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RICHARD M. WEISS CLERK OF COURT
POLK COUNTY
DEPUTY CLERK T Tierney

This document prepared by and return to:

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(Reserved for Use by the Clerk)

**AMENDMENT TO DECLARATION OF COVENANTS
AND RESTRICTIONS FOR LAKESHORE CLUB**

THIS AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS
for LAKESHORE CLUB (the "Amendment") is made and executed this 29th day of March,
2000 by LAKESHORE CLUB DEVELOPMENT L.C., a Florida limited liability company (the
"Developer").

WITNESSETH:

WHEREAS, the Developer executed the Declaration of Covenants and Restrictions for
Lakeshore Club dated September 17, 1999 (the "Declaration"), which Declaration was filed for
record on September 27, 1999 in Official Records Book 4322, at Page 298, of the Public Records
of Polk County, Florida; and

WHEREAS, as of the date of the execution of this Amendment, the Developer owns all
of the property which is subject to the terms and provisions of the Declaration; and

WHEREAS, the Developer wishes to amend the Declaration in the manner hereinafter set
forth;

NOW, THEREFORE, the Developer hereby amends the Declaration as follows:

1. All references to the Plat of LAKESHORE CLUB, referenced within the
Declaration, shall mean the Plat of LAKESHORE CLUB filed for record in Plat Book 111, at
Page 16, of the Public Records of Polk County, Florida.

MARYANNE MORSE
CLERK OF CIRCUIT COURT

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2. The first three sentences, contained within Paragraph 1 of Article IV of the Declaration, are hereby amended to read as follows:

The Developer may retain the legal title to all or a portion of the Common Areas so long as it holds fee simple title to at least one (1) Lot within the Properties; provided, however, that the Developer may continue to retain legal title to the portion of the Common Areas described as follows (the "Retained Area"):

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 22, TOWNSHIP 30 SOUTH, RANGE 29 EAST, POLK COUNTY, FLORIDA AND RUN THENCE N89°33'51" W, ALONG THE SOUTH BOUNDARY OF SAID SECTION, A DISTANCE OF 3493.31 FEET; RUN THENCE N02°58'40" E 740.76 FEET TO A POINT ON THE RIGHT-OF-WAY LINE OF FEDHAVEN CIRCLE; RUN THENCE N80°27'42" W 994.73 FEET; RUN THENCE N24°11'00" W 315.17 FEET; RUN THENCE N21°08'03" E 430.0 FEET TO THE POINT OF BEGINNING; RUN THENCE N13°07'30" E, ALONG THE RIGHT-OF-WAY LINE OF FEDHAVEN CIRCLE 370.00 FEET; RUN THENCE S76°52'30" E, 500.00 FEET; RUN THENCE S13°07'30" W 370.00 FEET; RUN THENCE N76°52'30" W 500.00 FEET TO THE POINT OF BEGINNING,

without being required to divest itself of legal title to the Retained Area at such time as the Developer no longer holds fee simple title to at least one (1) Lot within the Properties. The Developer shall have the right, in its sole discretion, to convey all or a portion of the Common Areas (including, but not limited to, the Retained Area) to the Association from time to time. In addition, within ninety (90) days from the date of conveyance by the Developer of the last Lot which it owns in the Properties, the Developer, or its successors and

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assigns, shall convey and transfer to the Association any portion of the Common Areas not previously conveyed to the Association; provided, however, that the Developer shall not be obligated to convey any portion of the Retained Area to the Association even if the Developer no longer holds fee simple title to at least one (1) Lot within the Properties.

3. Subparagraph E, contained within Paragraph 2 of Article IV of the Declaration is hereby amended to read as follows:

E. The right of the Association to adopt and enforce rules and regulations governing the use of the Common Areas (other than the Retained Area) and all facilities any time situated thereon.

4. Article VI, contained within the Declaration, is hereby deleted in its entirety.

5. The second sentence, contained within Paragraph 1 of Article VIII of the Declaration, is hereby deleted in its entirety.

6. The second and third Paragraphs, contained within Article X of the Declaration, are hereby deleted in their entirety.

7. Exhibit "B" attached to the Declaration (same being the Articles of Incorporation of Lakeshore Club of Polk County Homeowners Association, Inc., a Florida corporation not-for-profit) is hereby deleted in its entirety. Exhibit "A" attached to this Amendment is substituted in place and lieu thereof.

8. Paragraph 2, contained within Article IV of the By-Laws, is hereby amended to read as follows:

2. Nominations: The Developer shall, within forty-five (45) days of the date set for the Annual Meeting of the Membership, notify the Secretary and the Nominating Committee of the names of the Directors the Developer is appointing to the Board of Directors. Within forty (40) days of such annual meeting date, the Nominating Committee shall notify the Secretary of the names of the candidates

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nominated for election to the Board of Directors. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine. Additional nominations from the floor at the Annual Meeting shall be accepted. All elections to the Board of Directors shall be made on written ballots which shall set forth the names of those nominated for each vacancy by the Nominating Committee and the names of those appointed to the Board of Directors by the Developer. The Secretary shall prepare and mail or hand deliver ballots to the Members, along with a notice of the Annual Meeting at least ten (10) days, but not more than thirty (30) days, in advance of the date set for the Annual Meeting.

9. Paragraph 6, contained within Article IV of the By-Laws, is hereby amended to read as follows:

6. Removal: Any Director may be removed from office at any time with or without cause by a majority vote of the Association's Membership, except that the Directors elected or designated by the Developer may be removed only by the Developer.

10. Paragraph 2, contained within Article VII of the By-Laws, is hereby amended to read as follows:

2. Special Meetings: Special Meetings of the Members for any purpose may be called at any time by the President or by the Vice-President. In addition, a special meeting of the Members shall be called as directed by resolution of the Board of Directors or upon the written request of the Members who have the right to vote one-third (1/3) of the votes of the Membership, except that a Special Meeting of the Members to recall or remove a Member of the Board of Directors shall be called either as directed by resolution of the Board of Directors or upon the written request of Members who have the right to vote one-fourth (1/4) of all of the votes of the entire Membership.

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RICHARD M. WEISS CLERK OF COURT
POLK COUNTY
DEPUTY CLERK L Mujtaba

This document prepared by and return to:

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(Reserved for Use by the Clerk)

DECLARATION OF COVENANTS AND RESTRICTIONS FOR LAKESHORE CLUB

THIS DECLARATION (the "Declaration") is made this 17th day of September, 1999, by LAKESHORE CLUB DEVELOPMENT L.C., a Florida limited liability company (the "Developer"), who declares that the real property hereinafter described (hereinafter referred to as "Lakeshore Club"), which is owned by the Developer, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes hereinafter referred to as the "Covenants and Restrictions") hereinafter set forth.

WITNESSETH:

WHEREAS, Developer is presently the owner of the property described in Article II hereof, and intends to subject said property to these Covenants and Restrictions, each and all of which is and are for the benefit of said property and of each present and future owner thereof or of any part thereof, and shall inure to the benefit of and pass with said property and each and every part thereof, and shall apply and to bind every present and future owner of said property, or any part thereof, and their and each of their heirs, successors, legal representatives and assigns.

ARTICLE I. DEFINITIONS

The following words, when used in this Declaration (unless the context shall prohibit), shall have the following meanings:

1. "Association" shall mean and refer to Lakeshore Club of Polk County Homeowners Association, Inc., a Florida corporation not for profit.
2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Lakeshore Club of Polk County Homeowners Association, Inc., a Florida corporation not for profit, a copy of which is attached hereto as Exhibit "B", as same may be amended from time to time.
3. "By-Laws" shall mean and refer to the By-Laws of Lakeshore Club of Polk County Homeowners Association, Inc., a Florida corporation not for profit, a copy of which is attached hereto as Exhibit "C", as same may be amended from time to time.

