

Exhibit D

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SCARBOROUGH ESTATES

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TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	1
1.01 Definitions	1
1.02 Interpretation and Flexibility	3
ARTICLE II DEVELOPMENT	3
2.01 Development of Property	3
2.02 Establishment of Common Areas	3
2.03 Common Areas Generally	4
2.04 Subdivision Plat	4
2.05 Withdrawal of Property	4
2.06 PGA Village Declaration	4
ARTICLE III PROPERTY RIGHTS	4
3.01 General	4
3.02 Owner's Easement of Enjoyment	4
3.03 Recreational Facilities	5
3.04 Easements for Declarant	5
3.05 Title to Common Areas	5
3.06 Changes in Boundaries; Additions to and Easements Over Common Areas	6
3.07 Easement for Utilities and Public Services	6
3.08 Easements for Association and Neighborhood Association	6
3.09 Sales and Construction Offices	6
3.10 Easement for Additional Property	6
3.11 Burden Upon the Property	7
3.12 Nonseverability of Rights	7
3.13 Creation of Easements	7
3.14 No Liability	7
ARTICLE IV MEMBERSHIP	7
4.01 Membership in the Neighborhood Association	7
4.02 Voting	7
ARTICLE V MAINTENANCE	8
5.01 Responsibilities of Owners	8
5.02 Responsibility of Neighborhood Association	8
ARTICLE VI ADMINISTRATION	9
6.01 Common Areas; Control by Declarant	9
6.02 Duties and Powers	9
6.03 Agreements	9
6.04 Insurance	10
6.05 Personal Property and Real Property	10
6.06 Indemnification	10

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE VII ASSESSMENTS	11
7.01 Purpose of Assessments	11
7.02 Creation of lien and Personal Obligation of Assessments	11
7.03 Computation of Annual Assessments	11
7.04 Special Assessments	11
7.05 Individual Assessments	11
7.06 Allocable and Discrete Common Expenses	12
7.07 Liens	12
7.08 Effect of Nonpayment; Remedies of the Neighborhood Association	12
7.09 Certificate	12
7.10 Date of Commencement of Annual Assessments; Declarant's Rights and Obligations	13
7.11 Common Areas and Certain Other Property	13
7.12 Association Assessments and Association Fines	13
7.13 Capital Contributions	13
 ARTICLE VIII ARCHITECTURAL STANDARDS AND USE RESTRICTIONS	 13
8.01 Purpose	13
8.02 Modifications Committee	14
8.03 Residential Use	14
8.04 Single-Family Dwellings	14
8.05 Landscaping	14
8.06 Nuisance	14
8.07 Maintenance of Units	14
8.08 Solar Panels	15
8.09 Drainage Systems	15
8.10 Lakes and Water Bodies	15
8.11 "For Sale" Signs	16
8.12 Mailboxes	16
 ARTICLE IX RULE MAKING	 16
9.01 Rules and Regulations	16
9.02 Authority and Enforcement	17
9.03 Procedure	17
 ARTICLE X GENERAL PROVISIONS	 18
10.01 Control by Declarant	18
10.02 Amendments by Declarant	18
10.03 Amendment by Neighborhood Association	18
10.04 Enforcement	19
10.05 Duration	20
10.06 Interpretation	20
10.07 Assignment	20
10.08 Gender and Grammar	20
10.09 Severability	20
10.10 Rights of Third Parties	21
10.11 Notice of Sale, Lease or Mortgage	21
10.12 No Trespass	21
10.13 Notices	21
10.14 Plats	21

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE X	
GENERAL PROVISIONS (cont.)	
10.15 Non-Condominium	21
10.16 Golf Club or Golf Course Membership	21
10.17 Notice and Disclosure of CDD Bonds	21
10.18 Disclaimer as to Site Plan	22
10.19 Exhibits	22
JOINDER AND CONSENT OF NEIGHBORHOOD ASSOCIATION	23
JOINDER AND CONSENT OF ASSOCIATION	24
EXHIBIT "A"	
Legal Description of Initial Property	25

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,
FOR SCARBOROUGH ESTATES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SCARBOROUGH ESTATES is made as of this 28th day of September, 2004 by **SCARBOROUGH ESTATES, LLC**, a Florida Limited Liability Company ("Declarant"), joined by **SCARBOROUGH ESTATES AT PGA VILLAGE HOMEOWNERS' ASSOCIATION, INC.**, a Florida not-for-profit corporation, and by **PGA VILLAGE PROPERTY OWNERS ASSOCIATION, INC.**, a Florida not-for-profit corporation.

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in St. Lucie County, Florida, as more particularly described in Exhibit "A" ("Initial Property"), and Declarant desires to subject the Initial Property to the provisions of this Declaration and to provide a flexible and reasonable method for the administration and maintenance of the Initial Property;

NOW, THEREFORE, Declarant hereby declares that the Initial Property and any Additional Property (collectively, the "Property") shall be held, transferred, sold, conveyed, leased, occupied and used subject to the following easements, restrictions, covenants, charges, liens and conditions which are for the purpose of protecting the value and desirability of and which shall touch and concern and run with title to the Property, and which shall be binding on all parties having any right, title or interest in the Property or any portion thereof, and their respective heirs, successors, successors-in-title and assigns, and shall inure to the benefit of each owner thereof and where specifically provided herein, shall benefit such other parties or properties as Declarant shall now or hereafter determine.

ARTICLE I DEFINITIONS

1.01 Definitions. When used in this Declaration, unless the context shall prohibit or otherwise require, the following capitalized terms shall have the following meanings and all definitions shall be applicable to the singular and plural forms of such capitalized terms:

(a) "Additional Property" shall mean and refer to such real property not currently submitted to this Declaration and all improvements thereon, as Declarant shall acquire from time to time, which Declarant specifically subjects to the terms of this Declaration by amendment hereto recorded in the Public Records of St. Lucie County, Florida, as more fully described in Section 10.02.

(b) "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of the Neighborhood Association, as amended from time to time.

(c) "Assessments" shall mean and refer to those charges made by the Neighborhood Association from time to time against the Lots or Units in accordance with Article V of this Declaration, for the purposes and subject to the terms set forth therein.

(d) "Association" shall mean and refer to PGA Village Property Owners Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

(e) "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Neighborhood Association, which is the governing body of the Neighborhood Association.

(f) "Bylaws of the Neighborhood Association" or the "Bylaws" shall mean and refer to those Bylaws of the Neighborhood Association, which govern the administration and operation of the Neighborhood Association, as the same may be amended, modified or supplemented from time to time.

(g) "CDD" shall mean and refer to the Reserve Community Development District and any other community development districts formed or to be formed in the future pursuant to Chapter 190, Florida Statutes, with respect to the Property and certain additional property located in St. Lucie County, Florida.

(h) "Common Areas" shall mean and refer to all real and personal property now or hereafter leased to, dedicated to or owned by the Neighborhood Association, or to which the Neighborhood Association accepts maintenance responsibilities, for the common use and enjoyment of the Owners. For example, the Common Areas may include maintenance areas, roads, streets, rights-of-way dedicated to a public body but which the Neighborhood Association is required to maintain, parking lots, walkways, sidewalks, street lighting and signage. The designation of any land and/or improvements as Common Areas shall not mean or imply that the public at large acquires any easement of use or enjoyment therein. Declarant may, but shall not be required to, designate and convey other property to the Neighborhood Association. The Common Areas are not "condominium property" as that term is defined in Chapter 718 of the Florida Statutes, or as otherwise defined.

(i) "Common Expenses" shall mean and refer to all actual and estimated expenditures made or incurred by or on behalf of the Neighborhood Association, together with all funds assessed for the creation or maintenance of reserves, if any, pursuant to the provisions of this Declaration.

(j) "Conservation Areas" shall mean and refer to those certain portions of the Property which are conveyed or dedicated to the Association as conservation or preservation areas, or to which the Association accepts maintenance responsibilities as Conservation Areas.

(k) "Declarant" shall mean and refer to Scarborough Estates, LLC, a Florida limited liability company, or any entity which is specifically assigned the rights of the "Declarant" under this Declaration.

(l) "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Scarborough Estates and all amendments thereof filed for record in the Public Records of St. Lucie County, Florida.

(m) "Foreclosure" shall mean and refer to, without limitation, the judicial foreclosure of a Mortgage or the conveyance of secured property by a deed in lieu of a judicial foreclosure.

(n) "Initial Property" shall mean and refer to that certain real property more particularly described on Exhibit "A", and all improvements thereon.

(o) "Institutional Mortgage" shall be deemed to mean a Mortgage held by a bank, trust company, insurance company, pension fund or other recognized lending institution, or by an institutional or governmental purchaser of mortgage loans in the secondary market, such as Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, and the holder of any Mortgage of public record given or assumed by Declarant, and the successors of any of the foregoing.

(p) "Lot" shall mean any unimproved portion of the Property (and a subdivided lot of record) upon which it is intended that a unit shall be constructed, and which is zoned, or shown on any applicable plat or site plan as being intended, for residential use. Any Lots which have been joined by virtue of a unity of title instrument recorded in the Public Records of St. Lucie County, Florida in accordance with all applicable laws and ordinances shall constitute one (1) Lot for the purposes described herein except such Lot shall continue to be treated as such multiple Lots for purposes of voting and assessments under Articles IV and VII. For example, if two Lots are joined by a unity of title instrument, such two (2) Lots shall be treated as one (1) Lot hereunder; provided, however, such one (1) Lot shall be treated as two (2) Lots for purposes of Articles IV and VII.

(q) "Member" shall mean and refer to any member of the Neighborhood Association, which shall include Declarant.

(r) "Modifications Committee" shall mean and refer to the committee which may be appointed by the Neighborhood Association's Board of Directors to approve certain modifications, alterations and changes to construction, improvements and landscaping originally reviewed and accepted, by the New Construction Committee.

(s) "Mortgage" shall mean and refer to a mortgage, installment land sales contractor other similar security instrument granting, creating or conveying a lien upon, or a security interest in, a Lot or Unit.

(t) "Mortgagee" shall mean and refer to the holder of a Mortgage.

(u) "Neighborhood Association" shall mean and refer to Scarborough Estates at PGA Village Homeowners' Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

(v) "New Construction Committee" or "NCC" shall mean and refer to the New Construction Committee appointed by the Association's Board of Directors to approve exterior and structural improvements, additions, changes and other matters within PGA Village, as provided in the PGA Village Declaration.

