected to this Declaration by annexation.

Section 5. "Common Open Space" shall mean all real property owned, or to be owned by the Association for the common use and enjoyment of the Owners.

Section 6. "Recreation parcel" shall mean and refer to any portion of the Common Open Space on which may be built as recreation facilities. Recreation facilities may be added to or expanded by Developer without the consent of Owners or the Association.

Section 7. "Private Drives" shall mean and refer to that portion of the Common Open Space owned, or to be owned by the Association and used for pedestrian and vehicular access, if any.

Section 8. "Lot" shall mean and refer to those parcels of land upon which exists or will exist a Home, regardless of whether such parcel(s) of land have been platted or are unplatted. The number of Lots in an unplatted area at any particular time shall be the number of Homes approved by Orange County, Florida for that unplatted area at such time.

Section 9. "County" shall mean Orange County, Florida.

Section 10. "Additional Parcel" shall mean and refer to the real property described in Exhibit "B" attached hereto, which is presently intended to be developed by a third party. Developer may, but is not obligated to, acquire all or some portion of said parcel and subject all or a portion thereof to this Declaration by annexation.

Section 11. "Home" shall mean a completely constructed attached or detached single family home which is designated and intended for use and occupancy as a residence and which is subject to assessments under this Declaration or any Supplemental Declaration made by the Developer. Said term includes any interest in land, improvements and other property appurtenant to the Home.

Section 12. "Model Home" shall mean a fully constructed Home, that prior to its sale by Developer, will be used by Developer to show prospective purchasers a model of the Home(s) available for purchase.

Section 13. "Developer" shall mean and refer to Calton Homes of Florida, Inc. its successors and assigns, if such successors and assigns should (i) acquire more than one undeveloped Lot from Developer for the purpose of development and (ii) obtain a written assignment of The Developer's rights from Calton homes of Florida, Inc.

Section 14. "Institutional Mortgagee" means a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, an agency of the United States Government, mortgage banker, or any other lender generally recognized as an institutional type lender, or the Developer, holding a first mortgage on a Home or condominium Units.

Section 15. "Common Expenses" means all expenses of any kind or nature whatsoever incurred by the Association, including, but not limited to, the following:

- (a) Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the Common Open Space, including Private Drivers,

or any other property to be maintained by the Association as provided in this Declaration, including, but not limited to, utilities, taxes, assessments, insurance, operation, maintenance, repairs, improvements, and alterations.

- (b) Expenses of obtaining, repairing or replacing personal property in connection with any Common Open Space or the performance of the Association's duties.
- (c) Expenses incurred in connection with the administration and management of the Association.
- (d) Common water, sewer, trash removal, and other common utility, governmental, or similar services for the Homes which are not separately metered or charged to the Owners, or which the Association determines to pay in common in the best interest of the Owners
- (e) Expenses declared to be Common Expenses by the provisions of this Declaration, or by the Articles of By-laws.

Section 18. "Annexation" shall mean and refer to the subjecting of real property to this Declaration by amendment in accordance with Article VI hereof.

Section 19. "Public Area" shall mean and refer to all lands owned by the State of Florida, County, and city, district or municipality which, to the extent allowed by governmental authority, are to be maintained by Association.

Section 20. "Surface Water of Stormwater Management System" means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to Chapters 40C-4, 40C-40, 40C-42, F.A.C.

Section 21. "Conservation Easement" means that certain Easement over a portion of Tract "F" of CRESCENT PARK, according to the plat thereof as recorded in Plat Book ____; Pages ____, Public Records of Orange County, Florida, which is dedicated to the Homeowners Association. Development rights to said conservation Easement are dedicated to Orange County, Florida. No construction, clearing, alterations or gradings shall be allowed within said Conservation Easement unless approved by Orange County, Florida and other applicable jurisdictional agencies.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every owner shall have a non-exclusive right and easement of enjoyment in and to the Common Open Space, which shall be appurtenant to and shall pass with the title to every Home and condominium Unit, subject to the following:

- A. All provisions of this Declaration, the plat or plats of the community, and the Articles of Incorporation and By-Laws of the Association;

- B. Rules and regulations adopted by the Association governing the use and enjoyment of the Common Open Space;
- C. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility which may be situated upon the Common Open Spaces;
- D. The right of the Association to suspend the voting rights of any Owner for any period during which any assessment against his Home or Condominium Unit remains unpaid; and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations.
- E. The right of the Association to dedicate, sell or transfer all or any part of the Common Open Space to any public agency, authority or utility for such purpose and subject to such conditions as may be agreed upon in an instrument signed by two-thirds (2/3) or each class of members of the Association and said instrument has been recorded. In addition, so long as there is a Class B membership, such dedication, sale or transfer shall require the approval of HUD/Va.
- F. The right of the Association to borrow money, and with the consent of two-thirds (2/3) of each class of members, and so long as there is a Class B membership, the approval of HUD/VA, to mortgage, pledge, deed in trust, or hypothecate all of its real and personal property as security for money borrowed or debts incurred.
- G. The right of the Association to make additions, alterations or improvements to the Common Open Space, and to purchase any personal property, as it deems necessary or desirable from time to time, provided, however, that the approval of two-thirds (2/3) of the votes of the Owners shall be required for any addition, alteration, or improvement or any purchase of personal property, exceeding a sum equal to one (1) month's total Assessments for Common Expenses payable by all of the Members, or if the cost of the foregoing shall in any fiscal year exceed in the aggregate a sum equal to two (2) months' Assessments for Common Expenses payable by all of the Owners. The foregoing approval shall in no event be required with respect to expenses incurred in connection with the maintenance, repair or replacement of existing Common Open Space, or any existing improvements or personal property associated therewith. The cost and expense of any such additions, alterations or improvements to the Common Open Space, or the purchase of any personal property, shall be a Common Expense. In addition, so long as Developer owns any portion of the subject Property, Developer shall have the right to make any additions, alterations or improvements to the Common Open Space as may be desired by Developer in its sole discretion from time to time, at Developer's expense.