4. "Lakeshore Club" or "Property" or "Properties" shall mean and refer to all properties which may, from time to time, be subject to the Covenants and Restrictions of this Declaration and shall include the parcels of real property described hereafter in Article II.

5. "Common Area" or "Common Areas" shall mean and refer to all areas of land which may be designated as Common Area on any recorded subdivision plat of the Property or on any recorded subdivision plat of any property described within any Supplement to this Declaration and shall include, without limitation, any private roads, drainage areas, buffer areas, easements for roads, rights-of-ways, walkways, parking areas, utility easements, medians and paths, and all improvements now or hereafter constructed thereon including, without limitation, buildings, streets, lighting systems, all utility rights-of-way, entrance features, irrigation systems, signage, structures, ponds and landscaping thereon, all of which are to be maintained by the Association. The Developer may, in its sole discretion, transfer and assign legal ownership of the Common Area to the Association, subject to the use rights granted herein to the Owners, which use rights shall not be construed to create in any Owner a legal interest in and to such Common Area. In addition, the Developer may, in its sole discretion, grant easements of ingress, egress, access and use in and to the Common Area and in and to all buildings, structures and recreational facilities constructed thereon from time to time, for the benefit of other properties not within the Properties (and for the benefit of the owners and occupants thereof), upon such terms and provisions as the Developer shall solely determine.

6. "Developer" shall mean and refer to LAKESHORE CLUB DEVELOPMENT L.C., a Florida limited liability company, and its successors or assigns, if any such successor or assign acquires the undeveloped portion of Lakeshore Club from the Developer for the purpose of development and is designated, in writing, as such by LAKESHORE CLUB DEVELOPMENT L.C., a Florida limited liability company.

7. "Lot" shall mean and refer to any lot or other parcel within LAKESHORE CLUB, together with any and all improvements thereof, as shown on the Plat of LAKESHORE CLUB, recorded in Plat Book _____, at Page _____, of the Public Records of Polk County, Florida, on which a residential structure could be constructed, whether or not one has been constructed. The term "Lot" shall also include the Residence constructed thereon, when a Residence has been constructed on the "Lot". The term "Lot" shall also mean and refer to any Lot designated as such by the Developer within any Supplement to this Declaration executed and recorded by the Developer pursuant to the provisions contained within Article II of this Declaration.

8. "Owner" or "Member" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot.

9. "Residence" shall mean and refer to any building or portion of a building situate upon a Lot designed and intended to be used and occupied as a single family residence.

10. "Rules and Regulations" shall mean and refer to all rules and regulations promulgated by the Association under this Declaration, the Articles of Incorporation and/or the By-Laws.

ARTICLE II. PROPERTY SUBJECT TO THIS DECLARATION

1. Legal Description: The real property which is and shall be held, transferred, sold, conveyed, used and occupied subject to the covenants and restrictions with respect to the various portions thereof set forth in the

various Articles and Paragraphs of this Declaration, is located in the County of Polk, State of Florida, and is described within Exhibit "A" attached hereto.

2. Supplements to this Declaration: The Developer, without the necessity for the joinder by any other person or entity whatsoever (including, but not limited to, the Association, any Owner or any holder of a mortgage) shall have the right, by the execution and recordation of a Supplement (the "Supplement") to this Declaration to cause additional parcels of real property, from time to time, to be added to and incorporated within the definition of the term "Lakeshore Club" or "Property" or "Properties". Upon the execution and recordation of a Supplement among the Public Records of Polk County, Florida, the parcel(s) of real property identified within the Supplement shall be deemed to be incorporated within the definition of the term "Lakeshore Club" or "Property" or "Properties" and shall thereafter be deemed to be subject to the Covenants and Restrictions established by this Declaration. The Developer, in the event it executes and records a Supplement among the Public Records of Polk County, Florida, shall have the right to designate, in such Supplement, additional "Common Area" or "Common Areas" which will be subject to the Covenants and Restrictions established by this Declaration and, in addition, shall have the right to designate, in such Supplement, additional "Lots" which will also be subject to the Covenants and Restrictions established by this Declaration. The Developer, in the event it executes and records a Supplement, shall also have the right to provide, in such Supplement, additional terms and provisions which shall be deemed to be incorporated within and which shall become a part of this Declaration.

3. Merger or Consolidation: Upon a merger or consolidation of the Association with any other association as provided in its articles of incorporation, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association or another association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the Covenants and Restrictions established by this Declaration within the Properties, together with the covenants and restrictions established upon any other property as one scheme. No such merger or consolidation, however, shall effect any revocation, change, or addition to the Covenants and Restrictions established by this Declaration within the Properties. Any such merger or consolidation shall require the affirmative vote of two-thirds (2/3) of Owners entitled to cast a vote.

ARTICLE III.

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

1. Membership: Every person or entity who is a record fee simple Owner of a Lot (including the Developer during such time as the Developer owns all or any part of the Property subject to this Declaration), shall be a member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment.

2. Classes and Voting: The Association shall have such classes of membership, which classes shall have such voting rights, as are set forth in the Articles of the Association.

3. Suspension of Voting Rights: Notwithstanding the provisions hereof, the Association shall have the right to suspend any Member's voting right (other than the right of the Developer) for any period during

which any assessment or installment thereof shall remain unpaid for more than ten (10) days after the due date for the payment thereof.

4. Powers of the Association: The Association shall have all of the powers, duties and obligations as set forth in this Declaration, the Articles and the By-Laws.

ARTICLE IV.
PROPERTY IN THE COMMON AREAS

1. Ownership: The Developer may retain the legal title to the Common Areas so long as it owns fee simple title to at least one Lot within the Properties. The Developer shall have the right, in its sole discretion, to convey all or a portion of the Common Areas to the Association from time to time. In addition, within ninety (90) days from the date of conveyance by the Developer of the last Lot which it owns in the Properties the Developer, or its successors and assigns, shall convey and transfer to the Association any portion of the Common Area not previously conveyed to the Association. The Association shall accept such conveyance(s), subject to taxes for the year of conveyance and to mortgages, restrictions, limitations, conditions, reservations, and easements of record. Commencing with the date this Declaration is recorded, the Association shall be responsible for the maintenance and administration of the Common Areas in a continuous and satisfactory manner and for the payment of taxes assessed against the Common Areas and against any improvements and personal property situate thereon accruing from and after the date of such recordation and for the payment of all utility charges incurred in the operation and maintenance of the Common Areas. Such taxes shall be prorated between the Developer and the Association as of the date of such recordation. Developer shall have the right from time to time to enter upon the Common Areas during periods of construction upon adjacent properties and for the purpose of construction of any facilities on the Common Areas that Developer elects to build.

2. Members' Easements: Each Member of the Association and each tenant, guest, and invitee of such Member shall have a permanent and perpetual easement for ingress, egress, access and use for pedestrian and vehicular traffic over and across all buildings, walkways, private streets, sidewalks and driveways from time to time laid out on the Common Areas for use in common with all other Members, their tenants, guests and invitees. The portion of the Common Areas not used, from time to time, for walkways, private streets, sidewalks or driveways shall be for the common use and enjoyment of the Members of the Association and each Member shall have a permanent and perpetual easement for the use of such portion of such lands as common open space in such manner as may be regulated by the Association. The foregoing easements shall be subject to the following:

A. The rights of any tenant(s) occupying portions of the Common Areas pursuant to lease agreements entered into with the Developer and/or with the Association.

B. The right and duty of the Association to levy assessments against each Lot for the purpose of maintaining the Common Areas and the Lots in compliance with the provisions of this Declaration and with any restrictions on the plat or plats of the Properties from time to time recorded.

