

**-DECLARATION OF COVENANTS AND RESTRICTIONS**

**FOR**

**SUNSET INLET**

UNOFFICIAL DOCUMENT

**THIS DOCUMENT PREPARED BY:**  
H. Joseph O'Shields, Esq.  
Rogers Towers, P.A.  
1301 Riverplace Boulevard,  
Suite 1500  
Jacksonville, Florida 32207

ARTICLE I MUTUALITY OF BENEFIT AND OBLIGATION ..... 1

    Section 1. Mutuality ..... 1

    Section 2. Benefits and Burdens ..... 1

ARTICLE II DEFINITIONS..... 1

    Section 1. Act..... 1

    Section 2. Assessments ..... 1

    Section 3. Association..... 2

    Section 4. Board..... 2

    Section 5. Boat Slip..... 2

    Section 6. Canal ..... 2

    Section 7. Common Area..... 2

    Section 8. Community Systems ..... 2

    Section 9. Conservation Easement..... 3

    Section 10. County ..... 3

    Section 11. Declaration..... 3

    Section 12. Developer..... 3

    Section 13. FDEP..... 3

    Section 14. Home..... 3

    Section 15. Improvements ..... 3

    Section 16. Institutional Mortgage..... 3

    Section 17. Institutional Mortgagee or Institutional Lender..... 4

    Section 18. Interest..... 4

    Section 19. Legal Fees ..... 4

    Section 20. Lot..... 4

    Section 21. Lot Improvements ..... 4

    Section 22. Member ..... 4

    Section 23. Operating Expenses ..... 4

    Section 24. Ordinance..... 4

    Section 25. Owner..... 4

    Section 26. Plat ..... 5

    Section 27. Property or Sunset Inlet Parcel ..... 5

    Section 28. Rules and Regulations..... 5

    Section 29. Special Assessments ..... 5

UNOFFICIAL DOCUMENT

Section 31.	Sunset Inlet Documents .....	5
Section 32.	Supplementary Declaration.....	5
Section 33.	Tenant .....	5
Section 34	Surface Water or Stormwater Management System .....	5
Section 35.	Turnover Date .....	6
Section 36.	Vessel .....	6
Section 36.	Zoning Code.....	6
ARTICLE III	DESCRIPTION OF SUNSET INLET:.....	6
Section 1.	General Plan of Development.....	6
Section 2.	Common Area.....	7
Section 3.	Community Systems .....	8
ARTICLE IV	PROPERTY SUBJECT TO THIS DECLARATION.....	8
Section 1.	No Implied Extension of Covenants.....	8
Section 2.	Additional Lands.....	8
Section 3.	Withdrawal of Lands.....	9
ARTICLE V	COMMON AREA RIGHTS; EASEMENTS .....	9
Section 1.	Conveyance of Common Area.....	9
Section 2.	Grant and Reservation of Easements .....	10
Section 3.	Delegation of Use .....	22
Section 4.	Recognition of Easements.....	22
Section 5.	Assignments; Additional Easements.....	22
ARTICLE VI	MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; BOARD; DURATION OF THE ASSOCIATION .....	23
Section 1.	Membership and Voting Rights .....	23
Section 2.	Board.....	23
Section 3.	Duration of the Association .....	23
ARTICLE VII	COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS; COLLECTION OF ASSESSMENTS; COLLECTION BY DEVELOPER; CERTAIN RIGHTS OF DEVELOPER AND INSTITUTIONAL MORTGAGEES.....	23
Section 1.	Affirmative Covenant To Pay Assessments and Special Assessments .....	23
Section 2.	Operating Expenses; Reserves; Special Assessments.....	23
Section 3.	Establishment of Liens.....	25

Section 4.	Collection of Assessments .....	25
Section 5.	Rights of Developer and Institutional Mortgagees To Pay Assessments and Receive Reimbursement .....	26
Section 6.	Collection By Association .....	26
ARTICLE VIII	METHOD OF DETERMINING ASSESSMENTS AND ALLOCATION OF ASSESSMENTS .....	27
Section 1.	Determining Amount of Assessments .....	27
Section 2.	Assessment Payments .....	27
Section 3.	Special Assessments .....	27
Section 4.	Liability of Owners For Lot Assessments .....	27
Section 5.	Guaranteed Assessment During Guarantee Period .....	28
Section 6.	Developer's Guaranteed Assessment Not The Obligation of Institutional Mortgagees .....	29
Section 7.	Ongoing Capital Contribution.....	29
Section 8.	Waiver of Use .....	29
ARTICLE IX	ARCHITECTURAL CONTROL .....	30
Section 1.	Assignment of Right of Architectural Review.....	30
Section 2.	Architectural Review Committee .....	30
Section 3.	Powers and Duties of the ARC .....	30
Section 4.	Compensation of ARC .....	31
Section 5.	Architectural Review and Approval .....	31
Section 6.	Security Deposit For Improvements .....	31
Section 7.	Meetings of the ARC .....	32
Section 8.	No Waiver of Future Approvals .....	32
Section 9.	Inspection of the Work.....	32
Section 10.	Limitation on Liability .....	33
Section 11.	Variance .....	33
ARTICLE X	MAINTENANCE AND REPAIR OBLIGATIONS .....	34
Section 1.	By the Association .....	34
Section 2.	By the Owners.....	36
Section 3.	Damage to Improvements on a Lot.....	38
ARTICLE XI	DAMAGE OR DESTRUCTION TO COMMON AREA .....	39
Section 1.	Determination to Repair or Rebuild.....	39

Section 2.	Owner Responsibility.....	40
Section 3.	Excess Funds.....	40
ARTICLE XII	INSURANCE AND CONDEMNATION .....	40
Section 1.	Casualty Insurance.....	40
Section 2.	Public Liability Insurance.....	40
Section 3.	Fidelity Coverage.....	41
Section 4.	Directors' Coverage.....	41
Section 5.	Other Insurance.....	41
Section 6.	Cancellation or Modification.....	41
Section 7.	Flood Insurance.....	41
Section 8.	Waiver of Subrogation.....	41
Section 9.	Condemnation.....	41
ARTICLE XIII	USE RESTRICTIONS AND RIGHTS AND EASEMENTS RESERVED BY DEVELOPER.....	42
Section 1.	Enforcement.....	42
Section 2.	Residential Use.....	43
Section 3.	Occupancy of Home.....	43
Section 4.	Leases.....	43
Section 5.	Increase in Insurance Rates.....	44
Section 6.	Lot Coverage and Living Area.....	44
Section 7.	No Detached Buildings.....	44
Section 8.	Setbacks.....	44
Section 9.	Easement Areas.....	44
Section 10.	Parking and Vehicular Restrictions.....	44
Section 11.	Nuisances.....	45
Section 12.	Antennae.....	45
Section 13.	Signs.....	45
Section 14.	Animals.....	46
Section 15.	Trash and Other Materials.....	46
Section 16.	Fences.....	47
Section 17.	Oil and Mining Operations.....	47
Section 18.	Sewage Disposal.....	48
Section 19.	Water Supply.....	48

Section 20.	Compliance with Laws .....	48
Section 21.	Reservation of Right to Release Restrictions.....	48
Section 22.	Developer Exemption .....	48
ARTICLE XIV	GENERAL PROVISIONS .....	49
Section 1.	Assignment of Permit Responsibilities and Indemnification.....	49
Section 2.	Usage.....	49
Section 3.	Conflict with Other Sunset Inlet Documents .....	49
Section 4.	Notices .....	49
Section 5.	Enforcement.....	49
Section 6.	Interpretation.....	50
Section 7.	Severability .....	50
Section 8.	Certain Rights of Developer .....	50
Section 9.	Disputes as to Use.....	52
Section 10.	Amendment and Modification.....	52
Section 11.	Delegation .....	54
Section 12.	Term.....	54
Section 13.	Rights of Mortgages.....	54
Section 14.	Approval of Association Lawsuits by Owners .....	55
Section 15.	Compliance with Provisions .....	55
Section 16.	Security .....	56
Section 17.	Covenant/Running With the Land .....	57
Section 18.	No Public Right or Dedication.....	57
Section 19.	No Representations or Warranties .....	57
Section 20.	Certain Reserved Rights of Developer with Respect to Community Systems .....	57
Section 21.	Association and Developer as Attorney-in-Fact .....	58

UNOFFICIAL DOCUMENT

DECLARATION OF COVENANTS AND RESTRICTIONS

FOR

SUNSET INLET

THIS DECLARATION OF COVENANTS AND RESTRICTIONS FOR SUNSET INLET is made this 11th day of January, 2012, by D.R. HORTON, INC. - JACKSONVILLE, d/b/a EMERALD HOMES, a Delaware corporation, which declares that the real property described on Exhibit A attached hereto and made a part hereof, which is owned by the Developer, shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges, liens and all other matters set forth in this Declaration which shall be deemed to be covenants running with the title to the Property and shall be binding upon the Developer and all parties having or acquiring any right, title or interest in the Property or any part thereof.

ARTICLE I

MUTUALITY OF BENEFIT AND OBLIGATION

Section 1. Mutuality. The covenants, restrictions, and agreements set forth in this Declaration are made for the mutual and reciprocal benefit of every parcel within the Property, and are intended to create mutual equitable servitudes upon each such parcel in favor of the other parcels, to create reciprocal rights among the respective Owners, and to create privity of contract and an estate between the grantees of each and every parcel within the Property, their heirs, successors and assigns.

Section 2. Benefits and Burdens. Every person who is an Owner does by reason of taking title to land located within the Property agree to all the terms and provisions of this Declaration and shall be entitled to its benefits and subject to its burdens.

ARTICLE II

DEFINITIONS

A number of terms are defined within the body of this Declaration, and such terms, when used within this Declaration, shall have the meanings specified where defined herein. The following words, when used in this Declaration shall have the following meanings:

Section 1. Act. Section 720, Florida Statutes, as amended and supplemented from time to time.

Section 2. Assessments. All assessments which may be levied and assessed by the Association according to the provisions of Articles VII and VIII of this Declaration.

Section 3. **Association.** The Sunset Inlet Owners Association, Inc., a Florida corporation not-for-profit. This is the Declaration to which the Articles of Incorporation (the "Articles") and Bylaws (the "Bylaws") of the Association make reference. Copies of the Articles and Bylaws are attached as Exhibits B and C, respectively.

Section 4. **Board.** The Board of Directors or other legally recognized governing body of the Association.

Section 5. **Boat Slip.** Each Boat Slip is part of the Common Area and is located within Tract G as shown on the Plat. There are thirty-one (31) Boat Slips within the Common Area, all located within Tract G shown on the Plat. The Boat Slips will not be owned by any of the Owners, but each Owner will be allowed to have the exclusive use of one Boat Slip, as designated by the Developer or the Association and all subject to the provisions of Article V, Section 2.11 in this Declaration. The Boat Slips shall be used only for the mooring of one Vessel at any time. The Boat Slips are deemed Improvements within Tract G. All maintenance of the Boat Slips shall be the responsibility of the Association and shall be performed in compliance and accord with the Ordinance, this Declaration, the Canal Agreement, and the regulations and permits issued by the DEP that are applicable to the Canal.

Section 6. **Canal.** That certain waterway or canal that is located along the northerly boundary of the Property that provides access from Tract G of the Plat to the Florida Intracoastal Waterway that is located along the westerly boundary of the Property. The rights of the Developer and the Owners in and to the Canal by reason of that certain Declaration of Waterway Easement and Maintenance Agreement (the "Canal Agreement") dated June 22, 2012, recorded in Official Records Book 1878, page 860 of the public records of the County, shall be transferred to and vested in the Association and shall be subject to the Canal Agreement and the provisions of Article V, Section 2.10 of this Declaration. All maintenance of the Canal shall be the responsibility of the Association and shall be performed in compliance and accord with the Ordinance, this Declaration, the Canal Agreement, and all regulations and permits issued by the DEP that are applicable to the Canal.

Section 7. **Common Area.** All real property (including easements, licenses and rights to use real property) that is more particularly described in Article III, Section 2 of this Declaration, together with all personal property located within or appurtenant to any Common Area. All of the Common Area shall be owned initially by the Developer until conveyed and transferred to the Association as provided in this Declaration; thereafter, the Common Area shall be owned by the Association and not by the Owners.

Section 8. **Community Systems.** Any and all television (cable, satellite or otherwise), telecommunication, internet access, alarm/monitoring, utility or other lines, conduits, wires, satellites, amplifiers, towers, antennae, equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) installed by Developer, an affiliate of Developer, any other entity in which Developer or an affiliate of Developer may have an interest (financial or otherwise), or any third party expressly granted the rights by Developer to provide Community Systems within the Property, or pursuant to any grant of easement or authority by Developer and serving the Common Area and/or more than one Lot.



Section 9. **Conservation Easement.** That certain Conservation Easement granted by Shelter Cove Investment Group, LLC to the St. Johns River Water Management District as of April 19, 2005 recorded in Official Records Book 1427, page 1833, of the public records of the County, as the same may be amended from time to time. The Conservation Easement encumbers the lands described and shown as Tract F of the Plat. The Owner's use of said Tract F shall be governed and regulated by the provisions of the Conservation Easement and Article V, Section 2.09 of this Declaration.

Section 10. **County.** Flagler County, Florida, being the county in which the Property is located.

Section 11. **Declaration.** This Declaration of Covenants and Restrictions for Sunset Inlet, as amended from time to time, together with any Supplementary Declarations or amendments hereto, which may be recorded among the public records of the County.

Section 12. **Developer.** D.R. Horton, Inc. - Jacksonville, d/b/a Emerald Homes, and its successors and such of its assigns as to which the rights of the Developer hereunder are specifically assigned. Developer may assign all or only a portion of such rights in connection with portions of the Property. In the event of such a partial assignment, the assignee may exercise such rights of the Developer as are specifically assigned to it. Any such assignment may be made on a non-exclusive basis. Reference in this Declaration to D.R. Horton, Inc. - Jacksonville, d/b/a Emerald Homes, as the Developer of the Property is not intended and shall not be construed, to impose upon D.R. Horton, Inc. - Jacksonville, d/b/a Emerald Homes, any obligations, legal or otherwise, for the acts or omissions of third parties who purchase lots or parcels within the Property from D.R. Horton, Inc. - Jacksonville, d/b/a Emerald Homes, and develop and resell the same.

Section 13. **FDEP.** The State of Florida Department of Environmental Protection, or any agency or department that is the successor thereto.

Section 14. **Home.** Any improved portion of the Property located within a Lot and intended for use as a residential dwelling, including without limitation, any detached residential dwellings, condominium units, townhouse units, apartment units, duplexes or other attached residential dwellings.

Section 15. **Improvements.** All structures or artificially created conditions and appurtenances thereto of every type and kind located within the Property, including, but not limited to, as and if applicable, buildings, alterations to the exterior of any building, walkways, recreation areas and facilities, parking areas, berms, fountains, sprinkler systems, the gatehouse (if any), private streets, drives, roads, roadways (if any), driveways, fences, underground footers and other foundation supports, stairs, landscaping, trees, hedges, plantings, poles, swings, play sets and structures, tennis courts, swimming pools, covered patios, screen enclosures, jogging, bicycling and walking paths, basketball courts, backboards and hoops, signs, site and perimeter walls, gazebos, benches, mailboxes, street lights, signs and Boat Slips.

Section 16. **Institutional Mortgage.** Any mortgage held by an Institutional Mortgagee on any property within Sunset Inlet.

Section 17. **Institutional Mortgagee or Institutional Lender.** Any lending institution owning a first mortgage encumbering any Lot within the Property, which owner and holder of said mortgage shall either be a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, building and loan association, mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof, licensed or qualified to make mortgage loans in the State of Florida or a national banking association chartered under the laws of the United States of America or any "secondary mortgage market institution," including the Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC") and such other secondary mortgage market institutions as the Board shall hereafter approve in writing; any and all lenders, and the successors and assigns of such lenders, which have loaned money to Developer and which hold a mortgage on any portion of the Property securing any such loan; any pension or profit-sharing funds qualified under the Internal Revenue Code; the Veterans Administration, the Federal Housing Administration or the Department of Housing and Urban Development or such other lender as is generally recognized in the community as an institutional lender; or Developer, its successors and assigns.

Section 18. **Interest.** The maximum nonusurious interest rate allowed by law on the subject debt or obligation, and if no such rate is designated by law, then eighteen percent (18%) per annum.

Section 19. **Legal Fees.** Legal fees are (i) all fees for attorney and paralegal services incurred in connection with negotiations, mediation, arbitration, litigation or preparation for same (whether or not such an action is actually begun) through and including all trial and appellate levels and post-judgment or collection proceedings; and (ii) all costs incurred with respect to the matters set forth in (i), above.

Section 20. **Lot.** Each platted lot located within the Property which is designated by the Developer by recorded covenant or deed restriction, for single family residential use. No Lot shall include any portion of the Common Area owned in fee simple by the Association.

Section 21. **Lot Improvements.** Any improvement or alteration defined in Article IX, Section 5 that requires ARC review and approval.

Section 22. **Member.** Any member of the Association which shall be each Owner of the fee simple title to a Lot within the Property.

Section 23. **Operating Expenses.** All operating expenses of the Association as defined and described in Article VII, Section 2 of this Declaration.

Section 24. **Ordinance.** That certain Ordinance 2012-1 adopted March 12, 2012, by the Council of the Town of Beverly Beach, Flagler County, Florida, a copy of which is recorded in Official Records Book 1862, page 829, of the public records of the County, as the same may be amended or modified from time to time.

Section 25. **Owner.** The record fee simple owner or owners of any Lot.

Section 26. **Plat**. The subdivision plat for Sunset Inlet Subdivision, recorded in Plat Book 37, pages 61 and 62, of the public records of the County.

Section 27. **Property or Sunset Inlet Parcel**. The real property described on the attached Exhibit A and such additions and deletions thereto as may be made in accordance with the provisions of Article IV, Sections 2 and 3 of this Declaration.

Section 28. **Rules and Regulations**. The rules and regulations promulgated from time to time by the Board in accordance with the terms of this Declaration.

Section 29. **Special Assessments**. Assessments defined in Article VII, Section 2.3, of this Declaration.

Section 30. **Sunset Inlet Documents**. In the aggregate, this Declaration, the Articles, the Bylaws, and the Plat, any Rules and Regulations promulgated by the Association, if any, and any and all amendments and Supplementary Declarations, all as may be further amended and/or supplemented from time to time.

Section 31. **Supplementary Declaration**. Any instrument executed by Developer which, when recorded in the official records of the County, shall: (a) commit additional property, if any, to the provisions of this Declaration, and shall be the only method of committing such additional property to the provisions of this Declaration, (b) withdraw any portion(s) of the Property from the effect of this Declaration, (c) designate portion(s) of the Property or additional property as Common Area hereunder, or withdraw lands from the Common Areas within the Property, and/or (d) be for such other purposes as are provided in this Declaration. A Supplementary Declaration may also be used to add additional covenants, restrictions, reservations, regulations, burdens, liens, and easements upon the Property or any portion thereof; remove any existing covenant, restriction, reservation, regulation, burden, lien or easements from the Property or any portion thereof; and/or declare certain properties to be or not to be Common Area. The Association shall join in the execution of any Supplementary Declaration at the request of Developer but such joinder shall not be required to make any such Supplementary Declaration effective. The Owners shall not be required to join in the execution of any Supplementary Declaration but shall nevertheless be bound thereby.