Section 2. Zero Lot Line Maintenance and Easements.

- A. An exclusive easement for the minor, unintentional encroachment by any building, Home or other improvements upon any Lot or the Common Open Space caused by or resulting from the original construction of improvements or the repair or replacement of same, which exclusive easement shall exist at all times during the continuance of such encroachment, as an easement appurtenant to the encroaching building, Home, or other improvement, to the extent of such encroachment.

Section 3. Delegation of Use.

Any Owner may delegate, in accordance with the appropriate By-Laws, his right of enjoyment to the Common Open Space, to the members of his family, his tenants or contract purchasers who reside on the property.

Section 4. Permitted Users.

The Common Open Space shall be restricted to the following uses:

- A. The Common Open Space, now and forever, shall be restricted hereby such that it shall be maintained as open space for the recreation, use and benefit of the Owners, including as and for easements and rights-of-way for the construction, operation and maintenance of utility services and drainage facilities and shall not be used for any commercial or industrial use except as herein described.
- B. The Private Drives, if any, now and forever shall be restricted such that they shall be used solely for the benefit of the Owners, their tenants, invitees and guests as and for the common access, ingress and egress and as an easement and right-of-way for the construction, operation and maintenance of utility services and drainage facilities. The Private Drives shall be kept free and clear of obstructions, except as is reasonable for construction, operation and maintenance of traffic and speed controls.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot, Home or Condominium Unit, which is subject to assessment, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Undeveloped Lot, home or Condominium Unit, which is subject to assessment.

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

Class A: Class "A" members shall be all Owners with the exception of the Developer and shall be entitled to one vote for each Home or Condominium Unit owned. When more than one person holds an interest in any Home or Condominium Unit, all such persons shall be members. The vote for such Home or condominium Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Home or Condominium Unit.

Class B: Class "B" member(s) shall be the Developer as defined in this Declaration, and shall be entitled to three (3) votes for each Lot or Home owned by it in the Community. The Class "B" membership shall cease and be converted to Class "A" membership on the happening of any of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class "A" membership equal the total votes outstanding in the Class "B" membership; or

(b) Seven (7) years from the date of filing of this Declaration; or

(c) At such time as the Class “B” member voluntarily relinquishes its right to vote.

ARTICLE IV

COVENANT FOR MAINTENANCE

Section 1. The Association shall at all times maintain: (i) the Common Open Space, (ii) the grassed and landscaped area of the Public Areas within The Community or contiguous thereto, (iii) any entrance features constructed in the Public Areas or on Easements granted to the Association that run through the Community, (iv) any landscape easement or buffer areas contiguous to public rights-of-way which are indicated on any Plats of the community for maintenance by the Association (the maintenance of the grassed and landscaped area includes mowing and edging the grass, trimming of the hedges and trees, and fertilization), (v) any community message board located on the Common Open Space. (Developer, for so long as it owns a Lot or Home may use said message board for advertising the Lots and homes it has for sale), (vi) all roadways located in the Community not otherwise dedicated as public roads, (vii) the sewer effluent lines located on the Common Open Space and within easements, (viii) any easements granted to the Association, and (ix) the boundary wall, buffer areas and landscaping around the perimeter of the Community.

An Owner of a Home will be responsible for the irrigation and fertilization of his Lot, and the Association shall be responsible for the maintenance of the Common Open space.

Section 2. Access – for the purpose of performing the maintenance authorized by this Article and Article X hereof, the Association, through its duly authorized agents or employees, shall have the right to enter upon any Lot(s) or the Common Open Space, at reasonable hours on any day. In the case of emergency repairs, access will be permitted at any time with only such notice as, under the circumstances, is practically affordable.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each home owned by it within the Community, hereby covenants, and each Owner of any Home by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments to be established together with interest, costs and reasonable attorneys’ fees, shall also be the personal obligation of the person who is the Owner of such Home at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Establishment of Assessments. Prior to the beginning of each fiscal year, the Board shall adopt a budget for such fiscal year, which shall estimate all of the Common Expenses to be incurred by the Association during the fiscal year. The board shall then establish the assessment for Common Expenses for each home and shall notify each Owner

in writing of the amount, frequency, and due dates of the assessment for common Expenses. From time to time during the fiscal year, the board may modify the budget, and pursuant to the revised budget or otherwise, the Board may, upon written notice to the Owners, change the amount, frequency and/or due dates of the assessments for Common Expenses. If the expenditure of funds for Common Expenses is required in addition to funds produced by assessments for Common Expenses, which shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the board, as stated in the notice of any special assessments for common Expenses. In the event any assessments for Common Expenses are made payable in equal periodic payments, as provided in the notice from the Association, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the Association notifies the Owner in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any assessments for common Expenses be due less than ten (10) days from the date of the notification of such assessments.

Section 3. Uniformity and Commencement of Assessments.

The assessments for Common Expenses assessed against each Home shall be equal. The annual assessment for Common Expenses as to each Home owned by an Owner other than the Developer shall commence on the first day of the full calendar month after a certificate of occupancy for the Home is issued. As to any Home, including Model Homes, owned by the Developer, the annual assessment shall commence on the day that the Developer closes the sale of said Model home to the first Owner acquiring title from the Developer.

Section 4. Working Capital Contribution.