(w) "Occupant" shall mean and refer to any person, including, without limitation, any Owner or any guest, invitee, lessee, tenant or family member of an Owner, occupying or otherwise using a Lot or Unit within the Property.

(x) "Owner" shall mean and refer to one or more persons, including Declarant, who or which owns fee simple title to any Lot or Unit.

(y) "PGA Village" shall mean and refer to all that certain real property located in St. Lucie County, Florida subject to the PGA Village Declaration.

(z) "PGA Village Declaration" shall mean and refer to that certain declaration and all exhibits thereof recorded in Official Record Book 618, Page 978, Public Records of St. Lucie County, Florida, as now or hereafter amended.

(aa) "Property" shall mean and refer to the property submitted to the provisions of this Declaration, commonly known as the residential development of "Scarborough Estates."

(ab) "Turnover" shall refer to that meaning set forth in Section 6.01 and Section 10.01 of this Declaration.

(ac) "Unit" shall mean and refer to any improved Lot intended for residential use (single-family detached dwelling only) located within the Property.

1.02 Interpretation and Flexibility. In the event of any ambiguity or question as to whether any person, entity, property or improvement falls within any of the definitions set forth in this Article 1, the determination made by Declarant in such regard (as evidenced by an amendment to this Declaration stating same) shall be binding and conclusive.

ARTICLE II DEVELOPMENT

2.01 Development of Property. Declarant shall have the right, but not the obligation, for so long as Declarant owns any Lot or Unit primarily for the purpose of sale, to make improvements and changes to all Common Areas and to all Lots or Units owned by Declarant, including without limitation: (i) installation and maintenance of any improvements in and to the Common Areas; (ii) changes in the location of the boundaries of any Lots or Units owned by Declarant or of the Common Areas; and (iii) changes in the maintenance of any water, sewer, drainage, irrigation or other utility system or facilities. Any and all improvements or changes made, as aforesaid, shall not result in an encroachment on Lots not owned by Declarant. All Lots within the Initial Property shall be used for detached single family dwellings and shall not be used for town homes, condominiums or timeshare units.

2.02 Establishment of Common Areas. Declarant may in its sole discretion, establish Common Areas for recreational, maintenance, utilities, access, ingress, egress, or other purposes. The Common Areas shall be only that property designated as such by Declarant in this Declaration; by deed conveying the Common Areas to the Neighborhood Association, or other written instrument recorded in the Public Records of St. Lucie, Florida, including any improvements and fixtures thereon, owned by, leased to, or the use of which has been granted to the Neighborhood Association asset forth in this Declaration or an amendment. Prior to the conveyance, identification and/or dedication of the Common Areas to the Neighborhood Association, any portion of the Common Areas owned by Declarant shall be operated, maintained, and administered at the sole cost of the Neighborhood Association for all purposes and uses reasonably intended, as Declarant in its sole discretion deems appropriate. During such period, Declarant shall own, operate, and administer the Common Areas without interference from any Owner or lender of a Unit or any other person or entity whatsoever. Owners shall have no right in or to any Common Areas referred to in this Declaration unless and until same are actually constructed, completed, and conveyed to, leased by, dedicated to, and/or maintained by the Neighborhood Association. The current conceptual plans and/or representation, if any regarding the composition of the common areas are not a guarantee of the final composition of the common

areas. Declarant has no obligation or responsibility to construct or supply any such common areas of the association or the neighborhood association, and no party shall be entitled to rely upon any statement contained herein as a representation or warranty as to the extent of the common areas to be owned, leased by, or dedicated to the neighborhood association. Declarant, so long as it controls the neighborhood association, further specifically retains the right to add to, delete from, or modify any of the common areas referred to herein.

2.03 Common Areas Generally. Notwithstanding anything contained herein to the contrary, the definition of "common areas" as set forth in this declaration are for descriptive purposes only and shall in no way bind or obligate declarant to construct or supply any item as set forth in such description. Further, no party shall be entitled to rely upon such description as a representation or warranty as to the extent of the common areas to be owned, leased by or dedicated to the neighborhood association, except after construction and dedication or conveyance of any such item.

2.04 Subdivision Plat. Declarant reserves the right to record, modify, amend, revise and add to, at any time and from time to time, one or more subdivision plats or resubdivision plats setting forth such information as Declarant may deem necessary with regard to the Property, including without limitation the locations and dimensions of the Lots, Units, Common Areas, Additional Property, roads, utility systems, drainage systems, utility easements, drainage easements, access easements and set-back line restrictions without the joinder or permission of any owner, the Neighborhood Association or any other person.

2.05 Withdrawal of Property. Declarant may, at any time and from time to time, either before or after turnover of the Neighborhood Association, withdraw any portion of the Property from the provisions of this Declaration, without the joinder or consent of any party other than the Owners of that portion of the Property to be withdrawn. Declarant shall withdraw portions of the Property from the provisions of this Declaration by executing an amendment to this Declaration which shall be filed in the Public Records of St. Lucie County, Florida, together with a legal description of that portion of the Property withdrawn by such amendment.

2.06 PGA Village Declaration. In addition to all of the covenants, restrictions and provisions contained in this Declaration, the Articles of Incorporation and the By-Laws, and the rules and regulations adopted by the Neighborhood Association, as same may be amended from time to time, the Property shall also be subject to all of the covenants, restrictions and provisions, including without limitation all assessments, and lien rights, contained in the PGA Village Declaration, the articles of incorporation and the by-laws for the Association, all rules and regulations adopted by the Association, as same may be amended from time to time.

ARTICLE III PROPERTY RIGHTS

3.01 General. Each Lot and Unit shall for all purposes constitute real property which shall be owned in fee simple and which, subject to the provisions of this Declaration and the PGA Village Declaration, may be conveyed, transferred and encumbered the same as any other real property. Each Owner shall be entitled to the exclusive ownership and possession of his Lot or Unit, subject to the provisions of this Declaration, including without limitation the provisions of this Article III and the PGA Village Declaration. The ownership of each Lot and Unit shall include, and there shall pass with each Lot and Unit as an appurtenance thereto, membership in the Neighborhood Association. Each Owner shall automatically become a member of the Neighborhood Association and shall remain a member thereof until such time as his or her ownership ceases for any reason, at which time his or her membership in the Neighborhood Association shall automatically pass to his or her successor-in-title to the Lot or Unit.

3.02 Owner's Easement of Enjoyment. Subject to the provisions of this Declaration and the PGA Village Declaration and the rules and regulations from time to time established by the Board of Directors of the Neighborhood Association and the terms hereof, every Owner, his or her family, tenants and guests shall have a non-exclusive right, privilege and easement of use and enjoyment in and to the Common Areas, such easement to be appurtenant to and to pass and run with title to each Lot and Unit, and further subject to the following provisions:

(a) The right of the Neighborhood Association to borrow money for: (i) improving the Common Areas or any portion thereof; (ii) acquiring additional Common Areas; (iii) constructing, repairing, maintaining or improving any facilities located or to be located within the Common Areas; or (iv) providing the services authorized herein, and subject to the provisions of Section 6.02 hereof, to give as security for the payment of any such loan a Mortgage, or other security instrument conveying all or any

portion of the Common Areas; provided, however, that the lien and encumbrance of any such security instrument given by the Neighborhood Association shall be subject and subordinate to any and all rights, interest, options, licenses, easements and privileges herein reserved or established for the benefit of Declarant, any Owner, or the holder of any Mortgage.

(b) The rights and easements reserved to Declarant in Sections 3.03, 3.04, 3.05, 3.06, 3.08, 3.09 and 3.10, or as otherwise provided for in this Declaration.

(c) The right of the Association and the Neighborhood Association to grant and accept easements as provided in Section 3.07 hereof and to dedicate or transfer fee simple title to all or any portion of the Common Areas to St. Lucie County, Florida, or any other public agency or authority, public service district, public or private utility, or other person, with the consent of Declarant, for so long as Declarant owns any Lot or Unit primarily for the purpose of sale.

(d) The rights and easements reserved in Sections 3.07 and 3.08 hereof for the benefit of the Association and the Neighborhood Association, their respective directors, officers, agents and employees.

(e) The rights and easements reserved in Section 3.10 hereof for the benefit of any Additional Property.

(f) The rights of the holder (and its successors and assigns) of any Mortgage which is prior in right or superior to the rights, interests, options, licenses, easements and privileges herein reserved or established.

3.03 Recreational Facilities. Subject to the terms and provisions of this Declaration and the PGA Village Declaration and the rules, regulations, fees and charges from time to time established by the Board of Directors of the Neighborhood Association or the Association, every Owner and his or her family, tenants and guests shall have the non-exclusive right, privilege and easement of access to and the use and enjoyment of any recreational facilities and amenities as may be located in the Common Areas. An Owner may assign to the tenant of his or her Unit such Owner's rights of access to and use of said recreational facilities so that such tenant, his or her family and guests shall be entitled to the access to and use and enjoyment of the recreational facilities on the same basis as an Owner and his or her family and guests. As of the date of this Declaration, Declarant has no plans to construct any recreation facilities. Neither Declarant, the Association nor the Neighborhood Association shall have any obligation to construct or maintain any recreation facilities.

3.04 Easements for Declarant. During the period that Declarant owns any Lot or Unit primarily for the purpose of sale, Declarant shall have an alienable and transferable right and easement on, over, through, under and across the Common Areas for the purpose of constructing Units and other improvements in and to the Lots and the Additional Property and for installing, maintaining, repairing and replacing such other improvements to the Property (including any portions of the Common Areas) as are contemplated by this Declaration or as Declarant desires, in its sole discretion, including, without limitation, any improvements or changes permitted and described by Article 11 hereof, and for the purpose of doing all things reasonably necessary and proper in connection therewith, provided in no event shall Declarant have the obligation to do any of the foregoing. In addition to the other rights and easements set forth herein and regardless of whether Declarant at that time retains ownership of a Lot or Unit or has the right to submit the Additional Property to this Declaration, Declarant shall have an alienable, transferable and perpetual right and easement to have access, ingress and egress to the Common Areas and improvements thereof for such purposes as Declarant deems appropriate, provided that Declarant shall not exercise such right so as to unreasonably interfere with the rights of Owners in the Property to the use of the Common Areas.

