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**DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
RIVER OAKS AT TEN MILE CREEK**

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THIS DECLARATION OF COVENANTS AND RESTRICTIONS FOR **RIVER OAKS AT TEN MILE CREEK** ("DECLARATION") is made this ___ day of _____, 2006, by **RIVER OAKS AT TEN MILE CREEK, LLC**, a Florida limited liability company ("DECLARANT").

WHEREAS, DECLARANT is the owner of the SUBJECT PROPERTY as described in this DECLARATION and desires to create a residential community on such property with open spaces and other common facilities for the benefit of such community, to be known as "**RIVER OAKS AT TEN MILE CREEK**"; and

WHEREAS, DECLARANT desires to provide for the preservation of the values and amenities in such community and for the maintenance of its common properties; and

WHEREAS, DECLARANT has deemed it desirable for the efficient preservation of the values and amenities in such community, to delegate and assign to a nonprofit corporation the powers of maintaining and administering the community properties and facilities and administering and enforcing these covenants and restrictions and collecting and disbursing the ASSESSMENTS and charges hereinafter created; and

WHEREAS, DECLARANT has incorporated or will incorporate under the laws of the State of Florida, Chapter 617, as a not for profit corporation, **RIVER OAKS AT TEN MILE CREEK HOMEOWNERS ASSOCIATION, INC.**, for the purposes of exercising the functions stated above, which Association is not intended to be a "Condominium Association" as such term is defined and described in the Florida Condominium Act (Chapter 718 of the Florida Statutes) and shall be considered a Homeowner's Association as defined in Chapter 720, Florida Statutes.

NOW, THEREFORE, DECLARANT hereby declares that the SUBJECT PROPERTY, as herein defined, shall be held, sold, conveyed, leased, mortgaged, and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens, and charges set forth herein, all of which are created in the best interest of the owners and residents of the SUBJECT PROPERTY, and which shall run with the SUBJECT PROPERTY and shall be binding upon all persons having and/or acquiring any right, title or interest in the SUBJECT PROPERTY or any portion thereof, and shall inure to the benefit of each and every person, from time to time, owning or holding an interest in the SUBJECT PROPERTY, or any portion thereof.

1. DEFINITIONS. The terms used in this DECLARATION, and in the ARTICLES and BYLAWS, shall have the following meanings, unless the context otherwise requires:

1.1 APPROVING PARTY means DECLARANT, so long as DECLARANT owns any LOT, or until DECLARANT assigns its rights as the APPROVING PARTY to the ASSOCIATION, and thereafter means the ASSOCIATION. DECLARANT reserves the right to assign its rights as the APPROVING PARTY to the ASSOCIATION in whole or in part.

1.2 ARTICLES means Articles of Incorporation of the ASSOCIATION, attached hereto as Exhibit "A", as same may be amended from time to time.

1.3 ASSESSMENT(S) means the amount of money which may be assessed against an OWNER for the payment of the OWNER's share of COMMON EXPENSES, and/or any other funds which an OWNER may be required to pay to the ASSOCIATION as provided by this DECLARATION, the

ARTICLES or the BYLAWS.

1.4 ASSOCIATION means the corporation established pursuant to the Articles of Incorporation attached hereto as Exhibit "A".

1.5 BOARD means the Board of Directors of the Association.

1.6 BYLAWS means the Bylaws of the ASSOCIATION, attached hereto as Exhibit "B", as same may be amended from time to time.

1.7 COMMON AREAS means any property, whether improved or unimproved, or any easement or interest therein, now or hereafter owned by the ASSOCIATION or which is declared to be COMMON AREAS by this DECLARATION. COMMON AREAS may include, but are not limited to, entry feature, club house, pool, detention area, WETLAND AREAS (as defined in paragraph 4.12), landscaping, ROADS, and parking areas, provided that the foregoing shall not be deemed a representation or warranty that any or all of the foregoing types of COMMON AREAS will be provided. COMMON AREAS shall also include (1) the surface water management system as permitted and/or required by the DISTRICT, and (2) any other lands and facilities for the maintenance of which the ASSOCIATION is designated by any governmental authority to be responsible, including any tortoise gopher preserve. Any conveyance of COMMON AREAS to the ASSOCIATION shall be subject to all exceptions of record. COMMON AREAS will be made a part hereof as Exhibit "C" by amendment hereto.

1.8 COMMON EXPENSES means all expenses of any kind or nature whatsoever incurred by the ASSOCIATION, including, but not limited to the following:

1.8.1 Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of the COMMON AREAS, 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, alterations, capital improvements and/or modifications required by governmental authorities.

1.8.2 Expenses of obtaining, repairing or replacing personal property in connection with any COMMON AREA or the performance of the ASSOCIATION's duties.

1.8.3 Expenses incurred in connection with the administration and management of the ASSOCIATION.

1.8.4 Common water, sewer, trash removal, street lighting, and other common utility, governmental, or similar services for the UNITS 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.

1.8.5 Expenses declared to be COMMON EXPENSES by the provisions of this DECLARATION, or by the ARTICLES or BYLAWS.

1.9 COMMON SURPLUS means the excess of all receipts of the ASSOCIATION over the amount of the COMMON EXPENSES.

1.10 DECLARANT means the PERSON executing this DECLARATION, or any PERSON who may be assigned the rights of DECLARANT pursuant to a written assignment executed by the then present DECLARANT recorded in the public records of the county in which the SUBJECT PROPERTY is located. In addition, in the event any PERSON obtains title to all the SUBJECT PROPERTY then owned by DECLARANT as a result of the foreclosure of any mortgage or deed in lieu thereof, such PERSON may elect to become the DECLARANT by a written election recorded in the public records of the county in which

the SUBJECT PROPERTY is located, and regardless of the exercise of such election, such PERSON may appoint as DECLARANT any third party who acquires title to all or any portion of the SUBJECT PROPERTY by written appointment recorded in the public records recorded in the county in which the SUBJECT PROPERTY is located. In any event, any subsequent DECLARANT shall not be liable for any actions or defaults of, or any obligations incurred by, any prior DECLARANT, except as same may be expressly assumed by the subsequent DECLARANT.

1.11 DECLARATION means this document as it may be amended from time to time.

1.12 DISTRICT means the South Florida Water Management District or any controlling governmental authority.

1.13 INSTITUTIONAL LENDER means the holder of a mortgage encumbering a LOT, which holder in the ordinary course of business makes, purchases, guarantees, or insures mortgage loans, and which is not owned or controlled by the OWNER of the LOT encumbered. An INSTITUTIONAL LENDER may include, but is not limited to, a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional-type lender. For definitional purposes only, an INSTITUTIONAL LENDER shall also mean the holder of any mortgage executed by or in favor of DECLARANT, or which encumbers any portion of the SUBJECT PROPERTY which is owned by DECLARANT, whether or not such holder would otherwise be considered an INSTITUTIONAL LENDER, and notwithstanding anything contained herein to the contrary, the holder of any such mortgage shall be entitled to all rights and protections granted to INSTITUTIONAL LENDERS hereunder, whether or not such mortgage is a first mortgage.

1.14 LOT means each individual plot of land as depicted by the SITE PLAN, which has been or is intended to be conveyed by DECLARANT to an OWNER and which contains or could contain a UNIT, and shall include any UNIT constructed upon the LOT.

1.15 MEMBER shall mean and refer to all those OWNERS who are members of the ASSOCIATION as provided in paragraph 3 hereof.

1.16 OWNER means the record owner(s) of the fee title to a LOT.

1.17 PERSON means an individual, corporation, partnership, trust, or any other legal entity.

1.18 ROADS shall mean those private streets, roads, terraces, drives, cul-de-sacs, courts, parking areas and avenues as designated and set forth on the SITE PLAN which are adjacent to the OWNERS' LOTS.

1.19 SITE PLAN shall mean the site plan of the SUBJECT PROPERTY as shown in Exhibit "D" attached hereto.

1.20 SERVICE PROVIDERS shall be those companies which may be under contract with the ASSOCIATION, as set forth herein, to provide services to the ASSOCIATION, including but not limited to home monitoring, electricity and/or other utility, communication, entertainment or similar services which may be provided to the UNITS within the SUBJECT PROPERTY.

1.21 SUBJECT PROPERTY means all of the property subject to this DECLARATION from time to time, which as of the execution of this DECLARATION is the property described in Exhibit "E" attached hereto, and includes any property that is hereafter added to this DECLARATION, and excludes any

property that is hereafter withdrawn from this DECLARATION by an amendment.

1.22 UNIT means one townhouse residential dwelling constructed upon a LOT intended as an abode for one family.

2. PROPERTY SUBJECT TO THIS DECLARATION AND ADDITIONS AND DELETIONS.

2.1 Existing Property. The SUBJECT PROPERTY is, and shall be, held, transferred, sold, conveyed and occupied subject to this DECLARATION as well as all other matters of record. There are currently eighty-four (84) LOTS subject to this DECLARATION.

2.2 Additions to or Deletions From Existing Property. Additional lands may become subject to this DECLARATION in the following manner.

2.2.1 Additions or Deletions by the DECLARANT. Subject to the provisions set forth in paragraph 13.10 of this DECLARATION, the DECLARANT may, for a period of twenty (20) years, from time to time bring other lands under the provisions hereof, or remove lands (COMMON AREAS, LOTS or both) by recorded supplemental declarations (which shall not require the consent of OWNERS or the ASSOCIATION or any mortgagee) and thereby add to or delete from the SUBJECT PROPERTY.

2.2.2 Additions by Approval of MEMBERS. Without restriction upon the DECLARANT to add to the SUBJECT PROPERTY in the manner provided in this Paragraph 2.2, upon approval in writing of the ASSOCIATION pursuant to a vote of its MEMBERS as provided in the ARTICLES, the owner of any property who desires to add to the scheme of this DECLARATION and to subject it to the jurisdiction of the ASSOCIATION, may file of record a Supplemental Declaration of Covenants and Restrictions with respect to the additional property, which shall extend the scheme of the covenants and restrictions of this DECLARATION to such property.

2.3 SITE PLAN Changes. DECLARANT reserves the right to make such changes and/or modifications to the SITE PLAN as are required by appropriate governmental authorities or as DECLARANT deems necessary.

3. **ASSOCIATION.** In order to provide for the administration of the SUBJECT PROPERTY and this DECLARATION, the ASSOCIATION has been organized under the laws of the State of Florida.

3.1 ARTICLES. No amendment to the ARTICLES shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the ARTICLES, except as specifically provided herein.

3.2 BYLAWS. No amendment to the BYLAWS shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the BYLAWS, except as provided herein.

3.3 Powers of the ASSOCIATION. The ASSOCIATION shall have all of the powers indicated or incidental to those contained in its ARTICLES and BYLAWS, and all powers set forth in Chapters 617 and 720, Florida Statutes. In addition, the ASSOCIATION shall have the power to enforce this DECLARATION and shall have all of the powers granted to it by this DECLARATION. By this DECLARATION, the SUBJECT PROPERTY is hereby submitted to the jurisdiction of the ASSOCIATION.

3.4 Approval or Disapproval of Matters. Whenever the approval, consent or decision of the OWNERS is required, such approval, consent or decision shall be made at a duly called meeting of the ASSOCIATION at which a quorum exists, in accordance with the ARTICLES and the BYLAWS.

3.5 Acts of the ASSOCIATION. Unless the approval or action of the OWNERS and/or of a certain percentage of the BOARD is specifically required by this DECLARATION, the ARTICLES or BYLAWS, or by applicable law, all approvals or actions required or permitted to be given or taken by the ASSOCIATION shall be given or taken by the BOARD, without the consent of the OWNERS, and the BOARD may so approve an act through the proper officers of the ASSOCIATION without a specific resolution. When an approval or action of the ASSOCIATION is permitted to be given or taken, such action or approval may be conditioned in any manner the ASSOCIATION deems appropriate, or the ASSOCIATION may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal, except as herein specifically provided to the contrary.

3.6 Management and Service Contracts. The ASSOCIATION shall have the right to contract for professional management or services on such terms and conditions as the BOARD deems desirable in its sole discretion.

3.7 Membership. All OWNERS shall be MEMBERS of the ASSOCIATION. Membership as to each LOT shall be established and transferred as provided by the ARTICLES and the BYLAWS.

3.8 OWNERS' Voting Rights. The votes of the OWNERS shall be established and exercised as provided in the ARTICLES and BYLAWS.

3.9 DECLARANT's Rights as to the ASSOCIATION. So long as the DECLARANT is the OWNER of any of the LOTS or UNITS which it offers for sale in the ordinary course of business, the Board shall have no authority to and shall not, without DECLARANT's consent, undertake any action which shall:

3.9.1 prohibit or restrict in any manner the sales and marketing program of the DECLARANT;

3.9.2 decrease the level of maintenance services of the ASSOCIATION performed by the initial Board of Directors as specified in the initial budget of the ASSOCIATION.

3.9.3 make any special or individual assessment against or impose any fine upon the DECLARANT's property within RIVER OAKS AT TEN MILE CREEK, or upon the DECLARANT;

3.9.4 authorize or undertake any litigation against the DECLARANT;

3.9.5 alter or amend the DECLARATION, any subsequent amendment thereto, the ARTICLES or BYLAWS;

3.9.6 terminate or waive any rights of the ASSOCIATION under this DECLARATION;

3.9.7 terminate or cancel any easements granted hereunder or by the ASSOCIATION;

3.9.8 terminate or impair in any fashion any easements, powers or rights of the DECLARANT hereunder.

4. COMMON AREAS, DUTIES AND OBLIGATIONS OF THE ASSOCIATION.

4.1 Conveyance of COMMON AREAS to ASSOCIATION.

4.1.1 By DECLARANT. DECLARANT shall have the right to convey title to any property owned by it, or any easement or interest therein, to the ASSOCIATION as a COMMON AREA, and the ASSOCIATION shall be required to accept such conveyance. Any such conveyance may be by quit-

claim deed and shall be effective upon recording the deed or instrument of conveyance in the public records of the county where the SUBJECT PROPERTY is located. Such property shall be conveyed in "where is, as is" condition, and without any warranty, including but not limited to any warranty of merchantability or of fitness for a particular purpose, or the adequacy of the size or capacity in relation to the utilization or operation thereof. However, DECLARANT or any other party transferring any COMMON AREA to the ASSOCIATION will assign to the ASSOCIATION any warranties which they receive from contractors, manufacturers or suppliers. Any such conveyance shall be subject to all covenants, restrictions, easements, reservations and limitations of record, the SITE PLAN, real and personal property taxes for the year in which the conveyance takes place and any easements created or allowed by the terms of this DECLARATION. Notwithstanding the foregoing, DECLARANT shall not have the obligation to convey any property to the ASSOCIATION, and if DECLARANT desires to convey any property to the ASSOCIATION, the timing of the conveyance shall be in the sole discretion of DECLARANT.