In addition to assessments for Common Expenses, the first Owner acquiring title from Developer to a Home shall pay to the Association a contribution to a working capital fund of the Association in the amount of ONE HUNDRED FIFTY AND NO/100 (\$150.00), which shall be in addition to the Owner's responsibility for assessments for Common Expenses. The capital fund shall be used by the Association for start-up expenses or otherwise as the Association shall determine from time to time and need not be restricted or accumulated.

Section 5. Purpose of Assessments.

The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Community and for the improvement and maintenance of the Common Open Space, easements and Public Areas adjacent to the Community, as set forth in Article IV, Section 1 hereof.

Section 6. Effect on Developer.

Notwithstanding any provision that may be contained to the contrary in this Declaration, for as long as Developer (or any of its affiliates) is the Owner of any Lot, Developer shall have the option, in its sole discretion, to (i) pay assessments on the Lots owned by it, (ii) pay assessments only on certain designated Lots (e.g., those under construction or those containing a Home for which a certificate of occupancy has been issued or (iii) not paying assessments on any Lots (regardless of whether there is a Home thereon) and in lieu thereof funding any resulting deficit in the Association's operating expenses (exclusive of any receivable from Owners other than Developer. The deficit to be paid under option (iii) above shall be the difference between (i) actual operating expenses of the Association (exclusive of capital improvement costs and reserves and (ii) the sum of all monies receivable by the Association (including, without limitation, assessments, interest, late charges, fines and incidental income) and any surplus carried forward from the preceding year(s). Developer

may from time to time change the option stated above under which Developer is making payments to the Association by written notice to such effect to the Association. If Developer at any time elects option (ii) above, it shall not be deemed to have elected option (iii) as to the Lots, which are not designated under option (ii). When all Homes within the Community Are sold and conveyed to purchasers, neither the developer, nor its affiliates, shall have further liability of any kind to the Association for the payment of assessments, deficits or contributions.

Section 7. Special Assessment for Capital Improvement.

In addition to the annual assessments and special assessments for Common Expenses authorized above, the Association, through a two-thirds (2/3) vote of its board of Directors, may levy in any assessment year a special assessment against an Owner(s) to the exclusion of other Owners for the purpose of (i) defraying, in whole or in part, the cost of any construction, reconstruction, repaving, repair or replacement of a capital improvement upon the Common Open Space, including fixtures and personal property related thereto, if any, or (ii) the costs of work performed by the Association in accordance with Article X hereof. Any such Special Assessment shall be subject to all of the applicable provisions of this Article including, without limitation, lien filing and foreclosure proceedings and interest. Any Special Assessment levied hereunder shall be due and payable within the time specified by the Board of directors in the action imposing such Assessment.

Section 8. Annual Assessments.

The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The board of Directors shall fix the amounts of the annual assessment against each Home at least thirty (30) days in advance of each annual assessment period. Failure to fix the amounts of the annual assessments within the time period set forth above would not preclude the Board of Directors from fixing the assessment at a later date.

From and after January 1, 1996, the maximum annual assessment or the Association may be increased each year not more than fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership. The Maximum annual assessment may be increased above fifteen percent (15%) by a vote of two-thirds (2/3) of the class A members who are voting in person or by proxy, at a meeting of the Association duly called for this purpose. The board of Directors may fix the annual assessments at an amount not to exceed the maximum.

The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Home has been paid. A properly executed certificate of the Association as to the status of assessments on a Home is binding upon the Association as of the date of its issuance. The Association may delegate to a management company of financial institution responsibility for collection of assessments.

Section 9. Effect of Non-Payment of Assessment: Remedies of the Association.

Any assessment not paid within fifteen (15) days of the due date shall be subject to a late charge of TWENTY FIVE AND NO/100 DOLARS (\$ 25.00). Any assessment not paid within thirty (30) days on the due date shall, in addition to the late charge if not paid within 15 days of the due date, bear interest from the due date at the rate of 18% per annum. The Association may, at its election, bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Home. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Open Space abandonment of his Home.

Section 10. Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be a lien superior to all other liens save and except ad valorem tax liens and mortgage liens, provided said mortgage liens are first liens against the property encumbered thereby, subject only to ad valorem tax liens, and said first mortgage secure an indebtedness which is amortized on monthly or quarter-annual payments over a period of not less than ten (10) years. The sale or transfer of any Home pursuant to the foreclosure or any proceeding in lieu thereof of a first mortgage meeting the above qualifications, shall extinguish the lien of such assessments as to payments, which became due prior to such sale or transfer pursuant to the foreclosure. No sale or transfer shall relieve such Home from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property.

All Common Open Space and properties dedicated to, and accepted by a local public authority shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI

ANNEXATION OF PROPERTY

Section 1. Annexation Without Association Approval.

Lands within the Additional Parcel may be annexed by the Developer in whole or in part without the consent of members within ten (10) years of the date of this instrument. The additional lands annexed in accordance with the provisions hereof shall become subject to the provisions of this Declaration upon the recording in the Public Records of Orange County of an amendment hereto properly executed by the Developer and without the consent of the members of the Association. Until such amendment is recorded, no provision of this Declaration shall be effective as to all or any portion of the Additional Parcel, nor shall this Declaration constitute a cloud or encumbrance on the title of said Additional Parcel.

Section 2. Additions or Modifications.

Such amendments to the Declaration may contain such complementary additions and modifications of this Declaration as may be necessary to reflect the different character, if any, of that portion of the Community or the Additional Parcel which are the subject of such amendments to the Declaration as are not inconsistent with the scheme of this Declaration, as determined by the Developer. Further, such amendments to the Declaration may contain provisions relating to such portion of the Community and/or such Additional Parcel, or any portions thereof, rules and regulations, architectural controls and other provisions thereof, dealing with, among other things, assessments and the basis thereof, rules and regulations, architectural controls and other provisions consistent with the nature of the development of such Community and pertaining to all or part of such portion and/or such Additional Parcel to the exclusion of other portions of the Community.