3.05 Title to Common Areas. Declarant shall not be required to convey title to the Common Areas or any portion thereof to the Neighborhood Association until Turnover. Notwithstanding the manner in which title is held, the Neighborhood Association shall be responsible for the management, maintenance, and operation of the Common Areas, and for the payment of all real estate taxes and other charges which are liens against the Common Areas, from and after the recording of this Declaration. On or before Turnover, the Declarant shall convey the Common Areas to the Neighborhood Association by quitclaim deed. The Declarant shall not be required to provide any title insurance or other related title documents to the Neighborhood Association in connection with the conveyance of the Common Areas. The dedication, creation by easement, or conveyance shall be subject to easements, restrictions, reservations, conditions, limitations, and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. The Neighborhood Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership

operation, maintenance, and administration of the conveyed portions of the Common Areas and other obligations relating to the Common Areas imposed herein. The Neighborhood Association shall and does hereby indemnify and hold Declarant harmless on account thereof. The Neighborhood Association, by its joinder in this Declaration, hereby accepts such dedication(s) or conveyance(s) without setoff, condition, or qualification of any nature. The Common Areas, personal property and equipment thereon and appurtenances thereto shall be dedicated or conveyed in "as is, where is" condition WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS or MERCHANTABILITY OF THE COMMON AREAS BEING CONVEYED. Declarant shall have the right to assign and the Neighborhood Association shall have the obligation to assume all responsibilities under any permits or governmental approvals affecting the Common Areas.

3.06 Changes in Boundaries; Additions to and Easements Over Common Areas. Declarant reserves the right to change and realign the boundaries of the Common Areas, any Lots or Units owned by Declarant, including the realignment of boundaries between adjacent Lots and Units owned by Declarant.

3.07 Easement for Utilities and Public Services.

(a) There is hereby reserved for the benefit of Declarant, the Association, the Neighborhood Association and their respective successors and assigns, the alienable, transferable and perpetual right and easement, as well as the power to grant and accept easements to and from, St. Lucie County, Florida, South Florida Water Management District, or any other public authority or agency, public service district, public or private utility, upon, over, under and across all or any portion of the Common Areas as are reasonably necessary, for the purpose of installing, replacing, repairing, maintaining and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers, drainage systems and retention ponds and facilities for the Property or any portion thereof, and electrical, gas, telephone, water and sewer lines, provided that such easements shall not unreasonably affect the developability of any such Lot or Unit. Such easements may be granted or accepted by Declarant, or by the Board of Directors; provided, however, that for so long as Declarant owns any Lot or Unit primarily for the purpose of sale, the Board of Directors must obtain the written consent of Declarant prior to granting and/or accepting any such easements.

(b) Declarant hereby grants to St. Lucie County Sheriff and Fire and Rescue and any other relevant governmental authority or agency, as shall from time to time have jurisdiction over the Property with respect to law enforcement and fire protection, the perpetual, non-exclusive right and easement upon, over and across all of the Common Areas for purposes of performing such duties and activities related to law enforcement and fire protection in the Property as shall be required or appropriate from time to time by such governmental authorities under applicable law.

3.08 Easements for Association and Neighborhood Association. There is hereby reserved a general right and easement for the benefit of the Association and the Neighborhood Association, their respective directors, officers, agents and employees, including, but not limited to any manager employed by the Association or the Neighborhood Association and any employees of such manager, to enter upon any Lot or Unit or any portion thereof in the performance of their respective duties. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner or Occupant of the Lot or Unit directly affected thereby. Notwithstanding the above, no advance notice or permission from the Owner(s) or Occupant(s) of a Lot or Unit shall be required in the exercise of the Association's or the Neighborhood Association's obligations under Section 5.02 of this Declaration provided same is performed during normal business hours.

3.09 Sales and Construction Offices. Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant the right to maintain on any real property owned by Declarant or the Common Areas, any signs, sales offices, construction offices, business offices and model Units, and such other facilities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the completion, improvement or sale of Lots, Units and Common Areas for so long as Declarant owns any Lot or Unit primarily for the purpose of sale.

3.10 Easement for Additional Property. There is hereby reserved in Declarant for the benefit of and as an appurtenance to the Additional Property and as a burden upon the Property, perpetual, non-exclusive rights and easements for: (i) pedestrian and vehicular ingress, egress and parking, across, within, and on all roads, sidewalks, trails and parking facilities, from time to time located within the Common Areas or within easements serving the Common Areas; (ii) the installation, maintenance, repair, replacement and

use within the Common Areas and those portions of Lots and Units encumbered pursuant to Section 3.06 hereof, of monitoring systems and utility facilities and distribution lines, including without limitation drainage systems, storm sewers and electrical, gas, telephone, water, sewer and master television antenna and/or cable system lines; and (iii) drainage and discharge of surface water onto and across the Property, provided that such drainage and discharge shall not materially damage or affect the Property or any improvements from time to time thereon.

3.11 Burden Upon the Property. Declarant hereby declares that this Declaration and the covenants, restrictions and easements established herein shall be covenants to run with the land, and which shall inure to the benefit of and be binding upon each and every Owner and his or her respective heirs, representatives, successors, purchasers, lessees, grantees and mortgagees. By the recording or acceptance of the conveyance of a Lot or Unit or any interest therein, the person or entity to whom such interest is conveyed shall be deemed to accept and agree to be bound by the provisions of this Declaration and the Bylaws of the Neighborhood Association.

3.12 Nonseverability of Rights. The rights, liabilities and obligations set forth herein shall attach to and run with the ownership of any portion of the Property as more specifically set forth herein and may not be severed or alienated from such ownership.

3.13 Creation of Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to be so created shall nevertheless be considered as having been granted directly to the Neighborhood Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally granted the benefit of such easement, and the Owners and Members hereby designate Declarant and the Neighborhood Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' or Members' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited.

3.14 No Liability. Neither the Neighborhood Association, the Association, nor the Declarant shall in any way be considered insurers or guarantors of the health, safety, welfare or security of any owner, occupant or user of any portion of the property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, alarm system, or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss, or provide the detection or protection for which the system is designed or intended. Each owner acknowledges, understands and covenants to inform its lessees that the Neighborhood Association, the Association, their boards of directors and committees and Declarant are not insurers and that each person using the property assumes all risks for loss or damage to persons, to units, and to the contents of units resulting from acts of third parties.

ARTICLE IV MEMBERSHIP

4.01 Membership in the Neighborhood Association. Every Owner of a Lot or Unit shall be deemed to have a membership in the Neighborhood Association. Membership in the Neighborhood Association shall be appurtenant to and may not be separated from ownership of any Lot or Unit, and ownership of a Lot or Unit shall be the sole qualification for such membership. In the event that fee title to a Lot or Unit is transferred or otherwise conveyed, the membership in the Neighborhood Association which is appurtenant thereto shall automatically pass to such transferee. The foregoing is not intended to include Mortgagees or any other persons who hold an interest merely as security for the performance of an obligation, and the giving of a security for the performance of an obligation shall not terminate or otherwise affect an Owner's membership in the Neighborhood Association. Notwithstanding any of the foregoing to the contrary, no Owner, whether one or more persons, shall have more than one membership per Lot or Unit. In the event of multiple Owners of a Lot or Unit, votes and rights of use and enjoyment shall be as provided in Section 4.02.

4.02 Voting. The Neighborhood Association shall have one (1) class of voting membership. Except as otherwise provided in this Declaration, each Member, including Declarant, shall be entitled to one (1) vote for each Lot or Unit owned by such Member as to matters on which the membership shall be entitled to vote, which vote may be exercised or cast by the Member in such manner as may be provided in the Bylaws of the Neighborhood Association. Any Member who owns more than one (1) Lot or Unit shall

be entitled to exercise or cast one (1) vote for each such Lot or Unit. When more than one person owns a Lot or Unit, all such persons shall be Members of the Neighborhood Association; provided, however, that the vote of such Owners shall be exercised as provided herein below, and in no event shall more than one(1) vote be cast with respect to each Lot or Unit. If more than one (1) person, a corporation, or other entity owns a Lot or Unit, they shall file a certificate with the Secretary of the Neighborhood Association naming the person authorized to cast votes for said Lot or Unit. If the certificate is not on file, the Owners shall not be qualified to vote and the vote of such Owner(s) shall not be considered nor shall the presence of such Owner(s) at a meeting be considered in determining whether the quorum requirement has been met. If a Lot or Unit shall be owned by husband and wife as tenants by the entirety, no certificate need be filed with the Secretary naming the person authorized to cast votes for said Lot or Unit, and either spouse, but not both, may vote in person or by proxy and be considered in determining whether the quorum requirement has been met at any meeting of the Members, unless prior to such meeting, either spouse has notified the Secretary in writing that there is a disagreement as to who shall represent the Lot or Unit at the meeting, in which case the certificate requirements set forth above shall apply. Declarant reserves the right to determine the voting weights of any Additional Property. Each Owner, by acceptance of a deed or other conveyance for a Lot or Unit, consents and agrees to the dilution of his voting interest in the Neighborhood Association, by virtue of the submission of Additional Property to the terms of this Declaration as provided herein.

ARTICLE V MAINTENANCE

5.01 Responsibilities of Owners. Unless specifically identified herein as being the responsibility of the Association or the Neighborhood Association, all maintenance and repair of Lots and Units shall be the responsibility of the Owner of such Lot or Unit. The Owner shall install and maintain sod and all landscaping on the Lot in accordance with the landscape plan approved by the New Construction Committee, and shall regularly mow and maintain the lawn. As provided in Section 5.02(b) hereof, each Owner shall be obligated to pay for the costs incurred by the Declarant, the Association or the Neighborhood Association for repairing, replacing, maintaining or cleaning any item which is the responsibility of such Owner, but which responsibility such Owner fails or refuses to discharge.

5.02 Responsibilities of Neighborhood Association.

(a) Except as may be otherwise specifically provided herein or in the PGA Village Declaration, the Neighborhood Association shall maintain and keep in good repair all portions of the Common Areas, including (i) all roads, walks, sidewalks, parking areas, streetlights, entrances and guardhouses, landscaped areas, recreational areas and other improvements made by Declarant or the Neighborhood Association situated within the Common Areas, and (ii) all lawns, trees, shrubs, hedges, grass and other landscaping and all lakes and ponds situated within or upon the Common Areas.