Section 32. **Surface Water or Stormwater Management System**. A system which is designed and constructed or implemented within the Property to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges from the system, as permitted pursuant to SJRWMD permit number 40-035-25991-8 (as amended, modified or extended, the "District Permit"), and pursuant to Chapters 40C-4, 40C-40, or 40C-42, F.A.C. or regulations of similar import. For purposes of this Declaration, the Surface Water or Stormwater Management System shall be deemed to be a part of the Common Area.

Section 33. **Tenant**. Any person other than an Owner who has possessory rights in or to any Lot or who is otherwise in possession of a Lot or any portion thereof. No person may be a

tenant of the right to use a Boat Slip unless said person also is the Tenant of an Owner to whom is assigned or granted the exclusive right to use such Boat Slip

Section 34. **Turnover Date.** The date on which control of the Association shall be transitioned from the Developer to the Owners, which date shall be that date required by Section 720.307, Florida Statutes.

Section 35. **Vessel.** Any leisure, recreational or sport fishing motorboat, sailboat or watercraft which is self propelled and in a seaworthy condition together with any dinghy or other boat kept or attached thereto, provided however, that such term shall exclude any house-like barge, seaplane, nondisplacement (i.e., air-cushion) or commercial vessel(s). Vessels may not have a length or draft that inhibits or adversely impairs the use of any of the Boat Slips or the Canal. The Association may adopt Rules and Regulations that more specifically limits the length, draft or other aspects of the Vessels which may be used within the Canal or moored or kept at the Boat Slips. Only Vessels may be moored or kept at a Boat Slip or otherwise operated within the Canal.

Section 36. **Zoning Code.** Any zoning or land use law, ordinance or code adopted by the Town of Beverly Beach, Flagler County, Florida. Otherwise, the "Zoning Code" is Appendix C - Land Development Code of the Flagler County, Florida, Code of Ordinances, as of the date hereof and as supplemented from time to time.

**ARTICLE III**

**DESCRIPTION OF SUNSET INLET:**

Section 1. **General Plan of Development.** Sunset Inlet comprises the Property encompassing, or which will encompass, Lots and Common Area, as more particularly defined by this Declaration and, in addition, lands which Developer may add, but shall in no way be obligated to add, by one or more Supplementary Declaration(s). The Property initially declared hereunder is described in Exhibit "A" attached hereto. Sunset Inlet is presently intended to comprise thirty-one (31) Homes, each Home located on a single Lot, together with the Common Area, all in accordance with, but subject to, the terms of the Sunset Inlet Documents. Notwithstanding the foregoing, Developer hereby reserves the right to modify its plan of development of Sunset Inlet (including, without limitation, the right to modify the site plan of Sunset Inlet; the right to change the recreational facilities, amenities, product types, and number of Homes to be constructed within Sunset Inlet); and/or the right to add land to Sunset Inlet or to withdraw land from Sunset Inlet. Therefore, in the event Developer modifies its plan of development of Sunset Inlet and/or adds land to Sunset Inlet or withdraws land from Sunset Inlet, it is hereby acknowledged by each Owner that the number of Lots, the layout of Lots and/or the size of Lots within Sunset Inlet may change. Developer's general plan of development further contemplates that the Homes to be constructed within Sunset Inlet shall be whatever types of structures Developer may choose which are in conformance with this Declaration. Developer's general plan of development of Sunset Inlet may also include whatever facilities and amenities Developer considers in its sole judgment to be appropriate to Sunset Inlet, as well as any changes thereto.

Additional Property will become a part of Sunset Inlet if, and only if Developer in its sole discretion adds Additional Property to Sunset Inlet by recording a Supplementary Declaration to such effect. Developer hereby reserves an easement for ingress and egress and for utilities and drainage over, under and across the Common Area for the benefit of any Additional Property; provided however, no such easement may be granted upon any portion of the Property that lies directly beneath a Home.

Developer expressly reserves the right as to the Property to (i) commence construction and development of the Property if and when Developer desires; (ii) develop the Property upon such timetable as Developer, in its sole discretion, chooses; and (iii) modify the plan of development of the Property (including, without limitation, the right to modify the site plan and master plan of Sunset Inlet, the right to change the recreational facilities and amenities, and the right to change the product types and number of Homes to be constructed within Sunset Inlet) in such manner as Developer in its sole discretion, chooses. Nothing contained herein shall be construed as obligating Developer to construct Sunset Inlet according to the present plan of development nor as obligating Developer to declare any Additional Property to be Property.

Section 2. **Common Area.** The Common Area shall consist of: (a) the property indicated on the Plat and Supplementary Plat(s), if any, as Common Area or as property or easements reserved for, dedicated or granted to the Association, (b) all the property indicated on the Plat as Tracts A, B, C, D, E, F and G, and all Improvements constructed thereon whether by the Developer or the Association, but not owned or maintained by a public or private utility company, and also including the Boat Slips; (c) any easements assigned or granted by Developer to the Association or property or facilities conveyed by Developer to the Association, including without limitation the Conservation Easement and the Canal Easement; and (d) any other property designated as Common Area in this Declaration or any Supplementary Declaration. The Common Area shall be used for those purposes as set forth in this Declaration or the Plat and Supplementary Plat(s), if any, and include, as applicable, landscaping, irrigation, signage, lakes, drainage, preserves, conservation areas, open space, buffer, storm water management, irrigation and recreational as well as other proper purposes by the Association and the Owners and their family members, guests, invitees and Tenants in accordance with the Sunset Inlet Documents. Common Area may not be altered, modified, removed, or replaced by Owners or their family members, guests, invitees or Tenants.

Such portions of the Common Area upon which Developer has constructed, or Developer or the Association hereafter constructs Improvements, shall be kept and maintained for use in a manner consistent with the nature of such Improvements located, or to be located, thereon. Developer and the Association reserve the right, but shall not be obligated, to construct additional facilities upon the Common Area. Developer's decision as to whether to construct additional facilities and the construction thereof shall be in the sole discretion of Developer, and Association's decision as to whether to construct additional facilities and the construction thereof shall be in the sole discretion of the Association.

In the event of any doubt, conflict or dispute as to whether any portion of the Property is or is not Common Area under this Declaration, Developer may, without the consent of the Association or then existing Owners, record in the public records of the County, a Supplementary Declaration resolving such issue and such Supplementary Declaration shall be

dispositive and binding. After Developer no longer owns any portion of the Property, the Association may, without the consent of then existing Owners, record the aforesaid Supplementary Declaration, which shall have the same dispositive and binding effect.

Section 3. **Community Systems.** The Developer or the Association shall have the right to enter into one or more agreement(s) ("Bundled Service Agreements") for receipt of television (via cable, satellite or otherwise), entertainment, telecommunication, internet monitored alarm and/or other services (collectively, "Bundled Services") for Homes in Sunset Inlet. Any and all costs and expenses incurred by the Association under or pursuant to any Bundled Service Agreements entered into by the Developer or the Association for Bundled Services will be assessed against all Lot Owners. It is contemplated that there may be features and services that are or will be available in addition to and not part of the Bundled Services (each, an "Optional Service"). Notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Bundled Services Agreements shall be apportioned equally, but only amongst those Homes with respect to which the Association is being charged under or pursuant to the Bundled Services Agreement except to the extent, if any, that any Owner elects to receive an Optional Service (being a service not automatically received by all Owners entitled to receive Bundled Services pursuant to the Bundled Services Agreements). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs thereof. The foregoing shall in no way obligate Developer or the Association to enter into any Bundled Services Agreement.

#### ARTICLE IV

#### PROPERTY SUBJECT TO THIS DECLARATION:

Section 1. **No Implied Extension of Covenants.** Each Owner and each Tenant, by becoming an Owner or Tenant, shall be deemed to have agreed that (a) the Property described on Exhibit A and such additional property as may be annexed pursuant to Article IV, Section 2 hereof shall be the only Property subject to this Declaration, (b) that nothing contained in this Declaration or in any recorded or unrecorded plat, map, picture, drawing, brochure or other representation of a scheme of development, shall be construed as subjecting, or requiring the Developer to subject any other property now or hereafter owned by the Developer to this Declaration, and (c) that the only manner in which additional land may be subjected to this Declaration is by the procedure set forth in Article IV, Section 2 hereof.

Section 2. **Additional Lands.** Developer may, but shall not be obligated to, subject additional land to this Declaration (or to the assessment provisions of this Declaration) from time to time provided only that (a) any additional land subjected to this Declaration (or its assessment provisions) shall be contiguous to the Property then subject to this Declaration (for purposes of this Article IV, Section 2, property separated only by public or private roads, water bodies, golf courses, or open space shall be deemed contiguous), and (b) the Owners of property within additional lands made subject to this Declaration (or its assessment provisions) shall be and become subject to this Declaration (or its assessment provisions), and shall be responsible for their pro rata share of common expenses for which assessments may be levied pursuant to the terms of Article VII of this Declaration. Addition of lands to this Declaration shall be made and evidenced by filing in the public records of the County, a Supplementary Declaration executed

by the Developer with respect to the lands to be added. Developer reserves the right to supplement this Declaration to add land to the scheme of this Declaration (or its assessment provisions) pursuant to the foregoing provisions without the consent or joinder of any Owner or mortgagee of land within the Property.

Section 3. **Withdrawal of Lands.** With the consent and joinder of Owners holding a majority of the votes in the Association, the Developer may, but shall have no obligation to, withdraw at any time, or from time to time, portions of the Property from the terms and effect of this Declaration. Upon the Developer's request, the consent and joinder of each and every Owner to such withdrawal shall not be unreasonably withheld. The withdrawal of lands as aforesaid shall be made and evidenced by filing in the public records of the County, a Supplementary Declaration executed by the Developer with respect to the lands to be withdrawn.

**ARTICLE V**

**COMMON AREA RIGHTS; EASEMENTS**

Section 1. **Conveyance of Common Area.** The Developer has, by the Plat, dedicated to the Association all of Tracts A, B, C, D, E, F and G as Common Areas as provided by the Plat. Association hereby accepts responsibility for the Common Areas dedicated by the Plat. Developer agrees that fee simple title to all of the Common Area owned by Developer shall be conveyed or assigned to the Association, subject to covenants, easements, restrictions and other matters of record, on or before the date which is one hundred twenty (120) days after the Developer shall no longer own any Lot, and the Association shall accept such conveyance or assignment. Upon the recordation of any deed or deeds conveying Common Area to the Association, the Association shall be conclusively deemed to have accepted the conveyance evidenced by such deed or deeds.

At the time of conveyance of the Common Area or any portion thereof, the Association shall be required to accept fee simple title to the Common Area, together with the personal property and Improvements appurtenant thereto, if any. The Association has accepted the Common Area and the personal property and Improvements appurtenant thereto in "AS IS" "WHERE IS" condition, without any representation or warranty, expressed or implied, in fact or by law, as to the condition or fitness of the Common Area and the personal property and Improvements appurtenant already dedicated to the Association and to be conveyed to the Association hereafter. IN THAT REGARD, THE ASSOCIATION AND EACH OWNER KNOWINGLY AND VOLUNTARILY RELINQUISHES AND WAIVES, AND DEVELOPER EXPRESSLY DISCLAIMS, ANY AND ALL WARRANTIES (EXPRESS OR IMPLIED) AS TO THE COMMON AREA AND PERSONAL PROPERTY AND IMPROVEMENTS WHETHER ARISING FROM CUSTOM, USAGE OR TRADE, COURSE OF CONDUCT, COURSE OF DEALING, CASE LAW OR OTHERWISE, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR ANY INTENDED OR PARTICULAR PURPOSE. TO THE EXTENT THAT BY LAW OR OTHERWISE ANY OF THE WARRANTIES RELINQUISHED, WAIVED OR DISCLAIMED CANNOT BE RELINQUISHED, WAIVED OR DISCLAIMED, IN WHOLE OR IN PART, ALL SECONDARY, INCIDENTAL AND CONSEQUENTIAL DAMAGES

ARE SPECIFICALLY EXCLUDED AND DISCLAIMED (INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM CLAIMS OF PROPERTY DAMAGE, LOSS OF USE, PERSONAL INJURY OR EMOTIONAL DISTRESS).

The Association has accepted the dedication by the Plat to it of the Common Area, and shall hereafter accept the conveyance of fee simple title to the Common Area (together with the personal property and Improvements appurtenant thereto) and shall pay all costs of such conveyance including documentary stamps and other taxes of conveyance, recording charges, title insurance expenses and insurance fees. The conveyance shall not however, impair in any way Developer's rights and easements as set forth in this Declaration.

Commencing upon the date this Declaration is recorded, and notwithstanding that title thereto has not yet been conveyed to the Association, the Association shall be responsible for the maintenance of the Common Area in a continuous and satisfactory manner without cost to the general taxpayers of the County. The Association shall be responsible for the payment of real estate taxes, if any, against the Common Area including taxes on any Improvements and any personal property thereon accruing from and after the date this Declaration is recorded.

The Owners (including Developer as to Lots owned by it) shall have no personal liability for any damages: (i) for which the Association is legally liable, or (ii) arising out of, relating to, or in connection with the existence or use of any Common Area or any other property required to be maintained by the Association.

Subject to the foregoing, Developer may mortgage any or all portions of the Common Area or finance construction and development expenses provided that the mortgagee recognizes the rights of Owners under this Declaration and neither the Association nor any Owner is personally liable for paying the mortgage. In such event, neither the Association nor the Owners shall be required to join in or be entitled to consent to such mortgage. The Common Area shall be released from any such mortgage no later than the date same is conveyed to the Association.

Section 2. **Grant And Reservation Of Easements.** Developer hereby reserves and grants the following perpetual, nonexclusive easements over and across the Property as covenants running with the Property for the benefit of the Owners, the Association, and Developer as hereinafter specified for the following purposes:

2.1 **Utility and Services Easements.** All of the Property shall be subject to an easement or easements to provide for: (i) installation, service, repair and maintenance of the equipment required to provide utility services other than Community Systems to the Common Area and the Lots, including, but not limited to, power, lights, telephone, gas, water, sewer, irrigation and drainage, and (ii) governmental services, including, but not limited to, police, fire, mail, health, sanitation and other public service personnel, including reasonable rights of access for persons and equipment necessary for such purposes for the benefit of the appropriate utility companies, agencies, franchises or governmental agencies, provided however, that no such easements may be granted or created on any portion of a Lot on which a Home has then been constructed.



2.2. Easement for Encroachment. All of the Property shall be subject to an easement or easements for encroachment in favor of each Owner in the event any portion of such Owner's Home or appurtenant Improvements installed by Developer such as stucco, a fence or underground footer now or hereafter encroaches upon any of the Lots as a result of minor inaccuracies in survey or construction, by design, or due to settlement or movement. Such encroaching Improvements installed by Developer shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching Improvements in favor of the Owner thereof or such Owner's designees.

2.3. Easement to Enter Upon Lots. An easement or easements for ingress and egress in favor of the Association including the Board or the designee of the Board, to enter upon the Lots for the purposes of fulfilling its duties and responsibilities of ownership, maintenance and/or repair in accordance with the Sunset Inlet Documents, including, by way of example, the making of such repairs, maintenance or reconstruction as are necessary for the Common Area and to maintain any Lot in the event the Owner thereof fails to do so.

2.4. Easement Over Common Area. An easement of enjoyment in favor of all Owners, their family members, guests, invitees and Tenants in and to the Common Area which shall be appurtenant to and shall pass with a deed or title to every Lot in the Property, subject to the following:

A. the right of the Association to suspend the right to use the Common Area of any Owner and such Owner's family members, guests, invitees and Tenants for any period during which Assessments against such Owner's Lot remain unpaid, subject to the notice and hearing provisions in Article XIII, Section 1 herein;

B. the right of the Association to grant permits, licenses and easements over the Common Area for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property;

C. compliance by every person who uses any of the Common Area subject to the provisions of the District Permit, the Canal Easement (as to Tract E) and the Conservation Easement (as to Tract F); and

D. all provisions set forth in the Sunset Inlet Documents.

2.5. Easement for Roof Overhang. An easement or easements to provide for the roof overhang of a Home in favor of the Owner thereof, including rights of access for persons or equipment necessary to maintain, repair and replace such roof overhang

2.6. Surface Water or Stormwater Management System Easement.

A. Blanket Surface Water or Stormwater Management System Easement. The plan for the development of the Property includes the construction of a Surface Water or Stormwater Management System, which may include, without limitation, retention

lakes, swales, conduits, weirs, pipes, and/or berms and access easements to the Surface Water or Stormwater Management System as may be shown on the Plat or otherwise dedicated. Developer hereby reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual, nonexclusive easement over and across all areas of the Surface Water or Stormwater Management System for the drainage of stormwater from the Property. Portions of the Surface Water or Stormwater Management System may be located entirely within Lots.

B. Surface Water or Stormwater Management System Maintenance. Except as specifically set forth herein to the contrary, the Association shall be responsible for the maintenance, operation, and repair of the Surface Water or Stormwater Management System. Such maintenance shall include the exercise of practices which allow the Surface Water or Stormwater Management System to provide drainage, water storage, conveyance or other capabilities in accordance with all the permits, statutes, rules and regulations pertaining to surface water management, drainage and water quality promulgated by the United States Army Corps of Engineers ("ACOE"), FDEP, St. Johns River Water Management District ("SJRWMD"), and all other local, state and federal authorities having jurisdiction. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the Surface Water or Stormwater Management System to provide drainage, water storage, conveyance and other stormwater management capabilities as permitted in the District Permit or otherwise by the SJRWMD.

The Association shall maintain and control the water level and quality of the Surface Water or Stormwater Management System and the bottoms of any retention lakes or drainage easements which retain or hold stormwater on a regular basis. The Association shall have the power, as may be required by any applicable governmental entity, to control and eradicate plants, fowl, reptiles, animals, fish, and fungi in and on any portion of the retention lakes or drainage easement. The Owners of Lots adjacent to or containing any portion of the Surface Water or Stormwater Management System, shall maintain all shoreline vegetation and the grade and contour of all embankments to the water's edge (as it may rise and fall from time to time) irrespective of ownership of such land. Keep the grass, plantings, and other lateral support of the embankments in a clean and safe manner and to prevent erosion and shall remove trash and debris as it may accumulate in the system, from time to time. Maintenance of the Surface Water or Stormwater Management System shall mean the exercise of practices which allow the Surface Water or Stormwater Management System to provide drainage, water storage, conveyance or other surface water capabilities as permitted by the SJRWMD. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be consistent with the District Permit as originally issued or any modification that may be approved by the SJRWMD. In order to provide adequate assurance that the Surface Water or Stormwater Management System will adequately function, appropriate maintenance procedures, including but not limited to the following, shall be followed:

- (1) The Association shall inspect or cause to be inspected all inlets and control structures for vandalism, deterioration or accumulation of sand and debris.