The provisions of this Article VI, Section 2 cannot be amended without the written consent of the Developer, and any amendment of this Article VI, Section 2, without the written consent of the Developer, shall be deemed null and void.

Section 3. Other Annexation of Property.

Land other than the Additional Parcel may be annexed to the Community by the Developer alone for as long as the Developer owns a Lot within the Community or by two-thirds (2/3) of

the Members of the Association. Such annexation shall become effective upon the recording of an amendment to this Declaration in the Public Records of Orange County.

ARTICLE VII

WITHDRAWAL OF PROPERTY

Anything herein to the contrary notwithstanding, Developer reserves the absolute right to amend this Declaration at any time without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Community from the provisions of this Declaration, so long as a Home has not been constructed on said land to be withdrawn.

ARTICLE VIII

PLATTING AND SUBDIVISION RESTRICTIONS

As long as there is a Class B membership, Developer shall be entitled at any time and from time to time, to plat and/or replat all or any part of the Community, and to file subdivision restrictions and/or amendments thereto with respect to any undeveloped portion of portion(s) of the Community without the consent or approval of Owners.

ARTICLE IX

ARCHITECTURAL CONTROL

Section 1. No building, fence, including chain link fences, wall or other structure shall be commenced, erected or maintained upon the Community, nor shall any exterior addition of change or alteration therein, including a change of the building exterior paint color, be made within the Community until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to the surrounding structures and topography by the Board, or by an architectural control committee composed of three (3) or more representatives appointed by the Board ("Committee"). In the event said Board of its designated Committee fails to approve or disapprove such design and location within thirty (30) days after said plan and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Nothing contained herein shall relieve the Owner from the responsibility of obtaining proper governmental approvals and permits.

Section 2. The Association or the designated Committee shall not be liable to any Owner in connection with the exercise or non-exercise of architectural control hereunder, or the approval or disapproval of any alteration, addition, improvement or change. Furthermore, any approval of any plans or specifications by the Association or its designated Committee shall not be deemed to be a determination that such plans or specifications are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the Association, or are in fact architecturally or aesthetically appropriate, or comply with any

applicable governmental requirements, and the Association or its designated Committee shall not be liable for any deficiency, or any injury resulting from any deficiency in such plans and specifications.

Section 3. Notwithstanding the foregoing, so long as Developer owns any Lot, Home or any portion of the Community, architectural control shall be vested in Developer and not the Association, and during such period all references contained in the subparagraph to the Association shall be deemed to refer to Developer, provided, however, that at any time Developer may assign its right to architectural control to the Association by a written assignment.

MAINTENANCE OF EXTERIOR OF OWNERS PROPERTY

In the event an Owner of any Lot or Home in the Community shall fail to maintain the Lot or the exterior of his Home in a manner reasonably satisfactory to the Association, the Owner shall be notified and given thirty (30) days within which to correct or abate the situation. If the Owner fails to do so, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees to enter upon said Lot or common elements of the condominium, and to repair, maintain and restore the exterior of the buildings and any other improvements erected thereon.

The cost of such exterior maintenance or grounds maintenance shall be assessed against the subject home and such assessment shall be a charge on the land and shall be a continuing lien upon the Lot. Non-payment of such assessment within thirty (30) days from the due date may result in foreclosure of the lien or an action at law against the Owner(s) of the Lot.

ARTICLE XI

EASEMENTS

Section 1. Easements may be granted by the Association for utility purposes in accordance with the requirements of this Declaration.

Section 2. Developer does hereby establish and create for the benefit of the Association and for all Owners from time to time subject to this Declaration, and does hereby give, grant and convey to each of the aforementioned, the following easements, licenses, rights and privileges:

- (i) Right-of-way for ingress and egress by vehicles or on foot, in, through, over, under and across the streets, roads and walks within the Common Open Space (as they may be built or relocated in the future).
- (ii) Rights to connect to, maintain and make use of utility lines, wires, pipes, conduits, cable television lines, telephone lines and equipment, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Common Open Space, but only in accordance with applicable laws and regulations and the requirements on the applicable entities which regulate said utilities.

Section 3. Developer reserves to itself, its designees, successors and assigns easements, licenses, and rights and privileges of a right-of-way in, through, over, under and across the Community for the construction, maintenance and repair of utility lines, wires, pipes, conduits, cable television, sewers, and drainage lines and other improvements which may from time to time be in or along the streets and roads or other areas of the Community. Developer also reserves the right for itself, its designees, successors and assigns to continue to use the Community, and any Common Open Space, roadways, sales offices, model homes, signs, flags, promotional material and parking spaces located on the Community, in its efforts to market Lots, land and Homes in the Community. This paragraph may not be amended without the prior written consent of the Developer.

Section 4. The Association and the Developer, by their execution of this Declaration, hereby grants to each Owner a non-exclusive perpetual easement for the maintenance, repair and replacement of water and sanitary sewer lateral pipes servicing the Lot improvements thereon, which lateral pipes are located within the Common Open Space.

Section 5. Developer hereby grants to delivery, pickup and fire protection services, police, health and sanitation, and other public service personnel and vehicles, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Developer, its successors or assigns to service the Community, and to such other persons as the Developer from time to time may designate, the nonexclusive, perpetual right of ingress and egress over and across the common Open Space for the purposes of performing their authorized services and investigation.