(b) In the event that Declarant or the Board of Directors of the Neighborhood Association or the Association determines that: (i) any Owner has failed or refused to discharge properly his, her or its obligations with regard to the maintenance, cleaning, repair or replacement of items for which he, she or it is responsible hereunder, or (ii) that the need for maintenance, cleaning, repair or replacement which is the responsibility of the Neighborhood Association hereunder is caused through the willful or negligent act of an Owner, or his or her family, tenants, guests or invitees, and is not covered and promptly paid for by insurance in whole or in part, then, in either event, Declarant, the Association or the Neighborhood Association, except in the event of an emergency situation, shall give such Owner written notice of Declarant's, the Association's or the Neighborhood Association's intent to provide such necessary maintenance, cleaning, repair or replacement, at the sole cost and expense of such Owner and setting forth with reasonable particularity the maintenance, cleaning, repairs or replacement deemed necessary. Except in the event of emergency situations, such Owner shall have fifteen (15) days within which to complete the same in a good and workmanlike manner, or in the event that such maintenance, cleaning, repair or replacement is not capable of completion within said fifteen (15) day period, to commence said maintenance, cleaning, repair or replacement and diligently proceed to complete the same in a good and workmanlike manner. In the event of emergency situation, or the failure of any Owner to comply with the provisions hereof after notice, Declarant, the Association or the Neighborhood Association may provide (but shall not have the obligation to so provide) any such maintenance, repair or replacement at the sole cost and expense of such Owner, said cost shall be added to and become a part of the Assessment to which such Owner and his or her Lot or Unit are subject. In the event that Declarant or the Association undertakes such maintenance, cleaning, repair or replacement, the Neighborhood Association shall promptly reimburse Declarant or the Association for Declarant's or the Association's costs and expenses of any nature.

ARTICLE VI ADMINISTRATION

6.01 Common Areas; Control by Declarant; Turnover. The Neighborhood Association, subject to the rights of Declarant and the Association and the rights and duties of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including furnishings and equipment related thereto) and shall keep the same in a good, clean, attractive and sanitary condition, order and repair, pursuant to the terms and conditions hereof. Except to the extent otherwise required by the provisions of the laws of Florida relating to nonprofit corporations, the PGA Village Declaration, this Declaration, the Bylaws or the Articles of Incorporation of the Association and of the Neighborhood Association, the powers herein or otherwise granted to the Neighborhood Association may be exercised by the Board of Directors, acting through the officers of the Neighborhood Association, without any further consent or action on the part of the Owners.

As provided in Section 10.01 hereof and notwithstanding any other provision to the contrary contained in any instruments evidencing or establishing the Property, Declarant shall have the right to appoint or remove any member or members of the Board of Directors and any officer or officers of the Neighborhood Association, without the necessity of a vote at an annual meeting, until such time as the first of the following events shall occur ("**Turnover**"): (i) the date which is fifty (50) years after the date of the recording of this Declaration; (ii) the date Declarant ceases to own at least one Lot or Unit primarily for the purpose of sale within the Property; or (iii) the surrender by Declarant of the authority to appoint and remove directors and officers of the Neighborhood Association by an express amendment to this Declaration executed and recorded by Declarant. Each Owner, by acceptance of a deed to or other conveyance of a Lot or Unit, vests in Declarant such authority to appoint and remove directors and officers of the Neighborhood Association as provided by this Section 6.01 and by Section 10.01.

6.02 Duties and Powers. The duties and powers of the Neighborhood Association shall be those set forth in the provisions of the laws of Florida relating to nonprofit corporations, this Declaration, the Bylaws and the Articles of Incorporation, together with those reasonably implied to effect the purposes of the Neighborhood Association; provided, however, that if there are conflicts or inconsistencies between the laws of Florida, this Declaration, the Bylaws or the Articles of Incorporation, then the provisions of the laws of Florida, this Declaration, the Articles and the Bylaws, in that order, shall prevail, and each Owner of a Lot or Unit by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies. The Neighborhood Association may exercise any other right or privilege given to it expressly by this Declaration or by law, together with every other right or privilege reasonably to be implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege. Notwithstanding the foregoing provisions of this Section 6.02 or any other provision of this Declaration to the contrary, for so long as Declarant shall own any Lot or Unit primarily for the purpose of sale, the Neighborhood Association shall not, without the consent of Declarant, borrow money or pledge, mortgage or hypothecate all or any portion of the Common Areas.

6.03 Agreements. Subject to the prior approval of Declarant for so long as Declarant owns a lot or Unit primarily for the purpose of sale, all agreements and determinations lawfully authorized by the Board of Directors shall be binding upon all Owners, their heirs, legal representatives, successors and assigns, and all others having an interest in the Property or the privilege of possession and enjoyment of any part of the Property; and in performing its responsibilities hereunder, the Neighborhood Association, through its Board of Directors, shall have the authority to delegate to persons of its choice; such duties of the Neighborhood Association as may be determined by the Board of Directors. In furtherance of the foregoing, and not in limitation thereof, the Neighborhood Association may obtain and pay for the services of any person or entity to manage its affairs or any part thereof, to the extent it deems advisable, as well as such other personnel as the Neighborhood Association shall deem necessary or desirable for the proper operation of the Property whether such personnel are furnished or employed directly by the Neighborhood Association or by any person or entity with whom or with which it contracts. All costs and expenses incident to the employment of a manager shall be Common Expenses. During the term of such management agreement, such manager may, if authorized by the Board of Directors, exercise all of the powers and shall be responsible for the performance of all the duties of the Neighborhood Association, excepting any of those powers or duties specifically and exclusively reserved to the directors, officers or Members of the Neighborhood Association by this Declaration or the Bylaws. Such manager may be an individual, corporation or other legal entity, as the Board of Directors shall determine, and may be bonded in such a manner as the Board of Directors may require, with the cost of acquiring any such bond to be a Common Expense. In addition, the Neighborhood Association may pay for, and the Board of Directors may hire and contract for, such legal and accounting services as are necessary or desirable in connection with the operation of the Property or the enforcement of this Declaration, the Bylaws or the rules and regulations of the Neighborhood Association.

6.04 Insurance.

(a) The Board of Directors or its duly authorized agents shall have the authority to and shall obtain and continue in effect property insurance, in such form as the Board deems appropriate, for the benefit of the Neighborhood Association and insuring all insurable improvements in and to the Common Areas against loss or damage by fire or other hazards, including, without limitation, extended coverage, flood, vandalism and malicious mischief, such coverage to be in an amount sufficient to cover the full replacement cost (subject to such deductible levels as are deemed reasonable by the Board) of any repair or reconstruction in the event of damage or destruction from any such hazard.

(b) The Board or its duly authorized agents shall have the authority to and shall obtain and continue in effect a public liability policy covering all the Common Areas and all damage or injury caused by the negligence of the Neighborhood Association, its Members, Owners, its directors and officers, or any of its agents. Such public liability policy shall provide such coverages as are determined to be necessary by the Board of Directors.

(c) The Board or its duly authorized agents shall have the authority and may obtain (i) workers' compensation insurance to the extent necessary to comply with any applicable laws and (ii) such other types and amounts of insurance as may be determined by the Board to be necessary or desirable.

(d) Officers' and Directors' insurance, if available at reasonable cost, as determined by the Board of Directors in their sole and absolute discretion.

(e) All such insurance coverage obtained by the Board of Directors shall be written in the name of the Neighborhood Association as trustee for each of the Owners and costs of all such coverage shall be a Common Expense. Exclusive authority to adjust losses under policies obtained by the Neighborhood Association and hereafter in force with respect to the Property shall be vested in the Board of Directors; provided, however, that no Mortgagee or other security holder of the Common Areas having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(f) It shall be the individual responsibility of each Owner at his or her own expense to provide public liability, property damage, title and other insurance with respect to his or her own Lot or Unit. The Board of Directors may require all Owners to carry public liability and property damage insurance with respect to their respective Lots and Units and to furnish copies or certificates thereof to the Neighborhood Association.

6.05 Personal Property and Real Property. The Neighborhood Association, through action of its Board of Directors, may acquire and hold tangible and intangible personal property and real property and may dispose of the same by sale or otherwise. All funds received and title to all properties acquired by the Neighborhood Association and the proceeds thereof, after deducting therefrom the costs incurred by the Neighborhood Association in acquiring or selling the same, shall be held by and for the benefit of the Neighborhood Association. The undivided interests of the Owners in the funds and assets of the Neighborhood Association cannot be individually assigned, hypothecated or transferred in any manner.

6.06 Indemnification. The Neighborhood Association shall indemnify and hold harmless every officer or director of the Neighborhood Association against any and all expenses, including court costs and reasonable attorneys' fees, reasonably incurred by or imposed upon any current or former officer or director of the Neighborhood Association in connection with any action, suit or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors) to which he or she may be made a party by reason of being or having been an officer or director of the Neighborhood Association. The officers or directors of the Neighborhood Association shall not be liable for any mistake of judgment, negligence, or otherwise, except for their own willful misconduct. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Neighborhood Association (except to the extent that such officers or directors may also be Owners or Members of the Neighborhood Association), and the Neighborhood Association shall indemnify and forever hold each such officer or director free and harmless, against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Neighborhood Association, or former officer or director maybe entitled. Such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs and personal representatives of such a person. An adjudication of liability shall not affect the right to indemnification for those indemnified. The Neighborhood Association shall as a Common Expense maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

ARTICLE VII ASSESSMENTS

7.01 Purpose of Assessments. The Assessments for Common Expenses provided for herein shall be used for the general purposes of promoting the recreation, welfare, common benefit and enjoyment of the Owners and Occupants of the Property, and maintaining the Property and improvements therein, all as may be authorized in this Declaration, the Articles, the By-Laws and as may otherwise be determined from time to time by the Board of Directors.

7.02 Creation of Lien and Personal Obligation of Assessments. Each Owner of a Lot or Unit by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, is deemed to covenant and agree to pay to the Neighborhood Association: (a) Annual Assessments, to be established and collected as provided in Section 7.03 hereof; (b) Special Assessments, to be established and collected as provided in Section 7.04 hereof; (c) Individual or Specific Assessments against a particular Lot or Unit which are established pursuant to the terms of this Declaration, and (d) any other Assessment. Any such Assessment, together with late charges, simple interest at the rate of eighteen percent (18%) per annum, and court costs and attorneys' fees incurred to enforce or collect such Assessment, shall be an equitable charge and a continuing lien upon the Lot or Unit, the Owner of which is responsible for payment. Each Owner shall be personally liable for Assessments coming due while he or she is the Owner of a Lot or Unit, and his or her grantee shall take title to such Lot or Unit subject to the equitable charge and continuing lien therefor, but without prejudice to the rights of such grantee to recover from his or her grantor any amounts paid by such grantee therefor. Any purchaser of a Lot or Unit through a Foreclosure sale shall thereafter be subject to all future Assessments. In the event of co-ownership of any Lot or Unit, all of such co-Owners shall be jointly and severally liable for the entire amount of such Assessments. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors, provided that unless otherwise provided by the Board, the annual Assessments shall be paid in one annual installment.