4.1.2 By Any Other PERSON. Any other PERSON may also convey title to any property owned by such PERSON, or any easement or interest therein, to the ASSOCIATION as a COMMON AREA, but the ASSOCIATION shall not be required to accept any such conveyance, and no such conveyance shall be effective to impose any obligation for the maintenance, operation or improvement of any such property upon the ASSOCIATION, unless the BOARD expressly accepts the conveyance by recording a written acceptance of such conveyance in the public records of the county in which the SUBJECT PROPERTY is located.

4.2 Use and Benefit. All COMMON AREAS shall be held by the ASSOCIATION for the use and benefit of the ASSOCIATION and the OWNERS, the residents of the SUBJECT PROPERTY, and their respective guests and invitees, the holders of any mortgage encumbering any LOT from time to time, and any other PERSONS authorized to use the COMMON AREAS or any portion thereof by DECLARANT or the ASSOCIATION, for all proper and reasonable purposes and uses for which the same are reasonably intended, subject to the terms of this DECLARATION, subject to the terms of any easement, restriction, reservation or limitation of record affecting the COMMON AREAS or contained in the deed or instrument conveying the COMMON AREA to the ASSOCIATION, and subject to any rules and regulations adopted by the ASSOCIATION. An easement and right for such use is hereby created in favor of all OWNERS, appurtenant to the title to their LOTS. Such easements of enjoyment shall include but not be limited to the MEMBER's right of ingress or egress on the streets, roadways and walkways of the COMMON AREAS for purposes of access to the MEMBER's LOT.

4.3 Grant and Modification of Easements. The ASSOCIATION shall have the right to grant, modify or terminate easements over, under, upon, and/or across any property owned by the ASSOCIATION, and shall have the further right to modify, relocate or terminate existing easements in favor of the ASSOCIATION.

4.4 Additions, Alterations or Improvements. The ASSOCIATION shall have the right to make additions, alterations or improvements to the COMMON AREAS, and to purchase any personal property, as it deems necessary or desirable from time to time, provided, however, that the approval of not less than two-thirds (2/3) of the votes of the OWNERS shall be required if any recreational facility is removed or substantially and adversely affected, or for any addition, alteration, or improvement or any purchase of personal property, exceeding the sum equal to one (1) month's total ASSESSMENTS for COMMON EXPENSES payable by all of the OWNERS 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 AREAS, or any existing improvements or personal property associated therewith. The cost and expense of any such additions, alterations or improvements to the COMMON AREAS, or the purchase of any personal property, shall be a COMMON EXPENSE. DECLARANT shall have the right to make additions, alterations or improvements to the COMMON AREAS as may be desired by DECLARANT in its sole discretion from time

to time, at DECLARANT's expense.

4.5 Utilities. The ASSOCIATION shall pay for all utility services for the COMMON AREAS, or for any other property to be maintained by the ASSOCIATION, as a COMMON EXPENSE.

4.6 Taxes. The ASSOCIATION shall pay, without proration, all real and personal property taxes and assessments, if any, assessed against any property owned by the ASSOCIATION, as a COMMON EXPENSE.

4.7 Default. Any OWNER or INSTITUTIONAL LENDER may pay for any utilities, taxes or assessments, or insurance premiums which are not paid by the ASSOCIATION when due, or may secure new insurance upon the lapse of an insurance policy, and shall be owed immediate reimbursement therefor from the ASSOCIATION, plus interest and any costs of collection including attorneys' fees.

4.8 Damage or Destruction. In the event any improvement (other than landscaping) within any COMMON AREA is damaged or destroyed due to fire, flood, wind, or other casualty or reason, the ASSOCIATION shall restore, repair, replace or rebuild (hereinafter collectively referred to as a "repair") the damaged improvement to the condition the improvement was in immediately prior to such damage or destruction, unless otherwise approved by two-thirds (2/3) of the votes of the OWNERS. If any landscaping within any COMMON AREA or any other property maintained by the ASSOCIATION is damaged or destroyed, the ASSOCIATION shall be obligated to make only such repairs to the landscaping as are determined by the BOARD in its discretion. Any excess cost of repairing any improvement over insurance proceeds payable on account of any damage or destruction shall be a COMMON EXPENSE, and the ASSOCIATION shall have the right to make a special ASSESSMENT for any such expense.

4.9 Maintenance Responsibilities of the ASSOCIATION.

4.9.1 The responsibility for the maintenance of the SUBJECT PROPERTY is divided between the ASSOCIATION and the OWNERS. Maintenance of the LOTS may be, pursuant to Section 4.9.2 the responsibility of the OWNERS. The maintenance of the COMMON AREAS, which will include but may not be limited to tennis courts, swimming pool, cabana and the ROADS, is the responsibility of the ASSOCIATION. The ASSOCIATION is granted certain enforcement rights pursuant to this DECLARATION in the event the OWNERS and the ASSOCIATION do not carry out their respective maintenance responsibilities.

4.9.2 The Board of Directors has the right to require the OWNERS to maintain their LOTS in a manner befitting the standards of the community; and this responsibility of the OWNER, unless otherwise assumed by the ASSOCIATION in accordance with the terms of this DECLARATION, shall include the OWNER's obligation to maintain the shrubbery in a neat and trimmed manner, and to remove all objectionable debris or material as may be located on the LOT.

4.9.3 The ASSOCIATION, unless it assumes same, shall not have exterior maintenance responsibilities, periodic or otherwise, for LOTS. In the event any OWNER has failed to maintain the exterior of his/her LOT in accordance with general standards of the community then, after reasonable notice to the OWNER specifying such failure and upon OWNER's neglect or refusal to remedy the problem, the Board of Directors, in addition to maintenance upon the COMMON AREAS, may provide any of the exterior maintenance upon each UNIT it deems necessary in its sole discretion, including but not limited to the following: painting, repairs, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, driveways and other exterior improvements.

4.9.4 The ASSOCIATION shall maintain all COMMON AREAS and property owned by the ASSOCIATION, including the water management and drainage system, including any dry detention and WETLAND AREAS (as defined in paragraph 4.12.1) shown on the SITE PLAN and all improvements

thereon, in good condition at all times. If, pursuant to any easement, the ASSOCIATION is to maintain any improvement within any property, then the ASSOCIATION shall maintain such improvement in good condition at all times. In addition, the ASSOCIATION shall have the right to assume the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION if the BOARD, in its sole discretion, determines that the operation and/or maintenance of such property by the ASSOCIATION would be in the best interests of the residents of the SUBJECT PROPERTY. In such event, where applicable, the ASSOCIATION shall so notify any OWNER otherwise responsible for such operation or maintenance, and thereafter such property shall be operated and/or maintained by the ASSOCIATION and not by the OWNER, until the BOARD determines no longer to assume the obligation to operate and/or maintain such property and so notifies the appropriate OWNER in writing. Without limitation, the ASSOCIATION shall have the right to assume the obligation to operate and/or maintain any walls or fences on or near the boundaries of the SUBJECT PROPERTY, and any pavement, landscaping, sprinkler systems, sidewalks, paths, signs, entrance features, or other improvements, on or near any public road rights-of-way within or contiguous to the SUBJECT PROPERTY. To the extent the ASSOCIATION assumes the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION, the ASSOCIATION shall have an easement and right to enter upon such property in connection with the operation in or maintenance of same, and no such entry shall be deemed a trespass. Such assumption by the ASSOCIATION of the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION may be evidenced by a supplement to this DECLARATION, or by a written document recorded in the public records of the county in which the SUBJECT PROPERTY is located, and may be made in connection with an agreement with any OWNER, the DECLARANT, or any governmental authority otherwise responsible for such operation or maintenance, and pursuant to any such document the operation and/or maintenance of any property may be made a permanent obligation of the ASSOCIATION. The ASSOCIATION may also enter into agreements with any other PERSON, or any governmental authority, to share in the maintenance responsibility of any property if the BOARD, in its sole and absolute discretion, determines this would be in the best interest of the OWNERS. Notwithstanding the foregoing, if any OWNER or any resident of any UNIT, or their guests or invitees, damages any COMMON AREA or any improvement thereon, the OWNER of such UNIT shall be liable to the ASSOCIATION for the cost of repair or restoration to the extent not covered by the ASSOCIATION's insurance.

4.9.5 In no event shall St. Lucie County be obligated to carry out any of the maintenance obligations of the ASSOCIATION, including but not limited to the maintenance and upkeep of the ROADS, unless such obligations are undertaken by way of a resolution of the St. Lucie County Commission or dedication of the roads to St. Lucie County in the Plat of Shadow Oaks also known as River Oaks.

4.10 Water Management and Drainage. It is acknowledged that the surface water management and drainage system for the SUBJECT PROPERTY is one integrated system, and accordingly shall be deemed a COMMON AREA, and an easement is hereby created over the entire SUBJECT PROPERTY for water drainage and for the installation and maintenance of the water management and drainage system for the SUBJECT PROPERTY, provided however that such easement shall be subject to all improvements as may be constructed within the SUBJECT PROPERTY as permitted by controlling governmental authorities from time to time. The water management and drainage system of the SUBJECT PROPERTY shall be developed, operated, and maintained in conformance with the requirements of the DISTRICT, or any controlling governmental authority. The ASSOCIATION shall maintain as a COMMON EXPENSE the entire water management and drainage system for the SUBJECT PROPERTY, which may include but not be limited to all lakes, canals, swale areas, retention areas, culverts, pipes, pumps, catch basins, and related appurtenances, regardless of whether or not same are within the SUBJECT PROPERTY or are owned by the ASSOCIATION. Such maintenance shall be performed in conformance with the requirements of controlling governmental authority, and an easement for such maintenance is hereby created. Such maintenance responsibility on the part of the ASSOCIATION shall be deemed to include the maintenance of the banks of any lake or canal, and the maintenance of all landscaping within the SUBJECT PROPERTY which is a COMMON AREA. The ASSOCIATION will have the obligation to maintain any portion of the surface water

management and drainage system for the SUBJECT PROPERTY which is owned and/or maintained by any controlling governmental authority, or which is outside of the SUBJECT PROPERTY. The SUBJECT PROPERTY shall be required to accept surface water drainage from any other property pursuant to the requirements of any controlling governmental authority, and in connection therewith the ASSOCIATION will have the right, but not the obligation, to maintain any portion of the surface water management system for such other property reasonably required in connection with the maintenance or operation of the surface water management system for the SUBJECT PROPERTY. The DISTRICT has the right to take enforcement action, including a civil action for an injunction and penalties against the ASSOCIATION to compel it to correct any outstanding problems with the surface water management system facilities or in mitigation areas under the responsibility or control of the ASSOCIATION.

4.11 Water Management Permit. The water management and drainage system shall be the perpetual maintenance responsibility of the ASSOCIATION, which shall maintain same in accordance with the requirements of the DISTRICT or any controlling authority from time to time including but not limited to the requirements and restrictions contained in Permit No. 56-01926P. A copy of the permit is attached hereto as Exhibit "F". Copies of any future permit actions shall be maintained by the ASSOCIATION's registered agent for the ASSOCIATION's benefit.

4.12 WETLAND AREAS.

4.12.1 Mitigation, monitoring and maintenance of all WETLAND AREAS, including the mitigation area, described in Permit No. 56-01926P, is the perpetual obligation of the ASSOCIATION, and the ASSOCIATION is responsible to carry out this obligation to a successful completion, including meeting all conditions associated with mitigation maintenance and monitoring. The ASSOCIATION is further responsible for the perpetual maintenance of any signage required by the permit. In the event mitigation and/or monitoring is required, or in the event of any violation, notice of same to the ASSOCIATION shall serve to notify all OWNERS within the ASSOCIATION. The ASSOCIATION shall, upon any such notification, give to the DISTRICT any and all assurances required confirming that the ASSOCIATION will meet its financial and other responsibilities in connection with same.

4.12.2 PURSUANT TO THE REQUIREMENTS OF THE DISTRICT, THE WETLAND AREAS ("WETLAND AREAS"), AS LEGALLY DESCRIBED IN EXHIBIT "G" TO THIS DECLARATION, ARE HEREBY DEDICATED TO THE ASSOCIATION AS COMMON AREAS (AS DEFINED IN SECTION 1.12 OF THIS DECLARATION) AND SHALL BE THE PERPETUAL MAINTENANCE RESPONSIBILITY OF THE ASSOCIATION WHICH SHALL MAINTAIN SAME IN ACCORDANCE WITH THE REQUIREMENTS OF THE DISTRICT OR ANY CONTROLLING AUTHORITY FROM TIME TO TIME INCLUDING BUT NOT LIMITED TO THE REQUIREMENTS AND RESTRICTIONS CONTAINED IN PERMIT NO. 56-01926P AND ANY MONITORING PLAN CONTAINED THEREIN.

4.12.3 NOTWITHSTANDING THE FOREGOING, DECLARANT SHALL BE RESPONSIBLE FOR ALL REQUIREMENTS SET FORTH IN THE PERMIT UNTIL THE TIME DECLARANT TURNS OVER CONTROL OF THE ASSOCIATION TO OWNERS OTHER THAN DECLARANT. AFTER SAID TURNOVER, THE ASSOCIATION SHALL BE PERPETUALLY RESPONSIBLE FOR PROTECTION OF ALL WETLAND AREAS AND COMPLIANCE WITH THE REQUIREMENTS OF THE PERMIT, INCLUDING BUT NOT LIMITED TO RETAINING ALL NECESSARY CONSULTANTS AND ALL COSTS OF ANY MITIGATION MAINTENANCE AND MONITORING (INCLUDING REPLACEMENTS OF PLANTS).