C. The right of the Association to suspend any Owner's voting rights for a period not to exceed sixty (60) days for any infraction of its lawfully adopted and published rules and regulations or in the event the Owner is delinquent in the payment of all assessments due to the Association.

D. The right of the Association to suspend any Owner's right to utilize the recreational facilities constructed upon the Common Areas, if such Owner is delinquent in the payment of all assessments due to the Association.

E. The right of the Association to adopt and enforce rules and regulations governing the use of the Common Areas and all facilities at any time situated thereon.

F. The right of the Developer or the Association to dedicate or transfer all or any portion of the Common Areas to any public agency, authority or utility for such purposes and upon such conditions as may be agreed to by the Members, provided, however, that no such dedication or transfer by the Association shall be effective unless approved by the Developer, so long as the Developer owns at least one Lot within the Property.

G. The right of an Owner to the use and enjoyment of the Common Areas and the facilities situate thereon shall extend to the members of such Owner's immediate family who reside with such Owner, subject to the regulations from time to time adopted by the Association in its lawfully adopted and published rules and regulations. The easements provided in this Paragraph 2 shall be appurtenant to and shall pass with the title to each Lot.

3. Utility Easements: Public utilities may be installed underground in the Common Areas when necessary for the service of the Property. All use of utility easements shall be in accordance with the applicable provisions of this Declaration.

4. Public Easements: Fire, police, health, sanitation and other public service personnel and vehicles shall have a perpetual, non-exclusive easement for ingress and egress over and across the Common Areas.

5. Easement for Unintentional and Non-Negligent Encroachments: If any other building or improvement shall encroach upon any portion of the Common Areas or upon an easement by reason of original construction or by reason of the non-purposeful or non-negligent act of the Developer or of any other owner of such building or improvement, then an easement for such encroachment shall exist so long as the encroachment exists. Such easement shall include the right of ingress and egress during reasonable times of day for the purpose of maintaining and repairing the encroachment. Any exercise of the right of ingress and egress for maintenance and repair shall not be deemed a trespass.

6. Association Easement: For the purpose solely of performing its duties and responsibilities authorized by this Declaration, and in addition to any other easements granted to it, the Association, through its duly authorized agents, employees or independent contractors, shall have the right, after reasonable notice to the Owner, to enter upon any Residence at reasonable hours during any day except Sunday. In the event of an emergency, such right of entry shall exist, without notice on any day, including Sunday. Each Owner hereby grants to the Association, its duly authorized agents, employees or independent contractors such easements for ingress and egress, across the Lots and through the Residence, as may be reasonably necessary to effect and perform the Association's duties. In order to facilitate entry by the Association into each Residence, in the event of an emergency, each Owner shall be obligated to furnish the Association with a key to each entry door into the Residence, including any replacements thereof. In the event the Owner fails to supply such key(s) to the Association and, pursuant to the terms of this Declaration, entry into the Residence by the Association is

permitted, the Association shall not be responsible for any damage which may arise as the result of a forced entry into the Residence.

7. Additional Easements: The Developer (during any period in which the Developer has any ownership interest in the Property) and the Association (during such period as the Developer no longer has any interest in the Property) shall each have the right to grant such additional electric, telephone, gas, sprinkler, irrigation, cable television, or other utility easements, and to relocate any existing utility easement in any portion of the Property and to grant access easements and to relocate any existing access easements in any portion of the Property, or any portion thereof, for the general health or welfare of the Owners or for the purpose of carrying out any provisions of this Declaration; provided that such easements or the relocation of existing easements will not prevent or unreasonably interfere with the use of the Lots for dwelling purposes.

8. Maintenance of Common Areas: Commencing with the date this Declaration is recorded among the Public Records of Polk County, Florida, the Association shall at all times maintain in good repair, and shall replace as often as necessary, any and all improvements situated on the Common Areas (upon completion of construction by Developer) including, but not limited to, landscaping, sprinkler pipes and systems, irrigation pipes, pumps and systems, paving, drainage structures, walkways, common parking facilities, street lighting fixtures and appurtenances, entrance features, perimeter walls, gates and planters, and other structures, except public utilities, all such work to be done as ordered by the Board of Directors. Maintenance of the street lighting fixtures shall include the fixtures within the Common Areas and shall further extend to payment for electricity consumed in the illumination of such lights. The Developer or the Association may repair, change, replace or restore the walls and fences that are on any of the Lots or Common Areas within the Properties as the same are designated on the Plat of Lakeshore Club. All work pursuant to this Section and all expenses hereunder shall be paid for by the Association through assessments imposed in accordance with Article V hereof. Such assessments shall be against all Lots equally; provided, however, that the cost of any maintenance, repair or replacement caused by the negligent conduct of a Member or by the failure of a Member to comply with lawfully adopted rules and regulations shall be levied as a special assessment against such Member. Any such special assessment, and the lien rights, if any, arising from such assessment, shall be governed by the provisions of Article V herein. No Owner may waive or otherwise escape liability for the assessments for such maintenance by non-use of the Common Areas or by abandonment of the Owner's right to use the Common Areas.

9. Developer's Right to Utilize Common Areas: As long as the Developer owns at least one (1) Lot, the Developer (or its duly authorized agents or assigns) may make such use of the Common Areas (including use of any buildings constructed thereon) as may facilitate the Developer's administrative activities (which administrative activities may include, but shall not be limited to, administration of the Association, bookkeeping, post closing repair work and Developer sales, leasing and closing functions) and sales (with respect to Lots within the Property and/or with respect to the sale and/or lease of lots in other developments owned by the Developer and/or by entities affiliated with the Developer) including, but not limited to, the maintenance of administrative offices and the maintenance of sales and/or leasing offices, for the showing of the Lots and for the display of signs, billboards, placards and visual promotional materials. Any administrative offices and/or sales and leasing offices and/or model units and all personal property, furnishing and signs contained therein and/or appurtenant thereto shall not be considered portions of the Common Areas, but shall remain the separate property of the Developer.

10. Developer's Right to Assign Boat Slips and Mooring Posts: As long as the Developer owns at least one (1) Lot, the Developer shall have the right to assign, to Owners of Lots, the exclusive right to use designated

boat slips (the "Boat Slips") and/or mooring posts (the "Mooring Posts") which may be situate within the lake(s) which comprise a portion of the Common Areas. Any Boat Slip and/or Mooring Post which may be assigned by the Developer to a particular Owner of a Lot, shall be deemed to be an appurtenance to the particular Lot and shall pass as an appurtenance thereto. A Boat Slip and/or a Mooring Post which has been assigned by the Developer to a particular Owner of a Lot may subsequently be assigned by the Owner only to another Owner of a Lot.

ARTICLE V. COVENANTS FOR MAINTENANCE ASSESSMENTS

1. Creation of the Lien and Personal Obligation of Assessments: The Developer, for each Lot owned by it within the Properties, subject to Paragraph 4 of this Article VI, hereby covenants, and each Owner of any Lot by acceptance of a deed for such Lot, whether or not it shall be so expressed in any such deed or other conveyance, including any purchaser at a judicial sale, shall hereafter be deemed to covenant and agree to pay to the Association all annual assessments or charges for the maintenance of the Common Areas and the Lots, for such reasonable reserves as the Board of Directors of the Association may deem necessary; and each Owner of a Lot, by acceptance of a deed for such Lot, shall hereafter be deemed to covenant and agree to pay to the Association any special assessments for capital improvements or major repair; such assessments to be fixed, established and collected from time to time as hereinafter provided. All such assessments, together with interest thereon from the due date at the rate of eighteen percent (18.00%) per annum and costs of collection thereof (including reasonable attorneys' fees), shall be a charge on the land and shall be a continuing lien upon the Lot(s) against which each assessment is made, and shall also be the personal obligation of the Owner. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or by abandonment. By acceptance of the deed of conveyance to a Lot, each Owner shall be deemed to have acknowledged the creation of a contractual lien for the assessments prior to the establishment of any homestead exemption from foreclosure and forced sale in the event of nonpayment of the assessments.