- (2) The Association shall assure that all debris or sand shall be removed from the inlets and control structures and any orifice system.
- (3) The Association shall inspect and repair or cause to be inspected and repaired all skimmer boards around control structures as necessary.

C. **Surface Water or Stormwater Management System Maintenance Easement.** The Association is granted a perpetual, nonexclusive easement for ingress and egress, at all reasonable times and in a reasonable manner, over and across the Surface Water or Stormwater Management System and over and across any portion of a Lot which is a part of the Surface Water or Stormwater Management System, or upon which a portion of the Surface Water or Stormwater Management System is located, to operate, maintain, and repair the Surface Water or Stormwater Management System as required by the District Permit. Such right expressly includes the right to cut any trees, bushes or shrubbery, to make any gradings of soil, construct or modify and berms placed along the rear of any Lots as part of the Surface Water or Stormwater Management System, or take any other action reasonably necessary, following which Developer or the Association shall restore the affected property to its original condition as nearly as practicable; provided, however, that Developer or the Association shall not be required to replace or repair fences, walks, structures, landscaping, or other improvements which are removed or damaged. Developer or the Association shall give reasonable notice of its intent to take such action to all affected Owners, unless, in the opinion of Developer or the Association, an emergency exists which precludes such notice. The right granted herein may be exercised at the sole option of Developer or the Association and shall not be construed to obligate Developer or the Association to take any affirmative action in connection therewith. The Owners of Lots adjacent to or containing a portion of the retention areas are granted a perpetual, nonexclusive easement for ingress and egress over and across the Surface Water or Stormwater Management System for the purpose of providing maintenance and erosion control to the embankments of such retention areas.

D. **Improvements.** No docks, bulkheads, or other structures, permanent or temporary, except for the Boat Slips that are constructed and exist within Tract G shown on the Plat, shall be constructed on, over, or under any portion of the Surface Water or Stormwater Management System, without the prior written consent of the Association and the approval of the ARC or Developer, which consent or approval may be withheld for any reason. Any improvements to the Surface Water or Stormwater Management System permitted by the Association and installed by the Owner shall be maintained by such Owner in accordance with the maintenance provisions of this Declaration. All improvements to the Surface Water or Stormwater Management System may also require the prior written approval of the SJRWMD. After receiving the approval of the Association, Owner shall be solely liable for obtaining all governmental permits necessary or convenient to construct such Improvement.

E. **Use and Access.** Developer and the Association shall have the right to adopt reasonable Rules and Regulations from time to time in connection with the use of the surface waters of any portion of the Surface Water or Stormwater Management System, and shall have the right to deny such use to any person who, in the opinion of Developer or the

Association, may create or participate in a disturbance or nuisance on any part of the Surface Water or Stormwater Management System. The use of such surface waters by the Owners shall be subject to and limited by the Rules and Regulations of Developer and the Association, all permits issued by governmental authorities, and any rights granted to other persons pursuant to the Rules and Regulations of Developer and the Association. No gas or diesel driven watercraft shall be operated on any portion of the Surface Water or Stormwater Management System, including retention lakes. Swimming is strictly prohibited in the retention lakes.

F. LIABILITY. NEITHER DEVELOPER NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR INVITEES IN CONNECTION WITH THE RETENTION LAKES AND DRAINAGE FACILITIES OR ANY PART OF THE SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DEVELOPER AND THE ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH.

DEVELOPER AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS, FOR THE RETENTION LAKES AND/OR ANY PORTIONS OF THE COMMON AREA. ANY INDIVIDUAL USING THE RETENTION LAKES AND/OR ANY PORTIONS OF THE COMMON AREA SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS DEVELOPER AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS (INCLUDING, WITHOUT LIMITATION, THOSE FROM PROPERTY DAMAGE, INJURY AND/OR DEATH) ARISING FROM SUCH USE.

NEITHER DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF. SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS, POISONOUS SNAKES, AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES CONTAINED WITHIN OR ADJACENT TO THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO

NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

ALL PERSONS ARE HEREBY NOTIFIED THAT BANKS AND SLOPES ASSOCIATED WITH THE SURFACE WATER AND STORMWATER MANAGEMENT SYSTEM OR THE CANAL OR OTHER WATERBODIES WITHIN CERTAIN AREAS OF THE PROPERTY MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY THEIR ACCEPTANCE OF A DEED TO, OR USE OF, ANY LOT WITHIN THE PROPERTY, ALL OWNERS OR USERS OF SUCH PROPERTY SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION, OR TOPOGRAPHY OF ANY BANKS, SLOPES, OR BOTTOMS ASSOCIATED WITH THE SURFACE WATER AND STORMWATER MANAGEMENT SYSTEM OR THE CANAL OR OTHER WATERBODIES WITHIN OR NEAR THE PROPERTY.

THE PROPERTY HAS BEEN OR WILL BE DEVELOPED IN ACCORDANCE WITH REQUIREMENTS OF THE DISTRICT PERMIT OR ANY PERMIT ISSUED BY THE ACOE. THE ACOE AND DISTRICT PERMITS ARE OR WILL BE OWNED BY THE ASSOCIATION AND THE ASSOCIATION HAS THE OBLIGATION TO ASSURE THAT ALL TERMS AND CONDITIONS THEREOF ARE ENFORCED. THE ASSOCIATION SHALL HAVE THE RIGHT TO BRING AN ACTION AT LAW OR IN EQUITY, AGAINST ANY OWNER VIOLATING ANY PROVISION OF THE PERMITS.

FURTHER, ANY OWNER OWNING A LOT WHICH CONTAINS OR IS ADJACENT TO JURISDICTIONAL WETLANDS OR CONSERVATION AREAS AS ESTABLISHED BY THE ACOE OR SJRWMD OR BY THE CONSERVATION EASEMENT SHALL BY ACCEPTANCE OF TITLE TO THE LOT, BE DEEMED TO HAVE ASSUMED THE OBLIGATION TO COMPLY WITH THE REQUIREMENTS OF THE APPLICABLE PERMITS AS THE SAME RELATE TO SUCH OWNER'S LOT AND SHALL AGREE TO MAINTAIN SUCH JURISDICTIONAL WETLANDS AND CONSERVATION AREAS IN THE CONDITION REQUIRED UNDER THE APPLICABLE PERMITS. IN THE EVENT THAT AN OWNER VIOLATES THE TERMS AND CONDITIONS OF THE APPLICABLE PERMITS AND FOR ANY REASON THE DEVELOPER OR THE ASSOCIATION IS CITED THEREFORE, THE OWNER AGREES TO INDEMNIFY AND HOLD THE DEVELOPER AND THE ASSOCIATION HARMLESS FROM ALL COSTS ARISING IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION ALL COST AND ATTORNEYS' FEES, AS WELL AS ALL COSTS OF CURING SUCH VIOLATION. NO PERSON SHALL ALTER THE DRAINAGE FLOW OF THE SURFACE WATER OR STORMWATER MANAGEMENT SYSTEM OR ANY PORTION OF THE JURISDICTIONAL WETLANDS OR CONSERVATION AREAS, INCLUDING WITHOUT LIMITATION, ANY BUFFER AREAS, SWALES, TREATMENT BERMS OR SWALES, WITHOUT THE PRIOR WRITTEN APPROVAL OF THE SJRWMD OR ACOE, AS APPLICABLE.

G. Wetlands, Jurisdictional Land Swales. This Declaration is subject to the rights of the State of Florida over portions of the Property that may be considered wetlands, marshes, sovereignty or jurisdictional lands, and every Owner shall obtain any permit

necessary prior to undertaking any dredging, filling, mowing, improving, landscaping, or removal of plant life existing on his Lot.

Further, certain Lots may be improved with swales constructed within Lots that are contiguous to any jurisdictional lands. The Owners thereof shall not remove or modify the swales without the consent of the applicable governmental entities. Any Owner who alters or otherwise modifies any swale, including mowing, shall repair and restore any such swale to be in full compliance with the applicable Permits, at such Owner's sole cost and expense and shall indemnify and hold the Developer and the Association harmless from such violation.

H. Rights of the SJRWMD. Notwithstanding any other provisions contained elsewhere in this Declaration, the SJRWMD shall have the rights and powers enumerated in this paragraph. The SJRWMD shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration, the District Permit or the Conservation Easement that relate to the maintenance, operation, and repair of the Surface Water or Stormwater Management System and the Conservation Easement. Any repair or reconstruction of the Surface Water or Stormwater Management System or the Conservation Easement shall be as permitted, or if modified, as approved in writing by the SJRWMD. No person shall alter the drainage flow of the Surface Water or Stormwater Management System, including any buffer areas, if any, swales, treatment basins or swales, without prior written approval of the SJRWMD. Any amendment to this Declaration that alters the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Common Area, must have prior written approval of the SJRWMD. In the event that the Association is dissolved, prior to such dissolution, all responsibility relating to the Surface Water or Stormwater Management System must be assigned to and accepted by an entity approved in writing by the SJRWMD.

I. Indemnity. Developer may be required to assume certain duties and liabilities for the maintenance of the Surface Water or Stormwater Management System or drainage system within the Property under the Plat or any Supplementary Plat, permits, or certain agreements with governmental agencies. The Association further agrees that subsequent to the recording of this Declaration, it shall hold Developer harmless from all suits, actions, damages, liabilities and expenses in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the maintenance of the Surface Water or Stormwater Management System occasioned in whole or in part by any action, omission of the Association or its agents, contractor, employees, servants, or licensees but not excluding any liability occasioned wholly or in part by the acts of the Developer, its successors or assigns. Upon completion of construction of the Surface Water or Stormwater Management System or drainage system Developer shall be deemed to have assigned all its rights, obligations and duties thereunder to the Association. The Association shall assume, and be deemed to have assumed, all such rights, duties and liabilities and shall indemnify and hold Developer harmless therefrom.

J. Developer's Rights. Developer, its successors and assigns shall have the unrestricted right, without approval or joinder of any other person or entity: (i) to designate the use of, alienate, release, or otherwise assign the easements shown on the Plat or any Supplementary Plats, of the Property or described herein, (ii) to plat or replat all or any part of the Property owned by Developer, and (iii) to widen or extend any right of way shown on the

Plat or Supplementary Plat, if any, of the Property or convert a Lot to use as a right of way, provided that Developer owns the lands affected by such change. Owner of Lots subject to easement shown on the Plat or any Supplementary Plats, of the Property shall acquire no right, title, or interest in any of the cables, conduits, pipes, mains, lines or other equipment or facilities placed on, over or under the easement area. The Owners of Lots subject to any easements shall not construct any improvements on the easement areas, alter the flow of drainage or landscape on such areas with hedges, trees or other landscaping items that might interfere with the exercise of the easement rights. Any Owner who constructs any Improvements or landscaping on such easement areas shall remove the Improvements or landscape items upon written request of Developer, the Association, or the grantee of the easement.

2.7. Plat Easement(s). The Plat and/or Supplementary Plat(s), if any, may contain additional easements not discussed herein, granted in favor of the Association or others, for the specific purposes as described therein.

2.8. Easement for Community Systems. Notwithstanding anything to the contrary in this Declaration, Developer and its affiliates, and its and their designees shall have a perpetual exclusive easement over, across, upon and under the Common Area and the Lots for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems.

2.9. Conservation Easement. Tract F shown on the Plat ("Tract F") is subject to the Conservation Easement, which severely limits the use that any person may make of Tract F, and each person who ever hereafter acquires any interest in any part of the Property agrees and acknowledges that it is aware of and shall strictly comply with the Conservation Easement. Each of the Developer, the Association and the Owners are hereby granted an easement to enter upon said Tract F in any area where such access is specifically permitted or authorized, including any walkway that goes across any portion of said Tract F, and the dock that exists along the westerly boundary of Tract F, provided however, that any use of Tract F shall be in strict compliance with the Conservation Easement and any Rules and Regulations that may ever hereafter be adopted regarding said Tract F. No Vessel may be moored at the dock appurtenant to Tract F without the express approval of the Association.

2.10. Easement for use of the Canal. The Canal is located immediately north of and adjacent to Tract F and Tract G ("Tract G"), both shown on the Plat. The Canal is subject of the terms and conditions of the Canal Agreement, which provides for access between Tract G and the Intracoastal Waterway. Each person who ever hereafter acquires any interest in any part of the Property agrees and acknowledges that it is aware of and shall strictly comply with the Canal Agreement. Each of the Developer, the Association and the Owners are hereby granted an easement to enter upon the Canal according to the terms and conditions of the Canal Agreement, provided however, that any use of the Canal shall be in strict compliance with the Canal Agreement, the Ordinance, all applicable FDEP rules and regulations, this Declaration, and any Rules and Regulations. No Vessel may remain in the Canal except for temporary periods while such Vessel is traveling between Tract G and the Intracoastal Waterway.

2.11. Easements for use of Boat Slips. There are located within Tract G shown on the Plat ("Tract G") thirty-one (31) Boat Slips. The Boat Slips are subject to the following terms and conditions and to any Rules and Regulations that may be adopted by the Developer of the Association:

A. Each Lot shall have an exclusive right to use one Boat Slip. The specific Boat Slip which may be used by the Owner of a Lot (and the family, guests, and invitees of an Owner) shall be designated by the Developer at such time as each Owner acquires fee simple title to their Lot. Any Tenant of an Owner shall also have the right to use the Boat Slip designated for use by such Owner and Lot, but an Owner may not lease or grant possessory or use rights to any person or entity separate and apart from the use of said Owner's Lot. By reason of the dedication by the Plat of Tract G to the Association and the subsequent conveyance of fee simple title to the Common Area by Developer to the Association, the Association has control over the Boat Slips and the Common Area subject to the rights granted by this Declaration or by any Rules and Regulations to an Owners to use the Boat Slips. The right of any Owner to use a Boat Slip may be suspended by the Association in the event that Owner fails to comply with the provisions of the Sunset Inlet Documents, including any suspension as described in Article XIII, Section 1 of this Declaration and including the specific provisions of this Article V, Section 2.11. Each Owner who moors, stores or keeps a Vessel at any Boat Slip shall provide information to the Association regarding the identity and ownership of the Vessel, insurance thereon, and such other information as may be required by the Association, whereupon such Vessel shall be deemed registered with the Association. If the Tenant of an Owner moors, stores or keeps Tenant's Vessel at the Owner's designated Boat Slip, the Owner shall be responsible to require the Tenant to provide the same information regarding the Tenant's Vessel so that such Tenant's Vessel may be deemed registered with the Association. Any Vessel that is located at any Boat Slip that is not registered with the Association, may be removed or detained, without notice, by the Association, and all costs of removing, detaining and reclaiming such unregistered Vessel shall be the responsibility of the owner of such unregistered Vessel, provided that if such owner can not be found or determined, then the Owner at whose Boat Slip such unregistered Vessel was found shall have the obligation to pay for such costs of removal, detention and reclaiming.

B. Boat Slips may include power boxes for the provision of electrical power to the Boat Slip and to the Vessel moored there. Boat Slips may also include dock storage boxes for the storage of Vessel related gear and equipment or boat lifts for the handling of a Vessel, provided however, that dock storage boxes or boat lifts may be installed (i) by Developer or the Association, if either such entity elects to install dock storage boxes or boat lifts, provided that neither entity has any obligation to construct or install dock storage boxes or boat lifts, or (ii) by an Owner, provided however that any dock storage box or boat lift installed by or constructed by an Owner shall be installed or constructed only according to standards set forth in applicable Rules or Regulations, or if no standards are set forth in Rules and Regulations, then only after approval is given by the ARC pursuant to the provisions of Article IX hereof. The Owner that is designated as the user of a particular Boat Slip (and the family, guests, invitees or Tenants of an Owner) shall also have the right to use any power box, dock storage box or boat lift appurtenant to such Boat Slip. Any such power boxes, dock storage boxes or boat lifts shall be considered part of the Boat Slip and, as such, part of the Common Area, provided however, that any dock storage box or boat lift installed or constructed by an Owner shall be the personal property of that Owner; shall not be Common Area; and shall not be maintained by or be the responsibility



of the Association. No Owner (or the family, guests, invitees or Tenants of an Owner) may remove or alter any Boat Slip, power box, dock storage box, or boat lift without the express approval of the Association, nor may any Improvements of any kind be made to the Boat Slips, the seawall or bulkhead located along the boundary between Tract G and Tract E as shown on the Plat ("Tract E"), the sidewalk located within Tract E, or the Canal, except by the Association or with the express written approval of the Association, provided however, that any dock storage box or boat lift that was installed or constructed by an Owner may be removed by the Owner who installed or constructed such dock storage box or boat lift. No Owner (or the family, guests, invitees or Tenants of an Owner) shall store or keep any equipment or material of any kind on or in the vicinity of any Boat Slip unless such equipment and material is kept within the dock storage box until such equipment and material is transferred to a Vessel for use while the Vessel is located away from the Boat Slips, Tract G, and the Canal. If an Owner that installed a dock storage box or boat lift fails to remove such dock storage box or boat lift prior to the time that the Owner no longer has the right to use the Boat Slip at which such Owner-installed a dock storage box or boat lift exists, then such Owner shall be deemed to have waived their right to remove and retain possession of such dock storage box or boat lift, and such dock storage box and boat lift shall thereupon become appurtenances of the Boat Slip at which such improvements exist and shall become part of the Common Area. Any Owner that installs or constructs a dock storage box or boat lift hereby agrees to indemnify and hold harmless the Developer and the Association from and against any and all loss or damage, including Interest and Legal Fees, incurred or threatened against Developer or Association as a result of or arising in connection with the use, operation or existence of such Owner-installed dock storage box or boat lift.

C. The Association shall maintain and repair the Boat Slips as provided in Article X, Section 1.1 of this Declaration, and shall restore damaged or destroyed Boat Slips, bulkhead or seawall and sidewalk as provided in Article X of this Declaration. The Association shall also maintain and repair or restore the seawall and bulkhead located along the boundary between Tract E and Tract G, and the sidewalk within Tract E. The Developer and the Association hereby reserve an easement for access to those portions of the Property needed or convenient to make and effect the repairs and maintenance or restoration of the seawall and bulkhead, the sidewalk, and the Boat Slips. When performing repairs and maintenance or restoration contemplated by this Article V, Section 2.11(C), the Developer and Association shall use reasonable efforts to minimize the disruption in Owners' use and enjoyment of the Boat Slips and the Canal, but shall have the right to temporarily suspend and disrupt the Owners' rights to use and enjoy the Boat Slips and the Canal until such time as maintenance and repair or restoration as completed. Dredging in and around the Boat Slips or the Canal, or otherwise within the Property, may be conducted or performed only by the Developer or the Association. As provided in Article X, Section 1.1 of this Declaration, an Owner shall be responsible to either repair, at its sole cost and expense, or pay and reimburse the Association for the cost of repair conducted or made by the Association (whichever method of repair is elected by the Association), any and all damage or destruction to any Boat Slip or other Common Area resulting from or arising in connection with the negligence, willful action or misconduct, or other improper use of a Boat Slip or Common Area by such Owner or such Owner's family, guests, invitees or Tenants.