7.03 Annual Assessments. It shall be the duty of the Board at least thirty (30) days prior to the Neighborhood Association's annual meeting to prepare a budget covering the estimated Common Expenses during the coming year. The Board shall cause the budget and the proposed total of the annual Assessments to be levied against Lots and Units for the following year to be delivered in accordance with this Declaration to each Owner at least fifteen (15) days prior to such meeting. Each platted Lot and Unit shall be subject to equal annual Assessments. The budget and the annual Assessments shall become effective unless disapproved at the annual meeting by either (i) Declarant, for so long as Declarant has the authority to appoint and remove directors and officers of the Neighborhood Association, or (ii) a vote of a majority of the votes of the Neighborhood Association (provided that a minimum vote of fifty-one percent (51 %) of all the votes of the Neighborhood Association shall be required to disapprove the budget). If any budget at anytime proves inadequate for any reason, then the Board may call a meeting of the Neighborhood Association for the approval of a special Assessment as provided in Section 7.04 hereof. The Neighborhood Association shall have no obligation to create or maintain any reserves.

7.04 Special Assessments. In addition to the annual Assessments authorized above, the Neighborhood Association, acting through its Board of Directors, may levy, in any Assessment year, special Assessments for Common Expenses, applicable to that year only, provided that any such Assessment shall be approved by (i) Declarant, for so long as Declarant owns any Lot or Unit primarily for the purpose of sale and (ii) by a majority of the votes of the Members of the Neighborhood Association who are voting at a meeting duly called for this purpose. The Board of Directors may make such special Assessments payable in installments over a period which may, in the Board's discretion, extend in excess of the fiscal year in which adopted.

7.05 Individual Assessments. Any expenses of the Neighborhood Association arising out of any of the following events shall be specially assessed against the appropriate Owners) and their respective Lots or Units:

- (a) any expenses occasioned by the conduct of less than all of the Owners or by the family, tenants, agents, guests or invitees of any Owner;
- (b) any expenses arising out of the provision by the Association, Neighborhood Association or Declarant of maintenance service under Section 5.02(b) hereinabove; or

The individual Assessments provided for in this Section 7.05 shall be levied by the Board of Directors and the amount and due date of such Assessments so levied by the Board shall be as specified by the Board.

7.06 Allocable and Discrete Common Expenses. Notwithstanding anything to the contrary contained herein, Assessments may be divided by the Board of Directors into several categories, as the Board of Directors may determine in its sole and absolute discretion. Without limitation on the foregoing, the Board of Directors may determine in its sole discretion that certain expenses exclusively and directly benefit some but not all of the Owners ("Discrete Expenses"), in which event the Board of Directors may ratably allocate those Discrete Expenses only among those Owners that the Board of Directors determines are benefitted thereby. The Board of Directors may determine in its sole discretion that other expenses benefit all of the Owners and do not exclusively and directly benefit only one or a few Owners ("Allocable Expenses"). These Allocable Expenses shall be ratably assessed to all Owners, subject to the limitations set forth herein.

7.07 Liens. All sums assessed against any Lot or Unit pursuant to this Declaration, together with court costs, reasonable attorneys' fees, late charges and interest as provided herein, shall be secured by an equitable charge and continuing lien on such Lot or Unit in favor of the Neighborhood Association. Such liens shall be superior to all other liens and encumbrances on such Lot or Unit except only for (i) liens of ad valorem taxes and assessments of the CDD (whether or not included with the ad valorem tax assessment), and (ii) liens for all sums unpaid on a first priority Institutional Mortgage or on any Mortgage to Declarant or its affiliates, and all amounts advanced pursuant to any such Mortgage and secured thereby in accordance with the terms of such instrument. Notwithstanding the foregoing to the contrary, the subordination of Assessments to the lien of such Mortgages shall only apply to such Assessments which have become due and payable prior to a Foreclosure. All other persons acquiring liens or encumbrances on any Lot or Unit after this Declaration shall have been recorded shall be deemed to consent that such liens or encumbrances shall be inferior to such future liens for Assessments as provided herein, whether or not such prior consent shall be specifically set forth in the instruments creating such liens or encumbrances.

7.08 Effect of Nonpayment; Remedies of the Neighborhood Association. Any Assessment of an Owner or any portions thereof which are not paid when due shall be delinquent. Any Assessment delinquent for a period of more than thirty (30) days after the date when due shall incur a late charge in an amount as may be determined by the Board, and shall also continue to accrue simple interest at the rate of eighteen percent (18%) per annum. A lien and equitable charge as herein provided for each Assessment shall attach simultaneously as the same shall become due and payable, and if any installment of the Assessment for such year has not been paid within thirty (30) days, the entire unpaid balance of the Assessment may be accelerated at the option of the Board and be declared due and payable in full. The continuing lien and equitable charge of such Assessment shall include the late charge established by the Board of Directors, interest on the principal amount due at the rate of eighteen percent (18%) per annum, all costs of collection (including reasonable attorneys' fees and court costs), and any other amounts provided or permitted hereunder or by law. In the event that the Assessment remains unpaid after ninety (90) days from the original due date, the Neighborhood Association may institute suit to collect such amounts and to foreclose its lien. The equitable charge and lien provided for in this Article shall be in favor of the Neighborhood Association. Each Owner, by his acceptance of a deed or other conveyance to a Lot or Unit, vests in the Neighborhood Association and its agents the right and power to bring all actions against him personally for the collection of such Assessments as a debt and/or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The Neighborhood Association shall have the power to bid on the Lot or Unit at any Foreclosure sale and to acquire, hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein, including by way of illustration but not limitation, non-use of the Common Areas or abandonment of his Lot or Unit, and an Owner shall remain personally liable for Assessments, interest and late charges which accrue prior to a sale, transfer or other conveyance of his Lot or Unit.

7.09 Certificate. The treasurer or any assistant treasurer shall, within ten (10) days of a written request and upon payment of such fee as is from time to time reasonably determined by the Board of Directors, furnish to any Owner or such Owner's Mortgagee which requests the same, a certificate in writing signed by said treasurer or assistant treasurer, setting forth whether the Assessments for which such Owner is responsible have been paid, and, if not paid, the outstanding amount due and owing, together with all fines, accrued interest and other penalty charges. As to parties without knowledge of error who rely thereon, such certificate shall be presumptive evidence against all but such Owner of payment of any Assessments stated therein to have been paid.

7.10 Date of Commencement of Annual Assessments; Declarant's Rights and Obligations. The annual Assessments provided for herein shall commence as to each Lot and Unit on the day on which such Lot or Unit is conveyed to a person other than Declarant and shall be due and payable in such manner and on such schedule as the Board of Directors may provide. Anything contained herein to the contrary notwithstanding, Declarant shall not be responsible for the payment of annual or special Assessments on Lots or Units which it owns. Declarant shall have the option to either pay annual Assessments on Lots and Units owned by

Declarant or fund any deficit which may exist between the amount of Assessments payable by the Owners of Lots or Units (not owned by Declarant) and the annual budget of the Neighborhood Association for so long as Declarant has the authority hereunder to appoint and remove directors of the Neighborhood Association; provided, however, that the budget, Assessments, and deficits, if any, shall be annually reviewed by Declarant and the Board of Directors, and during such period Declarant's obligation for funding deficits shall only be up to the amount of the Neighborhood Association's budget. Any surplus in funds held by or due to the Neighborhood Association shall be carried over from year to year so as to reduce Declarant's obligation to pay Assessments, and Declarant shall have no obligation to fund reserves if the Board of Directors creates such reserves. Upon Declarant no longer having the authority to appoint directors or officers of the Neighborhood Association, Declarant shall be obligated only to pay Assessments on Lots and Units owned by Declarant. Notwithstanding anything to the contrary contained herein, so long as Declarant controls the Neighborhood Association pursuant to Sections 6.01 and 10.01, Declarant shall have the right in its sole and absolute discretion to change the Assessments attributable to any portion of the Property at any time and from time to time, and Declarant shall have the additional right to designate portions of the Property to be exempt from assessment under this Article VII. The Neighborhood Association is specifically authorized to enter into arrangements for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses.

7.11 Common Areas and Certain Other Property. Unless otherwise provided herein, no Common Areas hereunder shall be subject to assessment hereunder. Further, the foregoing exemption shall apply to any land owned by a public agency as long as such land is used for public purposes. In the event of any ambiguity or doubt as to whether any particular open space or other land is subject to assessment, the determination of Declarant shall be final and conclusive.

7.12 Association Assessments and Association Fines. With the consent of the Association, the Neighborhood Association shall have the power and authority to collect from Owners all assessments, whether they be annual, special or individual assessments, which are levied against Lots or Units by the Association (the "Association Assessment"). With the consent of the Association, the Neighborhood Association shall also have the power and authority to collect from Owners all fines which are levied against Owners by the Association (the "Association Fine"). The Association Assessment or the Association Fine shall be collected by the Board of Directors of the Neighborhood Association, pursuant to the procedures set forth in this Article VII. If the Association Assessment or the Association Fine is not paid on the date when due, the provisions of the PGA Village Declaration as to the effect of non-payment of the Association Assessments and the Association Fines, including the Association's lien rights, shall fully apply. The Association Assessments and the Association Fines shall be in addition to, and not in lieu of, the Assessments and fines levied by the Neighborhood Association. The rights granted to the Neighborhood Association by this Section 7.12 shall be in addition to, and not in lieu of, those rights granted to the Association by the PGA Village Declaration.