2. Purpose of Assessments: The annual and special assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Properties and in particular for the improvement and maintenance of the Lots and the Common Area described above and any easement in favor of the Association, as well as for the operation and administration of the Association including, but not limited to, the cost of taxes, insurance, labor, equipment, materials, management, maintenance, and other supervision thereof, as well as for all other purposes which are permissible activities of, and undertaken by, the Association.

3. Uniform Rate of Assessment: All regular and special assessments shall be at a uniform rate for each Lot contained within the Properties. Notwithstanding the foregoing, in the event the Board of Directors reasonably determines in good faith that the cause of a special assessment shall not be borne equally by all of the Lots, the Board of Directors of the Association may assess a special assessment upon certain but not all of the Lots, or may assess unequal shares of a special assessment upon the Lots.

4. Special Assessments for Capital Improvements and Major Repairs: In addition to any annual assessments, the Board of Directors of the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement as may be approved by the Board of Directors of the Association, including the necessary fixtures and personal property related thereto, provided that

written notice of the proposed assessment shall be provided to all Members at least twenty (20) days in advance of the meeting. The due date of any special assessment shall be fixed in the resolution of the Board of Directors of the Association authorizing such assessment.

5. Special Assessments Allocable to Maintenance and Repair of Boat Slips and Mooring Posts: The Board of Directors of the Association shall also have the right to levy assessments, due and payable only from the Owners of Lots to which Boat Slips and/or Mooring Posts have been assigned, for the purpose of providing funds for the maintenance and repair by the Association of the Boat Slips and the Mooring Posts.

6. Date of Commencement of Annual Assessments Due Date: The assessments for which provision is herein made shall commence on the date or dates (which shall be the first day of a month) fixed by the Board of Directors of the Association to be the date of commencement. The due date of any assessment shall be fixed in the resolution authorizing such assessments, and any such assessment shall be payable in advance in monthly, quarterly, semi-annual or annual installments, as may be determined by the Board of Directors.

7. Duties of the Board of Directors: The Board of Directors of the Association shall fix the date of commencement of the assessment period, and the amount of assessments, at least thirty (30) days in advance of such date or period and shall, at that time, prepare a roster of the Lots and the assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by each Owner. Written notice of the assessment shall be sent to every Owner subject thereto not later than fifteen (15) days after fixing the date of commencement thereof. The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid as to the Lot owned by the Owner making request therefor. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

The Association, through the action of its Board of Directors, shall have the power to enter into an agreement or agreements from time to time with one or more persons, firms or corporations for management services. The Association shall have all other powers as may be provided in the Articles and the By-Laws. The Board of Directors may also purchase officers' and directors' liability insurance and cause all officers and directors having fiscal responsibilities to be bonded, as the Board of Directors may deem necessary.

8. Effect of Non-Payment of Assessment: The Lien, the Personal Obligation, Remedies of Association: If any assessment is not paid on the date when due, such assessment shall then become delinquent and shall, together with interest thereon and the cost of collection thereof, become a continuing lien on the Lot(s) against which such assessment is made and shall bind such Lot(s) in the hands of the Owner(s), his heirs, devisees, personal representatives, successors and assigns, against whom the assessment is levied. No lien for unpaid assessments arising hereunder shall be effective until the Association shall have recorded a claim of lien in the Public Records of Polk County, Florida. Any individual who acquires title to a Lot upon the death of an Owner or by operation of law shall be personally liable for unpaid assessments with respect of such Lot. In any voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor. If the assessment is not paid within ten (10) days after the due date, the assessment shall bear interest from the date when due at the rate of eighteen percent (18.00%) per annum. Additionally, the failure to pay any assessment within ten (10) days from the date due shall entitle the Association to levy an administrative late fee, in addition to interest upon the delinquent assessment, in an amount equal to \$100.00 per month, said administrative late fee to be imposed against the Lot of the delinquent

Owner for each thirty (30) day period that the assessment remains unpaid. The Association may bring an action at law against the Owner personally obligated to pay the same or may record a claim of lien against the Lot(s) on which the assessment is unpaid and may foreclose the lien against the Lot(s) on which the assessment is unpaid, in like manner as a foreclosure of a mortgage on real property, or may pursue one or more of such remedies at the same time or successively, and there shall be added to the amount of such assessment, attorneys' fees and costs of preparing and filing the claim of lien and the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorneys' fee to be fixed by the court, together with the costs of the action, and the Association shall be entitled to recover attorneys' fees in connection with any appeal of such action. It shall be the legal duty and responsibility of the Association to enforce payment of the assessments hereunder.

9. Rental Pending Foreclosure: In any foreclosure of a lien for assessments if the Lot subject to the lien is being rented, the Association shall be entitled to apply to a court of competent jurisdiction for the appointment of a receiver to receive the rental income and apply such rental income to the amount owed to the Association.

10. Subordination of Lien to Institutional Mortgages: The lien of the assessments for which provision is herein made, as well as in any other provision of this Declaration, shall be subordinate to the lien of any institutional mortgage recorded prior to the recordation of a claim of lien for unpaid assessments. No sale or transfer shall relieve any Lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment. The written opinion of either the Developer or the Association that the lien is subordinate to a mortgage shall be dispositive of any questions of subordination.

11. Liability of Institutional Mortgagees: The liability of an institutional mortgagee or its successors or assignees which acquires title to a Lot by foreclosure or by deed in lieu of foreclosure for the unpaid assessments that became due prior to the institutional mortgagee's acquisition of title to the Lot is limited to the lesser of:

A. The Lot's unpaid assessments which accrued or came due during the six (6) months immediately preceding the date of acquisition of title to the Lot and for which payment in full has not yet been received by the Association; or

B. One percent (1.00%) of the original mortgage debt.

The provisions of this Paragraph 11 shall not be applicable unless the institutional mortgagee has joined the Association as a defendant in the foreclosure proceeding.

12. Effect on Developer: Notwithstanding any provision that may be contained to the contrary in this Declaration, for so long as Developer is the Owner of any Lot, the Developer shall not be liable for assessments against such Lot, provided that the Developer shall fund any deficit in the operating expenses of the Association. Developer may, at any time, commence paying such assessments as to all Lots that it owns and thereby automatically terminate its obligation to fund deficits in the operating expenses of the Association.

13. Exempt Property: The Board of Directors shall have the right to exempt any of the Property subject to this Declaration from the assessments, charges and liens created herein provided that such part of the Property exempted is used (and as long as it is used) for any of the following purposes:

A. Any easement or other interest therein dedicated and accepted by a local public authority and devoted to public use;

B. All Common Area as defined in Article II hereof;

C. Any of the Property exempted from ad valorem taxation by the laws of the State of Florida, to the extent agreed to by the Association. Notwithstanding any provisions of this Paragraph 13, no Lot (or any part thereof), land or improvements devoted to dwelling or related use shall be exempt from said assessments, charges or liens, except as provided in Paragraph 11 above.

14. Annual Budget: By a majority vote of the Board of Directors, the Board of Directors shall adopt an annual budget for the subsequent fiscal year of the Association which shall provide for allocation of expenses in such a manner that the obligations imposed by this Declaration must be met.

15. Trust Funds: The portion of all regular assessments collected by the Association as reserved for future expenses, and the entire amount of all special assessments, shall be held by the Association in trust for the Owners of all Lots, as their interests may appear.