D. Only pleasure and leisure vessels, which have been inspected and approved by the Association, in seaworthy condition and under their own power, may be moored

at any Boat Slip. The Association's approval of any Vessel shall not be deemed to be a determination of the seaworthiness of any Vessel. All operators of Vessels shall observe all posted speed limits and all other rules of the road applicable in Florida to the operation of vessels. The Canal and Tract G shall be a "no wake" zone that must be observed and complied with at all times. Owners and operators of Vessels (and the family, guests, invitees or Tenants of such an Owner or operator) within the Property and the Canal, shall at all times comply, and operate in compliance with, all applicable Rules and Regulations, and all federal, state, County, and other applicable laws, rules and regulations pertaining to the ownership, operation and storage of watercraft.

E. No Vessels may be operated in or around any of the Boat Slips or the Canal for commercial purposes. No Vessel may be used for residential purposes or as a live-aboard craft, and all Vessels may be used only for recreational purposes. Overnight stays aboard any Vessel are hereby prohibited.

F. Owners (and the family, guests, invitees or Tenants of an Owner) are jointly and severally responsible for the proper mooring of any Vessel that is using or is tied up at the Boat Slip used or designated for use by such Owner. The Owner of any Vessel shall properly moor, using mooring lines or other equipment that is in good condition and sufficiently strong to secure, the applicable Vessel at all times. When not in use, mooring lines shall be stored and kept on the Vessel. If an Owner (or the family, guests, invitees or Tenants of an Owner) does not properly moor and secure any Vessel at the Boat Slip used or designated for use by such Owner, the Association may take such action as it deems necessary to secure such Vessel, and may require such Owner to pay and be responsible for all costs associated with securing such Vessel. The Association shall not be responsible if it undertakes to secure a Vessel and the Vessel nevertheless is damaged in connection with such attempt by the Association to properly secure the Vessel. No Vessel may be moored, parked or stored on any part of the Property except at the Boat Slip designated for use by the Owner associated with such Vessel.

G. Vessels operated within any part of the Property or the Canal between sunset and sunrise shall be properly equipped with, and shall use, appropriate navigational lights and shall be operated at all times in accordance with all applicable international, federal and state laws, rules and regulations pertaining to the operation of Vessels.

H. No open fires shall be permitted on any Vessel, at any Boat Slip, or anywhere within the Property, except in marina-safe grills or other devices which may be approved by the Association. No Owner or other person may keep or use charcoal, starting fluids or similarly used substances at any Boat Slip or otherwise within the Property except with the approval and permission of the Association.

I. No fish or other marine life of any kind shall be cleaned or processed in any manner at any Boat Slip, or otherwise within the Property, or on any vessel if the Vessel is within the Property or the Canal or at a Boat Slip, except as may be provided by the Rules and Regulations of the Association.

J. The handling, storage, transportation and disposal of hazardous, toxic or waste materials is prohibited with the Property, provided however, that this shall not prohibit the proper handling, storage and transportation of petroleum products used by an Owner (or the family, guests, invitees or Tenants of an Owner) in connection with the operation of the personal automobiles or Vessel of such Owner (or the family, guests, invitees or Tenants of such Owner). The Association shall have the right to immediately remove, or caused to be removed, any hazardous, toxic or waste material from the Property that is not being used within the limitation on the first sentence of this Article V, Section 2.11(J) hereof. "Hazardous, toxic or waste materials" are those defined as such by federal, State or other applicable law. All expense incurred by the Developer or the Association to enforce this Article V, Section 2.11(J) shall be deemed an Operating Expense and may be recovered through the levying of an appropriate Assessment.

K. Each Vessel shall have such sanitary equipment on board as is required by all applicable federal, State or other governmental agencies or authorities, and all such equipment shall be fully operational and shall not be bypassed or otherwise altered so that such equipment does not comply with governmental regulations. Each Owner shall be liable for any costs and damages resulting from or arising in connection with the discharge of treated or untreated sewage or any other substance, including without limitation, oils, greases associated with engine or hydraulic or other repairs to Vessels, metal based bottom paints associated with hull scraping, cleaning or painting, (other than bilge water) into the waters of the Property, the Canal or the Intracoastal Waterway.

L. Personal watercraft (meaning a shallow draft, jet drive watercraft in which the operator sits, stands or kneels on the craft as opposed to inside the draft) shall be permitted to be stored or moored at a Boat Slip or within the Canal, provided that any such use shall be in accord with all provisions of this Declaration and any applicable Rules and Regulations.

M. Water levels in Tract G or the Canal are subject to fluctuation and may decline or increase significantly. Each Owner specifically hereby assumes the risk of such fluctuations in water levels, and further agrees to indemnify and hold harmless the Developer and the Association from and against all loss and damage, threatened or incurred, including Interest and Legal Fees, resulting from or arising in connection with such fluctuations in water levels within Tract G or the Canal.

N. During hurricane and other high velocity wind threats, each Owner shall be responsible for following all safety precautions that may be issued or recommended by the National Hurricane Center, the National Weather Service, the U.S. Coast Guard, the Association, the County, or any other applicable agency. If a Vessel sinks, capsizes, or becomes disabled, within Tract G or the Canal, the Owner shall be responsible to recover and remove such Vessel at such Owner's sole cost and expense as promptly as possible. If a sunken, capsized or disabled Vessel is not removed within 3 calendar days after the Vessel sank or became capsized or disabled, the Association may (but shall not be obligated to) remove such Vessel and impose a Special Assessment against the Owner for the cost of such removal or recovery. If an Owner (or the family, guests, invitees or Tenants of an Owner) is absent from the Property during hurricane season, such Owner shall (i) prepare the Boat Slip used or designated for use by such Owner in

accordance with standards established by applicable governmental agencies or entities or the Association, and (ii) if such Owner's vessel (or the Vessel of such Owner's family, guests, invitees or Tenants) is not removed from the Property while such Owner (or the family, guests, invitees or Tenants of such Owner) is absent from the Property, then such Owner shall designate to the Association a responsible firm or person to care for the Boat Slip and such Owner's Vessel should there be a hurricane or other significant weather event requiring the removal of the Vessel. The Owner shall be liable for any and all damage resulting to the Common Area, Vessel or the person or property of any other Owner (or the family, guests, invitees or Tenants of such other Owner) resulting from or arising in connection with the improper preparation or failure to prepare Vessels for such hurricanes or other significant weather events. The Association may levy fines against any Owner for failure of such Owner (or the family, guests, invitees or Tenants of an Owner) to comply with the provisions of this Article V, Section 2.11 or any Rule and Regulation related to the Boat Slips.

O. Each Owner is required to carry insurance to cover loss or damage to such Owner's Vessel, to the Boat Slip the use of which is assigned to such Owner, and to such other property as may be damaged or destroyed in connection with the use, operation or existence of such Vessel, as part of the insurance required to be obtained and maintained by an Owner as required by Article XII of this Declaration, and to indemnify and hold harmless the Developer, the Association and all other Owners or affected persons against loss or damage resulting from or arising in connection with (i) the use or operation of such Owner's Vessel, or (ii) the use or operation by such Owner (or the family, guests, invitees or Tenants of an Owner) of the Boat Slip assigned to such Owner's use, or (iii) the use or operation within the Canal or within the vicinity of the Property, by the Owner (or the family, guests, invitees or Tenants of an Owner).

Section 3. **Delegation of Use.** Any Owner may delegate, in accordance with the Bylaws such Owner's right of enjoyment to the Common Area to the members of such Owner's family, or to Tenants who have possessory rights in and to such Owner's Home, subject to the Sunset Inlet Documents. An Owner may not delegate to any person a right to use any Common Areas unless such person then has the right to possess the Owner's Home and Lot.

Section 4. **Recognition of Easements.** Each Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved and/or granted with respect to the Property under this Declaration or any other Sunset Inlet Document.

Section 5. **Assignments; Additional Easements.** The easements reserved hereunder may be assigned by Developer or the Association in whole or in part to any city, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Developer. Developer shall have and hereby reserves the right to grant and/or reserve additional easements over, under and upon the Property or portions thereof (including the portion of Lots where no physical structure of the Home is located) which may be necessary or desirable by Developer. The Owners hereby authorize Developer and/or the Association to execute, on their behalf and without any further authorization, such grants of easement or other instruments as may from time to time be necessary to grant easements over and upon the Property or portions thereof in accordance with the provisions of this Declaration.

**ARTICLE VI**

**MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION;  
BOARD; DURATION OF THE ASSOCIATION**

Section 1. **Membership and Voting Rights.** Membership in the Association, and the voting rights of the Members, shall be established and terminated as set forth in the Articles and Bylaws. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Sunset Inlet Documents.

Section 2. **Board.** The Association shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles and Bylaws.

Section 3. **Duration of the Association.** The duration of the Association shall be perpetual, as set forth in the Articles. In the event of termination, dissolution or final liquidation of the Association, the responsibilities for the operation and maintenance of the Surface Water or Stormwater Management System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, Florida Administrative Code, and must be approved by the SJRWMD prior to such termination, dissolution or liquidation.

**ARTICLE VII**

**COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS;  
COLLECTION OF ASSESSMENTS; COLLECTION BY DEVELOPER;  
CERTAIN RIGHTS OF DEVELOPER AND INSTITUTIONAL MORTGAGEES**

Section 1. **Affirmative Covenant to Pay Assessments and Special Assessments.** In order to: (a) fulfill the terms, provisions, covenants, conditions, restrictions, reservations, regulations, burdens, liens, and easements contained in the Sunset Inlet Documents; and (b) maintain, operate and preserve the Common Area for the use, safety, welfare and benefit of the Members and their family members, guests, invitees and Tenants, there is hereby imposed upon each Lot and each Owner, the affirmative covenant and obligation to pay to the Association, commencing from and after the first conveyance of a Home from Developer as evidenced by the recordation of a deed in the public records of the County (in the manner herein set forth), all Assessments which are imposed by the Association to provide for payment of the Operating Expenses and reserves, and all Special Assessments. Each Owner, by acceptance of a deed or other instrument of conveyance conveying a Lot within the Property, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all Assessments in accordance with the provisions of the Sunset Inlet Documents. The Developer shall have no obligation to pay any Assessments on any Lot which it owns during the Guarantee Period.

Section 2. **Operating Expenses; Reserves; Special Assessments.**

2.1. The following expenses of the Association are hereby declared to be Operating Expenses which the Association is obligated to assess and collect, and which the Owners are obligated to pay as provided herein or as may be otherwise

provided in the Sunset Inlet Documents: (1) any and all taxes and tax liens which may be assessed or levied at any and all times against the Common Area, the Community Systems or against any and all personal property or Improvements thereon; (2) all charges levied for Community Systems or other utilities providing services for the Common Area or to Owners on a bulk basis, such as water, gas, electricity, telephone, cable television, telecommunication services, home monitoring, sanitation, sewer and any type of utility or any other type of service charge which is not separately billed to an Owner; (3) the premiums on policies of insurance contemplated to be paid hereunder including, but not limited to, liability and casualty insurance for the Common Area and directors and officers liability insurance for the officers and directors of the Association; (4) any sums necessary for the maintenance and repair of the Common Area and all Improvements located thereon; (5) administrative and operational expenses of the Association and the ARC; (6) all sums necessary for the maintenance and repair of the Surface Water or Stormwater Management System to be maintained by the Association, including but not limited to work within retention areas, drainage structures and drainage easements; and (7) any and all expenses deemed to be Operating Expenses by the Association and/or under this Declaration.

2.2. Reserves for replacements are specifically excluded from Operating Expenses. The Board may, if it so determines, include reserves in the Association's annual budget.

2.3. In addition, any expense of the Association which is not an Operating Expense shall be the subject of a Special Assessment. Expenses which are required to be the matter of Special Assessment include, by way of example but not by way of limitation, the following: the cost of reconstructing, replacing or improving the Common Area or any portion thereof or Improvements thereon; any casualty loss affecting the Association or the Common Area to the extent such loss exceeds the insurance proceeds, if any, receivable by the Association as a result of such loss; any judgment against the Association (or against a Director or Directors if and to the extent such Director is, or such Directors are, entitled to be indemnified by the Association therefor pursuant to the Articles) to the extent such judgment exceeds the insurance proceeds, if any received by the Association as a result of such judgment, or an agreement by the Association (or such Director or Directors to whom indemnification is owed) to pay an amount in settlement of a lawsuit against it (or such Director or Directors) to the extent such settlement exceeds the insurance proceeds, if any, received by the Association as a result of such settlement agreement; and Legal Fees incurred by the Association in connection with litigation (whether incurred for the preparation, filing, prosecution or settlement thereof or otherwise), except Legal Fees incurred by the Association in connection with the collection of Assessments or other charges which Owners are obligated to pay pursuant to the Sunset Inlet Documents or the enforcement of the use and occupancy restrictions contained in the Sunset Inlet Documents. Notwithstanding anything to the contrary herein contained, it is recognized and declared that Special Assessments shall be in addition to, and are not part of, any Assessment. Any Special Assessments assessed against Lots and the Owners thereof shall be paid by such Owners in addition to any other Assessments and shall be assessed in the same manner as the Assessment.

Section 3. **Establishment of Liens.** Each Assessment against a Lot, together with Interest thereon and costs of collection, including, but not limited to, Legal Fees, shall be the personal obligation of the Owner of such Lot. Any and all Assessments made by the Association in accordance with the provisions of the Sunset Inlet Documents with Interest thereon and costs of collection, including, but not limited to, Legal Fees, are hereby declared to be a charge and continuing lien upon each Lot against which each such Assessment is made. Said lien shall be effective only from and after the time of the recordation amongst the public records of the County of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. In the event an Institutional Mortgagee of record obtains title to a Lot as a result of foreclosure of its Institutional Mortgage or deed in lieu of foreclosure, such acquirer of title, its successors or assigns, shall be liable for Assessments to the maximum extent provided by Section 720.3085(2)(c), Florida Statutes (2012), as amended from time to time, and shall not be liable for any greater share of Assessments pertaining to such Lot or chargeable to the former Owner thereof which became due prior to the acquisition of a deed or title as a result of the foreclosure or deed in lieu thereof, unless the Assessment against the Lot in question is secured by a claim of lien for Assessments that is recorded prior to the recordation of the Institutional Mortgage which was foreclosed or with respect to which a deed in lieu of foreclosure was given.

Section 4. **Collection of Assessments.** In the event any Owner shall fail to pay any Assessment, or installment thereof, charged to such Owner within fifteen (15) days after the same becomes due, then the Association, through its Board, shall have any and all of the following remedies to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the Association:

4.1. To accelerate the entire amount of any Assessment for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

4.2. To advance on behalf of the Owner(s) in default funds to accomplish the needs of the Association up to and including the full amount for which such Owner(s) is (are) liable to the Association and the amount or amounts of monies so advanced, together with Interest and all costs of collection thereof, including, but not limited to, Legal Fees, may thereupon be collected by the Association from the Owner(s) and Parcel Owner(s) and such advance by the Association shall not waive the default.

4.3. To file an action in equity to foreclose its lien at any time after the effective date thereof as provided in Article VII, Section 3 hereinabove. The lien may be foreclosed by an action in the name of the Association in like manner as a foreclosure of a mortgage on real property. By taking such action, the Association shall not be precluded from seeking a remedy under Article VII, Section 4.4 of this Declaration.

4.4. To file an action at law to collect said Assessment plus Interest and all costs of collection thereof including, but not limited to, Legal Fees, without waiving any lien rights or rights of foreclosure of the Association. By taking such action, the

Association shall not be precluded from seeking a remedy under Article VII, Section 4.3 of this Declaration.

4.5. To charge Interest on such Assessment from the date it becomes due, as well as a late charge of Twenty-Five and No/100 Dollars (\$25.00) to defray additional collection costs.

4.6. To suspend the use rights of the Owner(s) in default to the Common Area, subject to the Notice and Hearing provisions in Article XIII, Section 1 herein.

4.7. To suspend the right of the Owner(s) in default to vote on any matter on which Owners have the right to vote if such Owner is delinquent in payment of Assessments or Special Assessments for more than ninety (90) days.

**Section 5. Rights of Developer and Institutional Mortgagees to Pay Assessments and Receive Reimbursement.** Developer and any Institutional Mortgagee(s) shall have the right, but not the obligation, jointly or individually, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Lot(s). Further, Developer and any Institutional Mortgagee shall have the right, but not the obligation, jointly or individually, and, at their sole option to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Association in the event the same are overdue and when lapses in policies or services may occur. Developer and any Institutional Mortgagee paying overdue Operating Expenses on behalf of the Association will be entitled to immediate reimbursement from the Association plus Interest and any costs of collection including, but not limited to Legal Fees, and the Association shall execute an instrument in recordable form acknowledging such reimbursement obligation(s) and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Developer if Developer is entitled to reimbursement.

**Section 6. Collection by Association.** Subject to the provisions of Article VIII below, the Association shall initially collect all assessments and other sums due the Association. Each Owner will receive one or more statements annually or each quarter, as applicable, from the Association which lists the amounts owed to the Association.

**ARTICLE VIII**

**METHOD OF DETERMINING ASSESSMENTS AND ALLOCATION OF ASSESSMENTS**

**Section 1. Determining Amount of Assessments.** The total anticipated Operating Expenses and reserves for each calendar year shall be set forth in the budget ("Budget") prepared by the Board as required under the Sunset Inlet Documents. Each Lot shall be assessed its pro rata portion of the total anticipated Operating Expenses and reserves, which shall be the "Assessment" as to each Lot. Operating Expenses and reserves shall be divided by the total number of Lots, which is planned to total thirty one (31), but subject to change in accordance with this Declaration. Notwithstanding anything in Sunset Inlet Documents to the contrary, only



a "Lot" and the Owner thereof shall be obligated to pay Assessments. Further, any Assessment for Legal Fees incurred by the Association for lawsuits shall be deemed an Operating Expense which is properly the subject of Special Assessment and not the subject of an Assessment, except the Legal Fees incurred by the Association in connection with the collection of assessments or other charges which Owners are obligated to pay pursuant to Sunset Inlet Documents or the enforcement of the use and occupancy restrictions contained in Sunset Inlet Documents.

Section 2. **Assessment Payments.** Assessments, exclusive of Special Assessments, shall be payable quarterly, in advance, on the first (1<sup>st</sup>) day of each fiscal quarter. Notwithstanding the foregoing, the Board has the right to change the method and frequency of the payments of Assessments. Assessments, and the amount or frequency of payments thereof, may be adjusted from time to time by the Board due to changes in the Budget or in the event the Board determines that an Assessment or any installment thereof is either less than or more than the amount actually required.

Section 3. **Special Assessments.** Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, the levying of any Special Assessment after the Turnover Date shall require the affirmative assent of at least two-thirds (2/3) of all Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws provided, however, the Board acting alone and without the consent of Members may levy Special Assessments for the following: i) in the event of a casualty loss to repair and replace Common Area which is not insurable (e.g., landscaping, fencing, etc.), not insured, under insured, or where insurance coverage was denied by the insurance carrier after the casualty loss; ii) to obtain funds to cover insurance deductibles in the event of a casualty loss; and iii) any Special Assessment authorized by Article VII, Section 2.3 herein. Prior to the Turnover Date, a Developer-controlled Board may make a Special Assessment without such vote of the Members. Special Assessments are not included in the guarantee set forth in Article VIII, Section 5 below.