4.12.4 THE REGISTERED AGENT FOR THE ASSOCIATION SHALL MAINTAIN COPIES OF ALL FURTHER PERMITTING ACTIONS FOR THE BENEFIT OF THE ASSOCIATION.

4.12.5 THE WETLAND AREAS AND UPLAND BUFFERS, IF ANY, MAY IN NO

WAY BE ALTERED FROM THEIR NATURAL STATE. ACTIVITIES PROHIBITED WITHIN THE WETLAND AREAS INCLUDE, BUT ARE NOT LIMITED TO, CONSTRUCTING OR PLACING OF BUILDINGS ON OR ABOVE THE GROUND; DUMPING OR PLACING SOIL OR OTHER SUBSTANCES INCLUDING TRASH OR OTHER DEBRIS; REMOVAL OR DESTRUCTION OF TREES, SHRUBS OR OTHER VEGETATION, WITH THE EXCEPTION OF EXOTIC OR NUISANCE VEGETATION¹; AND ANY OTHER ACTIVITIES DETRIMENTAL TO DRAINAGE, FLOOD CONTROL, WATER CONSERVATION EROSION CONTROL, AND/OR WILDLIFE, HABITAT CONSERVATION OR PRESERVATION, ALL AS PRESCRIBED BY THE DISTRICT FROM TIME TO TIME.

4.12.6 REFERENCE TO "MITIGATION AREA(S)" IN THIS DECLARATION, IF ANY, AND THE EXHIBITS HERETO OR IN ANY OTHER DOCUMENTATION WHATSOEVER SHALL BE ONE AND THE SAME AS REFERENCE TO "WETLAND AREAS" AS USED AND DEFINED HEREIN.

4.13 Mortgage and Sale of COMMON AREAS. The ASSOCIATION shall not have the right to encumber, sell or transfer any COMMON AREA owned by the ASSOCIATION without the approval of two-thirds (2/3) of the votes of the OWNERS, excluding DECLARANT, subject to the provisions set forth in paragraph 13.10 of this DECLARATION. Notwithstanding the foregoing, if DECLARANT changes the location of any unconveyed LOTS such that a portion of the COMMON AREA would be within a relocated LOT, then the ASSOCIATION shall have the right without the approval of the OWNERS to convey such portion of the COMMON AREA to DECLARANT, and in connection therewith, DECLARANT shall convey to the ASSOCIATION any property which will be a COMMON AREA due to the relocation of the LOTS. If ingress or egress to any property is through any COMMON AREA, any conveyance or encumbrance of such COMMON AREA shall be subject to an appurtenant easement for ingress and egress in favor of the OWNER(S) of such property, unless alternative ingress or egress is provided to the OWNER(S).

4.14 Intentionally Deleted.

4.15 Gatehouse. DECLARANT reserves the right, but shall not have the obligation, to construct a gatehouse at the entrance to the SUBJECT PROPERTY, which may be staffed by an attendant or which may contain an unmanned entry system. So long as DECLARANT appoints a majority of the Directors of the ASSOCIATION, DECLARANT shall have the right to determine, in its sole discretion, whether, and during what hours the gatehouse will be staffed. In any event, DECLARANT and the ASSOCIATION shall not have any liability for any injury, damage, or loss, of any kind or nature whatsoever due to the fact that the gatehouse is not staffed by an attendant, or due to the failure of any attendant or mechanical or electrical entry system to prevent or detect a theft, burglary, or other unauthorized entry into the SUBJECT PROPERTY. Any costs associated with maintaining, operating and staffing (if applicable) the gatehouse will be a COMMON EXPENSE of the ASSOCIATION.

4.16 Streets, Sidewalks and Street Lighting. The ASSOCIATION shall maintain all streets within the Property and all common sidewalks or walkways within the SUBJECT PROPERTY, but not any sidewalk or walkway exclusively serving one LOT. The ASSOCIATION shall also maintain any common street lighting within the SUBJECT PROPERTY, other than any lighting exclusively serving one LOT, and shall maintain and pay for any utility services used in connection with such common street lighting.

5. **INSURANCE.** The ASSOCIATION shall purchase and maintain insurance on all of the

¹Exotic vegetation may include but is not limited to Melaleuca, Brazilian pepper, Australian pine, and Japanese climbing fern or any other species currently or hereafter listed by the Florida Exotic Pest Plant Counsel. Nuisance vegetation may include cattails, primrose willow and grapevine.

COMMON AREAS in accordance with the following provisions:

5.1 Purchase, Custody and Payment of Policies.

5.1.1 All such insurance policies purchased by the ASSOCIATION shall be issued by an insurance company authorized to do business in Florida.

5.1.2 The named insured on all policies purchased by the ASSOCIATION shall be the ASSOCIATION, individually and as agent for all OWNERS covered by the policy, without naming them, and as agent for their mortgagees, without naming them.

5.1.3 All policies purchased by the ASSOCIATION shall provide that payments for losses made by the insurer on account of casualty to any portion of the COMMON AREAS shall be paid to the Insurance Trustee (as hereinafter defined), and all policies and endorsements for casualty losses shall be deposited with the Insurance Trustee.

5.1.4 One (1) copy of each insurance policy or a certificate evidencing same, and all endorsements thereon, shall be furnished by the ASSOCIATION to each OWNER or INSTITUTIONAL LENDER who holds a mortgage upon a LOT or UNIT covered by the policy, and who in writing requests the ASSOCIATION to provide it with such policies.

5.1.5 OWNERS may obtain insurance at their own expense and at their own discretion for their personal property, personal liability, living expenses, flood damage and for improvements made to their LOT or UNIT.

5.1.6 Any deductible or exclusion under an insurance policy purchased by the ASSOCIATION shall be a common expense, and shall be such sum as is approved by the Board of Directors of the ASSOCIATION.

5.2 Coverage.

5.2.1 Casualty. The ASSOCIATION shall procure and maintain casualty insurance on all improvements upon the COMMON AREAS equal to one hundred percent (100%) of the then current replacement cost, as determined annually by the ASSOCIATION. Such coverage shall afford protection against:

5.2.1.1 Fire and other hazards. Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;

5.2.1.2 Other risks. 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 Risk" endorsement, where available.

5.2.2 Comprehensive general public liability insurance. The ASSOCIATION shall purchase and maintain 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 AREAS, or any work, matters or things related to the COMMON AREAS or this DECLARATION and its exhibits, with such coverage as shall be required by the ASSOCIATION, and with cross liability endorsement to cover liabilities of the OWNERS as a group to an OWNER, if available.

5.2.3 Workers' Compensation. Workers' Compensation insurance shall be maintained as required to meet statutory or regulatory requirements.

5.2.4 Errors and omissions. Officers and Directors errors and omissions insurance shall be maintained in such amounts as determined necessary by the Board of Directors.

5.2.5 Additional provisions. When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to:

5.2.5.1 subrogation against the ASSOCIATION and against the OWNERS individually and as a group;

5.2.5.2 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

5.2.5.3 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 shall provide that such policies may not be canceled or substantially modified (except for increases in coverage for limits of liability) without at least ten (10) days' prior written notice to the ASSOCIATION.

5.2.6 Fidelity bonds. The ASSOCIATION shall also be required to maintain fidelity bonds on all officers and employees or other persons who handle or are responsible for funds held by or administered by the ASSOCIATION, covering the maximum funds that will be in the custody or control of the ASSOCIATION or any managing agent, which coverage shall be at least the sum of three (3) months' ASSESSMENTS on all UNITS plus reserve funds.

5.3 Premiums. Premiums for insurance policies purchased by the ASSOCIATION shall be paid by the ASSOCIATION as a common expense.

5.4 Insurance Trustee. All casualty insurance policies purchased by the ASSOCIATION shall provide that all proceeds covering casualty losses shall be paid to any national bank or trust company in the vicinity of the SUBJECT PROPERTY 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 or 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 stated in this Article. Notwithstanding the foregoing, unless the Board of Directors 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.

5.5 Distribution of Proceeds. Proceeds of insurance policies received by the INSURANCE TRUSTEE shall be distributed in the following manner:

5.5.1 All expenses of the INSURANCE TRUSTEE shall be first paid or provisions made therefor.

5.5.2 The remaining proceeds shall be paid to defray the cost of repairs or reconstruction. Any proceeds remaining after defraying such cost shall be distributed to the ASSOCIATION.

5.5.3 In no event may any hazard insurance proceeds for losses to any portion of the COMMON AREAS be used for other than expenses of the INSURANCE TRUSTEE or for repair, replacement or reconstruction of any damage, without the approval of at least eighty percent (80%) of the votes of the OWNERS and consent from at least eighty percent (80%) of the First Mortgagees on the LOTS.

5.5.4 In any legal action in which the ASSOCIATION may be exposed to liability in

excess of insurance coverage protecting it and the OWNERS, the ASSOCIATION shall give notice of any excess exposure within a reasonable time to all OWNERS who may be exposed to the liability, and they shall have the right to intervene and defend.

5.6 Waiver. If the BOARD determines that the insurance required to be purchased by the ASSOCIATION pursuant to this paragraph would be unduly expensive, or if such insurance is not obtainable, the ASSOCIATION may purchase insurance with less coverage than specified above, provided the BOARD gets the approval of a majority of the OWNERS as to such action.

6. **EASEMENTS.** Each of the following easements are hereby created, which shall run with the land and, notwithstanding any of the other provisions of this DECLARATION, may not be substantially amended or revoked in such a way as to interfere unreasonably with their proper and intended uses and purposes, and each shall survive the termination of this DECLARATION.

6.1 Easements for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist upon the COMMON AREAS and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the COMMON AREAS as may from time to time be paved and intended for such purposes, same being for the use and benefit of the OWNERS and the residents of the SUBJECT PROPERTY, their mortgagees, their guests and invitees.

6.2 Perpetual Nonexclusive Easement in COMMON AREAS. The COMMON AREAS shall be, and the same are hereby declared to be, subject to a perpetual nonexclusive appurtenant easement in favor of all OWNERS and residents of the SUBJECT PROPERTY from time to time, and their guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended.

6.3 Service and Utility Easements. Easements in favor of governmental and quasi-governmental authorities, utility companies, cable television companies, ambulance or emergency vehicle companies, and mail carrier companies, over and across all ROADS existing from time to time within the SUBJECT PROPERTY, and over, under, on and across the COMMON AREAS, as may be reasonably required to permit the foregoing, and their agents and employees, to provide their respective authorized services to and for the SUBJECT PROPERTY. Also, easements as may be required for the installation, maintenance, repair and providing of utility services, equipment and fixtures in order to serve adequately the SUBJECT PROPERTY including, but not limited to, electricity, telephones, sewer, water, lighting, irrigation, drainage, television antenna and cable television facilities, and electronic security. However, easements affecting any LOT which serve any other portion of the SUBJECT PROPERTY shall be only for utility services actually constructed, or reconstructed, and for the maintenance thereof, unless otherwise approved in writing by the OWNER of the LOT. An OWNER shall do nothing on his/her LOT which interferes with or impairs the utility services using these easements. The BOARD or its designee shall have a right of access to each LOT and UNIT to inspect, maintain, repair or replace the utility service facilities contained under the LOT and to remove any improvements interfering with or impairing the utility services or easement herein reserved; provided such right of access shall not unreasonably interfere with the OWNER's permitted use of the LOT and, except in the event of an emergency, entry into any UNIT shall be made with reasonable notice to the OWNER.

6.4 Encroachments on Lots or Common Properties. In the event any portion of any roadway, walkway, parking area, common or party wall, driveway, UNIT, foundation, footing, roof drainage system, roof, trellis, water lines, sewer lines, sprinkler system, electrical meter, air conditioning system, or any other structure as originally constructed by DECLARANT or its designee, successor or assign, overhangs or encroaches upon any UNIT, LOT or COMMON AREA, it shall be deemed that the OWNER of such UNIT, LOT or COMMON AREA has granted a perpetual non-exclusive easement to the OWNER of the adjoining or benefitted LOT or LOTS, UNIT or COMMON AREA or the ASSOCIATION, as the case may be, for continuing presence and maintenance and use of such overhanging

or encroaching roadway, walkway, parking area, common or party wall, driveway, UNIT, foundation, footing, roof draining system, roof, trellis, water lines, sewer lines, sprinkler system electrical meter or air conditioning system or any other structure originally constructed by the DECLARANT. The foregoing shall also apply to any replacements of any such roadway, walkway, parking area, common or party wall, driveway, UNIT, foundation, footing, roof draining system, roof, trellis, water lines, sewer lines, sprinkler system or any other structure, if same are constructed in substantial conformance to the original. The foregoing provisions shall be perpetual in duration and shall not be subject to amendment.

6.5 Additional Easements. DECLARANT (so long as it owns any LOT) and the ASSOCIATION, on their behalf and on behalf of all OWNERS, each shall have the right to (i) grant and declare additional easements over, upon, under and/or across the COMMON AREAS in favor of DECLARANT or any person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements benefitting or affecting the SUBJECT PROPERTY. In connection with the grant, modification, relocation, abandonment or termination of any easement, DECLARANT reserves the right to relocate ROADS, parking areas, utility lines, and other improvements upon or serving the SUBJECT PROPERTY. So long as the foregoing will not unreasonably and adversely interfere with the use of LOTS for dwelling purposes, no consent of any OWNER or any mortgagee of any LOT shall be required or, if same would unreasonably and adversely interfere with the use of any LOT for dwelling purposes, only the consent of the OWNERS and INSTITUTIONAL LENDERS of LOTS so affected shall be required. To the extent required, all OWNERS hereby irrevocably appoint DECLARANT and/or the ASSOCIATION as their attorney-in-fact for the foregoing purposes.

6.6 Sale and Development Easement. DECLARANT reserves and shall have an easement over, upon, across and under the SUBJECT PROPERTY as may be reasonably required in connection with the development, construction, sale and promotion, or leasing of any LOT or UNIT within the SUBJECT PROPERTY or within any other property owned by DECLARANT.