ARTICLE VI. RIGHT OF FIRST REFUSAL

Any Owner of a Lot who enters into an Agreement (the "Purchase Agreement") to sell his Lot shall, within ten days after the execution of the Purchase Agreement, furnish written notice (the "Notice") to the Developer of the name and residence address of the proposed purchaser (the "Outside Offeror"), together with a copy of the Purchase Agreement. Such Owner (the "Submitting Owner") shall also furnish the Developer with such other information with respect to the Purchase Agreement as the Developer may reasonably request. Notice shall not be deemed to have been given if it is erroneous in any material aspect. The Notice shall offer to sell the Lot to the Developer, or to its designee (corporate or otherwise) on the same terms and conditions as are contained within the Purchase Agreement. The giving of such Notice shall constitute a warranty and representation by the Submitting Owner to the Developer that the Submitting Owner believes the Purchase Agreement to be bona fide in all respects. The Developer shall, within fifteen (15) days after receipt of the Notice (the "Developer's Exercise Period"), notifying the Submitting Owner, in writing, electing to either purchase the subject Lot on the same terms and conditions as are contained within the Purchase Agreement or electing not to purchase the subject Lot.

In the event the Developer timely exercises Developer's "Right Of First Refusal" and elects to purchase such Lot, the transaction shall close at the office of the Developer's attorney on the later of: (i) the date specified in the Purchase Agreement; or (ii) thirty (30) days after the giving of notice by the Developer to the Submitting Owner of the Developer's election to exercise Developer's "Right Of First Refusal". At closing, there shall be delivered to the Developer, or to its designee, a Warranty Deed conveying title to such Lot, subject only to the exceptions which were contained within the original deed to the Lot executed and delivered by the Developer. If such Lot is subject to liens and encumbrances at the time of closing, other than liens and encumbrances existing at the time the original deed to the Lot was executed and delivered by the Developer, such liens and encumbrances shall be discharged out of the closing proceeds, or the Developer shall have the right to accept title to the Lot subject to such liens and encumbrances and to deduct from the purchase price for the Lot, the funds

necessary to discharge such liens and encumbrances. At closing, all items which are subject to customary apportionments shall be prorated between the parties.

At such time as the Developer no longer owns fee simple title to any Lot, the Right of First Refusal contained within this Article VI shall cease and terminate and shall be of no further force or effect.

ARTICLE VII. TRANSFERS AND LEASES

1. **Sale or Assignment.** No Owner may sell, dispose, lease or otherwise transfer his interest in a Lot or any part thereof without the prior written approval of the Association, which approval may not be withheld for any reason based on race, creed, sex, color or place of natural origin. The terms and provisions of this Article shall, however, be subject to the "Right Of First Refusal" reserved by the Developer pursuant to the provisions contained within Article VII of this Declaration.

2. **Gift, Devise and Inheritance.** If any Owner shall acquire his Lot by gift, devise or inheritance, the occupancy of such Lot by such person shall be subject to the approval of the Association.

3. **Leases.** No Owner may lease the residence upon the Owner's Lot without the prior written consent of the Association. As used herein, the term "lease" shall mean a lease by an Owner of his right, title and interest in and to the residence located upon the Owner's Lot.

4. **Other Transfers.** If an Owner shall acquire his Lot by any manner not considered in the foregoing subparagraphs, including, without limitation, any mortgagee or any mortgagee's designee acquiring a Lot through foreclosure or by deed in lieu of foreclosure, the occupancy of such Lot shall be subject to the approval of the Association, excepting for Lots held in joint tenancy, as tenants by the entirety, or as tenants-in-common where the surviving tenant or tenants take by devise or by operation of law.

5. **Approval by Association.** Approval of the Association as required for the transfer of ownership and/or the lease of Lots shall be by majority vote of the Board of Directors and shall be obtained in the following manner:

A. **Sale, Assignment or Lease:** Any Owner intending to make a bona fide sale or transfer of the Owner's Lot, or any interest therein, or a bona fide lease of the residence upon the Owner's Lot shall, not less than thirty (30) days prior to the date scheduled for closing the conveyance of such Lot or the commencement of the term of such lease, provide the Association with: (i) written notice of such intention, together with the name and address of the intended purchaser or lessee, and such other information concerning the intended purchaser or lessee as the Board of Directors may reasonably require; and (ii) a screening fee in the amount of \$50.00. All notices given hereunder shall be accompanied by an original executed copy of the proposed contract or lease for such Lot. The prospective purchaser or lessee may be required to attend an in-person interview as part of the review process.

B. **Gift, Devise, Inheritance or Other Transfer:** Any person or entity who has obtained an interest in a Lot by gift, devise or inheritance, or by any other manner not previously considered including, without limitation, any mortgagee or mortgagee's designee taking through foreclosure or by deed in lieu of foreclosure, shall provide to the Association written notice of the acquisition of such Lot within thirty (30) days

after acquiring such interest, together with such information concerning such beneficiary or devisee as the Association may reasonably require, together with a certified copy of the instrument evidencing such beneficiary's or devisee's interest. In the event such person or entity wishes to take occupancy of the residence upon the Lot, such person or entity shall then be considered for approval in the manner provided for contract/vendees and proposed lessees in Paragraph A. hereof and, if not approved, such person or entity shall have no right to occupy the residence upon the Lot. In any event, such transferee shall have the right to sell the Lot or lease the residence upon the Lot, subject to the approval by the Association of the proposed purchaser or lessee as provided in Paragraph A. hereof.

C. In the event the notice required hereunder is given to the Association, all information with respect to the proposed purchaser, lessee or occupant is furnished to the Association and, if requested, such proposed purchaser, lessee, or occupant attends an interview, the Association shall either approve or disapprove such proposed purchaser, lessee or occupant within thirty (30) days after receipt or completion of all of the aforementioned. If the Association shall fail to either approve or disapprove such proposed purchaser, lessee or occupant within such thirty (30) day period, then the Association shall be deemed to have approved such purchaser, lessee or occupant and shall thereafter execute any instrument which may be reasonably requested by such purchaser, lessee or occupant to that effect. The Association shall have the right to disapprove any proposed purchaser, lessee, transferee or occupant for any reason whatsoever other than race, creed, sex, color or place of national origin.

D. If any notice or information to the Association required pursuant to Paragraph A or B above is not given then, at any time after receiving actual knowledge of the transaction or event transferring any interest in or possession of a Lot, the Association shall have six (6) months thereafter to either approve or disapprove the transferee and/or the occupant of such Lot.

6. Certificate of Approval.

A. Sale: If a proposed sale is approved by the Association as provided herein, the approval shall be so stated in a certificate executed by the President or by the Vice-President of the Association which shall thereafter be recorded among the Public Records of Polk County, Florida, at the expense of the purchaser or assignee.

B. Occupancy or Lease: If the proposed transaction is the occupancy of a Lot by a transferee or the lease of the residence upon a Lot, the Owner shall be advised of the approval or disapproval of such occupancy or lease by written notice from the President of the Association or by any other member of the Board of Directors designated by the President to perform such function.

7. Disapproval by Association. If the Association shall disapprove a transfer of ownership or possession of a Lot for any reason other than failure to comply with the terms of this Declaration, the matter shall be disposed of in the following manner:

A. Sale, Gift, Devise, Inheritance, or Other Transfers. Within thirty (30) days after receipt of notice of sale or transfer and the information required to be furnished, the Association shall deliver or mail by certified or registered mail to the Owner an agreement to purchase the Lot by the Association or by a purchaser approved by the Association, in which event the Owner shall sell the Lot to the named purchaser on the following terms:

(1) The sales price shall be the contract price or the fair market value of the Lot, whichever is lower. In the absence of agreement as to price, the fair market value shall be determined by arbitration in accordance with the then existing laws of the State of Florida governing arbitration agreements, presently being Chapter 682, Florida Statutes, commonly known as the Florida Arbitration Code. The procedure will be as follows:

The Association and the Owner shall each select one arbitrator, and the two arbitrators so selected shall select a third arbitrator, and the three arbitrators shall base their determination upon an average of their appraisals of the Lot; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be shared equally by the Owner and purchaser. The arbitrators shall be licensed real estate brokers under the laws of the State of Florida.