Section 4. **Liability of Owners for Lot Assessments.** By the acceptance of a deed or other instrument of conveyance of a Lot in the Property, each Owner thereof acknowledges that each Lot and the Owners thereof are jointly and severally liable for their own Lot Assessments and their applicable portion of any Special Assessments, as well as for any and all other Assessments for which they are liable, as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Lots for the Operating Expenses (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessment and the limitations on the liability of Institutional Mortgagees and their successors and assigns). Accordingly, subject to such specific limitations, it is recognized and agreed by each Owner, for such Owner and such Owner's heirs, executors, successors and assigns, that in the event any Owner fails or refuses to pay such Owner's Lot Assessment or any portion thereof, or such Owner's respective portion of any Special Assessment or any other Assessment, then the other Owners may be responsible for increased Lot Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owner, and such increased Lot Assessment or Special Assessment or other Assessment can and may be enforced by the Association and Developer in the same manner as all other Assessments hereunder as provided in the Sunset Inlet Documents

Section 5. **Guaranteed Assessment During Guarantee Period.** Developer covenants and agrees with the Association and the Owners that, for the period commencing with the date of recordation of this Declaration and ending upon the sooner to occur of the following: (i) the Turnover Date; or (ii) one (1) year from the date of recordation of this Declaration ("Guarantee Period"), Assessments will not exceed the dollar amount set forth in the initial Budget of the Association ("Guaranteed Assessment") and that Developer will pay the difference ("Deficit"), if any, between (a) the Operating Expenses (other than those Operating Expenses which are properly the subject of a Special Assessment) incurred by the Association during the Guarantee Period (as same may be extended as hereinafter provided), and (b) the sum of (x) the amounts assessed as Guaranteed Assessments against Owners during the Guarantee Period (as same may be extended as hereinafter provided), (y) the "Ongoing Capital Contributions" set forth in Article VIII, Section 7 hereof and (z) any other income of the Association during the Guarantee Period (as same may be extended as hereinafter provided). Thus, during the Guarantee Period (as same may be extended as hereinafter provided), Owners shall not be obligated to pay Assessments other than the Guaranteed Assessment, Special Assessments and the Owners' respective Ongoing Capital Contributions. The Deficit, if any, to be paid by Developer pursuant to this Section 5 shall be determined by looking at the Guarantee Period (as same may be extended as hereinafter provided) as a whole, without regard to quarterly, annual or any other accounting or fiscal periods and without regard to intraperiod allocations. In that regard, in the event it is determined at the end of the Guarantee Period (as same may be extended as hereinafter provided) that there is a Deficit and Developer has previously advanced funds to the Association in excess of the Deficit during the Guarantee Period (as same may be extended as hereinafter provided), Developer shall be entitled to the immediate repayment from the Association of the amount of funds advanced by Developer in excess of the Deficit. Developer hereby reserves the right to extend the Guarantee Period from time to time to a date ending no later than the Turnover Date at Developer's sole election by providing written notice to the Association of such election prior to the expiration of the Guarantee Period (as same may have been previously extended). Developer also reserves the right to increase the amount of the Guaranteed Assessment during any such extended Guarantee Period. Special Assessments are not included in this guarantee. Special Assessments may include assessments for items such as capital expenditures or amounts needed to supplement repair expenses not covered by insurance.

After the Guarantee Period (as same may have been previously extended) terminates, each Owner shall be obligated to pay Assessments as set forth in Article VIII, Section 1 hereof, and, commencing at such time. Developer shall no longer be required to pay the Deficit, if any.

Section 6. **Developer's Guaranteed Assessment Not the Obligation of Institutional Mortgagees.** Notwithstanding anything to the contrary herein contained, it is specifically understood and declared that each Owner, by the acceptance of a deed or other instrument of conveyance of a Lot within the Property, shall be deemed to have acknowledged and agreed that no Institutional Mortgagee (other than Developer) or any successor or assign of such Institutional Mortgagee, or any person acquiring a deed or title to any part of the Property by reason of the foreclosure or otherwise of an Institutional Mortgagee shall be deemed to have made, assumed or otherwise undertaken any covenants or obligations of Developer: (i) to guarantee the level and/or duration of any Guaranteed Assessments provided for under any of the Sunset Inlet Documents; or (ii) to pay the difference between the actual Operating Expenses and the Guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the

Guarantee Period (as I same may have been previously extended) as may be provided for in any of the Sunset Inlet Documents; provided, however, that an Institutional Mortgagee may, at its option, determine to continue the obligation of Developer to guarantee the amount of the Assessments as herein provided. Additionally, a successor Developer shall not be deemed to guarantee the level and/or duration of any Guaranteed Assessments provided for under any of the Sunset Inlet Documents or be obligated or pay the difference between the actual Operating Expenses and the Guaranteed Assessments, if any, assessed against Lots and the Owners thereof during the Guarantee Period (as same may have been previously extended) unless such obligation is assumed in writing by such successor Developer.

Section 7. **Ongoing Capital Contribution.** Each Owner who purchases a Lot with a Home thereon shall pay to the Association at the time legal title is conveyed to such Owner, an "Ongoing Capital Contribution" in the amount of Five Hundred and 00/100 Dollars (\$500.00). Ongoing Capital Contributions are not advance payments of Assessments and shall have no effect on future Assessments, nor will they be held in reserve. To ensure that the Association will have sufficient cash available to pay for start-up expenses, Operating Expenses and other expenses, Developer may from time to time advance to the Association the Ongoing Capital Contribution applicable to any Lot(s) prior to the time legal title to such Lot(s) is conveyed to the Owner(s) thereof. In the event Developer advances the Ongoing Capital Contribution applicable to any Lot, then, at the time legal title to such Lot is conveyed to the Owner thereof, the Ongoing Capital Contribution to be paid by such Owner to the Association pursuant to this Article VIII, Section 7 shall be paid directly to Developer in reimbursement of the advance, instead of to the Association. Ongoing Capital Contributions (whether paid by Owner or advanced by Developer) may also be used to offset Operating Expenses both during the Guarantee Period (as same may have been previously extended) and thereafter.

Section 8. **Waiver of Use.** No Owner, other than Developer, may exempt himself from personal liability for Assessments duly levied by the Association. No Owner may release the Lot owned by such Owner from the liens and charges hereof either by waiver of the use and enjoyment of the Common Area and the facilities thereon or by abandonment of such Owner's Home.

## **ARTICLE IX**

### **ARCHITECTURAL CONTROL**

Section 1. **Assignment of Right of Architectural Review.** The provisions of this Article IX, Sections 2 through 9, shall not be operative against the Developer for any period of time when the Developer owns any of the Lots.

Section 2. **Architectural Review Committee.** The site development, site design and architectural review and control functions of the Association shall be administered and performed by the Architectural Review Committee ("ARC"), which shall consist of three (3) or five (5) members, none of whom are required to be Members of the Association. The Board of Directors of the Association shall have the right to appoint all of the members of the ARC. A majority of the ARC shall constitute a quorum to transact business at any meeting of the ARC, and the action of a majority present at a meeting at which a quorum is present shall constitute the

action of the ARC. Any vacancy occurring on the ARC because of death, resignation, or other termination of service of any member thereof shall be filled by the Board of Directors. If the ARC does not function or exist, for whatever reason at any time hereafter, then all of the functions otherwise to be performed by the ARC shall be performed by the Association as a whole.

Section 3. **Powers and Duties of the ARC.** The ARC shall have the following powers and duties:

3.1. To require submission to the ARC of two (2) complete sets of all preliminary and final plans and specifications for any improvement or structure of any kind requiring review and approval of the ARC pursuant to this Article IX. The ARC may also require submission of samples of building materials, tree surveys to show the effect of the proposed improvements on existing tree cover, and such additional information as reasonably may be necessary for the ARC to completely evaluate the proposed structure or improvement in accordance with the Sunset Inlet Documents and applicable use restrictions and design criteria established by the Developer.

3.2. To approve or disapprove in accordance with the provisions of this Article IX, any improvements or structures of any kind, and to approve or disapprove any exterior additions, changes, modifications or alterations therein or thereon. All decisions of the ARC may, but need not be, evidenced by a certificate in recordable form executed under seal by the President or any Vice President of the Association. Any party aggrieved by a decision of the ARC shall have the right to make a written request to the Board, within thirty (30) days of such decision, for a review thereof. The determination of the Board upon review of any such decision shall be dispositive.

3.3. To adopt a schedule of reasonable fees for processing requests for ARC approval of proposed improvements. Such fees, if any, shall be payable to the Association, in cash, at the time that plans and specifications are submitted to the ARC.

Section 4. **Compensation of ARC.** The Board may, at its option, pay reasonable compensation to any or all members of the ARC, provided however, for so long as a majority of the Board of Directors shall be appointed by the Developer, only those members of the ARC who are licensed architects, engineers, or other design professionals may be compensated.

Section 5. **Architectural Review and Approval.** No landscaping or improvement or structure of any kind, including without limitation, any building, addition to a building, pool, play set or play equipment, fence, wall, screen enclosure, sewer, drain, disposal system, landscape device or object, driveway or other structure or improvement ("Lot Improvements") shall be commenced, erected, placed or maintained upon any Lot, nor shall any addition, change or alteration therein or thereof be made, unless and until the plans, specifications and location of the same have been submitted to, and approved in writing by the ARC. All plans and specifications shall be evaluated as to visual and acoustical privacy and as to the harmony of external design and location in relation to surrounding structures, topography, existing trees and other natural vegetation and as to specific conformance with use restrictions or architectural criteria which may be imposed from time to time by the Developer or the Association with

respect to any particular portion of the Property. Any Owner desiring to make any Lot Improvement shall supply two (2) sets of completed plans and specifications to the ARC and no plan or specification shall be deemed approved unless a written approval is granted by the ARC to the Owner submitting same. The ARC shall approve or disapprove plans and specifications properly submitted within thirty (30) days of each submission. Any change or modification to an approved plan shall not be deemed approved unless a written approval is granted by the ARC to the Owner submitting same.

Section 6. **Security Deposit for Improvements.** Any Owner desiring to make any Lot Improvement may be required by the ARC, depending upon the Lot Improvements being requested and the manner of installation of such Improvements, to provide to the ARC, at the time of the Owner's submission of plans and specifications for review and approval by the ARC, up to a Five Thousand Dollar (\$5,000.00) security deposit to cover costs of incidental damage caused to Common Area, an adjacent Home or Lot, or any property (real or personal) by virtue of such Owner's construction of any Lot Improvement. The ARC shall have the sole and absolute discretion to determine whether a security deposit is required for the Lot Improvements being requested. The Association shall not be obligated to place the security deposit in an interest bearing account. The Owner shall be entitled to the return of the security deposit upon: (i) such Owner's written notice to the ARC that the Lot Improvements covered by the security deposit have been completed in accordance with the plans and specifications approved by the ARC; and (ii) the ARC's (or its duly authorized representative's) inspection of such Lot Improvements confirming completion; provided, however, should any incidental damage be caused to Common Area by virtue of such Owner's construction of Lot Improvements, the security deposit shall not be returned to Owner until such damages have been repaired. In the event that Owner has not repaired such damages to the Common Area to the satisfaction of the ARC, Association shall have the right (but not the obligation), after five (5) days notice to the offending Owner, to repair such incidental damage and to use so much of the security deposit held by the Association to reimburse itself for the costs of such work. Further, the offending Owner hereby agrees to indemnify and reimburse the Association for all reasonable costs expended by the Association that exceed the security deposit, including Interest and Legal Fees, if any, incurred in connection therewith. Should any incidental damage be caused to an adjacent Lot or Home by virtue of such Owner's construction of any Lot Improvements, the Owner of the adjacent Lot (the "Adjacent Lot Owner") shall, at such Adjacent Lot Owner's sole option: (a) remedy such damage and submit to the Association a receipt, invoice or statement therefor for reimbursement from the offending Owner's security deposit; or (b) allow the offending Owner to repair such incidental damage to the Adjacent Lot Owner's Lot or Home, at the offending Owner's sole cost and expense, and upon receipt by the Association of written notice from the Adjacent Lot Owner that such incidental damage has been repaired, the offending Owner shall be entitled to a return of the security deposit being held by the Association, if any.

Notwithstanding anything contained in this Section to the contrary, the Association's return of the security deposit being held by it for any such Lot Improvements shall be based solely on considerations set forth above. The Association's return of the security deposit does not and shall not be construed to constitute a determination by members and representatives of the ARC, the Developer, and/or the Association of the structural safety, approval or integrity of any Lot Improvement, conformance with building or other codes or standards, or the proper issuance of governmental permits and approvals for any Lot Improvement.

Section 7. **Meetings of the ARC.** The ARC shall meet from time to time as necessary to perform its duties hereunder. The ARC may from time to time, by resolution unanimously adopted in writing, designate an ARC representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the ARC, except the granting of variances pursuant to Article IX, Section 11 below. In the absence of such designation, the vote of any two (2) members of the ARC shall constitute an act of the ARC.

Section 8. **No Waiver of Future Approvals.** The approval of the ARC of any plans and specifications or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to withhold approval or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant. Similarly, the denial of approval by the ARC of any plans and specifications or drawings for any work performed or proposed shall not be deemed to constitute a waiver of any right to approve or consent to any identical or similar proposal subsequently or additionally submitted for approval or consent, whether such submission is by that applicant or another applicant.

Section 9. **Inspection of the Work.** Inspection of work on any Lot Improvement and correction of defects therein shall proceed as follows:

9.1. Upon the completion of any work on any Lot Improvement for which approved plans are required under this Article, the submitting Owner shall give written notice of completion to the ARC.

9.2. Within thirty (30) days after written notice of completion, the ARC or its duly authorized representatives may inspect such Lot Improvement. If the ARC finds such Lot Improvement was not done in substantial compliance with the approved plans, it shall notify the submitting Owner in writing of such noncompliance within such thirty (30) day period, specifying the particulars of noncompliance, and shall require the submitting Owner to remedy such noncompliance.

9.3. If upon the expiration of fifteen (15) days from the date of such notification the submitting Owner shall have failed to remedy such noncompliance, notification shall be given to the Board in writing of such failure. Upon such notice, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If noncompliance exists, the submitting Owner shall remedy or remove the same within a period of not more than thirty (30) days from the date of announcement of the Board's ruling. If the submitting Owner does not comply with the Board's ruling within such period, the Board, at its option, may remove the Lot Improvement, remedy the noncompliance, or proceed in court to compel compliance and the submitting Owner shall reimburse the Association, upon demand, for all expenses incurred in connection therewith, including Interest and Legal Fees. If such expenses are not promptly repaid by the submitting Owner to the Association, the Board shall levy an Assessment against such submitting Owner for reimbursement, and said Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as liens for Operating Expenses.

9.4. If, for any reason, notification is not given to the submitting Owner of acceptance within thirty (30) days after receipt of said written notice of completion from the submitting Owner, the Lot Improvement and/or alteration shall be deemed to be in compliance with said approved plans.

Section 10. **Limitation on Liability.** Neither the ARC nor any member thereof, nor its duly authorized ARC representative, nor the Association, nor the Developer, shall be liable to the Association or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance of the ARC duties hereunder, unless due to the willful misconduct or bad faith of a member and only that member shall have any liability. The ARC's review and approval or disapproval of plans submitted to it for any proposed Lot Improvement shall be based solely on considerations of the overall benefit or detriment to the community as a whole. The ARC shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes or standards, and no member or representative of the ARC or the Association, nor Developer, shall be liable for the safety, soundness, workmanship, materials or usefulness for any purpose of any such Lot Improvement or alteration proposed by the plans. By submitting a request for review and approval by the ARC, an Owner shall be deemed to have, and does automatically agree to indemnify, defend and hold harmless the ARC, the Association and the Developer (and each of their respective officers, directors, partners, affiliates, members and representatives) from and against any and all claims, causes of action, losses, damages, liabilities, costs and expenses (including, without limitation, Interest and Legal Fees) arising from, relating to or in any way connected with any Lot Improvement for which such request was submitted. Furthermore, approval by the ARC of any request does not excuse Owner from also obtaining approvals from all applicable governmental authorities.

Section 11. **Variance.** The Developer and the ARC may authorize variances from compliance with any architectural provisions of this Declaration or applicable design criteria when circumstances such as topography, natural obstructions, hardships, or aesthetic or environmental considerations require same. Such a variance must be evidenced by a document signed by an authorized representative of the Developer or ARC, as applicable. If such a variance was granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matters for which the variance was granted. The granting of such a variance shall not, however, operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Lot and particular provisions of this Declaration or applicable design criteria covered by the variance, nor shall it effect in any way an Owner's obligation to comply with all governmental laws and regulations, including but not limited to, zoning ordinances and setback lines or requirements imposed by any governmental or municipal authority.

## **ARTICLE X**

### **MAINTENANCE AND REPAIR OBLIGATIONS**

Section 1. **By the Association.**

1.1. The Association, at its expense, shall be responsible for the operation, maintenance, repair and replacement of all of the Improvements and facilities located over, through and upon the Common Area, including, without limitation, the Boat Slips and the Surface Water or Stormwater Management System, as otherwise provided herein (except public utilities and Community Systems, to the extent same have not been made Common Area). Should any incidental damage be caused to any Home by virtue of the Association's failure to maintain the Common Area as herein required or by virtue of any work which may be performed or caused to be performed by the Association in the maintenance, repair or replacement of any Common Area, the Association shall, at its expense, repair such incidental damage. The Association shall not, however, be responsible for any loss of use, any hardship, an Owner's time or any other consequential or punitive damages.

1.2. The Association shall be responsible for the maintenance, repair and replacement of all private streets, drives, roads and roadways, if any, located upon the Common Area and there is hereby reserved in favor of the Association the right to enter upon any and all parts of the Common Area and Lots for such purpose. To the extent permitted by the appropriate governmental authority, the Association may, but shall not be obligated to, also provide maintenance of all city, County, SJRWMD or municipal properties which are located within or in a reasonable proximity of the Property to the extent that their deterioration or unkempt appearance would adversely affect the appearance of the Property, including the right to enhance the landscaping in any public right of way.

1.3. The Association shall be responsible for the maintenance, repair and replacement of any common lighting located within the Property; provided, however, the Association shall not be responsible for the maintenance, repair and replacement of any lighting provided by any governmental or private electric utility.