7.13 Capital Contributions. Upon acquisition of record title to a Lot, whether from the Declarant or any other Owner, such new Owner will contribute to the capital of the Neighborhood Association an amount equal to one sixth (1/6) of the amount of the annual Assessment pursuant to Section 7.02(a) determined by the Board of Directors for such Lot for the year in which the new Owner acquired title ("Capital Contribution"). The Neighborhood Association will allocate the Capital Contributions to a working capital account to be used by the Neighborhood Association for any purposes the Board of Directors deems appropriate; including without limitation, to meet unforeseen expenditures, to make necessary repairs, replacements and improvements to the Common Areas, to acquire additional equipment or services for the benefit of the Members, or to establish or maintain any reserves. Such payments to this fund will not be considered advance payments of any Assessment nor shall they be required to be reserved or held in any particular manner by the Neighborhood Association nor taken into account by the Association for purposes of establishing the annual Assessment. Capital Contributions shall be considered Assessments for purposes of Section 7.08 and the Neighborhood Association may enforce the payment of same in accordance with the provisions of Section 7.08.

ARTICLE VIII ARCHITECTURAL STANDARDS AND USE RESTRICTIONS

8.01 Purpose. In order to preserve the natural setting and beauty of the Property, to establish and preserve a harmonious and aesthetically pleasing design for the Property, and to protect and promote the value of the Property, the Lots and Units and any and all improvements located therein or thereon shall be subject to the restrictions set forth in this Article VIII. Every grantee of any interest in a Lot or Unit, by acceptance of the deed or other conveyance of such interest, agrees to be bound by the provisions of this Article VIII.

8.02 Modifications Committee. The Board of Directors shall have the authority to establish a Modifications Committee, whose function shall be to review certain modifications, alterations and changes to construction, improvements or landscaping originally reviewed and accepted by the New Construction Committee. Upon delegation by the New Construction Committee to the Modifications Committee, the Modifications Committee shall receive and review plans and specifications and all supporting documentation and correspondence as described in Sections 10.03.04 and 10.03.05 of the PGA Village Declaration, and the architectural review decision of the Modifications Committee shall be binding and final; provided, however, that the New Construction Committee at all times shall, have the right to receive copies of all architectural review decisions made by the Modifications Committee and the right to overrule or modify any architectural review decision made by the Modifications Committee, as more fully described in the PGA Village Declaration. NO APPROVAL OF PLANS AND SPECIFICATIONS, AND NO PUBLICATION OF STANDARDS SHALL BE CONSTRUED AS REPRESENTING OR IMPLYING THAT SUCH PLANS, SPECIFICATION OR STANDARDS WILL, IF FOLLOWED, RESULT IN PROPERLY DESIGNED OR CONSTRUCTED IMPROVEMENTS. SUCH APPROVALS AND STANDARDS SHALL IN NO EVENT BE CONSTRUED AS REPRESENTING OR GUARANTEING THAT ANY RESIDENTIAL UNIT OR OTHER IMPROVEMENT BUILT IN ACCORDANCE THEREWITH WILL BE BUILT IN A GOOD AND WORKMANLIKE MANNER. NEITHER DECLARANT, THE NEIGHBORHOOD ASSOCIATION, THE ASSOCIATION NOR THE NCC SHALL BE RESPONSIBLE OR LIABLE FOR ANY DEFECTS IN ANY PLANS OR SPECIFICATIONS SUBMITTED, REVISED OR APPROVED PURSUANT TO THE TERMS OF THIS ARTICLE; ANY LOSS OR DAMAGE TO ANY PERSON ARISING OUT OF THE APPROVAL OR DISAPPROVAL OF ANY PLANS OR SPECIFICATIONS; ANY LOSS OR DAMAGE ARISING FROM THE NONCOMPLIANCE OF SUCH PLANS AND SPECIFICATIONS WITH ANY ORDINANCES, REGULATIONS, OR ANY DEFECTS IN CONSTRUCTION UNDERTAKEN PURSUANT TO SUCH PLANS AND SPECIFICATIONS.

8.03 Residential Use. Except as provided in Section 3.09 of this Declaration, all Lots and Units shall be used only for single-family, private, residential purposes and for no other purpose. Nothing herein shall be deemed to prevent an Owner from leasing a Unit, subject to the terms, conditions, and covenants contained in this Declaration, and reasonable rules and regulations adopted by the Neighborhood Association. No business or commercial building may be erected on any Lot and no business may be conducted on any part thereof. The terms and provision of this Declaration, the PGA Village Declaration and all rules and regulations adopted pursuant to either shall bind, in addition to all Owners, all Occupants of any Lot or Unit.

8.04 Single-Family Dwellings. No building shall be constructed or maintained on any Lot other than one detached single-family dwelling.

8.05 Landscaping. Sodding is required for all front, rear and side yards. Each Owner shall be required to landscape his Lot in accordance with landscaping criteria established by the New Construction Committee, as amended from time to time. The aforesaid landscaping shall be completed by the Owner no later than the date of issuance of the Certificate of Occupancy for the Unit.

8.06 Nuisance. No Lot or Unit shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot or Unit to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept in any Lot or Unit that will emit a foul or obnoxious odor or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property or to the development as a whole. No illegal, noxious, or offensive activity shall be carried on in any Lot or Unit, which would tend to cause a nuisance to any person using any property adjacent to the Lot or Unit. There shall not be maintained any plants, animals, devices, or things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of other Owners or Occupants.

8.07 Maintenance of Units. All Units shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist. In the event an Owner fails to maintain his Unit as required, for a period of at least ten (10) days, the Neighborhood Association shall have the right, exerciseable in its discretion, to, clear any rubbish, refuse; or unsightly debris and/or growths from any Unit deemed by the Neighborhood Association to be a health menace, fire hazard or a detraction from the aesthetic appearance of Scarborough Estates, provided, however, that at least ten (10) days prior notice shall be given by the Neighborhood Association to the Owner of such Unit before such work is done by the Association. In the event the Neighborhood Association, after such notice, causes the subject work to be done, then, and in that event, the costs of such work, together with interest thereon at the rate of eighteen percent (18%) per annum may be charged to the Owner and, as charged, shall become a lien on the Lot and Unit, which lien shall be effective, have priority and be enforced pursuant to the procedures set forth in this Declaration.

8.08 Solar Panels. All solar panels to be affixed on any roof or exterior of a Unit shall be subject to the prior approval of the New Construction Committee.

8.09 Drainage Systems. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No person, other than the Declarant, the Association, the Neighborhood Association, the CDD, or the South Florida Water Management District, may obstruct or re-channel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. The Association, the Neighborhood Association and the Declarant hereby reserve a perpetual easement across the Property for the purpose of altering drainage and water flow. Septic systems are prohibited on the Property.

8.10 Lakes and Water Bodies. All lakes, ponds, and streams within the Property, if any, shall be aesthetic amenities only, and no other use thereof, including, without limitation, fishing, boating, swimming, playing, or use of personal flotation devices, shall be permitted. Neither the Association, the Neighborhood Association, nor Declarant shall be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, or streams within the Property, if any.

(a) Lakes, swales and waterbodies, whether man-made, altered or natural, are part of or contribute to the water management system. Rainfall and groundwater elevations may affect the depth of waterbodies from dry to deep, and the maintenance of a particular water level is not the responsibility of the Association, the Neighborhood Association, the Declarant or the CDD. Depths of lakes, swales and waterbodies may be deceiving. Due to design, construction, groundwater levels and other conditions, bottoms and embankments may vary in the angle of slope, with the resulting possibility of steep drop-offs to deep water levels. Lakes, swales, waterbodies, preserve areas, undeveloped portions of the Property and conservation areas are the natural habitat of various species of Florida wildlife, including the alligator, that may be hostile to humans and domestic animals and property.

(b) All persons, Owners, Occupants, mortgagees and all of their invitees and licensees and each other person having an interest in or lien upon, or making any use of, any portion of the Property (by virtue of accepting such interest or lien or making such uses) are hereby put on notice of these conditions of the Property, natural, altered and man-made, and by entering the Property or acquiring any interest in any part of the Property, acknowledge the necessary existence of these conditions which, under certain circumstances, may be hazardous and assume the risk of injury or damage as a result thereof. Neither Declarant, the Association, the Neighborhood Association nor CDD shall have a duty to protect anyone from the consequences of contact with these conditions. Each Owner by acceptance of a deed to any Lot acknowledges and knowingly assumes the risk of personal or property damage arising from conditions of the Property, whether natural, altered or man-made and each Owner hereby waives and releases the Declarant, the Association, the Neighborhood Association, and the CDD, and any guest, employee, licensee, invited, director, partner or officer or mortgagee of any such parties from any and all action, cause, suit, reckoning, claim or demand whatsoever, in law or in equity, as a result of property damage or personal injury to such Owner, Occupant, Owner's or Occupant's guests, employees, licensees or invitees caused by conditions of the Property, whether natural, altered or man-made or any species of animal, reptile or other animate or inanimate object.

(c) NEITHER DECLARANT, THE NEIGHBORHOOD ASSOCIATION, THE ASSOCIATION, THE CDD, NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE OR BOARD MEMBERS, 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, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES SHALL, FROM TIME TO TIME, EXCAVATE, CONSTRUCT AND MAINTAIN LAKES AND WATER BODIES WITHIN OR IN PROXIMITY TO THE PROPERTY. NOTWITHSTANDING THE FOREGOING, EXCAVATION OR CONSTRUCTION OF WATER BODIES SHALL BE PROHIBITED UNLESS AUTHORIZED BY THE APPLICABLE SOUTH FLORIDA WATER MANAGEMENT DISTRICT PERMIT. IN THE EVENT THAT THE EXCAVATION OR CONSTRUCTION OF WATER BODIES IS NOT AUTHORIZED BY SAID PERMIT, SUCH EXCAVATION OR CONSTRUCTION MAY ONLY TAKE PLACE IF A PERMIT MODIFICATION IS OBTAINED FROM THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT. BY THE

ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE PROPERTY, EACH SUCH OWNER, OCCUPANT OR 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 CHILDREN, GUESTS OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY LAKE OR WATER BODY WITHIN THE PROPERTY, EXCEPT AS SPECIFICALLY PERMITTED BY THIS DECLARATION, OR THE RULES AND REGULATIONS ADOPTED BY THE ASSOCIATION OR THE NEIGHBORHOOD ASSOCIATION; (iii) DECLARANT, THE NEIGHBORHOOD ASSOCIATION, THE ASSOCIATION, AND THE OTHER LISTED PARTIES SHALL NOT BE LIABLE BUT, RATHER, SHALL BE HELD HARMLESS, FROM 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 THE PROPERTY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING; AND (v) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT TO SELL, CONVEY AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE PROPERTY. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES WITHIN 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. BY ACCEPTANCE OF A DEED, EACH OWNER ACKNOWLEDGES THAT THE COMMON AREAS MAY CONTAIN WILDLIFE SUCH AS ALLIGATORS, FISH, SHARKS, RACOONS, DEER, FOWL, AND FOXES. DECLARANT, THE NEIGHBORHOOD ASSOCIATION, OR THE ASSOCIATION SHALL HAVE NO RESPONSIBILITY FOR MONITORING SUCH WILDLIFE OR NOTIFYING OWNERS OR OTHER PERSONS OF THE PRESENCE OF SUCH WILDLIFE. EACH OWNER AND HIS OR HER GUESTS AND INVITEES ARE RESPONSIBLE FOR THEIR OWN SAFETY.