(2) The purchase price shall be payable in cash.

(3) The sale shall be closed within thirty (30) days of the agreement for sale or in the event of arbitration, within thirty (30) days of the Arbitrators' final order or a judgment of specific performance, whichever occurs first.

(4) If the Association shall fail to provide a purchaser upon the demand of an Owner in the manner provided, or if the purchaser furnished by the Association, or the Association itself, shall default in its agreement to purchase the Lot then, notwithstanding the disapproval, the proposed transaction shall be deemed to have been approved, and the Association shall furnish a Certificate of Approval, as elsewhere provided, which shall be recorded among the Public Records of Polk County, Florida, at the expense of the purchaser.

B. Lease. If the proposed transaction is a lease, the Owner shall be advised of the disapproval in writing, and the lease shall not be made.

8. **Unauthorized Transactions.** Any sale, lease or other transfer not authorized pursuant to the terms hereof shall be void unless subsequently approved by the Association as herein provided.

9. **Association's Right to Own Lots.** Notwithstanding anything contained herein to the contrary, the Association shall have the unrestricted right, at any time and from time to time, to purchase one or more Lots, in arm's length transactions, or at a lien foreclosure sale or mortgage foreclosure sale. In the event of any such purchase by the Association, the purchase price paid by the Association shall be a common expense of the Association and shall be paid by a special assessment imposed against the remaining Owners, except that any such purchase not consented to by Developer, either in writing or by its vote at the Special Meeting held for such purpose, shall be paid for by a special assessment against all Owners other than Developer.

10. **Inapplicability of Provisions of this Article.** The foregoing provisions of this Article VII shall not be applicable to transfers or purchases by the holder of a first mortgage (and/or its assignee or nominee) that acquires its title to a Lot as a result of owning a first mortgage encumbering the Lot concerned and this shall be so whether the title to the Lot is acquired by deed from the Mortgagor, from the Mortgagor's successors or assigns or through foreclosure proceedings; nor shall the foregoing provisions of this Article VII apply to a transfer or sale by the holder of a first mortgage (and/or its assignee or nominee) that so acquires its title to the

Lot. In addition, the provisions of this Article VII shall not apply to the Developer or to the assignee or nominee of the Developer and any such assignee or nominee shall have the right to freely sell, transfer, lease or otherwise deal with the title and possession of a Lot without being obligated to comply with the provisions of this Article VII and without being obligated to obtain the approval of the Association and without the necessity for payment of any screening or other fee. The Developer shall have the right to assign and transfer, in whole or in part, to any Owner, its rights under the exculpatory provisions contained within this subparagraph.

ARTICLE VIII.
EXTERIOR MAINTENANCE AND ASSESSMENT

1. By the Owner: Each Owner shall maintain and repair all areas of the Owner's Lot and any structures thereon which are not required to be maintained or otherwise cared for by the Association as set forth herein; provided, however, that the Association reserves the right to maintain such areas if, in its sole discretion, the Association deems it desirable. Each Owner shall maintain, repair and replace all Owner-installed improvements and all Owner-installed landscaping. If any Owner fails to maintain any area required to be maintained by the Owner under this section, the Association may, at its option, provide such maintenance service.

2. By the Association: The Association shall maintain all areas of each Lot which are not within the structure constructed thereon and which are not the responsibility of each Owner (as provided for herein) including, but not limited to, all landscaping within each Lot (not including any Owner-installed landscaping).

3. Assessment of Costs: The cost of such maintenance may be assessed against the Lot or Lots upon which such maintenance is performed or, in the opinion of the Board of Directors of the Association, benefitting from same. The assessment shall be apportioned among the Lots involved in the manner determined to be appropriate by the Board of Directors of the Association. If no allocation is made, the assessment shall be uniformly assessed against all of the Lots in the affected area.

4. Access at Reasonable Hours: For the purpose of performing the maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot or the exterior of any improvements thereon at reasonable hours on any day except Sunday.

ARTICLE IX.
ARCHITECTURAL CONTROL

1. Architectural Control: No building, wall, fence, or other structure or improvement of any nature including, without limitation, swimming pool, glass enclosure, screened enclosure, permanent barbecue pit, mailbox, front entry screen door, satellite dish, lamppost, landscaping, or landscaping device, shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the proposed location of the structure and landscaping as may be required by the Architectural Review Board (ARB) have been approved in writing by the ARB named below. Each building, wall, fence, or other structure or improvement of any nature, together with the landscaping, shall be erected, placed, or altered upon each Lot only in accordance with the plans and specifications so approved and shall be erected, placed or altered (as may be applicable) only by licensed professionals, pursuant to appropriate building permits first having been obtained. If required by the ARB, copies of professional licenses and evidence that workmen's compensation insurance and liability insurance averages have been obtained and are in full force and effect, with respect to each contractor performing the

construction, modification and/or alteration, which insurance certificates shall name the Association as an additional insured thereunder, shall be furnished to the ARB. Refusal of approval of plans, specifications, and plot plan, or any of them, may be based on any ground, including purely aesthetic grounds. Any change in the exterior appearance of any building, wall, fence, or other structure or improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The ARB, which shall consist of three (3) members, who need not be members of the Association, shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph. The ARB shall be appointed by the Developer as long as it holds title to a Lot and, thereafter, by the Association. The address of the ARB shall be that of the Association.

2. Architectural Review Board: A majority of the ARB may take any action the ARB is empowered to take, may designate a representative to act for it, and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the ARB, the Board of Directors of the Association shall designate a successor. The members of the ARB shall not be entitled to any compensation for services performed pursuant to this Article X.

3. ARB Reports: The ARB's approval or disapproval of plans and specifications shall be delivered in writing to the Board of Directors of the Association and to the Owner submitting same within sixty (60) days from the date of a complete submission of the plans and specifications to the ARB.

4. Powers and Duties of the ARB: Any party aggrieved by a decision of the ARB shall have the right to make a written request to the Board of Directors of the Association, within ten (10) days of such decision, for review thereof. The determination of the Board of Directors upon reviewing any such decision shall in all events be dispositive.

ARTICLE X. ADULT RESIDENCY REQUIREMENTS

Each residence shall be occupied by only one (1) family, its servants, if any, and guests, as a residence and for no other purpose. Two (2) or more unrelated adults who are also joint owners or joint lessees of a residence shall be considered a family for the purpose of this Article.

The Property is an adult community designed to provide housing for persons 55 years of age or older. All residences within the Property must be occupied by at least one (1) person who is at least 55 years of age. No person under 19 years of age may be a permanent resident of a residence upon a Lot, except that persons below the age of 19 years may be permitted to visit and temporarily reside in a residence upon a Lot for periods not exceeding thirty (30) days in total during any calendar year period. The Association, in its sole discretion, shall have the right to establish hardship exceptions to permit individuals between the ages of 19 years and 55 years to permanently reside in a residence upon a Lot, even though there is not a permanent resident in the residence who is 55 years of age or over; provided that said exceptions shall not be permitted in situations where the granting of a hardship exception would result in less than eighty percent (80.00%) of the residences within the Property having at least one resident being 55 years of age or older, it being the intent that at least eighty percent (80.00%) of the residences within the Property shall, at all times, have at least one (1) resident of 55 years of age or older.