6.7 Limitation of MEMBERS' Easements. The rights and easements of use and enjoyment created hereby shall be subject to the following:

6.7.1 The right of the ASSOCIATION, as provided in its ARTICLES and BYLAWS, to suspend the enjoyment rights of any MEMBER for any period during which any ASSESSMENT remains unpaid, or for a period of not to exceed sixty (60) days for any violation of this DECLARATION, the ARTICLES, BYLAWS, or published rules and regulations;

6.7.2 The right of the ASSOCIATION to consent or modify the legal descriptions of COMMON AREAS;

6.7.3 The right of the ASSOCIATION to grant exclusive easements and rights-of-way over certain parts of the COMMON AREAS to MEMBERS of the ASSOCIATION when the ASSOCIATION deems it necessary;

6.7.4 The right of the DECLARANT, without approval of the ASSOCIATION or the membership, to dedicate easements and rights-of-way over the COMMON AREAS in accordance with the terms of this DECLARATION;

6.7.5 The right of the ASSOCIATION to grant to governmental agencies or other public or private entities the right to install and maintain water, sewer, drainage, irrigation, electrical, telephone and cable television facilities within the COMMON AREAS; and

6.8 DECLARANT's Right to Grant Easements. So long as DECLARANT owns a Lot, DECLARANT reserves the exclusive right to grant, in its sole discretion, easements, permits and/or licenses for ingress and egress, drainage, utilities service, maintenance and other purposes over, under, upon and

across the SUBJECT PROPERTY so long as any said easements do not materially and adversely interfere with the intended use of UNITS previously conveyed to OWNERS. All easements necessary for such purposes are reserved in favor of DECLARANT, in perpetuity, for such purposes. Without limiting the foregoing, DECLARANT may relocate any easement affecting a UNIT, or grant new easements over a UNIT, after conveyance to an OWNER, without the joinder or consent of such OWNER, so long as the grant of easement or relocation of easement does not materially and adversely affect the OWNER'S use of the UNIT as a residence. As an illustration, DECLARANT may grant an easement for irrigation, drainage lines or electrical lines over any portion of a LOT so long as such easement is outside the footprint of the foundation of any residential improvement constructed on such LOT. DECLARANT shall have the sole right to any fees of any nature associated therewith, including, but not limited to, license or similar fees on account thereof. The ASSOCIATION and OWNERS will, without charge, if requested by DECLARANT: (a) join in the creation of such easements, etc. and cooperate in the operation thereof; and (b) collect and remit fees associated therewith, if any, to the appropriate party. The ASSOCIATION will not grant any easements, permits or licenses to any other entity providing the same services as those granted by DECLARANT, nor will it grant any such easement, permit or license prior to the date upon which DECLARANT owns no LOT without the prior written consent of DECLARANT, which may be granted or denied in its sole discretion.

6.9 Utility and Sidewalk Easements. A twelve-foot (12') wide utility easement is hereby granted across the front yard of each LOT adjacent to the front LOT line. In addition, there shall be an easement for pedestrian traffic over, upon and/or across any sidewalks that lie within a LOT.

6.10 Easement for Governmental Health, Sanitation and Emergency Services. A nonexclusive easement is hereby granted to the appropriate governmental authorities and to the appropriate private organizations supplying health, sanitation, police services and any emergency services such as fire, ambulance and rescue services, for purposes of ingress and egress over the COMMON AREAS.

6.11 Access Easement. The ROADS, walkways, sidewalks and other rights-of-way within the COMMON AREAS are hereby declared and reserved to be subject to a perpetual easement over and across same for ingress and access to and egress from the COMMON AREAS, and any LOTS and other properties within the SUBJECT PROPERTY adjacent to the COMMON AREAS in favor of the OWNERS and tenants of such LOTS and properties and their guests, invitees and licensees, the DECLARANT, the ASSOCIATION and all MEMBERS of such ASSOCIATIONS, their guests, invitees and licensees, to be used in a manner consistent with the purposes set forth herein.

7. USE RESTRICTIONS.

7.1 One UNIT Per LOT. Only one UNIT shall be constructed on any LOT.

7.2 Garages. Each UNIT shall have an attached garage providing parking for at least one (1) automobile. All garage doors shall remain closed when not in use.

7.3 Occupancy. No UNIT shall be permanently occupied by more than two (2) persons for each bedroom in the UNIT. In addition, temporary guests are permitted for a period not to exceed thirty (30) consecutive days so long as they do not create an unreasonable source of noise or annoyance to the other residents of the SUBJECT PROPERTY.

7.4 No Trade or Business. No trade, business, profession, or commercial activity, or any other nonresidential use, shall be conducted upon any portion of the SUBJECT PROPERTY or within any LOT or UNIT, without the consent of the APPROVING PARTY. The foregoing shall not prohibit any OWNER from leasing his/her UNIT.

7.5 Leases. All leases of a UNIT must be in writing and shall be specifically subject to this

DECLARATION, the ARTICLES and the BYLAWS, and copies of all leases shall be delivered to the APPROVING PARTY prior to occupancy by the tenant(s). No lease shall be for a period of less than 6 months, and no UNIT may be leased more than two times in any consecutive 12-month period, without the consent of the APPROVING PARTY.

7.6 Outside Storage of Personal Property. The personal property of any resident of the SUBJECT PROPERTY shall be kept inside the resident's UNIT or a fenced or walled-in yard, except for patio furniture and accessories, and barbecue equipment not exceeding 9 square feet, which must be kept in the rear of the LOT and must be neat in appearance and in good condition.

7.7 Portable Buildings. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any LOT for storage or otherwise, except storage sheds, which shall be completely hidden from view from the street and which shall not violate any set-back requirements for permanent structures.

7.8 Garbage, Trash and Recycling Items. Each OWNER shall regularly pick up all garbage, trash, recycling items, refuse or rubbish on the OWNER's LOT. Garbage, trash, refuse or rubbish that is required to be placed and kept at the front of the LOT in order to be collected may be placed and kept at the front of the LOT after 5:00 p.m. on the day before the scheduled day of collection, and any trash facilities must be removed on the collection day. All garbage, trash, refuse or rubbish must be placed in appropriate trash facilities or bags. All containers, dumpsters or garbage facilities shall be stored inside a UNIT or fenced-in area and screened from view and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.

7.9 Vehicles and Boats. Only automobiles, vans, pick-up trucks with a carrying capacity of 1 ton or less, and other vehicles manufactured and used as private passenger vehicles, may be parked within the SUBJECT PROPERTY overnight without the prior written consent of the APPROVING PARTY, unless kept within an enclosed garage. In particular and without limitation, without the prior written consent of the APPROVING PARTY, no vehicle containing commercial lettering, signs or equipment, and no truck, boat, recreational vehicle, camper, trailer, or vehicle other than a private passenger vehicle as specified above, may be parked or stored outside of a UNIT overnight. No vehicle repair or maintenance or overnight parking is permitted on any streets, lawns, or areas other than driveways and garages, without the consent of the APPROVING PARTY. The OWNER and residents of any UNIT may not keep more than two (2) vehicles within the SUBJECT PROPERTY on a permanent basis without the prior written consent of the APPROVING PARTY. The foregoing restrictions shall not be deemed to prohibit the temporary parking of commercial vehicles while making delivery to or from, or while used in connection with providing services to, the SUBJECT PROPERTY or the temporary parking of automobiles owned by governmental law enforcement agencies. All vehicles parked within the SUBJECT PROPERTY must be in good condition and repair, and no vehicle which does not contain a current license plate or which cannot operate on its own power shall be parked within the SUBJECT PROPERTY outside of an enclosed garage for more than 24 hours, and no major repair of any vehicles shall be made on the SUBJECT PROPERTY. Motorcycles, motorbikes, mopeds, all-terrain vehicles, and the like are not permitted to be operated within the SUBJECT PROPERTY or parked overnight outside of an enclosed garage, except with the prior written consent of the APPROVING PARTY which may be withdrawn at any time, and any permitted motorized vehicle must be licensed for street use and equipped with appropriate noise muffling equipment so that the operation of same does not create an unreasonable annoyance to the residents of the SUBJECT PROPERTY. Enforcement of the foregoing may include towing of vehicles at the expense of the violating owner.

7.10 Pets. No pets or animals except dogs, cats and tropical fish shall be maintained or harbored within a UNIT or LOT that would create a nuisance to any other UNIT OWNER or lessee. All pets shall be on a leash when outside any UNIT and defecate only in the "pet walking areas" designated within **RIVER OAKS AT TEN MILE CREEK** designated for such purpose, if any, or within the particular UNIT OWNER'S UNIT. The person walking the pet or the UNIT OWNER shall clean up all matter created by the

pet. A determination by the Board of Directors that a pet or animal maintained or harbored within a UNIT or LOT creates a nuisance is dangerous or ill tempered or is exotic shall be binding and conclusive on all parties and the owner of the pet shall be required to immediately cease harboring or maintaining such an animal within any UNIT or LOT. No pit bull dogs, pure breed or of mixed breed shall be permitted. Prior written approval shall be required to maintain or harbor a dog or cat in excess of twenty-five (25) pounds at maturity. Any OWNER harboring or maintaining any animal within any portion of the SUBJECT PROPERTY appoints the BOARD as OWNER'S attorney-in-fact to act in OWNER'S stead in controlling OWNER'S animal and authorizes the BOARD to have the appropriate animal control agency remove the animal from the SUBJECT PROPERTY in the sole discretion of the BOARD.

7.11 Landscaping. The initial landscaping of any UNIT, and any material modifications, additions, or substitutions thereof, must be approved by the APPROVING PARTY. The OWNER of each LOT containing a UNIT shall be required to maintain the landscaping on his/her LOT, and on any contiguous property between his/her LOT and the pavement edge of any abutting road or the waterline of any abutting lake or canal, all in accordance with the landscaping plans approved by the APPROVING PARTY and in accordance with the provisions of this DECLARATION and the requirements of any controlling governmental authority. All such landscaping shall be maintained by the OWNER in first class condition and appearance consistent with the original landscape plan and installation and, as reasonably required, mowing, watering, trimming, fertilizing, and weed, insect and disease control shall be performed by the OWNER. No OWNER may utilize any lake or canal for the purpose of irrigating a LOT. All landscaped areas shall be primarily grass, and shall not be paved or covered with gravel or any artificial surface without the prior written consent of the APPROVING PARTY. All dead or diseased sod, plants, shrubs, trees, or flowers shall be promptly removed and replaced, and excessive weeds, underbrush or unsightly growth shall be promptly removed. No artificial grass, plants, or other artificial vegetation shall be placed or maintained upon the exterior of any LOT. Notwithstanding the foregoing, no OWNER shall install or maintain any landscaping on any portion of his/her LOT to be maintained by the ASSOCIATION, without the prior written consent of the BOARD. The Association reserves the right to assume this obligation as a Common Expense.

7.12 Maintenance. Each OWNER shall maintain his/her UNIT and all improvements and personal property upon his/her LOT in first class condition at all times, except any portions thereof to be maintained by the ASSOCIATION as provided in this DECLARATION. The exterior of all UNITS including but not limited to roofs, walls, doors, windows, patio areas, pools, screenings, and awnings shall be maintained in first class condition and repair and in a neat and attractive manner. All exterior painted areas shall be painted as reasonably necessary, with colors which are harmonious with other UNITS, and no excessive rust deposits on the exterior of any UNIT, peeling of paint or discoloration of same shall be permitted. No OWNER shall change the exterior color of his/her UNIT without the consent of the APPROVING PARTY. All sidewalks, driveways and parking areas within the OWNER'S LOT or serving the OWNER'S UNIT shall be cleaned and kept free of debris; and cracks, damaged and/or eroding areas on same shall be repaired, replaced and/or resurfaced as necessary. The Association reserves the right to assume this obligation as Common Expense.

7.13 Air Conditioning Units. Only central air conditioning units are permitted, and no window, wall, or portable air conditioning units are permitted.

7.14 Clotheslines and Outside Clothes Drying. No clotheslines or clothes-poles shall be erected, and no outside clothes-drying is permitted, except where such activity is advised or mandated by governmental authorities for energy conservation purposes, in which event the APPROVING PARTY shall have the right to approve the portions of any LOT used for outdoor clothes-drying purposes and the types of devices to be employed in this regard, which approval must be in writing.

7.15 Nuisances. No nuisances shall be permitted within the SUBJECT PROPERTY, and no use or practice which is an unreasonable source of annoyance to the residents within the SUBJECT PROPERTY or which shall interfere with the peaceful possession and proper use of the SUBJECT

PROPERTY by its residents shall be permitted. No unreasonably offensive or unlawful action shall be permitted, and all laws, zoning ordinances and regulations of all controlling governmental authorities shall be complied with at all times by the OWNERS. Portable or permanent basketball hoops or installation are prohibited.

7.16 Outside Antennas. Outside signals receiving or sending antennas, dishes or devices are permitted without the consent of the APPROVING PARTY so long as they are not visible from the street and are no larger than 30" in diameter. The foregoing shall not prohibit any antenna or signal receiving dish owned by the APPROVING PARTY which services the entire SUBJECT PROPERTY.

7.17 Water Surface Management. No OWNER or any other PERSON shall do anything to adversely affect the surface water management and drainage of the SUBJECT PROPERTY without the prior written consent of the ASSOCIATION and any controlling governmental authority, including but not limited to the excavation or filling in of any lake or canal, or any portion of the SUBJECT PROPERTY, provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the SUBJECT PROPERTY by DECLARANT or by the developer of any portion of the SUBJECT PROPERTY in accordance with permits issued by controlling governmental authorities.

7.18 Lakes and Canals. The lakes and canals are intended for drainage purposes only. Therefore no swimming, fishing or motorized boating is allowed in any lake or canal within or contiguous to the SUBJECT PROPERTY. No OWNER shall deposit or dump any garbage or refuse in any lake or canal within or contiguous to the SUBJECT PROPERTY. No OWNER shall install any improvement upon a LOT within 20 feet of any lake or canal without the prior written consent of the APPROVING PARTY, including but not limited to landscaping (other than grass), fences, walls, or any other improvements. No OWNER may utilize any lake or canal for the purpose of irrigating a LOT.

7.19 Wells. No wells may be installed within the SUBJECT PROPERTY without the prior written consent of the APPROVING PARTY and the utility company supplying potable water to the SUBJECT PROPERTY.