Section 6. In some areas, the roof of a Home may overhang the Lot lines of the Lot on which said Home is located. The Developer specifically reserves on behalf of itself and all Homes, an encroachment easement for any such roof overhang for the benefit of the Owner of any such Home. Additionally, there is reserved a drainage easement from the overhanging roof onto the adjoining Lot.

Section 7. Encroachments on Lots or Common Open Space.

In the event any portion of any roadway, walkway, parking area, roof drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system, home or any other improvement as originally constructed by Developer or its designee, successor or assign encroaches on any Lot or Common Open Space, it shall be deemed that the Owner of such Lot or Common Open Space has granted a perpetual easement to the Owner of the adjoining Lot, Common Open Space, or the Association as the case may be, for continuing maintenance and use of such encroaching roadway, walkway, parking area, roof drainage system, roof, trellis, water line, sewer line, utility line, sprinkler system or other structure originally constructed by Developer. The foregoing shall also apply to any replacements of any such roadway, walkway, parking area, roof drainage system, roof, trellis, water lines, sewer lines, utility lines, sprinkler system or other structure, if same are constructed in substantial conformance to the original. Other encroachments may hereafter be maintained as provided in a Supplemental Declaration. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

ARTICLE XII

CONVEYANCE OF COMMON OPEN SPACE TO ASSOCIATION

At such time that Developer conveys the first Home in the community, Developer shall be obligated to convey title to all of the Common Open Space located in the Community to the

Association, which shall be obligated to accept such conveyance. In the event Developer annexes any of the Additional Parcel or other property into the Declaration, Developer shall convey the Common Open Space in the annexed portion of the Additional Parcel to the Association prior to the closing of title to the first home in said annexed portion of the Additional Parcel. In the event Developer withdraws any of the Common Open Space from the effects of this Declaration as permitted by Article VII hereof, the Association will reconvey to the Developer those Common Open Spaces withdrawn by Developer.

ARTICLE XIII

RESTRICTIONS

Section 1. Easements.

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown or designated on the recorded plat(s). Within these easements, no structure, plating or other material shall be placed or permitted to remain which would damage or interfere with the installation or maintenance of the utilities or which may change the direction of flow or drainage channels in the easements. No obstructions such as gates, fences, etc., which will prevent emergency access shall be directed in any easement strip for fire fighting access purposes. The Association is hereby granted an easement over each Lot for ingress and egress to any portions of the Lot or the improvements thereon requiring maintenance by the Association.

Section 2. Wells and Septic Tanks.

Except for wells provided by Developer for irrigation purposes, no individual wells or septic tanks will be permitted on any Lot or the common elements within this Community. This restriction will be enforceable as long as the water services and sewage disposal are in operation, satisfactorily servicing each Lot or condominium on which a completed building is located in said Community in accordance with the standard requirements as provided for by the State Board of Health Regulations.

Section 3. Nuisances.

No noxious or offensive activity shall be carried on upon any lands within the Community, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

Section 4. Temporary Structures and use.

No structure of a temporary character, trailer, basement, shack, garage, barn or other buildings shall be moved to, erected on, or used on any of the lands within the Community at any time for a residence workshop, office, storage room, either permanently or temporarily, provided, however, that Developer may place on the Community construction sheds, trailers or temporary sales offices or sales trailers used to facilitate the construction and sale of land, Condominium Units and Homes in the community. No canvas, pipe, or other type of carport shall be placed between the sidewalk and the front building line on any Lot. Except during the delivery to homes, no commercial vehicles shall be parked in areas zoned for residential uses, including the streets. No business, service repair, or maintenance for the general public shall be allowed on any Lot at any time. In order to prevent unsightly objects in an about each of the Homes to be erected in this Community, no gas tank, gas container, or gas cylinder, except those used by portable barbecue grills shall be permitted to be paced on or about the outside of any of the Homes built in this Community or any ancillary building.

Section 5. Oil and Mining Operations.

No oil drilling, oil development operations, oil refining quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks tunnels, mineral excavations or shafts be permitted upon or in any of the community lands. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any of the Community lands.

Section 6. Pets.

Traditional house pets (i.e., dogs or cats, fish and caged birds), may be kept by an Owner or such Owner's family members, guests, invitees or lessees, however, (a) no animals whatsoever may be kept or maintained for commercial purposes, (b) no animals shall be permitted to remain on any portion of the Community which become an unreasonable nuisance or annoyance to other Owners, and (c) any animal kept by an Owner shall be kept subject to any rules and regulations which may be promulgated from time to time by the Board. In no event shall dogs be permitted upon the Common Open Space unless under leash. Any Owner who keeps a pet thereby agrees to indemnify the Association and hold it harmless against any loss or liabilities of any kind or character whatsoever arising from or growing out of the keeping of any such pet. All owners of pets shall be required and responsible to clean up any excretions of their pets.

Section 7. Visibility at Street Corners.

Notwithstanding anything to the contrary in these restrictions, no obstruction to visibility at street intersections shall be permitted and such visibility clearances shall be maintained as required by the City of Orlando.

Section 8. Clotheslines.

No Clotheslines shall be placed and clothes drying shall be undertaken or permitted upon the community, provided, however, the Board may, upon its sole discretion, permit on a revocable basis the location of collapsible, retractable or umbrella type clotheslines or other equipment in the "back yard or patio" of the particular Home whose Owner(s) have made such request.

Section 9. Barbecues.

Barbecues may be located or permitted only upon the back patio of a Home and upon such portions of the Common Open Space as are, from time to time, designated by the Association; provided, however, that barbecuing shall be subject to such rules and regulations as may be promulgated from time to time by the Board.

Section 10. Parking.