The Association shall establish rules, regulations, policies and procedures for the purpose of assuring that the foregoing required percentages of adult occupancy of the residences within the Property are maintained at all times. The Association shall have the sole and absolute authority to deny occupancy of a residence by any person(s) who would thereby create a violation of the aforesaid percentages of adult occupancy of the residences. Permanent occupancy or residency may be further defined in such rules and regulations as may be promulgated by the Association from time to time. All residents shall certify, from time to time as may be requested by the Association, the names and dates of birth of all occupants of the residence.

ARTICLE XI. RESTRICTIONS

1. Land Use: The Property subject to this Declaration may be used for residential living and for accessory uses as defined by the Code of Ordinances of Polk County, Florida and for no other purposes. No business or commercial building may be erected on any Lot and no business may be conducted on any part thereof, provided that this is not intended to preclude the Developer from the construction and use of sales models. No Lot shall be divided, subdivided or reduced in size. No dwelling or other structure or improvement shall be erected, altered, placed or permitted to remain on any site not including at least one (1) fully platted Lot according to the recorded Plat of Lakeshore Club or the plat of any portion of the Property.

2. Master Plan: All setbacks (including, but not limited to, building, swimming pool and screen roof enclosure setbacks) shall be in accordance with the Polk County approved Master Plan (the "Master Plan") for the Property, as amended from time to time. All other improvements on the Property, not identified on the Master Plan, shall be in full compliance with the regulations of the Polk County Code of Ordinances.

3. Utility Connections: Building connections for all utilities including, but not limited to, water, electricity, telephone and television shall be run underground from the proper connecting points to the building structure in such a manner to be acceptable to the governing utility authority.

4. Exterior Appearances and Landscaping: The paint, coating, stain and other exterior finishing colors on all buildings shall be maintained as originally installed by the Developer without the necessity for obtaining the prior approval of the Architectural Review Board, but prior approval by the Architectural Review Board shall be necessary before any such exterior finishing color is changed. The landscaping including, without limitation, the trees, shrubs, lawns, flower beds, walkways and ground elevations, shall be maintained as originally installed by the Developer, unless the prior approval for any change, modification and/or addition to the landscaping is obtained from the Architectural Review Board.

ARTICLE XII. GENERAL RESTRICTIVE COVENANTS

1. Party Walls: Each wall built as part of the initial construction of a Residence and placed on the property line dividing individual Lots shall constitute a party wall and each Owner owning an adjoining Lot shall own that portion of the party wall which has been erected upon such Owner's Lot, with a cross-easement for support in the remaining portion of the party wall in favor of the Owner of the adjoining Lot. No Owner sharing a party wall with an adjoining Owner shall possess the right to cut windows or other openings in the party wall or to make any alterations, additions, modifications or structural changes in the party wall, without the prior written consent of the Board of Directors of the Association.

2. Hurricane Preparations: Each Owner who plans to be absent from the Properties during the hurricane season must prepare the Owner's Residence prior to departure by designating a responsible firm or individual to care for the Residence during the Owner's absence in the event that the Residence should suffer hurricane damage. The designated firm or individual shall be registered with the Board of Directors of the Association and such designated firm or individual shall contact the Board of Directors of the Association for permission to install or to remove hurricane shutters. If permission is granted by the Board of Directors of the Association for the installation of storm shutters, then the approval shall be conditioned upon the Board of Directors of the Association also approving the quality of the storm shutters and the aesthetic appearance of the storm shutters. All storm shutters which may be approved by the Board of Directors of the Association shall be white in color and shall be an accordion type storm shutter. Storm shutters shall only be installed during hurricane "watch" and hurricane "warning" situations.

The Board of Directors of the Association may install hurricane shutters and may maintain, repair or replace such hurricane shutters, whether on or within the Common Areas and/or on or within the Residences. However, where laminated glass or window film architecturally designed to function as hurricane protection which complies with the applicable building code has been installed by an Owner, the Board of Directors of the Association may not install hurricane shutters upon the Residence of such Owner.

The expense of installation, replacement, operation, repair and maintenance of hurricane shutters by the Board of Directors of the Association shall constitute an expense of the Association and shall be assessed as provided for in this Declaration. Notwithstanding the foregoing, an Owner who has previously installed hurricane shutters in accordance with the provisions of this Paragraph of laminated glass architecturally designed to function as a hurricane protection which complies with the applicable building code, shall receive a credit equal to the prorata portion of the assessed installation cost assigned to each Lot. However, such Owner shall remain responsible for the prorata share of expenses for hurricane shutters installed on buildings constructed within the Common Areas and shall remain responsible for a prorata share of the expense of the replacement, operation, repair and maintenance of such shutters.

3. Boats and Motor Vehicles: No trucks or commercial vehicles, campers, mobile homes, motor homes, boats, house trailers, boat trailers, or trailers of every other description shall be permitted to be parked or to be stored at any place on any Lot, except only during the periods of approved construction on said Lot. The term commercial vehicle, for the purpose of this paragraph 1, shall include all vehicles of more than eight (8') feet in height or twenty-five (25') feet in length. No maintenance or repairs shall be performed upon any boat or motor vehicle upon any Lot.

4. Golf Cart Storage Areas: No golf cart storage area shall be permanently enclosed or converted to another use.

5. Garbage and Trash Containers: No Lot shall be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage, and other waste shall be deposited by the Owner into such dumpsters as may be situated, from time to time, on the Common Area. Trash containers within a Residence shall not be visible from adjoining Lots or public areas.

6. Temporary Structures: No structure of a temporary character, whether a trailer, mobile home, recreational vehicle, tent, shack, garage, barn, or other such building, shall be placed on any Lot at any time, provided, however, a temporary storage or out-building for materials and supplies may be used in connection with

and during the construction of a dwelling and shall be removed immediately upon the completion of such construction; and further provided that any Lot may be used by Developer as a sales office and/or storage area for materials and equipment during the development of the Properties.

7. Artificial Vegetation: No artificial grass, plants or other artificial vegetation shall be placed or maintained upon the exterior portion of any Lot, unless approved by the ARB.

8. Clothes Drying Area: No portion of any Lot shall be used as a drying or hanging area for laundry of any kind.

9. Pets: No pets or animals weighing in excess of twenty (20) pounds or any type of exotic pet or exotic animal shall be kept or harbored within the Properties or within the confines of a Residence, without the prior written consent of the Board of Directors of the Association having been first obtained. Such consent may be given upon such conditions as the Board of Directors of the Association may direct, shall be only for the particular pet specified in the consent and shall be deemed provisional and subject to revocation at any time. Pets must be hand carried or leashed at all times when not within the Residence of the pet's owner. No pet or animal shall be maintained or harbored within a Residence that would create a nuisance to any other Owner. A determination by the Board of Directors of the Association, in its sole discretion, that a pet or animal maintained or harbored within a Residence creates a nuisance, is a threat to the health and/or safety to any persons who may come onto the Properties from time to time, including Owners, their guests, tenants, licensees and invitees, or is exotic shall be binding and conclusive on all parties. In addition, no pets shall be permitted to roam unattended way from the Residence on which the pet is kept and the Owner of the pet shall be responsible for cleaning up after the pet when the pet is outside of the Residence of the Owner.

10. Outside Transmitters and Receivers: Radio, television, and other types of electronic antennas, aerials or satellite dishes used for the transmission or receiving of electronic signals shall not be erected or maintained on the Properties, provided, however, the Developer, its successors and assigns, including, but not limited to, the Association, reserves the right to erect and maintain such antennae, aerial, and/or satellite dishes upon the Properties or the Common Areas for the common use and enjoyment of the Owners.

11. Nuisances: Nothing shall be done or maintained on any Lot which may be or become an annoyance or nuisance to the neighborhood or to any other Owner. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors, which shall render a decision in writing, which decision shall be dispositive of such dispute or question.