7.20 Beaches/Lake Banks. No OWNER shall create any beach or sandy area contiguous to any lake or canal within the SUBJECT PROPERTY, and all lake banks shall be sodded unless otherwise approved by the APPROVING PARTY.

7.21 Further Subdivision. No LOTS shall be further subdivided without the prior written consent of the APPROVING PARTY if same would result in the creation of more LOTS than before such resubdivision. Notwithstanding the foregoing, portions of a LOT may be conveyed to the OWNER(s) of contiguous LOT(s) in order to increase the size of the contiguous LOT(s), so long as any remaining portion of the divided LOT not so conveyed is independently useful for the construction of a UNIT that complies with the requirements of this DECLARATION. If all of any LOT is divided between the contiguous LOTS in order to increase the size of the contiguous LOTS, then the OWNERS of the divided LOT shall be required to divide among themselves the vote and ASSESSMENT responsibility of the divided LOT pursuant to an instrument recorded in the public records of the county where the SUBJECT PROPERTY is located and approved by the ASSOCIATION.

7.22 Garbage Containers, Oil and Gas Tanks. All garbage and refuse containers, bottled gas tanks, and all permanently affixed swimming pool equipment and housing shall be underground or placed in walled-in or landscaped areas as approved by the APPROVING PARTY so that they shall be substantially concealed or hidden from any eye-level view from any street or adjacent property.

7.23 Signs. Once DECLARANT no longer owns any LOTS in the SUBJECT PROPERTY, a portable and tasteful "Open House" advertising sign approved by the APPROVING PARTY IN WRITING, is permitted upon any LOT for a period not exceeding eight hours in any day, and 24 hours in any

consecutive 7-day period, which shall not be larger than 2 square feet in size, during such periods when the OWNER or a real estate broker or sales person is holding a bona fide "open house" to lease or sell the UNIT on the LOT. Notwithstanding the foregoing, so long as DECLARANT continues to own any LOTS in the SUBJECT PROPERTY, except for DECLARANT'S signage no "For Sale" or "Open House" signs are permitted to be placed on any LOT. In the event any sign is installed on any LOT or on the exterior of any UNIT which violates this paragraph, the APPROVING PARTY shall have the right to remove such sign without notice to the OWNER, and the removal shall not be deemed a trespass and the APPROVING PARTY shall not be liable to the OWNER for the removal or for any damage or loss to the sign.

7.24 Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other tasteful window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an OWNER or tenant first moves into a UNIT or when permanent window treatments are being cleaned or repaired.

7.25 Special Provisions Regarding Recreational Facilities. Once title to the COMMON AREAS has been deeded to the ASSOCIATION, the BOARD shall have the right to make reasonable rules and regulations regarding the recreational facilities, if any, as the BOARD deems desirable from time to time.

7.26 Swimming Pools. No swimming pools, spas or the like, shall be installed without the consent of the APPROVING PARTY.

7.27 Fences and Walls. Fences and walls must be maintained in good condition at all times. No fences or walls shall be installed without the consent of the APPROVING PARTY as to the location, type and material of the fence or wall. The APPROVING PARTY, in approving any fence or wall as elsewhere provided, shall have the right to require all fences and walls throughout the SUBJECT PROPERTY to be of a specified standard type of construction and material, and shall have the right to prohibit any other types of fences and/or walls, and shall further have the right to change such standard as to any new fences or walls from time to time, as the APPROVING PARTY deems appropriate.

7.27.1 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each party wall or fence which is built as part of the original construction of the UNITS upon the LOTS and any replacements thereof. In the event that any portion of any structure, as originally constructed by DECLARANT or its designee, including any party wall or fence, shall protrude over two adjoining LOTS, it shall be deemed that said OWNERS have granted perpetual easements to the adjoining OWNER or OWNERS for lateral support and for continuing maintenance and use of the projection, party wall or fence. No OWNER may commit or authorize the commission of any act which has the effect of impairing or decreasing the structural integrity of any party wall or fence. The foregoing shall also apply to any replacements of any structures, party walls or fences if same are constructed in conformance with the original structure, party wall or fence. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this DECLARATION.

7.27.2 Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall or party fence shall be shared equally by the OWNERS who make use of the wall or fence in proportion to such use.

7.27.3 Destruction by Fire or Other Casualty. If a party wall or party fence is destroyed or damaged by fire or other casualty, any OWNER who has used the wall or fence must restore it, and if the other OWNERS thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such OWNERS to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

7.27.4 Weatherproofing. Notwithstanding any other provisions of this Article, an OWNER who, by his/her negligent or willful act, causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements. Hurricane shutters shall not be installed prior to ten (10) days before a hurricane warning is issued effecting the SUBJECT PROPERTY and must be removed within ten (10) days of expiration of any such warning or passage of storm.

7.27.5 Right to Contribution Runs with Land. The right of any OWNER to contribution from any other OWNER under this Article shall be appurtenant to the land and shall pass to such OWNER's successors in title.

7.27.6 Party Fences. For the purposes of this Article, a party fence shall be a fence owned by two OWNERS and located on the boundary lines of such OWNERS' property. This provision shall not be construed to require DECLARANT to construct any party fences.

7.28 Architectural Control for Exterior Changes.

7.28.1 OWNER to Obtain Approval. For purposes of this paragraph, the term "IMPROVEMENT" shall mean any building, fence, wall, patio area, pool, spa, landscaping, driveway, walkway or any other alteration, addition, improvement, or change of any kind or nature which is constructed, made, installed, placed, or removed from any LOT, or the exterior of any UNIT or any other improvement upon any LOT, except for maintenance or repair which does not result in a material change to any improvement including the color of same. No OWNER shall make any IMPROVEMENT, and no OWNER shall apply for any governmental approval or building or other permit for any IMPROVEMENT, unless the OWNER first obtains the written approval of the IMPROVEMENT from the APPROVING PARTY. Notwithstanding anything contained herein to the contrary, DECLARANT, and not the ASSOCIATION, shall be the "APPROVING PARTY" and shall have the right to exercise architectural control with respect to the initial construction of any IMPROVEMENTS by any builder or developer.

7.28.2 APPROVING PARTY's Consent. Any request by an OWNER for approval by the APPROVING PARTY to any IMPROVEMENT shall be in writing and shall be accompanied by plans and specifications or other details as the APPROVING PARTY may deem reasonably necessary in connection with its determination as to whether or not it will approve same. The plans and specifications submitted for approval shall show the nature, kind, shape, height, materials, color, and location of all proposed IMPROVEMENTS. If the APPROVING PARTY deems the plans and specifications deficient, the APPROVING PARTY may require such further detail in the plans and specifications as the APPROVING PARTY deems necessary in connection with its approval of same, including, without limitation, floor plans, site plans, drainage plans, elevation drawings, and descriptions of samples of exterior materials and colors, and until receipt of the foregoing, the APPROVING PARTY may postpone review of any plans submitted for approval. The APPROVING PARTY shall have the right to charge a reasonable fee in connection with the approval of any request, to pay for the cost of any architect or engineer hired by the APPROVING PARTY to review any plans or specifications. Approval of any request shall not be withheld in a discriminatory manner or in a manner which unreasonably prohibits the reasonable improvement of any LOT or UNIT, but may be withheld due to aesthetic considerations. The APPROVING PARTY shall notify the OWNER of its approval or disapproval, or that the APPROVING PARTY requires additions to the plans and specifications, by written notice to the OWNER, and in the event the APPROVING PARTY fails to disapprove any request within such 30-day period, the request shall be deemed approved and, upon request, the APPROVING PARTY shall give written notice of such approval. In consenting to any proposed IMPROVEMENT, the APPROVING PARTY may condition such consent upon changes being made. If the APPROVING PARTY consents to any IMPROVEMENT, the OWNER may proceed to make the IMPROVEMENT in strict conformance with the plans and specifications approved by the APPROVING PARTY, and subject to any conditions of the APPROVING PARTY's approval.

7.28.3 Architectural Guidelines and Criteria. The APPROVING PARTY may adopt and modify from time to time, in its discretion, guidelines, criteria and/or standards which will be used by it in connection with the exercise of architectural control, provided however that same shall not apply to any IMPROVEMENT which has been constructed in accordance with the provisions of this DECLARATION and which was properly approved when constructed.

7.28.4 Inspections. Upon completion of any IMPROVEMENT, the OWNER shall give written notice of the completion of same to the APPROVING PARTY. Within 60 days thereafter, the APPROVING PARTY shall inspect the IMPROVEMENT, and if the APPROVING PARTY finds that the IMPROVEMENT was not completed in conformance with the approved plans and specifications, it shall notify the OWNER in writing of such non-compliance within said 60-day period, specifying the particulars of such non-compliance, and within 30 days thereafter the OWNER shall correct the deficiencies set forth in the notice, and upon completion of the work required to correct the deficiencies, the OWNER shall again give the APPROVING PARTY notice of the completion of the work, and the provisions of this paragraph shall again become operative. If for any reason the APPROVING PARTY fails to notify the OWNER of any deficiencies within 90 days after receipt of a notice of completion from the OWNER, the IMPROVEMENT shall be deemed to have been completed in accordance with the approved plans and specifications.

7.28.5 No Liability. The APPROVING PARTY 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 IMPROVEMENT. Any approval of any plans or specifications by the APPROVING PARTY 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 APPROVING PARTY, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the APPROVING PARTY shall not be liable for any deficiency or injury resulting from any deficiency in such plans and specifications. If the APPROVING PARTY approves any IMPROVEMENT, same shall not require the APPROVING PARTY or any subsequent APPROVING PARTY to approve any similar IMPROVEMENT in the future, and the APPROVING PARTY shall have the right in the future to withhold approval of similar IMPROVEMENTS requested by any other OWNER.

7.28.6 Remedy for Violations. In the event this section is violated in that any IMPROVEMENT is made without first obtaining the approval of the APPROVING PARTY, or is not made in strict conformance with any approval granted by the APPROVING PARTY, the APPROVING PARTY shall specifically have the right to injunctive relief to require the OWNER to stop, remove and/or alter any IMPROVEMENT in the manner which complies with the requirements of the APPROVING PARTY, or the APPROVING PARTY may pursue any other remedy available to it. If the APPROVING PARTY is DECLARANT, then in connection with the enforcement of this section, DECLARANT shall have all of the rights of enforcement granted to the ASSOCIATION pursuant to paragraphs 9.1 through 9.3 of this DECLARATION, including but not limited to the right to impose a fine against the defaulting OWNER, and to assess and lien the defaulting OWNER, except that any fines paid by the defaulting OWNER shall be paid to the ASSOCIATION. In connection with the enforcement of this section, the APPROVING PARTY shall have the right to enter upon any LOT and make any inspection necessary to determine that the provisions of this paragraph have been complied with. The failure of the APPROVING PARTY to object to any IMPROVEMENT prior to the completion of the IMPROVEMENT shall not constitute a waiver of the APPROVING PARTY's right to enforce the provisions of this section. Any action to enforce this Section must be commenced within 1 year after notice of the violation by the APPROVING PARTY, or within 3 years after the date of the violation, whichever occurs first. The foregoing violations of this DECLARATION to the contrary, the APPROVING PARTY shall have the exclusive authority to enforce the provisions of this paragraph.

7.28.7 Compliance with Governmental Requirements. In addition to the foregoing requirements, any IMPROVEMENT made by an OWNER must be in compliance with the requirements of all controlling governmental authorities, and the OWNER shall be required to obtain an appropriate building

permit from the applicable governmental authority when required by controlling governmental requirements. Any consent or approval by the APPROVING PARTY to any IMPROVEMENT may be made conditioned upon the OWNER obtaining a building permit for same, or providing the APPROVING PARTY with written evidence from the controlling governmental authority that such permit will not be required, and the OWNER shall not proceed with any IMPROVEMENT until such building permit or evidence that a building permit is not required is submitted to the APPROVING PARTY.

7.29 Easements for Drainage and/or Utilities. "Drainage and/or utility easements" means such easements on those portions of the SUBJECT PROPERTY so designated on any plat or any recorded easement for the installation and maintenance of utility and/or drainage facilities. Such easements are for the installation, maintenance, construction and repair of drainage facilities, including but not limited to canals, pumps, pipes, inlets and outfall structures and all necessary appurtenances thereto and underground utility facilities, including but not limited to power, telephone, sewer, water, gas, irrigation, lighting and television transmission purposes. The portions of the SUBJECT PROPERTY designated as drainage and/or utility easements and all improvements thereon shall be maintained continuously by the OWNER of such portion of the SUBJECT PROPERTY, except for those improvements for which a public authority or utility company is responsible. Within these easements, no improvement or other material shall be placed or permitted to remain or alteration made which:

7.29.1 May damage or interfere with the installation and maintenance of utilities without the prior written consent of the affected utility company and the APPROVING PARTY; provided, however, the installation of a driveway or sod shall not require the consent of the affected utility companies unless the APPROVING PARTY imposes such requirements; or

7.29.2 May materially damage the direction of flow or draining channels in the easements without the prior written consent of the APPROVING PARTY and applicable governmental agencies.

7.30 Water Management and/or Retention Easements. "Water management and/or retention easements" means such easements on those portions of the SUBJECT PROPERTY so designated on any plat or any recorded easement for the storage of storm water and/or maintenance of adjacent water bodies. The property subject to the water management and/or retention easements shall be maintained by the OWNER thereof in ecologically sound condition for water retention, irrigation, drainage and water management purposes in compliance with all applicable governmental requirements. DECLARANT, the ASSOCIATION and the OWNERS shall have the right to use the water management and/or retention easements to drain surface water from their property and COMMON AREAS. No improvement shall be placed within a water management and/or retention easement other than sod unless approved in writing by the APPROVING PARTY. No OWNER shall do anything which shall adversely affect the surface water management system of the SUBJECT PROPERTY without the prior written consent of the APPROVING PARTY and all applicable governmental agencies.

7.31 Rules and Regulations. The APPROVING PARTY may adopt additional reasonable rules and regulations relating to the use and maintenance of the SUBJECT PROPERTY, and rules and regulations relating to the recreational facilities within the SUBJECT PROPERTY may be posted at such recreational facilities. Copies of such rules and regulations and amendments shall be furnished by the APPROVING PARTY to any OWNER upon request.