No truck or van with more than a three-quarter ton capacity or any truck with other than standard size tires, no commercial vehicles, no house or travel trailer, motor home, camper, boat or boat trailer shall be parked in the Community. The term "commercial vehicle" shall be defined by the board of Directors in the rules and regulations of the Association. Commercial vehicles in the process of loading or unloading shall not be considered parked so long as they are not kept in the Community overnight. Except as set forth above, no vehicle of any kind shall be parked in the Common Open Space other than that portion of the Common Open Space designated for parking by the Association or on any part of any Lot.

Section 11. Commercial and Recreational Vehicles.

No boat, trailer, camper, golf cart or other type of recreational vehicle and commercial vehicle, including, but not limited to, trucks, pick-up trucks and vans (vans with side windows that are not commercial vehicles are permitted), shall park or be parked at any time on the Lots, common elements of a condominium, or Common Open Space unless it is a commercial vehicle in the process of being loaded or unloaded; except that boats which are

24 feet or less in length may be permitted to be parked in the rear or side yard of a single family Home when the yard is fenced in with a six (6) foot high wooden fence, which fence has been approved by the Board of Directors; and provided further that no commercial vehicle shall be permitted to park or be parked overnight on the Lots or Common Open Space unless approved in writing by the Board of Directors of the Association.

Notwithstanding the prior provision to the contrary, the board may, in its sole discretion, designate portions of the common Open Space for the parking of oversized commercial or recreational vehicles, trailers, campers, vans or boats.

Section 12. Standing Cycles or other Items.

No bicycles, scooters, wagons, carriages, shopping carts, chairs, benches, tables, toys or other such items shall be parked or be permitted to stand for any period of time on any part of the community lands except in the storage sheds or garages, if any, of each Home or on the patio of a Home if said rear yard or patio is completely fenced in and except in accordance with the rules and regulations promulgated from time to time by the Board.

Section 13. Antenna and Aerials.

No antenna, aerial or satellite dish of any type shall be placed upon a Home or within a Lot or the Common Open Space unless approved by the Board or Committee.

Section 14. Signs.

Except as otherwise permitted by the Association's Board of Directors, no sign of any character shall be displayed or placed upon any Lot except "for sale" signs, which signs may refer only to the particular premises on which displayed, shall not be larger than 3 feet by 2 feet in size, shall not extend more than four (4) feet above the ground, and shall be limited to one (1) sign per Lot. This paragraph shall not apply to, and shall not prohibit, the Developer from erecting any number of signs of any size or configuration related to the construction or marketing of the Community or any of the Homes in the Community owned by Developer.

Section 15. Litter and Garbage Collection.

No garbage, trash, refuse or rubbish shall be deposited, dumped, or kept on any part of the Community except in closed containers in the storage areas, garages, if any, or fenced patio areas at the side or rear of the Home prior to collection by a refuse service contracted by the applicable local government or the Association.

Section 16. Personal Property.

No articles of personal property of Owners shall be placed on any portion of the Common Open Space unless such articles are being used by Owners in accordance with the terms and conditions of this Declaration and any rules and regulations promulgated from time to time by the board.

Section 17. Removal of sod and Shrubbery; Additional Planting.

No significant change shall be made in any landscaping or plant material anywhere in the Community and no change shall be made in the condition of the soil or the level of the land of any area of the Community if such change would or might result in any permanent change in the flow and drainage of surface water which the Board, in its sole discretion, considers detrimental; provided, however, that Owners may place additional plants, shrubs or trees in the rear yard or patio of a Home subject to approval by the Committee.

Section 18. Increase in Insurance Rates.

No owner may take any action, which will result in an increase in the rate of any insurance policy or policies covering any portion of the Community.

Section 19. Windows, Awnings and Shutters.

No awnings, canopies or shutters, including hurricane or storm shutters, shall be attached or affixed to the exterior of a building and foil, window tinting materials or shielding materials or devices shall be placed upon any windows or sliding glass doors which are part of a Home unless such awnings, canopies, shutters, foil window tinting materials or shielding materials have been approved by the Board or the Committee appointed by the Board, which approval may be based on the aesthetic appearance of the properties.

Section 20. Utility Additions.

No additional utility system, including without limitation, water, sewage, electrical, air conditioning and heating systems lines, ducts, conduits, pipes, wires or fixtures, shall be added to the exterior of any Home without the prior written consent thereto by the Board or an architectural control committee appointed by the Board, which consent shall not be unreasonably withheld if such addition complies with all applicable ordinances, requirements, and regulations of governmental authorities and such additions cause no damage or impairment or additional costs and the use of aesthetic appearance of the Community or any part or parts thereof are not impaired.

Section 21. Casualties.

In the event that a Home or any part thereof is destroyed by casualty or otherwise, or in the event any improvements upon the Common Open Space are damaged or destroyed by casualty or otherwise, the Owner thereof or the Association, as the case may be, shall promptly clear all debris resulting there from and (subject to the duties and obligations of the Association) commence either to rebuild or repair the damaged improvements in accordance with the terms and provisions of this Declaration.

Section 22. Reconstruction.

An repair, rebuilding or reconstruction on account of casualty or other damage to any Common Open Space or any part or parts thereof, shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or with new plans and specifications approved by the board. Any repair, rebuilding or reconstruction on account of casualty or other damage to any Home or any part or parts thereof shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or the new plans and specifications approved by the Board or the Committee, and the Owner of such Home.

Section 23. Rights of Developer.