8.11 "For Sale" Signs. Only standardized "For Sale" signs approved by the New Construction Committee and made available by a specific vendor approved by the New Construction Committee, shall be used by Owners to advertise the sale of a Lot or Unit.

8.12 Mailboxes. Only standardized mailboxes as approved by the New Construction Committee shall be installed or maintained on any Lot or Unit.

ARTICLE IX RULE MAKING

9.01 Rules and Regulations. Subject to the provisions hereof and the PGA Village Declaration, the Board of Directors may establish reasonable rules and regulations concerning the use of Lots, Units and the Common Areas and facilities located thereon, including but not limited to rules regarding traffic, roadways and parking. Copies of such rules and regulations and amendments thereto shall be furnished by the Neighborhood Association to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, tenants, guests, invitees, servants and agents, until and unless any such rule or regulation is specifically overruled, canceled or modified by the Board of Directors or in a regular or special meeting of the Neighborhood Association by the vote of the Members holding a majority of the total votes in the Neighborhood Association, provided that in the event of such vote, such action must also be approved by Declarant, for so long as Declarant owns any Lot or Unit primarily for the purpose of sale.

9.02 Authority and Enforcement. Subject to the provisions of Section 9.03, upon the violation of this Declaration, the Bylaws or any rules and regulations duly adopted hereunder, including, without limitation, the failure to timely pay any Assessments, the Board shall have the power (i) to impose reasonable monetary fines against the Owners or Occupants which are guilty of such violation; (ii) to suspend an Owner's right to vote in the Neighborhood Association or Association, as applicable; or (iii) to suspend an Owner's right (and the right of such Owner's family, guests and tenants bind of the co-Owners of such Owner and their respective families, guests and tenants) to use any of the recreational facilities located in the Common Areas, and the Board shall have the power to impose all or any combination of these sanctions. An Owner shall be subject to the foregoing sanctions in the event of such a violation by such Owner, his or her family, guests or tenants or by his or her Occupants or co-Owners or the family, guests or tenants of his or her Occupants or co-Owners. Any such suspension of rights may be for the duration of the infraction and for any additional period thereafter, not to exceed thirty (30) days per violation.

9.03 Procedure. Except with respect to the failure of an Owner to pay Assessments, the Board shall not impose a fine, suspend voting rights or infringe upon or suspend any other rights of an Owner or other Occupant of the Property for violations of the Declaration, the Bylaws or any rules and regulations, unless and until the following procedure is followed:

- (a) Written demand to cease and desist from an alleged violation shall be served upon the Owner responsible for such violation specifying:
 - (i) The alleged violation;
 - (ii) The action required to abate the violation; and
 - (iii) A time period of not less than ten (10) days during which the violation may be abated without further sanction, if such violation is a continuing one, or if the violation is not a continuing one, a statement that any further violation of the same provision of this Declaration, the Bylaws or of the rules and regulations of the Neighborhood Association may result in the imposition of sanctions after notice and hearing.

- (b) Within twenty (20) days of such demand, if the violation continues beyond the period allowed in the demand for abatement without penalty, or if the same violation subsequently occurs, the Board of Directors may serve such Owner with written notice of a hearing to be held by a committee appointed by the Board of Directors. The notice shall contain:
 - (i) The nature of the alleged violation;
 - (ii) The time and place of the hearing, which time shall be not less than fourteen (14) days from the giving of the notice;
 - (iii) An invitation to attend the hearing and produce any statement, evidence and witnesses on his behalf; and
 - (iv) The proposed sanction to be imposed.

- (c) The hearing shall be held before a committee of at least three members appointed by the Board of Directors who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed. The committee shall afford the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the officer, director or other individual who delivered such notice. In addition, the notice requirement shall be deemed satisfied if an alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction imposed, if any.

ARTICLE X GENERAL PROVISIONS

10.01 Control by Declarant. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS DECLARATION, THE ARTICLES OF INCORPORATION OR THE BYLAWS OF THE NEIGHBORHOOD ASSOCIATION, DECLARANT HEREBY RETAINS THE RIGHT TO APPOINT AND REMOVE ANY MEMBER OR MEMBERS OF THE BOARD OF DIRECTORS OF THE NEIGHBORHOOD ASSOCIATION AS PROVIDED BY AND FOR THE TERM SET FORTH IN SECTION 6.01. Every grantee of any interest in the Property, by acceptance of a deed or other conveyance of such interest, agrees that Declarant shall have the authority to appoint and remove directors and officers of the Neighborhood Association in accordance with the foregoing provisions of this Section 10.01 and the provisions of Section 6.01, without the necessity of a vote at an annual meeting. Upon the expiration of the period of Declarant's right to appoint and remove directors and officers of the Neighborhood Association pursuant to the provisions of Section 6.01 and this Section 10.01, such right shall pass to the Owners, including Declarant if Declarant then owns one or more Lots or Units, and a special meeting of the Neighborhood Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board of Directors which shall undertake the responsibilities of the Board of Directors, and Declarant shall deliver all books, accounts and records, if any, which Declarant has kept on behalf of the Neighborhood Association and any agreements or contracts executed by or on behalf of the Neighborhood Association during such period and which Declarant has in its possession.

10.02 Amendments by Declarant. During any period in which Declarant retains the right to appoint and remove any directors and officers of the Neighborhood Association, Declarant may amend this Declaration by an instrument in writing filed and recorded in the Public Records of St. Lucie County, Florida, without the approval of any Owner or Mortgagee; provided, however, that, with the exception of the addition of Additional Property to the terms of this Declaration, (i) in the event that such amendment materially alters or changes any Owner's right to the use and enjoyment of his Lot, Unit or the Common Areas as set forth in this Declaration or adversely affects the title to any Lot or Unit, such amendment shall be valid only upon the written consent thereto by a majority in number of the then existing Owners affected thereby, or (ii) in the event that such amendment would materially and adversely affect the security title and interest of any Mortgagee, such amendment shall be valid only upon the written consent thereto of all such Mortgagees so affected. Notwithstanding the foregoing to the contrary, the expiration or termination of the right of Declarant to appoint and remove any directors and officers of the Neighborhood Association shall not terminate Declarant's right to amend the Declaration for the purpose of submitting the Additional Property to the provisions of this Declaration as provided in Section 2.02 hereof. Any amendment made pursuant to this Section 10.02 shall be certified by Declarant as having been duly approved by Declarant, and by such Owners and Mortgagees if required, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot or Unit, agrees to be bound by such amendments as are permitted by this Section 10.02 and further agrees that, if requested to do so by Declarant, such Owner will consent to the amendment of this Declaration or any other instruments relating to the Property (a) if such amendment is necessary to bring any provision hereof or thereof into compliance or conformity with the provisions of any applicable governmental statute, rule or regulation or any judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any Lots or Units subject to this Declaration; (c) if such amendment is required by an Institutional Mortgage holder to make or purchase mortgage loans on any Lot, Unit or other improvements subject to this Declaration; or (d) if any such amendment is necessary to enable any governmental agency or reputable private insurance company to insure Mortgages on the Lots, Units or other improvements subject to this Declaration.

10.03 Amendment by Neighborhood Association. Amendments to this Declaration, other than those authorized by Section 10.02 hereto, shall be proposed and adopted in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Neighborhood Association at which such proposed amendment is to be considered and shall be delivered to each Owner and Member of the Neighborhood Association.

(b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by Members of the Neighborhood Association. Such amendment must be approved by Members holding at least two-thirds (2/3) of the total votes in the Neighborhood Association; provided, however, (i) that any amendment which materially and adversely affects the security title and interest of any Mortgagee must be approved by such Mortgagee, and (ii) during any period in which Declarant owns a Lot or Unit primarily for the purpose of sale, such amendment must be approved by Declarant.

(c) The agreement of the required percentage of the Members and, where required, Declarant and any Mortgagee, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, the sworn statement of the president of the Neighborhood Association attached to or incorporated in the amendment executed by the Neighborhood Association, which sworn statement shall state unequivocally that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later date as may be specified in the amendment itself.

10.04 Enforcement. Each Owner shall comply strictly with the Bylaws and the published rules and regulations of the Neighborhood Association adopted pursuant to this Declaration, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in this Declaration and in the deed or other instrument of conveyance to his Lot or Unit, if any. Failure to comply with any of the same shall be grounds for imposing fines, for suspending voting rights or rights of use in and to the recreational facilities, located in the Common Areas, or for instituting an action to recover sums due, for damages, and/or for injunctive relief and/or any other remedy available at law or in equity, such actions to be maintainable by Declarant, the Board of Directors on behalf of the Neighborhood Association, or, in a proper case, by an aggrieved Owner. Should Declarant or the Neighborhood Association employ legal counsel to enforce any of the foregoing, all costs incurred in such enforcement, including court costs and reasonable attorneys' fees, shall be paid by the violating Owner. Inasmuch as the enforcement of the provisions of this Declaration, the Bylaws, and the rules and regulations of the Neighborhood Association are essential for the effectuation of the general plan of development contemplated hereby and for the protection of present and future Owners, it is hereby declared that any breach thereof may not adequately be compensated by recovery of damages, and that Declarant, the Neighborhood Association or any aggrieved Owner, in addition to all other remedies, may require and shall be entitled to the remedy of injunction or other equitable action to restrain any such violation or breach or any threatened violation or breach. No judicial or administrative proceeding shall be commenced or prosecuted by the Neighborhood Association unless approved by a vote of seventy-five (75%) percent of the total vote of the Neighborhood Association. This Section shall not apply, however, to (a) actions brought by the Neighborhood Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of Assessments or fines, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims or crossclaims brought by the Neighborhood Association in proceedings instituted against it. No delay, failure or omission on the part of Declarant, the Neighborhood Association or any aggrieved Owner in exercising any right, power, or remedy herein provided shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such right, power or remedy thereafter as to the same violation or breach, or as to a violation or breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. No right of action shall accrue nor shall any action be brought or maintained by anyone whatsoever against Declarant, or the Neighborhood Association for or on account of any failure to bring any action on account of any violation or breach, or threatened violation or breach, by any person of the provisions of this Declaration, the Bylaws or any rules and regulations of the Neighborhood Association, however long continued. This Section shall not be amended unless such amendment is made by the Declarant or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