1.4. In accordance with the provisions of this Declaration, the Association shall operate, maintain and repair the Surface Water or Stormwater Management System in accordance with the District Permit. Any repair or construction of the Surface Water or Stormwater Management System shall be as permitted or, if modified, as approved by the District. There is hereby reserved in favor of the Association the right to enter upon the Common Area and the Lots for the purpose of operating, maintaining, repairing, and replacing the Surface Water or Stormwater Management System over, through and upon the Property. The Association shall be responsible for all costs associated with all cleaning, maintenance, repairs and replacement of any portion of the Surface Water or Stormwater Management System necessary to maintain the system in its original condition and use, and as required by the District Permit. In the event the Association fails to maintain the Surface Water or Stormwater Management System in accordance with this Declaration, the District Permit, and/or any other permit or permission issued by governmental agency having jurisdiction over the Surface Water or Stormwater Management System, as any of the same may be amended from time to time, then the District or other authority that issued or granted an applicable permit or permission shall have the right to commence an action against the Association, including, without limitation, monetary penalties and injunctive relief, to



compel the Association to maintain the portions of the Surface Water or Storm Water Management System for which the Association is responsible in accordance with this Declaration, the District Permit, or such other permit or permission. The registered agent for the Association shall retain a copy of the District Permit and any other permit or permission referenced herein, for the Association's benefit. Neither the Association nor any Owner shall alter the slopes, contours, or cross sections of the lakes, lake banks and littoral zones or chemically, mechanically, or manually remove, damage or destroy any plants in any of the littoral zones, except upon the written approval from the applicable governmental authority. The Association shall be responsible for maintaining the required survivorship and coverage of the planted littoral areas, to ensure the ongoing removal of prohibited and invasive non-native plant species from these areas, and to comply with all governmental regulations applicable to the lakes, lake banks and littoral zones.

1.5. The Association shall maintain and care for any sod, lawns and landscaping which are encompassed within the Lot including, without limitation, the common irrigation system, if any, installed thereon. In addition to the foregoing, the Association shall maintain and care for the grassed areas (including, without limitation, all landscaping thereon, if any) located between the front and/or side lot line of such Owner's Lot and the edge of the roadway in front and/or side of such Owner's Lot. "Maintenance and care" within the meaning of this Article X, Section 1.5 shall include irrigating, mowing, edging, fertilizing, trimming of trees and landscaping, spraying of lawns, all to the level of care deemed appropriate by the Association, and replacement of sod, trees and landscaping (including, without limitation, replacement of any dead or dying trees so that, at a minimum, the initial landscaping provided by Developer is maintained.

1.6. Any property designated as open space, buffer, preserve area, conservation or wetland area on any plat, permit, or other document recorded in the public records of the County shall be preserved and maintained by the owner of such property in a natural open condition. The Association or any subsequent owner shall not do anything that diminishes or destroys the open space, buffer, preserve area or conservation area, and such areas shall not be developed for any purpose except that which improves or promotes the use and enjoyment of such areas as open space.

1.7. The Association, by action of its Board, may make minor and insubstantial alterations and Improvements to the Common Area having a cost not in excess of Five Thousand Dollars (\$5,000). All other alterations and Improvements must first be approved in accordance with the procedures for approving a Special Assessment as set forth in Article VIII, Section 3 of this Declaration. No alteration or Improvement may be made to the Common Area which materially and adversely affects the rights of the Owner of any Lot to the enjoyment of such Owner's Lot or the Common Area unless the Owner and all mortgagees holding recorded mortgages on such Lot consent thereto in writing.

1.8. All expenses incurred by the Association in connection with the services, operation, maintenance, repair and replacement described in this Article X,

Section 1, are Operating Expenses, payable by each Owner under the provisions of this Declaration concerning Assessments except for those described in Article X, Section 1.6 hereof, and provided however, that should the maintenance, repair or replacement provided for in this Article X, Section 1 be caused by or result from the negligence of or misuse by an Owner, such Owner's family, guests, servants, invitees, or Tenants, such Owner shall be responsible therefor, and the Association shall have the right to levy an Assessment against such Owner's Lot and said Assessment shall constitute a lien upon the appropriate Lot and Home with the same force and effect as liens for Operating Expenses.

1.9. The Association has a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of Sunset Inlet.

1.10. Notwithstanding anything to the contrary in this Article X, Section 1, if the Association undertakes any maintenance or repair obligation that is otherwise the responsibility of the Association according to the provisions of the foregoing Section 1 because of damage that results in majority or greater part due to or related to the negligence or misconduct of an Owner (or any of an Owner's family, guests, invitees, or Tenants), then the Association shall treat the costs of undertaking such maintenance or repair obligations shall be treated as expenses for which a Special Assessment may be levied pursuant to Article VII, Section 2.3 of this Declaration.

Section 2. **By the Owners.**

2.1. The Owner of each Lot must keep and maintain the Lot and the Improvements and Lot Improvements thereon, including all equipment and appurtenances, in good order, condition and repair, and must perform promptly all maintenance and repair work within, upon and outside of such Owner's Home which, if omitted, could adversely affect Sunset Inlet, the other Owners or the Association and its Members. The Owner of each Lot shall be responsible for any damages caused by a failure to so maintain such Lot, Improvements, Lot Improvements, and Home. The Owners' responsibility for maintenance, repair and replacement shall include, but not be limited to, all of the physical structures constructed in, upon, above or below the Lot, and physical items attached or connected to such structures that run beyond the boundary line of the Lot which exclusively service or benefit the Lot and Home. Without limiting the generality of the foregoing, the Owner of each Lot shall keep all drainage structures (such as catch basins) located on the Owner's Lot clear of grass, leaves and other debris. Additionally, the painting, caulking and maintenance of the exterior surface of the walls, doors, windows and roof of the physical structures of the Home shall be performed by the Owner, and the exterior surface of such walls, doors, windows and roof shall at all times be maintained in a good and serviceable condition with no damage or other defect therein by the Owner. The Owner of a Lot further agrees to pay for all utilities (including, without limitation, those provided by the Community Systems), such as telephone, cable or satellite television, telecommunication systems, home monitoring, water (including water associated with irrigation), sewer, sanitation, electric, etc., that may be separately

billed or charged to each Home. The Owner of each Lot shall be responsible for insect and pest control within the Home and the Lot.

2.2. The Owner of each Lot shall take no action or otherwise interfere with the Association's maintenance and care of the sod, lawns and landscaping encompassed within the Owner's Lot. The Owner shall not install any new sod, lawn, landscaping, or trees, nor shall they alter or modify any sod, lawn, landscaping, or trees, without the prior consent and approval of the Association.

2.3. Developer may have constructed one or more drainage swales upon each Lot for the purpose of managing and containing the flow of excess surface water, if any, found upon such Lot from time to time. The Association shall be responsible for the maintenance, operation and repair of the swales on the Lot, and each Lot Owner shall cooperate with and not interfere with the Association obligations regarding drainage swales. Each Lot Owner shall not interfere with, or do anything which impairs, the ability of the swales to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the SJRWMD. No Lot Owner shall fill, excavate, construct fences or otherwise obstruct the surface water flow in the swales. No alteration of the drainage swale shall be authorized and any damage to any drainage swale, whether caused by natural or human-induced phenomena, shall be repaired and the drainage swale returned to its former condition as soon as possible by the Owner(s) of the Lot(s) upon which the drainage swale is located.

2.4. The Owner of each Lot shall maintain, repair and replace as needed any fencing on their Lot, clean, maintain and repair the driveway on their Lot, and keep the sidewalk located on and/or adjacent to their Lot clean and free from any stains, trash, debris and/or impediments to pedestrian traffic.

2.5. Each Owner of a Lot abutting or including any portion of the Surface Water and Stormwater Management System shall be responsible for maintaining and repairing the portion of the water bank and slopes on his or her Lot.

2.6. In addition to the above, the Owner of each Home shall be responsible to fix leaks in and otherwise maintain and repair the roof of such Owner's Home; replace any dead or obviously dying trees on their Lot; and maintain, repair and replace any fences on their Lot, except as otherwise provided in Article X, Section 1.4 hereof. The Owner of each Home shall also clean, maintain and repair the driveway located on its Lot and keep the sidewalks located on its Lot clean and free from any impediments to pedestrian traffic.

2.7. If a Home is damaged by fire or other casualty, its Owner shall properly and promptly restore it to at least as good a condition as it was before the casualty occurred. Any such work shall be in accordance with the original plans and specifications of the Home unless otherwise authorized by the Board and shall be otherwise subject to all provisions of Article IX hereof.

2.8. Each Owner shall keep such Owner's Home insured in an amount not less than its full insurable value against loss or damage by fire or other hazards. Evidence of such coverage shall be furnished to the Association promptly upon the Board's request.

2.9. If an Owner fails to comply with the foregoing provisions of this Article X, Section 2, the Association may proceed in court to compel compliance. Further, if the failure to comply relates to the Owner's obligations to maintain insurance, the Association shall be entitled, although not obligated, to obtain the required coverage itself and to levy on the offending Owner an Assessment equal to the cost of premiums, and any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

2.10. If a failure to comply with the provisions of this Article X, Section 2 relates to the Owner's obligation to maintain and care for the Home, landscaping or any other area required to be maintained and cared for by the Owner, then, in addition to the exercise of all other remedies, the Association or Developer shall have the right but not the obligation, upon fifteen (15) days written notice, to enter the Lot of the Owner for the purpose of performing the maintenance and care referred to, set forth and described in the notice and to levy on the offending Owner an Assessment equal to the cost of performing such maintenance and care. Any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses. The determination of whether an Owner is failing to properly maintain and care for the property for which he has the maintenance responsibility under this Declaration or any of the other Sunset Inlet Documents shall be determined in the sole discretion of the Association or Developer.

Section 3. **Damage to Improvements on a Lot.** The Owner of any Home which has suffered damage may apply to the ARC for approval for reconstruction, rebuilding, or repair of the Improvements which suffered damage. If the obligation for repair falls upon the Association, the ARC approval will not be required prior to the commencement of such work, so long as the exterior appearance of the Improvements will be substantially similar to that which existed prior to the date of the casualty.

The owner or owners of any damaged building (including, without limitation, the Owner of a Lot and/or Home), the Association, and the ARC shall be obligated to proceed with all due diligence hereunder and the responsible parties shall commence reconstruction within three (3) months after the damage occurs and complete reconstruction within one (1) year after the damage occurs, unless prevented by causes beyond his or her or their reasonable control.

Developer shall be exempt from the provisions of this Article X, Section 3, provided that any such reconstruction, rebuilding or repairs made by Developer shall be consistent, as to the exterior appearance, with the Improvements as they existed prior to the damage or other casualty.

**ARTICLE XI**

**DAMAGE OR DESTRUCTION TO COMMON AREA**

Damage to or destruction of all or any portion of the Common Area shall, notwithstanding any provision in this Declaration to the contrary, be handled as follows:

Section 1. **Determination to Repair or Rebuild.**

1.1. If insurance proceeds are sufficient to effect total restoration of damaged or destroyed Common Area, then the Association shall cause such Common Area to be repaired and reconstructed substantially as it previously existed.

1.2. If insurance proceeds are insufficient to effect total restoration of the Common Area, and the cost of restoration would require a Special Assessment against each Lot in an amount of Five Thousand Dollars (\$5,000.00) or less (such amount is based on the value of the dollar in 2012 and shall be increased each year thereafter based upon increases in the Consumer Price Index), then the Association shall cause the Common Area to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment proportionately against each of the Lots in accordance with the provisions of Articles VII and VIII herein.

1.3. If the insurance proceeds are insufficient to effect total restoration of the Common Area and the cost of restoration of the Common Area would require a Special Assessment against each Lot in an amount greater than Five Thousand Dollars (\$5,000.00) (such amount is based on the value of the dollar in 2012 and shall be increased each year thereafter based upon increases in the Consumer Price Index), then by the written consent or vote of a majority of the voting interests, they shall determine whether: (i) to rebuild and restore either: (a) in substantially the same manner as the Improvements existed prior to the damage or destruction; or (b) in a manner less expensive, and in the event of (a) or (b) to raise the necessary rebuilding and restoration funds by levying pro rata restoration and construction Special Assessments against all Lots; or (ii) to not rebuild and to retain available insurance proceeds. In the event it is decided that the damaged or destroyed Common Area shall not be rebuilt, the remains of any structure or structures shall be torn down and hauled away so as not to be a safety hazard or visual nuisance, and the land shall be fully sodded and landscaped or otherwise treated in an attractive manner. Notwithstanding anything contained herein to the contrary, any decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall not be effective without the prior written approval of Developer (which approval shall be given, conditioned or withheld in Developer's sole and absolute discretion) as long as Developer owns any portion of the Property.

Section 2. **Owner Responsibility.** Each Owner shall be liable to the Association for any damage to the Common Area not fully covered or collected by insurance which may be sustained by reason of the negligence or willful misconduct of said Owner or of such Owner's family, Tenants, invitees and guests, both minors and adults.

Section 3. **Excess Funds.** In the event that the repairs and replacements were paid for by any Special Assessments as well as insurance proceeds and regular Assessments, then, if after the completion of and payment for the repair, replacement, construction or reconstruction

there shall remain any excess in the hands of the Association, it shall be presumed that the monies disbursed in payment of any repair, replacement, construction, and reconstruction were first disbursed from insurance proceeds and regular Assessments and any remaining funds shall be deemed to be the remaining Special Assessments which shall be returned to the Owners by means of a prorata distribution in accordance with the collection of such Special Assessments.

## ARTICLE XII

### INSURANCE AND CONDEMNATION

The Association shall purchase and maintain the following insurance coverages subject to the following provisions, and the cost of the premiums therefor shall be a part of the Operating Expenses:

Section 1. **Casualty Insurance.** Property and casualty insurance in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all Improvements and personal property which are owned by the Association and now or hereafter located upon the Common Area, which insurance shall afford protection against such risks, if any, as shall customarily be covered with respect to areas similar to the Common Area in developments similar to Sunset Inlet in construction, location and use.

Section 2. **Public Liability Insurance.** A comprehensive policy of public liability insurance naming the Association and Developer, until Developer no longer owns any Lot within the Property, as named insureds thereof insuring against any and all claims or demands made by any person or persons whomsoever for personal injuries or property damage received in connection with, or arising from, the operation, maintenance and use of the Common Area and any Improvements located thereon, and for any other risks insured against by such policies with limits of not less than One Million Dollars (\$1,000,000.00) for damages incurred or claimed by any one person for any one occurrence; not less than Three Million Dollars (\$3,000,000.00) for damages incurred or claimed by more than one person for any one occurrence; and for not less than Fifty Thousand Dollars (\$50,000.00) property damage per occurrence with no separate limits stated for the number of claims. The Association may also obtain worker's compensation insurance and other liability insurance including, but not limited to, insurance for lawsuits related to employment contracts in which the Association is a party, as it may deem desirable.

Section 3. **Fidelity Coverage.** Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Board and all others who handle and are responsible for handling funds of the Association shall be maintained in the form of fidelity bonds, which requirements shall be reasonably determined by the Board.

Section 4. **Directors' Coverage.** Adequate directors' and officers' liability coverage which coverage shall be effective from and after the date the Association is created.

Section 5. **Other Insurance.** The Board may obtain such other forms of insurance as the Board may determine and in such coverage amounts as the Board shall determine to be required or beneficial for the protection or preservation of the Common Area and any

Improvements now or hereafter located thereon or in the best interests of the Association and/or its officers and directors.

Section 6. **Cancellation or Modification.** All insurance policies purchased by the Association shall provide that they may not be canceled (including for nonpayment of premiums) or substantially modified without at least ten (10) days prior written notice to the Association and to each first mortgage holder, if any, named in the mortgage clause.

Section 7. **Flood Insurance.** If determined appropriate by the Board or if required by an Institutional Mortgagee, a master or blanket policy of flood insurance covering the Common Area, if available under the National Flood Insurance Program, shall be purchased. which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area.

Section 8. **Waiver of Subrogation.** As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, Developer and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement of said persons, but only to the extent that such insurance proceeds are received in compensation for such loss.

Section 9. **Condemnation.** In the event the Association receives any award or payment arising from the taking of any Common Area or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and improvements thereon to the extent deemed advisable by the Board and approved by at least two-thirds (2/3) of the total voting interests, and the remaining balance thereof, if any, shall then be distributed pro rata to Owners and mortgagees of Lots as their respective interests may appear.

**ARTICLE XIII**

**USE RESTRICTIONS AND RIGHTS AND EASEMENTS  
RESERVED BY DEVELOPER**

All of the Property shall be held, used, and enjoyed subject to the following limitations and restrictions, and any and all additional Rules and Regulations which may, from time to time, be adopted by the Association, except as provided in Article XIII, Section 22 below:

Section 1. **Enforcement.** Failure of an Owner to comply with any limitations or restrictions in this Declaration or any of the Sunset Inlet Documents or with any Rules and Regulations promulgated by the Association shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. Without limiting the generality of the foregoing, an Owner shall also be responsible for the payment of any and all Legal Fees incurred by the Association in connection

with the enforcement of this Declaration or any of the Sunset Inlet Documents or with any Rules and Regulations promulgated by the Association, whether or not an action is actually begun. Any such Legal Fees shall be paid not later than thirty (30) days after written notice thereof and if not paid within such thirty (30) day period, shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

In addition to all other remedies, the Association may suspend, for a reasonable period of time, any or all of the rights of any or all of an Owner or an Owner's Tenants, guests or invitees to use Common Area and facilities (including, without limitation, the use of any Boat Slip or services provided by Community Systems, if any); may suspend the voting rights of an Owner if such Owner is delinquent in payment of Assessments for more than ninety (90) days; and may levy reasonable fines against any Owner or any Owner's Tenant, guest or invitee for failure of such Owner, and/or such Owner's family, guests, invitees, Tenants or employees to comply with any of the Sunset Inlet Documents, provided the following procedures are adhered to:

1.1. Notice. The Association shall notify the Owner in writing of the noncompliance and set forth the corrective action to be taken. A fine or suspension of use rights may not be imposed without notice of at least fourteen (14) days to the Owner sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) members appointed by the Board (and such committee is an "enforcement committee") who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director, or employee of the Association. If the enforcement committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. At the Association's option, any fine may be levied on a daily basis in the event of a continuing violation without the necessity of a new hearing and without any limitation on the amount of such fine.

1.2. Hearing. Should the Owner still be in noncompliance after being found in violation by an enforcement committee, the noncompliance shall be presented to the Board after which the Board shall hear reasons why a fine should or should not be imposed. A written decision of the Board shall be submitted to the Owner, as applicable, not later than twenty-one (21) days after said meeting.

1.3. Payment. A fine shall be paid not later than thirty (30) days after notice of the imposition of the fine.

1.4. Fines. An Owner shall be responsible for all Legal Fees incurred in connection with the collection of a fine whether or not an action at law or in equity to collect or enforce said fine is commenced. All monies received from fines shall be allocated as directed by the Board, subject always to the provisions of this Declaration.

1.5. Failure to Pay Assessments. Notice and Hearing as provided in Article XIII, Sections 1.1 and 1.2 above shall not be required with respect to the imposition of suspension of use rights or fines upon any Owner because of such Owner's failure to pay Assessments or other charges when due.



1.6. Access. Suspension of use rights to Common Area and/or Community Systems shall not impair the right of an Owner or Tenant of a Lot and/or Home to have vehicular and pedestrian ingress to and egress from such Lot and/or Home, including, but not limited to, the right to park.