Notwithstanding any provisions in this Declaration to the contrary, including the provisions of this Article XIII, the Developer shall have the right with respect to the development of the Community to construct buildings and units and other improvements, including landscaping on the Community, and to expand or add to the recreational facilities. The construction of buildings, units and improvements, including the expansion and additions to the recreational facilities. The construction of buildings units and improvements, including the expansion and additions to the recreational facilities shall be of such type, nature, design, size, shape height, materials and location, including the landscaping, which term shall be defined in its broadcast sense as including grass, sole discretion without obtaining consent and approval of the committee, the Association or its members, provided however, that same complies with the applicable building codes and zoning laws of Orange County, Florida, in force at that time.

Section 24. Disturbances

No owner shall make or permit any disturbing noises on any Lot or in any Home or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Owners.

Section 25. Lake Front Property.

As to portions of the Community, which have a boundary contiguous to any lake or other body of water within the Development, the following restrictions shall be allocable:

- (a) No boathouse, dock, wharf or other structure of any kind shall be erected, placed, altered or maintained on the shores of the lake unless erected by the Developer or its affiliates, subject to any and all governmental approvals and permits that may be required.
- (b) The Association shall be responsible for the water quality and beds of all private lakes (to the edge of the water).
- (c) No boat, boat trailer, or vehicular parking or use of the lake slope of shore areas shall be permitted except as designated in the rules and regulations of the Association.
- (d) No solid or liquid waste, litter or other materials may be discharged into/onto or thrown into/onto any lake or other body of water or on the banks thereof.

Section 26. Surface Water or Storm water Management System.

The Association shall be responsible for the maintenance, operation and repair of the surface water or Storm water management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or Storm water management capabilities as permitted by the St. Johns River Water Management District. The Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the surface water or Storm water management system shall be as permitted, or if modified as approved by the St. Johns River Water Management District.

ARTICLE XIV

INSURANCE

Section 1. Purchase, Custody and Payment of Policies.

- A. Purchase. All insurance policies covering the Common Open Space shall be purchased by the Association and shall be issued by an insurance company authorized to do business in Florida which has an office or agent located in the vicinity of the Community.
- B. Approval by Institutional Lenders. Each Institutional Lender will have the right upon reasonable notice to the Association to review and approve, which approval shall not be unreasonably withheld, the form, content, insurer, limits and coverage of all insurance purchased by the Association, and to require the Association to purchase insurance complying with the reasonable and customary requirements of the Institutional Lender. In the event of a conflict between Institutional Lenders, the decision of the Institutional Lender holding mortgages encumbering Homes, which secure the largest aggregate indebtedness, shall control.

Section 2. Coverage.

- A. Casualty. All improvements upon the Common Open Space and all personal property of the Association are to be insured in an amount equal to one hundred (100%) percent of the then current replacement cost, excluding foundation and

excavating costs and other items normally excluded from coverage, as determined annually by the Association. Prior to obtaining any casualty insurance or renewal thereof, the Association shall obtain an appraisal from a fire insurance company or otherwise of the full replacement cost of the improvements upon the common Open Space and all personal property of the association, without deduction for depreciation, for the purposes of determining the amount of casualty insurance to be obtained pursuant to this Paragraph. Such coverage shall afford protection against:

1. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;
2. Such other risks as from time to time shall be customarily insured against with respect to buildings and improvements similar in construction, location and use, including, but not limited to vandalism and malicious mischief, and all other risks normally covered by a standard "All Risks" endorsement, where available.

B. Liability. Comprehensive general public liability insurance insuring the Association against loss or damage resulting from accidents or occurrences on or about or in connection with the Common Open Space, or any work, matters or things, related to the Common Open Space or this Declaration and its exhibits, with such coverage as shall be required by the Association but with a combined single limit liability of not less than One Million Dollars (\$1,000,000.00) for bodily injury, death or property damage, arising out of a single occurrence, and with cross liability endorsement to cover liabilities of the Owners as a group to an Owner.

C. Worker's Compensation as shall be required to meet the requirements of the law.

D. Such Other Insurance as the Association shall determine from time to time to be desirable or as may reasonably be required by an Institutional Lender pursuant to Section 1B of this Article XIV and as is customarily obtained with respect to improvements similar in construction, location and use to those contained within the Common Open Space, such as, where applicable, contractual and all-written contract insurance, employer's liability insurance and comprehensive automobile liability insurance.

When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the Association and against the owners individually and as a group, (ii) any pro-rata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk, and (iii) avoid liability for a loss that is caused by an act of one or more directors of the Association or by one or more Owners; and (iv) shall provide that such policies may not be cancelled or substantially modified (except for increases in coverage for limits of liability) without at least then (10) days prior written notice to the Association and to the holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

Section 3. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association as Common Expense.

Section 4. Insurance Trustee. All casualty insurance policies purchased by the Association shall provide that all proceeds covering casualty losses in excess of \$25,000.00 shall, if designated by the Board, be paid to any national bank or trust company in the vicinity of the Community with trust powers as may be designated by the Association, as Trustee, which trustee is herein referred to as the "Insurance Trustee". The Insurance Trustee shall

not be liable for payment of premiums of for the renewal or sufficiency of the policies or for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Association. Notwithstanding the foregoing, unless the board so determines or unless any Institutional Lender otherwise requires by written notice to the Association, no Insurance Trustee will be required, and all references in this Declaration to an Insurance Trustee shall refer to the Association where the context requires.

- A. Common Open Space. Proceeds on account of damage to Common Open Space shall be held in as many undivided shares as there are Lots, the share of each Lot being equal.

Section 4. Distribution of Proceeds. Proceeds of the insurance policies received by the Insurance Trustee shall be distributed to, or for the benefit of, the beneficial owners in the Following manner:

- A. Expense of the Trust. All expenses of the Insurance Trustee shall be first paid or provisions made therefore.
- B. Reconstruction or Repair. The remaining proceeds shall be paid to pay the cost of repair or reconstruction, as elsewhere provided. Any proceeds remaining after paying such cost shall be distributed to the Association.
- C. Inspection of Insurance Policies. A copy of each insurance policy purchased by the Association shall be made available for inspection by any Owner or Institutional Lender at reasonable times.