7.32 Waiver. The APPROVING PARTY shall have the right to waive the application of one or more of these restrictions, or to permit a deviation from these restrictions, as to any LOT where, in the discretion of the APPROVING PARTY, special circumstances exist which justify such waiver or deviation, or such waiver or deviation, when coupled with any conditions imposed for the waiver or deviation by the APPROVING PARTY, will not adversely affect any other OWNERS. In granting any waiver or deviation, the APPROVING PARTY will impose such conditions and restrictions as the APPROVING PARTY may

deem necessary, and the OWNER shall be required to comply with any such restrictions or conditions in connection with any waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any violation of these restrictions, such actions or inactions shall not be deemed to prohibit or restrict the right of the APPROVING PARTY, or any other person having the right to enforce these restrictions, from insisting upon strict compliance with respect to all other LOTS, nor shall any such actions be deemed a waiver of any of the restrictions contained herein as same may be applied in the future. Furthermore, any approval given by the APPROVING PARTY as to any matter shall not be deemed binding upon the APPROVING PARTY in the future, and shall not require the APPROVING PARTY to grant similar approvals in the future as to any other LOT or OWNER.

7.33 Exceptions. The foregoing use and maintenance restrictions and architectural controls shall not apply to DECLARANT, or to any portion of the SUBJECT PROPERTY while owned by DECLARANT, and shall not be applied in a manner which would prohibit or restrict the development of any portion of the SUBJECT PROPERTY and the construction of any UNITS and other improvements thereon, or any activity associated with the sale or leasing of any UNITS, by DECLARANT. In addition, DECLARANT shall have the right to exempt any other builder or developer from any of the foregoing use and maintenance restrictions. Specifically, and without limitation, DECLARANT shall have the right to, and any other builder or developer who is exempted from the foregoing restrictions by DECLARANT shall have the right to (i) construct any buildings or improvements within the SUBJECT PROPERTY, and make any additions, alterations, improvements, or changes thereto; (ii) maintain customary and usual sales, leasing, general office and construction operations on any LOT; (iii) place, erect or construct portable, temporary or accessory buildings or structures upon the SUBJECT PROPERTY for sales, leasing, construction, storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any LOT; and (v) post, display, inscribe or affix to the exterior of a UNIT or upon the SUBJECT PROPERTY, signs and other materials used in developing, constructing, selling or promoting any LOT.

8. ASSESSMENT FOR COMMON EXPENSES.

8.1 Responsibility for Payment of ASSESSMENTS. Subject to the provisions of paragraph 8.3 of this DECLARATION, each OWNER of a LOT shall be responsible for the payment to the ASSOCIATION of ASSESSMENTS for COMMON EXPENSES for each LOT owned by the OWNER, which amount shall be assessed to each OWNER as described below. ASSESSMENTS for COMMON EXPENSES also includes all costs in connection with the operation, maintenance and, if necessary, replacement of the surface water management and drainage system. In addition, each OWNER shall be responsible for the payment to the ASSOCIATION of any ASSESSMENTS owed by the prior OWNER of such LOT, except for any ASSESSMENTS owed by DECLARANT, and except as provided in paragraph 9.1.3 of this DECLARATION.

8.2 Manner of Payment. Prior to the beginning of each fiscal year of the ASSOCIATION, 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 LOT, and shall notify each OWNER in writing of the amount, frequency, and due dates of the ASSESSMENT for COMMON EXPENSES which shall be monthly. 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, the BOARD may make special 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 each 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.

8.3 UNITS Assessed. There shall be no ASSESSMENTS for COMMON EXPENSES as to any LOT not containing a UNIT. Except for the foregoing, the ASSESSMENTS for COMMON EXPENSES assessed against each LOT shall be equal. The ASSESSMENT for COMMON EXPENSES as to each LOT upon which a UNIT is constructed shall commence on the date that a certificate of occupancy for the UNIT is issued, or upon the first occupancy of the UNIT, whichever occurs first.

8.4 Capital Fund. In addition to ASSESSMENTS for COMMON EXPENSES, after a certificate of occupancy for a UNIT constructed upon a LOT is issued by the controlling governmental authority and upon the initial conveyance of the LOT, the OWNER of the LOT shall pay to the ASSOCIATION a contribution to a working capital fund of the ASSOCIATION in an amount equal to two (2) months' ASSESSMENTS for COMMON EXPENSES, which shall be in addition to the OWNER's responsibility for ASSESSMENTS for COMMON EXPENSES. The working 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.

8.5 Liability of DECLARANT. Notwithstanding the foregoing, during the period when DECLARANT appoints a majority of the directors of the ASSOCIATION, DECLARANT shall not be liable for ASSESSMENTS for COMMON EXPENSES for any LOTS owned by DECLARANT, but during such period, DECLARANT shall be responsible for all COMMON EXPENSES actually incurred by the ASSOCIATION in excess of the ASSESSMENTS for COMMON EXPENSES and any other income receivable by the ASSOCIATION, including working capital fund contributions. During such period when DECLARANT appoints a majority of the directors of the ASSOCIATION, the ASSESSMENTS for COMMON EXPENSES shall be established by DECLARANT based upon DECLARANT's estimate of what the expenses of the ASSOCIATION would be if all UNITS and IMPROVEMENTS contemplated within the SUBJECT PROPERTY were completed, so that ASSESSMENTS for COMMON EXPENSES during such period will be approximately what said ASSESSMENTS would be if the development of the SUBJECT PROPERTY as contemplated by DECLARANT was complete. Notwithstanding the foregoing, in the event the ASSOCIATION incurs any expense not ordinarily anticipated in the day-to-day management and operation of the SUBJECT PROPERTY, including but not limited to expenses incurred in connection with lawsuits against the ASSOCIATION, or incurred in connection with damage to property, or injury or death to any person, which are not covered by insurance proceeds, the liability of DECLARANT for such COMMON EXPENSES shall not exceed the amount that DECLARANT would be required to pay if it was liable for ASSESSMENTS for COMMON EXPENSES as any other OWNER, and any excess amounts payable by the ASSOCIATION shall be assessed to the other OWNERS. In addition to the foregoing, and notwithstanding anything contained herein to the contrary, after DECLARANT no longer appoints a majority of the Directors of the ASSOCIATION, DECLARANT will no longer be required to pay any monies to the ASSOCIATION, including ASSESSMENTS for COMMON EXPENSES for LOTS owned by DECLARANT, or any deficits of the ASSOCIATION, but DECLARANT may elect to pay ASSESSMENTS or to fund all or any portion of the deficits of the ASSOCIATION in its full discretion, without prejudice to its right to discontinue such payments at any time thereafter. During the period when DECLARANT is not liable for ASSESSMENTS for COMMON EXPENSES, the ASSOCIATION will not be required to fund any reserve or other accounts which may be reflected in the budget, and may use funds otherwise allocated for such reserve or other accounts to pay for the COMMON EXPENSES incurred by the ASSOCIATION.

8.6 Failure to Maintain LOT. Notwithstanding anything to the contrary, in the event an OWNER or the ASSOCIATION fails to maintain a LOT or any part of the SUBJECT PROPERTY to the satisfaction of APPROVING PARTY or the ASSOCIATION, and upon the ASSOCIATION's or OWNER's failure to make such improvement corrections as may be necessary within fifteen (15) days after receipt of written notice by APPROVING PARTY or the ASSOCIATION, the APPROVING PARTY or the ASSOCIATION may enter upon such LOT or part of the SUBJECT PROPERTY and make such improvements or corrections as may be necessary. Written notice need not be given in the case of emergency, and the APPROVING PARTY or the ASSOCIATION may without any prior notice directly remedy the problem. Such entry by the APPROVING PARTY or the ASSOCIATION or their agents shall not be a trespass, and by acceptance of a deed to a LOT or UNIT, or by the recordation of this DECLARATION, such PARTY has expressly given the APPROVING PARTY and the ASSOCIATION the continuing permission to do so, which permission may not be revoked. The cost of exterior maintenance which is performed by the ASSOCIATION to an OWNER's LOT in accordance with this paragraph shall be assessed against the LOT upon which such maintenance is performed, and it shall be a lien against the LOT and obligation to the OWNER and shall become due and payable in all respects as provided this DECLARATION.

9. DEFAULT.

9.1 Monetary Defaults and Collection of ASSESSMENTS.

9.1.1 Late Fees and Interest. If any ASSESSMENT is not paid within ten (10) days after the due date, or if any check for any ASSESSMENT is dishonored, the ASSOCIATION shall have the right to charge the applicable OWNER a late or bad check fee of ten (10%) percent of the amount of the ASSESSMENT, or Twenty-Five Dollars (\$25.00), whichever is greater, plus interest at the then highest rate of interest allowable by law from the due date until paid. If there is no due date applicable to any particular ASSESSMENT, then the ASSESSMENT shall be due ten (10) days after written demand by the ASSOCIATION.

9.1.2 Acceleration of ASSESSMENTS. If any OWNER is in default in the payment of any ASSESSMENT owed to the ASSOCIATION for more than thirty (30) days after written demand by the ASSOCIATION, the ASSOCIATION, upon written notice to the defaulting OWNER, shall have the right to accelerate and require such defaulting OWNER to pay, to the ASSOCIATION, ASSESSMENTS for COMMON EXPENSES for the next twelve (12) month period, based upon the then existing amount and frequency of ASSESSMENTS for COMMON EXPENSES. In the event of such acceleration, the defaulting OWNER shall continue to be liable for any increases in the regular ASSESSMENTS for COMMON EXPENSES, for all special ASSESSMENTS for COMMON EXPENSES, and/or for all other ASSESSMENTS payable to the ASSOCIATION.

9.1.3 Lien for ASSESSMENTS. The ASSOCIATION has a lien on each LOT for unpaid ASSESSMENTS owed to the ASSOCIATION by the OWNER of such LOT, and for late fees and interest, and for reasonable attorneys' fees incurred by the ASSOCIATION incident to the collection of the ASSESSMENT or enforcement of the lien, and all sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances in order to protect the ASSOCIATION's lien. The lien shall be effective from and after recording a claim of lien in the public records in the county in which the LOT is located, stating the description of the LOT, the name of the record OWNER, and the amount due as of the recording of the claim of lien. A recorded claim of lien shall secure all sums set forth in the claim of lien, together with all ASSESSMENTS or other moneys owed to the ASSOCIATION by the OWNER until the lien is satisfied. The lien shall be in effect until all sums secured by it have been fully paid or until the lien is barred by law. The claim of lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien.

ASSESSMENTS or other moneys due to the ASSOCIATION, as provided herein, and next towards any unpaid ASSESSMENTS owed to the ASSOCIATION, in the inverse order that such ASSESSMENTS were due.

9.2 Non-Monetary Defaults. In the event of a violation by any OWNER or any tenant of an OWNER, or any person residing with them, or their guests or invitees (other than the non-payment of any ASSESSMENT or other moneys), of any of the provisions of this DECLARATION, the ARTICLES, the BYLAWS or the Rules and Regulations of the ASSOCIATION, the ASSOCIATION shall notify the OWNER and any tenant of the OWNER of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, or, if the violation is not capable of being cured within such seven (7) day period, the OWNER or tenant fails to commence and diligently proceed to completely cure such violation as soon as practicable within seven (7) days after written notice by the ASSOCIATION, or if any similar violation is thereafter repeated, the ASSOCIATION may, at its option:

9.2.1 Impose a fine against the OWNER or tenant as provided in paragraph 9.3; and/or

9.2.2 Commence an action to enforce the performance on the part of the OWNER or tenant, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

9.2.3 Commence an action to recover damages; and/or

9.2.4 Take any and all actions reasonably necessary to correct such failure, which actions may include, where applicable, but are not limited to, removing any addition, alteration, IMPROVEMENT or change which has not been approved by the ASSOCIATION, or performing any maintenance required to be performed by this DECLARATION.

All expenses incurred by the ASSOCIATION in connection with the correction of any failure, plus a service charge of ten percent (10%) of such expenses, and all expenses incurred by the ASSOCIATION in connection with any legal proceedings to enforce this DECLARATION, including reasonable attorneys' fees whether or not incurred in legal proceedings, shall be assessed against the applicable OWNER, and shall be due upon written demand by the ASSOCIATION. The ASSOCIATION shall have a lien for any such ASSESSMENT and any interest, cost or expenses associated therewith, including attorneys' fees incurred in connection with such ASSESSMENT, and may take such action to collect such ASSESSMENT or foreclose said lien as in the case and in the manner of any other ASSESSMENT as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the county in which the SUBJECT PROPERTY is located.

9.3 Fines. The amount of any fine shall be determined by the BOARD, and shall not exceed one month's ASSESSMENT for COMMON EXPENSES for the first offense, two months' ASSESSMENT for COMMON EXPENSES for a second similar offense, and three months' ASSESSMENT for COMMON EXPENSES for a third or subsequent similar offense. Notwithstanding the foregoing, if any violation of this DECLARATION or the Rules and Regulations is of a continuing nature, and if the OWNER fails to cure any continuing violation within 30 days after written notice of such violation, or if such violation is not capable of being cured within such 30-day period, the OWNER fails to commence action reasonably necessary to cure the violation within such 30-day period or shall thereafter fail to proceed diligently to cure the violation as soon as is reasonably practical, a daily fine may be imposed until the violation is cured in an amount not to exceed one-fourth (1/4) of one month's ASSESSMENT for COMMON EXPENSES. Prior to imposing any fine, the OWNER or tenant shall be afforded an opportunity for a hearing after reasonable notice to the OWNER or tenant of not less than 14 days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the DECLARATION, BYLAWS, or Rules and Regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted

9.1.4 Collection and Foreclosure. The ASSOCIATION may bring an action in its name to foreclose a lien for ASSESSMENTS in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid ASSESSMENTS without waiving any claim of lien, and the applicable OWNER shall be liable to the ASSOCIATION for all costs and expenses incurred by the ASSOCIATION in connection with the collection of any unpaid ASSESSMENTS, and the filing, enforcement and/or foreclosure of the ASSOCIATION's lien, including reasonable attorneys' fees whether or not incurred in legal proceedings, and all sums paid by the ASSOCIATION for taxes and on account of any other mortgage, lien, or encumbrance in order to preserve and protect the ASSOCIATION's lien. The BOARD is authorized to settle and compromise the ASSOCIATION's lien if the BOARD deems a settlement or compromise to be in the best interest of the ASSOCIATION.