1.7. Non-exclusive Remedy: The imposition of fines authorized by this Section shall not be construed to be an exclusive remedy, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; provided, however, any fine paid by an offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

Section 2. **Residential Use.** The Lots subject to this Declaration may be used for residential dwellings and for no other purpose except that one or more Lots may be used for model homes during the development and sale of Lots within the Property or other properties. No business or commercial building may be erected on any Lot and no business may be conducted on any part thereof. No Lot shall be divided, subdivided or reduced in size without the prior written consent of the Association. Assessments for common expenses attributable to any Lot which may be subdivided pursuant to this Article ~~XIII~~ Section 2 shall be reallocated by the Association, in its sole discretion, at the time written consent for such subdivision is given by the Association.

Section 3. **Occupancy of Home.** The Fair Housing Amendments Act of 1988 (Public Law 100-430, approved September 13, 1988) ("Fair Housing Act"), which became effective in March, 1989, and as amended effective December 31, 1995, provides that communities cannot reject families with children. Therefore, neither Developer nor the Association shall have the authority to prohibit children.

Section 4. **Leases.** No portion of a Home (other than an entire Home) may be rented for a period less than twenty eight (28) continuous days. All leases shall provide, and if they do not so provide then the leases shall be deemed to provide, that the Association shall have the right to terminate the lease upon default by the Tenant in observing any of the provisions of this Declaration, the Articles, the Bylaws, applicable Rules and Regulations, or of any other agreement, document or instrument governing the Lots or Homes. The Owner of a leased Home shall be jointly and severally liable with such Owner's Tenant for compliance with the Sunset Inlet Documents and to the Association to pay any claim for injury or damage to property caused by the negligence of the Tenant. Every lease shall be subordinate to any lien filed by the Association whether before or after such lease was entered into.

Within five (5) days following execution of a lease for a Home, but in no event later than occupancy of the Home by a Tenant, Owner shall: (a) notify the Association in writing with the name of the Tenant and all of Tenant's family members or others that will be occupying the Home, and (b) provide the Association with a true, correct and complete copy of the lease agreement. In the event Owner fails to timely comply with the foregoing, such lease shall be null and void and of no further force or effect, and Owner shall be in violation of this Declaration.

Section 5. **Increase in Insurance Rates.** No Owner may engage in any action which may reasonably be expected to result in an increase in the rate of any insurance policy or policies covering or with respect to any portion of the Property not owned by such Owner.

Section 6. **Lot Coverage and Living Area.** The total ground area to be occupied by residential buildings and structures to be constructed upon the Property shall not exceed the requirements established by the Sunset Inlet Documents or the Zoning Code. Each detached single family residence constructed upon a Lot shall contain a minimum number of square feet of heated and air conditioned living area as Developer deems appropriate.

Section 7. **No Detached Buildings.** No garages, tool or storage sheds, tents, trailers, tanks, temporary or accessory buildings or structures shall be erected or permitted to remain on any Lot without the prior written consent of the ARC or the Association.

Section 8. **Setbacks.** Front, rear and side building setbacks for all dwellings and related structures shall be as established by the Sunset Inlet Documents or the Zoning Code. Any variation in the width of setbacks in any such documents shall be controlled by the more restrictive setback provision. All setbacks shall be measured from the exterior wall of the dwelling to the applicable Lot or parcel boundary.

Section 9. **Easement Areas.** No dwelling shall be erected within any Common Area or easement area shown on the Plat or within any easement created, referred to in or reserved by the Sunset Inlet Documents.

Section 10. **Parking and Vehicular Restrictions.** Parking upon the Property shall be restricted to the driveway and garage located upon each Lot and designated parking areas within the Common Area. No parking on the streets or swales is permitted. No Owner shall keep any vehicle on any Lot which is deemed to be a nuisance by the Board. No Owner shall conduct repairs taking more than twenty-four (24) hours (except in an emergency or except within the garage of the Home with the garage door closed) or restorations of any motor vehicle, boat, trailer, or other vehicle upon any Lot. No commercial vehicle, trailer, recreational vehicle, motor home, boat or boat trailer may be parked or stored on the Property except in the garage of a Home located upon a Lot. No bus or tractor-trailer or any other truck larger than a full-size pickup truck may be parked on the Property, except temporarily as in the case of a moving van or other such vehicle necessary to provide service to an Owner and with the exception of any vehicles necessary for any construction activity being performed by or on behalf of Developer.

Section 11. **Nuisances.** Nothing shall be done or maintained on any Lot which may be or become an annoyance or nuisance to any party. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. If a dispute or question arises as to what may be or become a nuisance, the issue shall be submitted to the Board, whose decision shall be dispositive of such dispute or question. No immoral, improper or unlawful use shall be made of any portion of the Property and all valid laws, zoning ordinances and regulations of governmental agencies having jurisdiction thereof shall be complied with.

Section 12. **Antennae.** No outside television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any portion of the Property or upon any improvements thereon, unless expressly approved in writing by the Association, except that this prohibition shall not apply to those satellite dishes that are expressly allowed by 47 C.F.R. Part 1, Subpart S. Section 1.4000, as amended, promulgated under the Telecommunications Act of 1996, as amended from time to time, which presently includes satellite dishes that are one (1) meter in diameter or less. The Association is empowered to adopt, and amend from time to time, Rules and Regulations governing the types of antennae which may be permitted and restrictions relating to safety, location and maintenance of antennae. The Association may also adopt (and amend from time to time) and enforce reasonable Rules and Regulations limiting installation of permissible satellite dishes or antennae to certain specified locations, not visible from the street or neighboring properties, and integrated with the Property and surrounding landscape, to the extent that reception of an acceptable signal would not be unlawfully impaired by such Rules and Regulations and provided the cost of complying with such Rules and Regulations would not unreasonably increase the cost of installation of permissible satellite dishes or antennae. Any permissible satellite dishes or antennae shall be installed in compliance with all federal, state and local laws and regulations, including zoning, land-use and building regulations. Further, any Owner desiring to install permissible satellite dishes or antennae may, but is not obligated to, submit plans and specifications for same to the ARC to ensure compliance with the Association's Rules and Regulations governing the types of permissible satellite dishes and antennae and restrictions relating to safety, location and maintenance of satellite dishes and antennae.

Section 13. **Signs.** No sign, display, poster, advertisement, notice, lettering or other advertising device of any kind whatsoever may be exhibited, displayed, inscribed, painted or affixed in public view of any portion of any building or other Improvement in the Property (including, without limitation, a Home or a Boat Slip) without the prior written consent of the Board, which consent may be given, withheld or conditioned in the sole and absolute discretion of the Board. Notwithstanding the foregoing, including, without limitation, signs such as "For Sale," "For Rent," or "By Owner" or any other signs for the sale or renting of homes, may be posted on an Owner's Lot provided that, prior to the Turnover Date, the Developer has given its approval therefore, which approval shall not be unreasonably withheld, or provided that from and after the Turnover Date, the Board has given its approval therefore, which approval shall not be unreasonably withheld. Signs, regardless of size, used by Developer or any of Developer's affiliates, or any of their successors or assigns, for advertising or marketing during the construction and sale period of Sunset Inlet or other communities developed and/or marketed by Developer or its affiliates and other signs authorized by Developer shall be exempt from this Article XIII, Section 13. Such sign or signs as Developer may be required to erect under the terms of an Institutional Mortgage shall also be exempt from this Article XIII, Section 13.

Section 14. **Animals.** Dogs shall be kept under control by each Owner at all times and leashed when outside the boundaries of the Owner's Lot. Animals shall be kept for the pleasure of Owners only and not for any commercial or breeding use or purposes. If, in the discretion of the Board, any animal shall become dangerous or an annoyance or nuisance to other Owners, or destructive of wildlife or property, such animal may not thereafter be kept on a Lot. Further, in the event any group of animals shall collectively become dangerous or an annoyance or nuisance

to other Owners, or destructive to wildlife or property, the Board shall have the right to require the applicable Owner to reduce the number of animals kept on the Lot, or to take such other remedial action as the Board shall specify. Under no circumstances shall a Pit Bull (as hereinafter defined), Rottweiler, Doberman Pinscher, Presa Canario (canary dog), or "Dangerous Dog" (as hereinafter defined) be permitted on the Property. As used in this Declaration: (i) a "Pit Bull" is defined as any dog that is an American Pit Bull Terrier, American Staffordshire Terrier, Staffordshire Bull Terrier, or any dog displaying a majority of the physical traits of any one (1) or more of the above breeds, or any dog exhibiting those distinguishing characteristics which substantially conform to the standards established by the American Kennel Club or United Kennel Club for any of the above breeds; and (ii) a "Dangerous Dog" is defined as a dog which meets any one (1) of the following criteria: (a) has aggressively bitten, attacked, endangered or inflicted severe injury on a human being at any time whether on or off the Property, (b) has severely injured or killed a domestic animal at any time whether on or off the Property, or (c) has, when unprovoked, chased or approached any person upon the streets, drives, roads, avenues, roadways and/or sidewalks, or any other portion of the Property in a menacing fashion or apparent attitude of attack; provided, however, a dog shall not be a "Dangerous Dog" if the threat, injury, death or damage was sustained by a person who at the time, was unlawfully on the Property (or any portion thereof), or, while lawfully on the Property (or any portion thereof), was tormenting, abusing or assaulting the dog or its owner or a family member; provided further, that no dog may be a "Dangerous Dog" if the dog was protesting or defending a human being within the immediate vicinity of the dog from an unjustified attack or assault.

Section 15. **Trash and Other Materials.** No rubbish, trash, garbage, refuse, unsightly objects, or other waste material shall be kept or permitted on the Lots or Common Area, or other portions of the Property, except in sanitary, self-locking containers located in appropriate areas (i.e., areas not visible from the street or any other Lot other than at times of scheduled trash pick-up), and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, offensive, detrimental or a nuisance to Owners or to any other property in the vicinity thereof or to its occupants. No weeds, underbrush or other unsightly vegetation shall be permitted to grow or remain upon any Lot or Common Area. All Lots and all portions of the Property and any improvements placed thereon, shall at all times be maintained in a neat and attractive condition and landscaping shall be maintained in a neat, attractive and orderly manner, including maintenance of grass, plants, plant beds, trees, turf, proper irrigation and lake edge maintenance, all in a manner with such frequency as is consistent with good property management. No clothing or other household items shall be hung, dried or aired in such a way as to be visible from the Common Area or another Lot. No stripped vehicles, lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse, or trash shall be stored or allowed to accumulate on any portion of the Property (except when accumulated during construction by Developer, during construction approved by the ARC, or when accumulated by the Association for imminent pick-up and discard).

Section 16. **Fences.** Any fence placed upon any Lot must be (i) a "see through" fence, (ii) white or painted white, (iii) having a height or heights and being in location or locations in compliance with applicable Rules and Regulations, if any, the Zoning Code, and other applicable governmental ordinances, rules or regulations, and (iv) approved by the ARC or the Association in accord with the provisions of Article IX of this Declaration. The Owner assumes complete responsibility to maintain any fence on such Owner's Lot, including, but not limited to, trimming

any grass, ivy or other plants from the fence. In the event the ARC approves the installation of a fence, it shall also have the right to require installation of landscaping, also subject to the ARC's approval, at the time the fence is installed.

Notwithstanding that an Owner has obtained the approval of the ARC to install a fence or landscape materials, as provided hereinabove, such installation shall be at the Owner's sole risk so long as Developer has not yet begun or is engaged in the construction of a Home on an adjacent Lot. In the event such construction activity on an adjacent Lot causes damage to or destruction of such Owner's fence or landscape materials or any part thereof, the Owner on whose Lot the fence and/or landscaping has been damaged shall be required, at the Owner's expense, to repair or replace such fence and/or landscape materials in conformance with the requirements of the ARC's approval of the initial installation of the fence and/or landscape materials and Developer shall have no liability for any such damage or destruction. Such repair or replacement shall commence as soon as construction on the adjacent Lot has been completed and shall be pursued to completion with due diligence. For purposes of this paragraph, the term "landscape materials" shall include landscape materials located on or adjacent to any property line of a Lot, including, by way of example and not of limitation, hedges, shrubs and trees, whether associated with a fence or not.

In addition, the installation of any fence placed upon any Lot is subject to easements which run with the land. In the event that any fence is approved by the ARC and is permitted to cross any such easements, such ARC's approval is still subject to Owner first receiving written approval from the grantee of such easements and all other applicable governmental authorities. In the event the grantee of any such easement which runs with the land (i.e., FPL, utility provider or the County), its successors and/or assigns, requires the removal of any fence upon the Lot, then the Owner of said Lot shall, at the Owner's sole cost and expense, immediately remove the fence. The Owner of a Lot when installing any fence upon the Lot shall comply with all valid laws, zoning ordinances, codes, Rules and Regulations of all applicable governmental bodies, as applicable, in addition to the ARC approval required by Article IX hereof.

Section 17. **Oil and Mining Operations.** No oil drilling, oil development operations, oil refining, boring or mining operations of any kind shall be permitted upon or on any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 18. **Sewage Disposal.** No individual sewage disposal system shall be permitted on any of the Property, provided that a central sewage disposal system is being operated in accordance with the requirements of the governmental regulatory body having jurisdiction over said central system.

Section 19. **Water Supply.** No individual water supply system shall be permitted on any of the Property, provided that one or more central water supply systems are being operated in accordance with requirements of the governmental body having jurisdiction over said central system, except that wells are permitted for the irrigation of landscaping only, provided that a stain tank is installed in conjunction with the irrigation well.

Section 20. **Compliance with Laws.** All Owners and other occupants of the Property shall at all times comply with the terms of the Sunset Inlet Documents and the Zoning Code, and all environmental, land use, marketing and consumer protection ordinances, statutes and regulations applicable to the Property or to any Improvements and Lot Improvements constructed thereon, as well as all governmental rules, regulations, statutes and ordinances applicable to each Owner in connection with the Property.

Section 21. **Reservation of Right to Release Restrictions.** If any Lot Improvement has been or is proposed to be erected within the Property in such a manner as to constitute a violation of, variance from, or encroachment into, the covenants and restrictions set forth in, or easements granted or reserved by, this Declaration, the Developer or the Association shall have the right to waive or release the violation, variance or encroachment without the consent or joinder of any person so long as the Developer or Association, as applicable, in the exercise of its sole discretion, determines in good faith that such waiver or release will not materially and adversely affect the health and safety of Owners, the value of adjacent portions of the Property, and the overall appearance of the Property.

Section 22. **Developer Exemption.** Developer plans to undertake the work of constructing Homes and Improvements upon the Property and may undertake the work of constructing other buildings upon adjacent land or other property being developed or marketed by Developer or its affiliates. The completion of the aforementioned work and the sale, rental and other transfer of Homes by Developer and Developer's affiliates are essential to the establishment and welfare of the Property as a residential community. In order that such work may be completed and a fully occupied community established as rapidly as possible, neither the Owners, the Association, nor the ARC shall do anything whatsoever to interfere with any of Developer's or Developer's affiliates' activities relating to the constructing of Homes and Improvements upon the Property, the constructing of other buildings upon adjacent land or any other property being developed or marketed by the Developer or its affiliates, or the sale, rental and/or other transfer of Homes by Developer or its affiliates. In this respect, Developer hereby reserves the right for itself and its employees, agents, licensees, and invitees to come upon any and all portions of the Property (including, without limitation, the Common Area as well as a Lot even after the same has been conveyed to an Owner) as may be necessary or convenient to enable Developer to carry on its work and other activities including, without limitation, Developer's development and construction of Sunset Inlet and the Homes therein.

In general, the restrictions and limitations set forth in this Article XIII shall not apply to Developer or to Lots owned by Developer. Developer shall specifically be exempt from any restrictions which interfere in any manner whatsoever with Developer's plans for development, construction, sale, lease, or use of the Property and to the Improvements thereon. Developer shall be entitled to injunctive relief for any actual or threatened interference with its rights under this Article XIII in addition to whatever remedies at law to which it might be entitled.

**ARTICLE XIV**

**GENERAL PROVISIONS**

Section 1. **Assignment of Permit Responsibilities and Indemnification.** In connection with the platting and development of the Property, the Developer assumed certain obligations in connection with the maintenance of the Surface Water or Stormwater Management System and the District Permit. The Developer hereby assigns to the Association, and the Association shall be solely responsible for, all of the Developer's obligations and responsibilities for maintenance of the Surface Water or Stormwater Management System pursuant to, and for compliance with, the District Permit. Further, the Association shall indemnify, defend and hold the Developer harmless from all suits, actions, damages, liability and expenses in connection with loss of life, bodily or personal injury or property damage, or any other damage arising from or out of an occurrence in, upon, at or resulting from the operation or maintenance of the Surface Water or Stormwater Management System, occasioned wholly or in part by any act or omission of the Association or its agents, contractors, employees, servants or licensees.

Section 2. **Usage.** Whenever used, the singular shall include the plural and the singular, and the use of any gender shall include all genders.

Section 3. **Conflict with Other Sunset Inlet Documents.** In the event of any conflict between the provisions of this Declaration and the provisions of the Articles and/or Bylaws and/or Rules and Regulations promulgated by the Association, the provisions of this Declaration, the Articles, the Bylaws and the Rules and Regulations, shall control in that order.

Section 4. **Notices.** Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid to: (i) each Owner, at the address of the person whose name appears as the Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Home owned by such Owner; (ii) the Association, certified mail, return receipt requested, at 9456 Philips Highway, Suite 1, Jacksonville, Florida 32256, or such other address as the Association shall hereinafter notify Developer and the Owners of in writing; and (iii) Developer, certified mail, return receipt requested, at 9456 Philips Highway, Suite 1, Jacksonville, Florida 32256, or such other address or addresses as Developer shall hereafter notify the Association of in writing, any such notice to the Association of a change in Developer's address being deemed notice to the Owners.

Section 5. **Enforcement.** The covenants and restrictions herein contained may be enforced by Developer (so long as Developer holds an equitable or legal interest in any Lot and/or Home), the Association (provided that it follows the procedures set forth in Article XIII, Section 1 hereof), any Owner and any Institutional Mortgagee holding a mortgage on any portion of the Property in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to reimbursement of all costs thereof including, but not limited to, Legal Fees, from the non-prevailing party. The District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Stormwater Management System.

Section 6. **Interpretation.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community and for the maintenance of recreational facilities, if any, and Common Area. Article, Section and Paragraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Declaration.

Whenever the context so requires or permits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

Section 7. **Severability.** In the event any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and any provisions of this Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. In the event that any court should hereafter determine that any provision of this Declaration is in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of a time period, such provision shall not thereby become invalid, but instead the duration of such time period shall be reduced to the maximum period allowed under such rule of law, and in the event the determination of the duration of such time period requires measuring lives, such measuring life shall be that of the incorporator of the Association.