ARTICLE XV

RECONSTRUCTION OR REPAIR AFTER CASUALTY

Section 1. Determination to Reconstruct or Repair. If any part of the common Open Space is damaged or destroyed by casualty, the damaged property shall be reconstructed or repaired, unless 2/3 of the Owners vote to the contrary.

Section 2. Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvements. Any reconstruction or repair must be in accordance with the ordinances of the controlling governmental authority, and must be approved by the controlling governmental authority or its appropriate review committee where required by such ordinances. Any reconstruction or repair must be in conformance with the requirements of any controlling governmental authority, and where required appropriate permits for same shall be obtained.

Section 3. Responsibility. The responsibility for reconstruction and repair after casualty shall be that of the Association.

Section 4. Estimates of Cost. Immediately after casualty damage to property for which the Association has the responsibility or reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair from one or more reliable licensed contractors, and shall submit copies of all acceptable estimates to the Insurance Trustee.

Section 5. Assessments. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, or if any time during or after the reconstruction and repair the funds for the payment of the cost thereof are insufficient, a Special Assessment shall be made against all of the Owners of the Homes equally, in sufficient amounts to provide funds to pay such costs.

Section 6. Construction Funds. The Funds for payment for costs or reconstruction and repair after casualty which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from Assessments against Home Owners shall be disbursed in payment of such costs the following manner:

- A. Association. If the total Assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair is more than Twenty-five Thousand (\$25,000.00) Dollars, then the sums paid upon such Assessment shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such Assessments and disburse the same in payment of the costs of reconstruction and repair.
- B. Insurance Trustee. The proceeds of insurance collected on account of a casualty and the sums deposited with the Insurance Trustee by the Association from collections of Assessments against Home Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the costs of the Insurance Trustee and the costs or reconstruction and repair in the following manner and order:
 1. Association Lesser Damage. If the amount of the estimated costs of reconstruction and repair is less than Twenty-five Thousand Dollars (25,000.00), then the construction funds shall be disbursed in payment of such costs upon the order of the Association.
 2. Association Major Damage. If the amount of the estimated costs of reconstruction and repair is more than Twenty-five Thousand Dollars (\$25,000.00), then the construction funds shall be disbursed in payment of such costs in the manner required by the Association and upon approval of an architect qualified to practice in the State of Florida and employed by the Association to supervise the work.
 3. Surplus. It shall be presumed that the first moneys disbursed in payment of the costs of the Insurance Trustee, if any, and the costs or reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the Insurance Trustee, if any, and reconstruction and repair for which the fund is established, such balance shall be distributed to the Association.
 4. Certificate. Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Home Owners upon Assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements form the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made form the construction fund, nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association executed by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the name of the payee and the amount to be paid; provided that when the Association so requires, the approval of an architect named by the Association shall first be obtained by the

Association for disbursements in payment of costs of reconstruction and repair.

ARTICLE XVI

GENERAL PROVISIONS

Section 1. Execution of Documents Required by the County. The Developer's plan for the development of the Community may require from time to time the execution of certain documents required by the County. To the extent that said documents require the joinder of any or all Owners in the Community, each of said Owners, by virtue of his acceptance of a deed to his Home, does irrevocably give and grant to the Developer, or any of its officers individually, full power of attorney to execute said documents as his agent and in his place and stead.

Section 2. Enforcement. The Association, or any Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Court costs and reasonable attorneys' fees for a proceeding at law to enforce this Declaration, including any appeal thereof, shall be borne by the Owner(s) against whom the suit has been filed. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by the Owners of sixty-six and two-thirds (66 2/3%) percent or more of the Lots, or by a vote of ninety (90%) percent of a quorum of Owners present in person or by proxy at a duly called regular or special meeting of the members of the Association. Notwithstanding the above, (i) there will be no amendment to the provisions of this Declaration pertaining to the maintenance of Common Open Space without the prior consent of Orange County; and (ii) Developer will have the right to amend this Declaration pursuant to Section 1 of Article VI and Article VII without the consent of any Owners and/or mortgages. Any Amendment must be recorded.

Section 5. Developer Amendment Privilege. Notwithstanding anything to the contrary set forth above, the Developer may amend any provision of this Declaration without the approval or joinder of the Owners or the Association, if required to do so by any local, state or federal governmental agency or to comply with the Rules and Regulations of the Federal National Mortgage Association,

the Federal Housing Administration, the Veterans Administration or any other similar governmental institutional agency which desires to hold, insure or guaranty a mortgage on all or any part of the Community.

Section 6. Damage or Destruction to Common Open Space. Each Owner shall be liable to the Association for any damage to the Common Open Space not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of said Owner or of his family, tenants, guests and invitees, both minor and adult. Notwithstanding the foregoing, the Association reserves the right to charge such Owner a Special Assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Owner. The cost of correcting such damage shall be a Special Assessment against the Home and may be collected as provided herein for the collection of Assessments.

Section 7. HUD/VA Approval. Notwithstanding anything to the contrary set forth in this Declaration, so long as there is a Class "B" member, the prior approval of HUD/VA shall be required for (i) annexation of property other than the Additional Parcel; (ii) Amendments to this Declaration, except as set forth in Section 5 and Section 6 of this Article XVI, (iii) dissolution, merger or consolidation of the Association, or (iv) dedication of the Common Open Space.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto executed this Declaration this 14th day of December, 1994.