9.1.5 Rental and Receiver. If an OWNER remains in possession of his/her UNIT and the claim of lien of the ASSOCIATION against his/her LOT is foreclosed, the court, in its discretion, may require the OWNER to pay a reasonable rental for the UNIT, and the ASSOCIATION shall be entitled to the appointment of a receiver to collect the rent.

9.1.6 Subordination of Lien. Where any person obtains title to a LOT pursuant to the foreclosure of a first mortgage of record, or where the holder of a first mortgage accepts a deed to a LOT in lieu of foreclosure of the first mortgage of record of such lender, such acquirer of title, its successors and assigns, shall not be liable for any ASSESSMENTS or for other moneys owed to the ASSOCIATION which are chargeable to the former OWNER of the LOT and which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the payment of such funds is secured by a claim of lien recorded prior to the recording of the foreclosed or underlying mortgage. The unpaid ASSESSMENTS or other moneys are COMMON EXPENSES collectible from all of the OWNERS, including such acquirer and his/her successors and assigns. The new OWNER, from and after the time of acquiring such title, shall be liable for payment of all future ASSESSMENTS for COMMON EXPENSES and such other expenses as may be assessed to the OWNER's LOT. Any person who acquires a LOT, except through foreclosure of a first mortgage of record or deed in lieu thereof, including, without limitation, persons acquiring title by sale, gift, devise, operation of law or by purchase at a judicial or tax sale, shall be liable for all unpaid ASSESSMENTS and other moneys due and owing by the former OWNER to the ASSOCIATION, and shall not be entitled to occupancy of the UNIT or enjoyment of the COMMON AREAS, or of the recreational facilities as same may exist from time to time, until such time as all unpaid ASSESSMENTS and other moneys have been paid in full.

9.1.7 Assignment of Claim and Lien Rights. The ASSOCIATION, acting through its BOARD, shall have the right to assign its claim and lien rights for the recovery of any unpaid ASSESSMENTS and any other moneys owed to the ASSOCIATION, to any third party.

9.1.8 Unpaid ASSESSMENTS Certificate. Within 15 days after written request by any OWNER or any INSTITUTIONAL LENDER holding or making a mortgage encumbering any LOT, the ASSOCIATION shall provide the OWNER or INSTITUTIONAL LENDER a written certificate as to whether or not the OWNER of the LOT is in default with respect to the payment of ASSESSMENTS or with respect to compliance with the terms and provisions of this DECLARATION, and any person or entity who relies on such certificate in purchasing or in making a mortgage loan encumbering any LOT shall be protected thereby. Notwithstanding the above, there is no obligation on the part of any INSTITUTIONAL LENDER to collect ASSESSMENTS from any OWNER.

9.1.9 Application of Payments. Any moneys paid to the ASSOCIATION by any OWNER shall first be applied towards any sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances which may have been advanced by the ASSOCIATION in order to preserve and protect its lien, next toward reasonable attorneys' fees incurred by the ASSOCIATION incidental to the collection of ASSESSMENTS and other moneys owed to the ASSOCIATION by the OWNER and/or for the enforcement of its lien; next towards interest on any

by the ASSOCIATION. The OWNER or tenant shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the ASSOCIATION. At the hearing, the BOARD shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the BOARD so determines, it may impose such fine as it deems appropriate by written notice to the OWNER or tenant. If the OWNER or tenant fails to attend the hearing as set by the BOARD, the OWNER or tenant shall be deemed to have admitted the allegations contained in the notice to the OWNER or tenant. Any fine imposed by the BOARD shall be due and payable within ten (10) days after written notice of the imposition of the fine or, if a hearing is timely requested, within ten (10) days after written notice of the BOARD's decision at the hearing. Any fine levied against an OWNER shall be deemed an ASSESSMENT, and if not paid when due, all of the provisions of this DECLARATION relating to the late payment of ASSESSMENTS shall be applicable. If any fine is levied against a tenant and is not paid within ten (10) days after same is due, the ASSOCIATION shall have the right to evict the tenant as hereinafter provided. In any event, the ASSOCIATION shall not have the right to impose any fine against DECLARANT.

9.4 Negligence. An OWNER shall be liable and may be assessed by the ASSOCIATION for the expense of any maintenance, repair or replacement rendered necessary by his/her act, neglect or carelessness, to the extent otherwise provided by law and to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a LOT or UNIT, or the COMMON AREAS.

9.5 Responsibility of an OWNER for Occupants, Tenants, Guests, and Invitees. Except to the extent otherwise provided by law, each OWNER shall be responsible for the acts and omissions, whether negligent or willful, of any person residing in his/her UNIT, and for all guests and invitees of the OWNER or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the COMMON AREAS, or any liability to the ASSOCIATION, the OWNER shall be assessed for same as in the case of any other ASSESSMENT, limited where applicable to the extent that the expense or liability is met by the proceeds of insurance carried by the ASSOCIATION. Furthermore, any violation of any of the provisions of this DECLARATION or the ARTICLES, or the BYLAWS, by any resident of any UNIT, or any guest or invitee of an OWNER, shall subject the OWNER to the same liability as if such violation was that of the OWNER.

9.6 Right of ASSOCIATION to Evict Tenants, Occupants, Guests and Invitees. With respect to any tenant or any person present in any UNIT or any portion of the SUBJECT PROPERTY, other than an OWNER and the members of his/her immediate family permanently residing with him in the UNIT, if such person shall materially violate any provision of this DECLARATION, the ARTICLES, or the BYLAWS, or shall create a nuisance or an unreasonable and continuous source of annoyance to the residents of the SUBJECT PROPERTY, or shall willfully damage or destroy any COMMON AREAS or personal property of the ASSOCIATION, then upon written notice by the ASSOCIATION, such person shall be required to immediately leave the SUBJECT PROPERTY and, if such person does not do so, the ASSOCIATION is authorized to commence an action to evict such tenant or compel the person to leave the SUBJECT PROPERTY and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be assessed against the applicable OWNER, and the ASSOCIATION may collect such ASSESSMENT and have a lien for same as elsewhere provided. The foregoing shall be in addition to any other remedy of the ASSOCIATION.

9.7 No Waiver. The failure of the ASSOCIATION to enforce any right, provision, covenant or condition which may be granted by this DECLARATION, the ARTICLES, or the BYLAWS, shall not constitute a waiver of the right of the ASSOCIATION to enforce such right, provision, covenant or condition in the future.

9.8 Rights Cumulative. All rights, remedies and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this DECLARATION, the ARTICLES or the BYLAWS, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the ASSOCIATION from executing any additional remedies, rights or privileges as may be granted or as it may have by law.

9.9 Enforcement By or Against Other Persons. In addition to the foregoing, this DECLARATION may be enforced by DECLARANT or the ASSOCIATION, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this DECLARATION, including attorneys' fees, shall be borne by the PERSON against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this DECLARATION. In addition to the foregoing, any OWNER shall have the right to bring an action to enforce this DECLARATION against any person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any PERSON, and the prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees.

9.10 Enforcement of Obligations of ASSOCIATION. The original DECLARANT, regardless of whether or not it is a MEMBER of the ASSOCIATION, and any controlling governmental authority, shall have the right to enforce the obligations of the ASSOCIATION to properly maintain and operate any property as required by this DECLARATION, and in the event the ASSOCIATION defaults with respect to any of its obligations to operate or maintain any property, and does not commence and diligently proceed to cure such default as soon as is reasonably practicable, and in any event within ten (10) days after demand by the original DECLARANT or any controlling governmental authority, the original DECLARANT or such controlling governmental authority shall have the right to perform such maintenance, and in that event, all reasonable costs and expenses incurred by the original DECLARANT or such controlling governmental authority, plus interest at the highest rate permitted by law, shall be paid by the ASSOCIATION, plus any costs, expenses and attorney's fees incurred in connection with the enforcement of the ASSOCIATION's duties and obligations hereunder, or the collection of any such sums. The original DECLARANT or the controlling governmental authority shall have the right to collect such sums from the OWNERS, and in connection therewith, shall have all enforcement rights granted to the ASSOCIATION in connection with the collection of said monies, including but not limited to all lien rights provided by this DECLARATION. In addition, the duties and obligations of the ASSOCIATION may be enforced by any UNIT OWNER by appropriate legal proceedings.

9.11 Dedications. The DECLARANT reserves the right to dedicate, grant or convey any portion of the SUBJECT PROPERTY owned by it or any interest or easement therein to any governmental or quasi-governmental agency or private or public utility company, and shall also have the right to direct the ASSOCIATION to likewise dedicate, grant or convey any COMMON AREA, or any interest or easement in any COMMON AREA, whereupon the ASSOCIATION shall execute such documents as will be necessary to effectuate such dedication. This right of DECLARANT shall terminate when DECLARANT no longer has any interest in any portion of the SUBJECT PROPERTY, either as OWNER or as mortgagee, and thereafter, the right shall be vested in the ASSOCIATION. Any property, or any interest or easement therein, which is dedicated, granted or conveyed pursuant to this Article shall not be subject to the covenants and restrictions contained within this DECLARATION, unless the instrument so dedicating, granting or conveying such property, interest or easement specifically provides that same is subject to the covenants and restrictions contained within this DECLARATION.

10. TERM OF DECLARATION; PERPETUAL EXISTENCE OF ASSOCIATION. All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain

in full force and effect at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this DECLARATION, unless within such time, one hundred (100%) percent of the OWNERS execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). Any termination of this DECLARATION shall be effective on the date the instrument of termination is recorded in the public records of the county in which the SUBJECT PROPERTY is located, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by the DECLARANT so long as the DECLARANT owns any LOT, or holds any mortgage encumbering any LOT. The ASSOCIATION exists in perpetuity. Further, in the event this DECLARATION or the ASSOCIATION is terminated or dissolved, or ceases to exist for any reason whatsoever, the property consisting of the surface water management system will be conveyed to an appropriate agency of local government. If this conveyance is not accepted, then the surface water management system will be dedicated to a similar non-profit corporation. Until an alternate entity assumes responsibility, all LOT OWNERS shall be jointly and severally responsible for operation and maintenance of the surface water management system facilities in accordance with the requirements of the Permit.

11. AMENDMENT.

11.1 Manner of Amendment. This DECLARATION may be amended upon the approval of not less than two-thirds (2/3) of the OWNERS, except that if any provision of this DECLARATION requires more than a 2/3 vote of the OWNERS to approve any action, such provision may not be amended to require a lesser vote, and may not be deleted, without the same number of votes required to approve such action. In addition, subject to Section 720.3075 Florida Statutes (2003), so long as DECLARANT owns any portion of the SUBJECT PROPERTY, this DECLARATION may be amended from time to time, by DECLARANT and without the consent of the ASSOCIATION or by any OWNER, and no amendment may be made by the OWNERS without the written joinder of DECLARANT. Such right of DECLARANT to amend this DECLARATION shall specifically include, but shall not be limited to, (i) amendments adding any property which will be developed in a similar manner as the SUBJECT PROPERTY, or deleting any property from the SUBJECT PROPERTY which will be developed differently than the SUBJECT PROPERTY (provided that any such amendment shall require the joinder of the OWNERS of such property or any portion thereof if the OWNERS are different than DECLARANT, and further provided that DECLARANT shall not have the obligation to add any property to or delete any property from the SUBJECT PROPERTY), and (ii) amendments required by any INSTITUTIONAL LENDER or governmental authority in order to comply with the requirements of same. In order to be effective, any amendment to this DECLARATION must first be recorded in the public records of the county in which the SUBJECT PROPERTY is located, and in the case of an amendment made by the OWNERS, such amendment shall contain a certification by the President and Secretary of the ASSOCIATION that the amendment was duly adopted.

11.2 Negative Covenants. No amendment shall discriminate against any OWNER or class or group of OWNERS, unless the OWNERS so affected join in the execution of the amendment. No amendment shall change the number of votes of any OWNER or increase any OWNER's proportionate share of the COMMON EXPENSES, unless the OWNERS affected by such amendment join in the execution of this amendment. No amendment may prejudice or impair the privileges and priorities of INSTITUTIONAL LENDERS granted hereunder unless all INSTITUTIONAL LENDERS join in the execution of the amendment. No amendment shall make any changes which would in any way affect any of the rights, privileges, powers or options herein provided in favor of, or reserved to, DECLARANT, unless DECLARANT joins in the execution of the amendment.

11.3 Approval of Authority. Notwithstanding anything contained herein to the contrary, any amendment to this DECLARATION which would adversely affect the surface water management system, conservation areas, if applicable, including the water management portions of the COMMON AREAS, must be submitted to the DISTRICT for a determination of whether the amendment necessitates a modification of the Permit. If a modification is necessary, the DISTRICT will so advise the permittee.

12. SPECIAL PROVISIONS REGARDING INSTITUTIONAL LENDERS.

12.1 Notice of Action. Upon written request to the ASSOCIATION by an INSTITUTIONAL LENDER holding, insuring or guaranteeing a mortgage encumbering any LOT, identifying the name and address of the holder, insurer or guarantor and the LOT number or address, any such holder, insurer or guarantor will be entitled to timely receive written notice of:

12.1.1 Any condemnation or casualty loss which affects a material portion of the SUBJECT PROPERTY or the LOT;

12.1.2 Any sixty (60) day default in the payment of ASSESSMENTS or charges owed to the ASSOCIATION or in the performance of any obligation hereunder by the OWNER of the LOT;

12.1.3 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the ASSOCIATION;

12.1.4 Any proposed action which would require the consent of a specified percentage of INSTITUTIONAL LENDERS.

12.2 Consent of INSTITUTIONAL LENDERS. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgage(s) encumbering any LOTS is required by this DECLARATION, the ARTICLES, the BYLAWS, or any applicable statute or law, to any amendment of the DECLARATION, the ARTICLES, or the BYLAWS, or to any action of the ASSOCIATION, or to any other matter relating to the SUBJECT PROPERTY, the ASSOCIATION may request such consent or approval of such holder(s) by written request sent certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by such holders). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by the ASSOCIATION), which response must be received by the ASSOCIATION within thirty (30) days after the holder receives such request, and if such response is not timely received by the ASSOCIATION, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the directors of the ASSOCIATION, which affidavit, where necessary, may be recorded in the public records of the county where the SUBJECT PROPERTY is located, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as to the matters therein contained. The foregoing shall not apply where an INSTITUTIONAL LENDER is otherwise specifically required to join in an amendment to this DECLARATION.