Section 8. **Certain Rights of Developer.** Notwithstanding anything to the contrary herein contained, no Improvements constructed or installed by Developer shall be subject to the approval of the Association, the Owners or the provisions and requirements of this Declaration, although it is the intent of Developer to create a community with a common scheme of development. Notwithstanding the other provisions of this Declaration, Developer reserves for itself, and Developer and its nominees shall have, the right to enter into and transact on the Property any business necessary to consummate the sale, lease or encumbrance of Homes or real property within or outside Sunset Inlet, including, but not limited to, the right to maintain models and a sales and/or leasing office, a construction office and/or a service office, place signs, employ sales, leasing, construction and service personnel, use the Common Area and show Homes, and Developer further reserves the right to make repairs to the Common Area and to carry on construction activity for the benefit of the Property. Developer, and its nominees, may exercise the foregoing rights without notifying the Association or the Owners. Any such models, sales, and/or leasing office, construction office, service office, signs and any other items pertaining to such sales, leasing, construction or service efforts shall not be considered a part of the Common Area and shall remain the property of Developer. In addition, the Developer hereby has, shall have and hereby reserves the right to enter upon the Common Area (including, without limitation, all drainage, lake maintenance, canal maintenance, and utility easements whether located on a Lot or Common Area) in order for Developer to final-out and/or close-out any and all approvals, permits, orders, conditions and/or requirements that have been issued or imposed by any governmental entity in connection with the development and construction of Sunset Inlet and all Improvements therein, and for Developer to comply and adhere to the same, and such



rights shall survive the Turnover Date and continue for such period of time as is necessary for Developer to fully comply with all such governmentally issued approvals, permits, orders, conditions and/or requirements. Without limiting the generality of the foregoing, in exercising any such rights, Developer shall have the right to remove and/or relocate any and all items (including, without limitation, landscape materials, fences and/or other Improvements) that may be required to be removed and/or relocated to final-out and/or close-out any and all such approvals, permits, orders, conditions and/or requirements without compensation to the Association or the Owners. This Article XIV, Section 8 may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by Developer. This right of use and transaction of business as set forth herein and the other rights reserved by Developer in the Sunset Inlet Documents may be assigned in writing by Developer in whole or in part. For the purposes of this Article XIV, Section 8, the term "Developer" shall include any "Lender" which has loaned money to Developer to acquire or construct Improvements upon the Property, or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to Developer, or acquires title thereto by deed in lieu of foreclosure. The rights and privileges of Developer as set forth in this Article XIV, Section 8, are in addition to, and are no way a limit on, any other rights or privileges of Developer under any of the Sunset Inlet Documents.

Developer shall also have the right, but not the obligation, to conduct inspections and tests from time to time of all or any portion of the Common Area in order to ascertain the physical condition of the Improvements and to determine if maintenance, repair or replacement of any such Improvement is necessary. If Developer conducts any such tests or inspections, it shall pay all costs thereof and restore the affected portion of the Property to its condition immediately prior to the inspections and tests. Developer shall have such rights of entry on, over, under, across and through the Property as may be reasonably necessary to exercise the rights described in this Article XIV, Section 8. Developer's right of inspection shall exist whether or not the Turnover Date has occurred. In the event Developer exercises its inspection right(s), it is acknowledged by the Association and all Owners that Developer is performing any such inspection(s) for its own benefit and not for the benefit of the Association and/or the Owners and further, Developer shall have no obligation to inform the Association and/or the Owners of the result of any such inspection.

ALL OWNERS, OCCUPANTS AND USERS OF SUNSET INLET ARE HEREBY PLACED ON NOTICE THAT DEVELOPER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES MAY BE, FROM TIME TO TIME, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO SUNSET INLET. BY THE ACCEPTANCE OF THEIR DEED OR TITLE OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF SUNSET INLET, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (I) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (II) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY

WITHIN OR IN PROXIMITY TO SUNSET INLET WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (III) DEVELOPER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, (IV) ANY PURCHASE OR USE OF ANY PORTION OF SUNSET INLET HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING, AND (V) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DEVELOPER TO SELL, CONVEY, LEASE AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF SUNSET INLET.

Section 9. **Disputes As To Use.** In the event there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Developer of the Property shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Board.

Section 10. **Amendment and Modification.** The process of amending or modifying this Declaration shall be as follows:

10.1. Until the Turnover Date, all amendments or modifications shall only be made by Developer without the requirement of the Association's consent, the consent of the Owners or the consent of any mortgagee so long as such amendments or modifications do not materially impair the common plan of development of Sunset Inlet; provided, however, that the Association shall, forthwith upon request of Developer, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Developer shall, from time to time, request. Notwithstanding the foregoing, until the Turnover Date, any amendments to this Declaration (including without limitation, any amendment which results in the annexation of additional lands into the Property, the merger or consolidation of the Association with any other property owners association, the dedication of any part of the Common Area for public use, and the conveyance, mortgaging, or encumbrance of any part of the Common Area) must have prior written approval of the Federal Housing Administration or Veterans Administration, in accordance with the United States Department of Housing and Urban Development regulations, if the Federal Housing Administration or Veterans Administration is the insurer of any mortgage encumbering a Lot.

10.2. After the Turnover Date, this Declaration may be amended by: (i) the consent of the Owners owning two-thirds (2/3) of all Lots; together with (ii) the approval or ratification of a majority of the Board. The aforementioned consent of the Owners owning two-thirds (2/3) of the Lots may be evidenced by a writing signed by the required number of Owners or by the affirmative vote of the required number of Owners at any regular or special meeting of the Association called and held in accordance with

the Bylaws and evidenced by a certificate of the Secretary or an Assistant Secretary of the Association.

10.3. Amendments for correction of scrivener's errors or other nonmaterial changes may be made by Developer alone until the Turnover Date and by the Board thereafter and without the need of consent of the Owners.

10.4. Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Developer, the Association or of any Institutional Mortgagee under the Sunset Inlet Documents without the specific written approval of such party affected thereby. In addition and notwithstanding anything to the contrary contained herein, no amendment to this Declaration shall be effective which shall eliminate or modify the provisions of this Article XIV, Section 10, and any such amendment shall be deemed to impair and prejudice the rights of Developer.

10.5. A true copy of any amendment to this Declaration shall be sent certified mail by the Association to Developer and to all Listed Mortgagees (as that term is defined hereinafter) holding a mortgage on any portion of the Property requesting notice. The amendment shall become effective upon the recording amongst the public records of the County of said amendment or any Supplemental Declaration to this Declaration which sets forth any amendment or modification to this Declaration.

10.6. Notwithstanding anything contained herein to the contrary, Developer may, without the consent of any Owners or the Association (and subject to Federal Housing Administration or Veterans Administration approvals as set forth above), file any amendments to this Declaration which may be required by an Institutional Mortgagee for the purpose of satisfying such Institutional Mortgagee's development criteria or such other criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, any such Developer's filed amendments must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

10.7. Any proposed amendment to the Declaration which would affect the Conservation Easement or the Surface Water or Storm Water Management System (including environmental conservation areas, if any, and the water management portions of the Common Area), shall be submitted to the SJRWMD for a determination of whether the proposed amendment necessitates a modification of the District Permit.

Section 11. **Delegation.** The Association, pursuant to a resolution duly adopted by the Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board from time to time and whether or not related to Developer.

Section 12. **Term.** This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the Property, and inure to the benefit of Developer, the Association and the Owners and their respective legal representatives, heirs, successors and assigns for a term of fifty (50) years from the date of recording this Declaration amongst the public records of the County, after which time this Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such fifty (50)-year term or any such ten (10)-year extension there is recorded amongst the public records of the County an instrument agreeing to terminate this Declaration signed by Owners owning two-thirds (2/3) of the Lots and Institutional Mortgagees holding first mortgages encumbering two-thirds (2/3) of all Lots encumbered by first mortgages held by Institutional Mortgagees, upon which event this Declaration shall be terminated upon the expiration of the fifty (50)-year term or the ten (10)-year extension during which such instrument was recorded.

In the event this Declaration is terminated or the Association ceases to exist for any reason, the Owners shall be jointly and severally responsible for the costs to maintain and shall maintain the Common Area in the manner described herein. This provision shall survive the termination of this Declaration and shall run with the Property in perpetuity. Any Owner may, however, petition the Circuit Court for the appointment of a Receiver to manage the affairs of the Association in the event of dissolution of the Association.

Section 13. **Rights of Mortgagees.**

13.1. Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the Sunset Inlet Documents and the books, records and financial statements of the Association to Owners and the holders, insurers or guarantors of any first mortgages encumbering any portion of the Property. In addition, evidence of insurance shall be issued to each Owner and mortgagee holding a mortgage encumbering a Home upon written request to the Association.

13.2. Rights of Listed Mortgagee. Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor (such holder, insurer or guarantor is herein referred to as a "Listed Mortgagee") of a mortgage encumbering a Lot and the legal description of such Lot, the Association shall provide such Listed Mortgagee with timely written notice of the following:

A. Any condemnation, loss or casualty loss which affects any material portion of the Common Area;

B. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

C. Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Lot: and

D. Any failure by an Owner owning a Lot encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform such Owner's obligations

under the Sunset Inlet Documents, including, but not limited to, any delinquency in the payment of Assessments, or any other charge owed to the Association by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

13.3. Right of Listed Mortgagee to Receive Financial Statement. Any Listed Mortgagee shall, upon written request made to the Association, be entitled to financial statements of the Association for the prior fiscal year free of charge and the statement shall be furnished within a reasonable time following such request.

Section 14. **Approval of Association Lawsuits by Owners.** Notwithstanding anything contained herein to the contrary, in order to prevent the Board from incurring expenses not contemplated by the Sunset Inlet Documents, the Association shall be required to obtain the approval of three-fourths (3/4) of the total voting interests (at a duly called meeting of the Owners at which a quorum is present) prior to engaging persons or entities for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

14.1. the collection of Assessments;

14.2. the collection of other charges which Owners are obligated to pay pursuant to the Sunset Inlet Documents;

14.3. the enforcement of the use and occupancy restrictions contained in the Sunset Inlet Documents;

14.4. dealing with an emergency when waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Common Area or to Owner(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths [3/4] of the Owners); or

14.5. filing a compulsory counterclaim.

Section 15. **Compliance With Provisions.** Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot except as elsewhere herein provided does consent and agree to, and shall be conclusively deemed to have consented and agreed to, every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property. Developer shall not in any way or manner be held liable or responsible for any violation of this Declaration by any person other than Developer.

Section 16. **Security.** The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. NOTWITHSTANDING THE FOREGOING, NEITHER DEVELOPER NOR THE ASSOCIATION MAKES ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE, IF ANY, WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE. ALL OWNERS AGREE TO

HOLD DEVELOPER AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, DEVELOPER, NOR ANY SUCCESSOR DEVELOPER SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY OR SAFETY WITHIN THE PROPERTY, AND NEITHER THE ASSOCIATION, DEVELOPER NOR ANY SUCCESSOR DEVELOPER GUARANTEES OR WARRANTS, EXPRESSLY OR IMPLIEDLY. THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH MONITORING SYSTEM OR SECURITY SERVICE, IF ANY, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES, DAMAGE, INJURY, DEATH OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME. NEITHER THE ASSOCIATION, DEVELOPER, NOR ANY SUCCESSOR DEVELOPER SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL MEMBERS, OWNERS AND OCCUPANTS OF ANY LOT OR HOME, AND TENANTS, GUESTS, AND INVITEES OF ANY OWNER ACKNOWLEDGE THAT THE ASSOCIATION AND ITS BOARD, DEVELOPER, AND ANY SUCCESSOR DEVELOPER DO NOT REPRESENT OR WARRANT THAT: (a) ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE), IF ANY, RECOMMENDED BY, OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY, DEVELOPER OR THE ARC MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR (b) THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEM (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE) WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD AND THE COMMITTEE, DEVELOPER, AND ANY SUCCESSOR DEVELOPER ARE NOT INSURERS OR GUARANTORS AND THAT EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH TENANT, GUEST AND INVITEE OF ANY MEMBER OR OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS OR HOMES, AND TO THE CONTENTS OF LOTS OR HOMES AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD AND THE COMMITTEE, DEVELOPER, AND ANY SUCCESSOR DEVELOPER HAVE MADE NO REPRESENTATIONS, WARRANTIES AND/OR GUARANTIES, NOR HAS ANY OWNER, MEMBER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS (WHETHER SAME ARE PROVIDED THROUGH THE COMMUNITY SYSTEMS OR OTHERWISE), IF ANY, RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY OR SUNSET INLET.

Section 17. **Covenant Running With The Land.** All provisions of this Declaration shall, to the extent applicable and unless otherwise expressly provided herein to the contrary, be construed to be covenants running with the Lots and Homes and the Property and with every part thereof and interest therein, and all of the provisions hereof shall be binding upon and inure to the benefit of Developer and subsequent Owner(s) of the Homes, Lots and Property or any part thereof, or interest therein, and their respective heirs, successors, and assigns. However, the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, unless specifically provided herein to the contrary. All present and future Owners, Tenants and occupants of the Lots and Homes, as applicable, shall be subject to and shall comply with the provisions of this Declaration, the Articles, Bylaws and applicable Rules and Regulations as they exist and may from time to time be amended. The acceptance of a deed of conveyance of a Lot, or the entering into a lease of or occupancy of a Home, shall constitute an adoption and ratification by such Owner, Tenant, or occupant of the provisions of this Declaration, the Articles, Bylaws, and applicable Rules and Regulations of the Association, as they may be amended from time to time. In the event that any easements granted herein shall fail for want of a grantee in being or for any other purpose, the same shall constitute and be covenants running with the land.

Section 18. **No Public Right Or Dedication.** Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Common Area to the public, or for any public use.

Section 19. **NO REPRESENTATIONS OR WARRANTIES.** NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DEVELOPER OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE COMMON AREA, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, FITNESS FOR INTENDED USE, OR IN CONNECTION WITH THE PROPERTY, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION.

Section 20. **Certain Reserved Rights Of Developer With Respect To Community Systems.** Without limiting the generality of any other applicable provisions of this Declaration, and without such provisions limiting the generality hereof, Developer hereby reserves and retains to itself:

20.1. the title to any Community Systems and a perpetual exclusive easement over, under and across the Property for the placement and location thereof;

20.2. the right to connect, from time to time, the Community Systems to such receiving or intermediary transmission source(s) as Developer may in its sole discretion deem appropriate, in location(s) on the Property as Developer may determine in its sole discretion, including, without limitation, companies licensed to provide CATV or satellite service(s) in the County, for which service(s) Developer shall have the right to charge any users a fee (which shall not exceed any maximum allowable charge provided for in the applicable ordinances of the County);

20.3. the continuing right to air conditioned space within and/or on the Common Area as Developer may determine in its sole discretion to install, operate, maintain, repair and replace the equipment serving, providing or running the Community Systems, which location may include, without limitation, room(s) within any Improvements constructed on any part of the Common Area; and

20.4. the exclusive right to offer and provide from time to time to the Association, the Lots and the Lot Owners, any and all Bundled Services through the Community Systems.

Neither the Association nor any officer, director, employee, enforcement committee member or agent thereof (including any management company) shall be liable for any damage to property, personal injury or death arising from or connected with any act or omission of any of the foregoing during the course of performing any duty or exercising any right privilege (including, without limitation, performing maintenance work which is the duty of the Association or exercising any remedial maintenance or alteration rights under this Declaration) required or authorized to be done by the Association, or any of the other aforesaid parties, under this Declaration or otherwise as required or permitted by law.

Section 21. **Association and Developer as Attorney-In-Fact.** Each Owner, by reason of having acquired ownership of a Lot, whether by purchase, gift, operation of law or otherwise, and each occupant of a Home, by reason of his or her occupancy, is hereby declared to have acknowledged and agreed to his or her automatic consent to any rezoning, replatting, covenant in lieu of unity of title, change, addition or deletion made in, on or to Sunset Inlet by Developer (hereinafter, collectively, the "Modifications") and, in respect thereto, each Owner of a Lot and occupant of a Home hereby designates the Association to act as agent and attorney-in-fact on behalf of such Owner or occupant to consent to any such Modification. If requested by Developer, each Owner shall evidence his or her consent to a Modification in writing (provided, however, that any refusal to give such written consent shall not obviate the automatic effect of this provision). Further, each Owner, by reason of having acquired ownership of such Owner's Lot, hereby agrees to execute, at the request of Developer, any document and/or consent which may be required by any government agency to allow Developer and/or its affiliates to complete the plan of development of Sunset Inlet, as such plan may be hereafter amended, and each such Owner hereby further appoints Developer as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of each such Owner, any and all of such documents and/or consents. This power of attorney is irrevocable and is coupled with an interest. The provisions of this Article XIV, Section 21 may not be amended without Developer's prior written consent.

[Signature pages follow]



IN WITNESS WHEREOF, the Developer has caused this instrument to be executed under seal this 11<sup>th</sup> day of January, 2013.

Signed, sealed and delivered in the presence of:

**D.R. HORTON, INC. - JACKSONVILLE, d/b/a EMERALD HOMES**, a Delaware corporation

Albin Fobes  
Print Name) Arlene Tabara

By: [Signature]  
Name: John E Zakoske  
Its: Vice - President

[Signature]  
Susan Lilly  
(Print Name)

(CORPORATE SEAL)

STATE OF FLORIDA       }  
  }SS  
COUNTY OF DUVAL     )

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of January 2013, by John E Zakoske, the Vice - President of **D.R. HORTON, INC. JACKSONVILLE, d/b/a EMERALD HOMES**, a Delaware corporation, on behalf of the corporation. He is (check one) () personally known to me, or () has produced a N/A as identification.



UNOFFICIAL DOCUMENT

A. Marie Formel  
Print: Ann Marie Formel  
NOTARY PUBLIC  
State of Florida at Large  
Commission # EE189053  
My Commission Expires: 4/28/16  
Personally Known   
or Produced I.D. \_\_\_\_\_  
[check one of the above]  
Type of Identification Produced  
N/A

Signed, sealed and delivered  
in the presence of:

**SUNSET INLET OWNERS ASSOCIATION,  
INC.**, a Florida not for profit corporation

Arlene Forbner  
Print Name) Arlene Forbner

By: [Signature]  
Name: MARK DEARING  
Its: VICIZ PRESIDENT

Susan Lilly  
(Print Name)

(CORPORATE SEAL)

STATE OF FLORIDA        }  
  }SS  
COUNTY OF DUVAL        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_  
2013, by \_\_\_\_\_, the \_\_\_\_\_ of **SUNSET INLET  
OWNERS ASSOCIATION, INC.**, a Florida not for profit corporation, on behalf of the not for  
profit corporation. He is (check one)  personally known to me, or  has produced a  
\_\_\_\_\_ as identification.

UNOFFICIAL DOCUMENT

Print: \_\_\_\_\_  
NOTARY PUBLIC  
State of Florida at Large  
Commission # \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Personally Known \_\_\_\_\_  
or Produced I.D. \_\_\_\_\_  
[check one of the above]  
Type of Identification Produced  
\_\_\_\_\_

**EXHIBIT A**

Legal Description of the Property

**Sunset Inlet Subdivision**, according to plat thereof recorded in Plat Book 37, pages 61 and 62, in the public records of Flagler County, Florida

UNOFFICIAL DOCUMENT