12. 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 the Properties, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in the Properties. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the Properties.

13. Signs: Except in connection with development or sale of Lots by Developer, its agents or assigns, no signs, advertisement or notices of any kind shall be displayed to the public view on any Lot including, but not limited to, For Sale/For Rent signs.

14. Ordinances: No immoral, improper, offensive or unlawful use shall be made of any Lot, dwelling house, or other improvements and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be strictly observed.

ARTICLE XIII.
GENERAL PROVISIONS

1. Duration and Remedies for Violation: The Covenants and Restrictions contained within this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Developer, the Association, or the Owner of any Property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of fifty (50) years from the date this Declaration is recorded, after which time said Covenants and Restrictions shall automatically be extended for successive periods of ten (10) years each, unless an instrument signed by the then Owners of two-thirds (2/3) of the Lots has been recorded, agreeing to change or terminate said Covenants and Restrictions in whole or in part. Violation or breach of any condition, covenant or restriction herein contained shall give the Developer and/or the Association and/or the Owner(s), in addition to all other remedies, the right to proceed at law or in equity to compel compliance with the terms of said conditions, covenants or restrictions, and to prevent the violation or breach of any of them, and the expense of such litigation shall be borne by the then Owner or Owners of the subject Lot, provided such proceeding results in a finding that such Owner was in violation of these Covenants or Restrictions. Expenses of litigation shall include reasonable attorneys' fees incurred by Developer and/or the Association in seeking such enforcement.

2. Notices: Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed to the last known address of the person who appears as Member or Owner on the records of the Association.

3. Severability: Invalidation of any one of these Covenants and Restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

4. Amendment: This Declaration may be amended at any time and from time to time by the Association, upon the affirmative vote of two-thirds (2/3) of the Owners entitled to cast a vote at a meeting of the Association, either in person, by proxy, or by absentee ballot, provided that so long as the Developer is the owner of any Lot, no amendment will be effective without the Developer's express written joinder and consent. Notice of any meeting at which such amendment is to be considered shall contain a copy of the proposed amendment and shall be given not more than ninety (90) days and not less than fifteen (15) days prior to the date of such meeting. Any amendment made by the Association shall be executed by the President and Secretary. Notwithstanding the foregoing, the Developer may amend or modify this Declaration without the consent of the Owners, provided the Developer owns at least one (1) Lot.

5. Enforcement: Every Owner, every lessee and all invitees shall comply with the provisions of this Declaration, with the provisions of the Articles of Incorporation, with the provisions of the By-Laws and with the provisions of any and all rules and regulations (the "Rules and Regulations") which may be promulgated by the Board of Directors of the Association from time to time, as any of the foregoing may be amended or modified. Failure of an Owner, lessee or invitee to so comply shall be grounds for action which may include, without limitation, an action to recover sums for damages, injunctive relief or any combination thereof. In addition to all of the foregoing remedies, in the sole discretion of the Board of Directors of the Association, a

fine or fines may be imposed upon an Owner, lessee or invitee for failure of an Owner, lessee or invitee, or their family members, guests, invitees or employees, to comply with any covenant, restriction, rule or regulation set forth in this Declaration, or in the Articles of Incorporation, or in the By-Laws or in the Rules and Regulations, provided the following procedures are adhered to:

A. The Board of Directors of the Association shall notify the Owner, lessee or invitee of the alleged infraction or infractions. Included in the notice shall be the date, time and place of the meeting of the Committee (the "Committee") of members of the Association appointed by the Board of Directors of the Association to review the alleged infraction or infractions. At this meeting the Owner, lessee or invitee may present reasons why penalties should not be imposed, which meeting shall take place not less than fourteen (14) days from delivery of such notice to the Owner, lessee or invitee. The notice to the Owner, lessee or invitee shall also set forth the provisions of this Declaration, the Articles of Incorporation, the By-Laws and/or of the Rules and Regulations which have allegedly been violated and a short statement as to the matters asserted by the Association. At such meeting, the Owner, lessee or invitee shall be entitled to be represented by counsel (at the Owner's expense) and to cross-examine and present witnesses and other testimony or evidence.

B. At the hearing, the alleged non-compliance shall be presented to the Committee and the Committee shall hear reasons why penalties should not be imposed. Formal rules of evidence shall not apply. At this hearing, the Owner, lessee or invitee (as may be applicable) shall have the opportunity to respond, to present evidence, to provide written and oral argument on all issues involved and to review, challenge and respond to any material considered by the Committee. A written decision of the Committee shall be submitted to the Owner, lessee or invitee (as may be applicable) and to the Board of Directors of the Association not later than twenty one (21) days after the meeting of the Committee. If the Committee does not agree with the proposed fine, then the fine may not be levied.

C. The Board of Directors of the Association may impose a fine against the Owner, the lessee or the invitee (as may be applicable) in an amount not to exceed \$250.00 for each violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing.

D. Fines shall be paid not later than ten (10) calendar days after notice of the imposition of the penalties.

E. The Association is hereby authorized to collect all fines imposed in the same manner as the Association may collect all obligations owed to it including, but not limited to, the filing of a lien against the Lot owned by the affected Owner or against the Lot resided in by the affected lessee.

F. These fines shall not be construed to be exclusive remedies. The remedies provided for in this Paragraph shall exist in addition to all other rights and remedies to which the Association may otherwise be legally entitled; however, any fine paid by the offending Owner, lessee or invitee shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner, lessee or invitee.

6. Provisions for Institutional Mortgagees:

A. Unless all Institutional Mortgagees have given their prior written approval, the Association shall not be entitled to change the pro rata interest or obligations of any Lot for purposes of levying assessments and charges.

B. Upon written request, Institutional Mortgagees shall have the right to examine the books and records of the Association. In addition, upon written request, Institutional Mortgagees shall be entitled to receive written notification from the Association of:

(1) Any condemnation loss or any casualty loss which affects a material portion of the Properties or any Lot encumbered by an Institutional Mortgage;

(2) Any delinquency in the payment of assessments or charges owed by an Owner of a Lot encumbered by an Institutional Mortgage, which remains uncured for a period of sixty (60) days;

(3) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

C. Institutional Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Area and Institutional Mortgagees may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area and Institutional Mortgagee(s) making such payment shall be entitled to receive immediate reimbursement therefor from the Association, and to the extent of the monies so advanced, said Institutional Mortgagee(s) shall be subrogated to the assessment and lien rights of the Association against the individual Lot for the payment of such item of expense.

D. No provision of this Declaration shall be deemed to give any Owner, or any other party, priority over any rights of any Institutional Mortgagee under its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of any portion of the Properties.

E. Upon written request from the Department of Housing and Urban Development or from the Federal National Mortgage Administration or from the Federal Home Loan Mortgage Corporation or from the Veterans Administration, the Association shall prepare and furnish within a reasonable period of time, an audited financial statement of the Association for the immediately preceding fiscal year of the Association.

7. Indemnification: The Association covenants and agrees that it will indemnify and hold harmless the Developer from and against any and all claims, suits, actions, causes of action and/or damages arising from any personal injury, loss of life, and/or damage to property sustained on or about the Common Areas and from and against all costs, expenses, counsel fees, expenses and liabilities incurred by the Developer arising from any such claim, the investigation thereof, or the defense of any action or proceeding brought thereon, and from any and against any orders, judgments and/or decrees which may be entered thereon. The Association shall also indemnify the Developer for any expense the Developer may incur in bringing any suit or action for the purpose of enforcing the rights of the Developer under this Declaration or of compelling the specific enforcement of the terms, conditions and covenants contained herein to be kept or performed by the Association or the Owners. The