12.3 Payment of Taxes and Insurance. Any INSTITUTIONAL LENDER may pay any taxes or assessments owed to any governmental authority by the ASSOCIATION which are in default, or any overdue insurance premiums required to be purchased by the ASSOCIATION pursuant to this DECLARATION, or may secure new insurance upon the lapse of a policy, and shall be owed immediate reimbursement therefor from the ASSOCIATION plus interest at the highest rate permitted by law and any costs of collection, including attorneys' fees.

13.8 Inapplicability of Condominium Act. It is acknowledged that the ASSOCIATION is not intended to be a condominium association, and is not intended to and shall not be governed by the provisions of Florida Statutes, Chapter 718.

13.9 Lawsuits Brought by the ASSOCIATION. In the event the ASSOCIATION or any OWNER desires to make any claim against DECLARANT, whether for money damages or otherwise, the ASSOCIATION or the OWNER, as the case may be, shall give DECLARANT written notice of such claim, which notice shall state the nature of the claim, the amount of the claim, and shall require DECLARANT to elect to arbitrate such claim pursuant to this paragraph. DECLARANT shall have the right to require such claim to be submitted to binding arbitration in accordance with the rules of the American Arbitration Association, then obtaining by written notice delivered to the ASSOCIATION or the OWNER, as applicable, within thirty (30) days after receipt of the foregoing notice, and if DECLARANT so elects, then such claim must be submitted to binding arbitration by the ASSOCIATION or the OWNER. The result of such arbitration shall be specifically enforceable under the laws of the State of Florida. Any award or decision rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with the applicable laws of the State of Florida. In any event, the ASSOCIATION shall not commence any legal proceedings on its behalf or on behalf of the OWNERS, and shall not spend any money or make an ASSESSMENT for any money to pay for attorneys' fees or any other fees, costs, or expenses of any kind or nature whatsoever to investigate, prepare for, or research any legal proceedings without the consent of at least 75% of all of the OWNERS obtained at a duly called special meeting of the OWNERS for the purpose of approving such action, and without the consent of INSTITUTIONAL LENDERS holding a majority of the mortgages that encumber the LOTS, except for legal proceedings against an OWNER, other than DECLARANT, to enforce the OWNER's obligations, monetary or otherwise, under this DECLARATION, the ARTICLES, the BYLAWS or the Rules and Regulations.

13.10 Modification of Development Plan. DECLARANT reserves the right at any time and from time to time to modify the development plan for all or any portion of the SUBJECT PROPERTY, and in connection therewith to develop UNITS upon the SUBJECT PROPERTY which are substantially different from the UNITS planned for the SUBJECT PROPERTY from time to time, and in the event DECLARANT changes the type, size, or nature of the UNITS or other IMPROVEMENTS to be constructed upon the SUBJECT PROPERTY, DECLARANT shall have no liability therefor to any OWNER. In addition, DECLARANT makes no representations or warranties as to the manner in which any other property outside of the SUBJECT PROPERTY will be developed, and shall have no liability to any OWNER as regards the development of any other property in or around the SUBJECT PROPERTY.

13.11 Utility Deposits. It is acknowledged that various utility deposits may be required for utility services for the COMMON AREAS which will be supplied as a COMMON EXPENSE, and in the event DECLARANT pays for such deposits, DECLARANT shall be entitled to reimbursement from the ASSOCIATION when funds are available for such reimbursement, and until DECLARANT is reimbursed for any deposits paid by it, DECLARANT shall be entitled to any refunds of any utility deposits from the appropriate authority holding same, and if any deposit is refunded to the ASSOCIATION, same shall be promptly paid to DECLARANT by the ASSOCIATION upon receipt.

13. MISCELLANEOUS.

13.1 Special Provisions Regarding SERVICE PROVIDERS. So long as DECLARANT is entitled to appoint any director of the ASSOCIATION, DECLARANT reserves and shall have the right (but not the obligation) to enter into agreements with one or more SERVICE PROVIDERS, as defined herein, on such terms and conditions as DECLARANT may reasonably deem appropriate. Any such SERVICE PROVIDER may be a subsidiary or affiliate of DECLARANT or a company having the same or similar ownership and/or contract as DECLARANT. Any such agreement may require each UNIT OWNER to subscribe for, at a minimum, basic services offered by the SERVICE PROVIDER, which may include but is not limited to basic cable services, home monitoring, and data transmission services, and to pay such charges as a COMMON EXPENSE, either directly to the SERVICE PROVIDER or to the ASSOCIATION, as may be provided in the agreement. Any agreement may also give OWNERS the option to subscribe to additional services in addition to the basic services for an additional fee to be determined by the SERVICE PROVIDER providing such services from time to time.

13.2 Conflict with ARTICLES or BYLAWS. In the event of any conflict between the ARTICLES and the BYLAWS and this DECLARATION, this DECLARATION, the ARTICLES, and the BYLAWS, in that order, shall control.

13.3 Authority of ASSOCIATION and Delegation. Nothing contained in this DECLARATION shall be deemed to prohibit the BOARD from delegating to any one of its members, or to any officer, or to any committee or any other person, any power or right granted to the BOARD by this DECLARATION including, but not limited to, the right to exercise architectural control and to approve any deviation from any use restriction, and the BOARD is expressly authorized to so delegate any power or right granted by this DECLARATION.

13.4 Severability. The invalidation in whole or in part of any of these covenants, conditions, reservations and restrictions, or any section, subsection, sentence, clause, phrase, word or other provision of this DECLARATION shall not affect the validity of the remaining portions which shall remain in full force and effect.

13.5 Validity. In the event any court shall hereafter determine that any provisions as originally drafted herein violate the rule against perpetuities, the period specified in this DECLARATION shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rule of law.

13.6 Assignment of DECLARANT's Rights. Any or all of the rights, privileges, or options provided to or reserved by DECLARANT in this DECLARATION, the ARTICLES, or the BYLAWS, may be assigned by DECLARANT, in whole or in part, as to all or any portion of the SUBJECT PROPERTY, to any person or entity pursuant to an assignment recorded in the public records of the county in which the SUBJECT PROPERTY is located. Any partial assignee of any of the rights of DECLARANT shall not be deemed the DECLARANT, and shall have no other rights, privileges or options other than as are specifically assigned. No assignee of DECLARANT shall have any liability for any acts of DECLARANT or any prior DECLARANT unless such assignee is assigned and agrees to assume such liability.

13.7 Performance of ASSOCIATION's Duties by DECLARANT. DECLARANT shall have the right from time to time, at its sole discretion, to perform at DECLARANT's expense the duties and obligations required hereunder to be performed by the ASSOCIATION, and in connection therewith to reduce the budget of the ASSOCIATION and the ASSESSMENTS for COMMON EXPENSES payable by the OWNERS, provided however that any such performance on the part of DECLARANT may be discontinued by DECLARANT at any time, and any such performance shall not be deemed to constitute a continuing obligation on the part of DECLARANT.

13.8 Inapplicability of Condominium Act. It is acknowledged that the ASSOCIATION is not intended to be a condominium association, and is not intended to and shall not be governed by the provisions of Florida Statutes, Chapter 718.

13.9 Lawsuits Brought by the ASSOCIATION. In the event the ASSOCIATION or any OWNER desires to make any claim against DECLARANT, whether for money damages or otherwise, the ASSOCIATION or the OWNER, as the case may be, shall give DECLARANT written notice of such claim, which notice shall state the nature of the claim, the amount of the claim, and shall require DECLARANT to elect to arbitrate such claim pursuant to this paragraph. DECLARANT shall have the right to require such claim to be submitted to binding arbitration in accordance with the rules of the American Arbitration Association, then obtaining by written notice delivered to the ASSOCIATION or the OWNER, as applicable, within thirty (30) days after receipt of the foregoing notice, and if DECLARANT so elects, then such claim must be submitted to binding arbitration by the ASSOCIATION or the OWNER. The result of such arbitration shall be specifically enforceable under the laws of the State of Florida. Any award or decision rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with the applicable laws of the State of Florida. In any event, the ASSOCIATION shall not commence any legal proceedings on its behalf or on behalf of the OWNERS, and shall not spend any money or make an ASSESSMENT for any money to pay for attorneys' fees or any other fees, costs, or expenses of any kind or nature whatsoever to investigate, prepare for, or research any legal proceedings without the consent of at least 75% of all of the OWNERS obtained at a duly called special meeting of the OWNERS for the purpose of approving such action, and without the consent of INSTITUTIONAL LENDERS holding a majority of the mortgages that encumber the LOTS, except for legal proceedings against an OWNER, other than DECLARANT, to enforce the OWNER's obligations, monetary or otherwise, under this DECLARATION, the ARTICLES, the BYLAWS or the Rules and Regulations.

13.10 Modification of Development Plan. DECLARANT reserves the right at any time and from time to time to modify the development plan for all or any portion of the SUBJECT PROPERTY, and in connection therewith to develop UNITS upon the SUBJECT PROPERTY which are substantially different from the UNITS planned for the SUBJECT PROPERTY from time to time, and in the event DECLARANT changes the type, size, or nature of the UNITS or other IMPROVEMENTS to be constructed upon the SUBJECT PROPERTY, DECLARANT shall have no liability therefor to any OWNER. In addition, DECLARANT makes no representations or warranties as to the manner in which any other property outside of the SUBJECT PROPERTY will be developed, and shall have no liability to any OWNER as regards the development of any other property in or around the SUBJECT PROPERTY.

13.11 Utility Deposits. It is acknowledged that various utility deposits may be required for utility services for the COMMON AREAS which will be supplied as a COMMON EXPENSE, and in the event DECLARANT pays for such deposits, DECLARANT shall be entitled to reimbursement from the ASSOCIATION when funds are available for such reimbursement, and until DECLARANT is reimbursed for any deposits paid by it, DECLARANT shall be entitled to any refunds of any utility deposits from the appropriate authority holding same, and if any deposit is refunded to the ASSOCIATION, same shall be promptly paid to DECLARANT by the ASSOCIATION upon receipt.

IN WITNESS WHEREOF, DECLARANT has executed this DECLARATION this 27 day of July, 2006.

[Signature]
Print name: S. NAVARETTA
Daria J. Schulte
Print name: DARIA J. SCHULTE

RIVER OAKS AT TEN MILE CREEK, LLC, a Florida limited liability company


By: [Signature]
Name: JOHN CHERVENY
Title: Manager Member

STATE OF FLORIDA
COUNTY OF ST. LUCIE

The foregoing instrument was acknowledged before me this 27 day of July, 2006, by JOHN M. CHERVENY, as MEMBER-MANAGER of RIVER OAKS AT TEN MILE CREEK, LLC, a Florida limited liability company, on behalf of the company, who is personally known to me or produced _____ as identification.

My commission expires:

[Signature]
Notary Public
Print name: _____

 S. Navaretta
My Commission DD224076
Expires July 21, 2007

CONSENT OF MORTGAGEE

HARBOR FEDERAL SAVINGS BANK ("Mortgagee"), the holder of a Mortgage and Security Agreement dated July 9, 2004, and recorded in Official Records Book 2015, Page 990, of the Public Records of St. Lucie County, Florida (the "Mortgage"), which encumbers the real property described in Exhibit "E" to the Declaration of Covenants and Restrictions for RIVER OAKS at Ten Mile Creek (the "Declaration") does hereby consent to the Declaration to which this instrument is attached and acknowledges that the terms thereof are and shall be binding on Mortgagee and its successors and assigns.

Mortgagee makes no warranty or any representation of any kind or nature concerning the Declaration, any of its terms or provisions, or the legal sufficiency thereof, and disavows any such warranty or representation as well as any participation in the development of RIVER OAKS at Ten Mile Creek, and does not assume and shall not be responsible for any of the obligations or liabilities of the Developer contained in the Declaration or other documents used in connection with the promotion of RIVER OAKS at Ten Mile Creek. None of the representations contained in the Declaration or other documents shall be deemed to have been made by Mortgagee, nor shall they be construed to create any obligations on Mortgagee to any person relying thereon. Nothing contained herein shall affect or impair the rights and remedies of Mortgagee as set forth in the Mortgage or in the Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Consent on this 2nd day of August, 2006.

HARBOR FEDERAL SAVINGS BANK

Nancy Steele
Print name: Nancy Steele

By: Tammy Allan
Name: TAMMY ALLAN
Title: Vice President

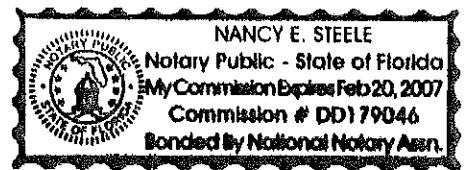
Jeannie Tabscott
Print name: Jeannie Tabscott

STATE OF FLORIDA
COUNTY OF St. Lucie

The foregoing instrument was acknowledged before me this 2nd day of August, 2006, by Tammy ALLAN, as Vice President of HARBOR FEDERAL SAVINGS BANK, a Federal Savings Bank, on behalf of the Corporation, who is personally known to me or produced _____ as identification.

My commission expires:

Nancy E. Steele
Notary Public
Print name: Nancy E. Steele



SCHEDULE OF EXHIBITS

| | |
|-------------|---|
| Exhibit "A" | Articles of Incorporation |
| Exhibit "B" | Bylaws |
| Exhibit "C" | Legal Description of Common Areas to be provided by Amendment |
| Exhibit "D" | Site Plan |
| Exhibit "E" | Legal Description of Subject Property |
| Exhibit "F" | Permit No. 56-01926P |
| Exhibit "G" | Legal Description of Wetland Areas |