10.05 Duration. The provisions of this Declaration shall run with and bind title to the Property; shall be binding upon and inure to the benefit of Declarant, the Neighborhood Association and all other Owners and Mortgagees and their respective heirs, executors, legal representatives, successors and assigns, and shall be and remain in effect for a period of fifty (50) years from and after the date of the recording of this Declaration, provided that rights and easements which are stated herein to have a longer duration shall have such longer duration. Upon the expiration of said fifty (50) year period, this Declaration shall be automatically renewed for successive ten (10) year periods. The number of ten (10) year renewal periods shall be unlimited, with this Declaration being automatically renewed and extended upon the expiration of each (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration, if, during the last year of the initial fifty (50) year period or the last year of any ten (10) year renewal period seventy-five percent (75%) of the total votes of the Neighborhood Association are cast in favor of terminating this Declaration at the end of the then current term. In the event that the Neighborhood Association votes to terminate this Declaration, an instrument evidencing such termination shall be duly filed, such instrument to contain a certificate wherein the president of the Neighborhood Association swears that such termination was duly adopted by the requisite number of votes. Every purchaser or grantee of any interest in the Property, by acceptance of a deed or other conveyance therefor, thereby agrees that the provisions of this Declaration shall run with and bind title to the Property as provided hereby. Reference in the respective deeds of conveyance or in any mortgage or trust deed or other evidence of obligation or transfer, to the covenants, conditions, restrictions, easements, rights, benefits and privileges of every character contained herein, shall be deemed and taken to be appurtenant to and covenants running with such property, and shall be binding upon any such grantee, mortgagee or trustee and their successors and assigns as fully and completely as though the provisions of this Declaration were fully recited and set forth in their entirety in such documents. Failure to include any such reference shall not effect in any way the validity and enforceability of this Declaration. Upon termination the title to all Common Areas shall be owned and held in equal shares by the Unit Owners as tenants in common, and each Unit Owner shall remain obligated to pay his pro rata share of expenses to continually maintain the Common Areas.

10.06 Interpretation. In all cases, the provisions set forth or provided for in this Declaration shall be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors, will best effect the intent of the general plan of development. The provisions hereof shall be liberally interpreted and, if necessary, they shall be so extended or enlarged by implication as to make them fully effective. The provisions of this Declaration shall be given full force and effect notwithstanding the existence of any zoning ordinance, building codes or other regulations which are less restrictive. The effective date of this Declaration shall be the date of its filing for record. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer. This Declaration shall be construed under and in accordance with the laws of the State of Florida.

10.07 Assignment. Declarant may assign all or a portion of its rights under this Declaration, or all or a portion of such rights in connection with portions of the Property. In the event of such a partial assignment, the assignee shall not be deemed the Declarant, but may exercise such rights of Declarant specifically assigned to it. Any such assignment may be made on a non-exclusive basis. After an assignment, the assignee shall have the same rights and powers, and be subject to the same obligations and duties as were Declarant prior to the assignment, and Declarant shall be relieved and released of all obligations with respect to such rights, powers, obligations, easements or estates.

10.08 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals.

10.09 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Declaration are declared to be severable.

10.10 Rights of Third Parties. This Declaration shall be recorded for the benefit of Declarant, the Association, the Neighborhood Association, the Owners and their Mortgagees as herein provided, and by such recording, no adjoining property owner or third party shall have any right, title or interest whatsoever in the Property, except as provided herein, or in the operation or continuation thereof or in the enforcement of any of the provisions hereof, and, subject to the rights of Declarant and Mortgagees as herein provided, the Owners shall have the right to extend, modify, amend or otherwise change the provisions of this Declaration without the consent, permission or approval of any adjoining owner or third party.

10.11 Notice of Sale, lease or Mortgage. In the event an Owner sells, leases, mortgages or otherwise disposes of any Lot or Unit, the Owner must promptly furnish to the Neighborhood Association in writing the name and address of such purchaser, lessee, mortgagee or transferee.

10.12 No Trespass. Whenever the Neighborhood Association, the Association, Declarant and their respective successors, assigns, agents or employees are permitted by this Declaration to enter upon or correct, repair, clean, maintain, preserve or do any other action within any portion of the Property, the entering thereon and the taking of such action shall not be deemed to be a trespass.

10.13 Notices. Notices required hereunder shall be in writing and delivered by hand or sent by United States mail, postage prepaid. All notices to Owners shall be delivered to the addresses designated in writing to the Neighborhood Association, or if no address has been designated, to the addresses of such Owners' Unit. All notices to the Neighborhood Association shall be delivered in care of Declarant at: 287 Goolsby Boulevard, Deerfield Beach, Florida 33324, or to such other address as the Neighborhood Association may from time to time notify the Owners. All notices to Declarant shall be delivered to Declarant at the above address or to such other address as Declarant may from time to time notify the Neighborhood Association. Notices to Mortgagees shall be delivered to such address as such Mortgagees specify in writing to the Neighborhood Association, and if no such notice is given to the Neighborhood Association, to the address provided in the Mortgage. All notices are deemed delivered when delivered by hand or when deposited in the United States mail.

10.14 Plats. In addition to this Declaration, the Property shall be subject to the additional covenants, restrictions, easements, dedications, reservations and other terms and provisions set forth in the plats of the Property, which plats are recorded or to be recorded in the public records of St. Lucie county.

10.15 Non-Condominium. The Neighborhood Association created pursuant to this Declaration and the Articles of Incorporation of the Association is expressly not intended to be a condominium association and is not created in accordance with Florida Statutes, Chapter 718, in existence as of the date of recording this Declaration in the public records of St. Lucie County, Florida.

10.16 Golf Club or Golf Course Membership. The ownership of a Lot or Unit does not confer upon the Owner a vested right to use the facilities in any golf club or golf course which may be constructed in PGA Village. Each Owner acknowledges, understands and agrees that Declarant is not affiliated with PGA Golf Club, the Legacy Club, or any other golf club in PGA Village. Unit Owners shall not have any proprietary interest in any such club. Membership and priority of use in any golf club shall be determined by the membership rules and regulations prevailing for the club, if any, at the time of application. Declarant hereby disclaims any representations, warranties or relationship to any club, if any, or to the rules, regulations, or qualifications to join the club. Each Owner specifically releases Declarant, the Neighborhood Association and the Association from any risk of damage caused to such Owner, or their guests, invitees, licensees, tenants or other persons or property incident to golf play.

10.17 Notice and Disclosure of CDD Bonds. The Reserve Community Development District with offices at 2160 N.W. Reserve Park Trace, Port St. Lucie, Florida 34986, is a political subdivision of the State of Florida, and is responsible for implementing and maintaining certain benefits and infrastructure improvements

to real property located within its boundaries. The Property submitted to this Declaration is located within CDD's boundaries.

THIS NOTICE AND DISCLOSURE IS TO INFORM THOSE INDIVIDUALS OR ENTITIES OWNING OR PURCHASING REAL PROPERTY WITHIN SCARBOROUGH ESTATES THAT THE PROPERTY WILL BE SUBJECT TO AND THE OWNERS WILL BE OBLIGATED TO PAY THE CDD NON-AD VALOREM ASSESSMENTS THAT MAY BE LEVIED AND ASSESSED BY THE CDD AGAINST PROPERTY OWNERS. CDD'S NON-AD VALOREM ASSESSMENTS WILL BE ASSESSED FOR THE PURPOSE OF PAYING SUCH MAINTENANCE AND DEBT OBLIGATIONS AS HAVE BEEN OR WILL BE INCURRED BY CDD FOR THE CONSTRUCTION AND MAINTENANCE OF PUBLIC IMPROVEMENTS WITHIN THE CDD'S BOUNDARIES. CDD'S NON-AD VALOREM ASSESSMENT WILL APPEAR AS A SEPARATE AND DISTINCT LINE ITEM ON THE ST. LUCIE COUNTY TAX COLLECTOR'S ANNUAL REAL ESTATE TAX BILL AND WILL BE REQUIRED TO BE PAID DIRECTLY TO THE ST. LUCIE COUNTY TAX COLLECTOR.

10.18 Disclaimer as to Site Plan. THE SITE PLAN OF SCARBOROUGH ESTATES AND ANY AMENDMENTS THERETO REPRESENT ONLY A GENERAL SCHEME OF DEVELOPMENT AND SHALL NOT BE CONSTRUED AS REPRESENTING, IMPLYING OR GUARANTEERING THAT ANY UNIT OR OTHER IMPROVEMENT WILL BE BUILT IN ACCORDANCE THEREWITH.

10.19 Exhibits. The following exhibits are attached to and incorporated in this Declaration:

Exhibit "A" - Legal Description of Initial Property

IN WITNESS WHEREOF, duly authorized officer of the undersigned Declarant has executed this Declaration under seal, as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

Linda J. Matthews
Print: LINDA J. MATTHEWS
Patricia A. Cordie
Print: PATRICIA A. CORDIE

SCARBOROUGH ESTATES, LLC,
a Florida Limited Liability Company

By: Richard S. Jones, Jr.
Richard S. Jones, Jr., Manager

STATE OF FLORIDA

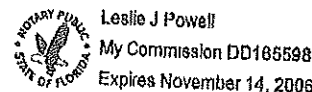
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 25 day September, 2004., by RICHARD S. JONES, JR. as Manager of SCARBOROUGH ESTATES, LLC, a Florida limited liability company, on behalf of the company. The above-named individual is personally known to me, and executed this instrument on behalf of the limited liability company.

FLORIDA NOTARY PUBLIC

Leslie J. Powell
Print Name: Leslie J. Powell

[SEAL]



JOINER AND CONSENT OF NEIGHBORHOOD ASSOCIATION

SCARBOROUGH ESTATES AT PGA VILLAGE HOMEOWNERS' ASSOCIATION, INC., a Florida not-for-profit corporation, hereby joins in this Declaration of Covenants, Conditions and Restrictions for the purpose of acknowledging the same and agreeing to the terms thereof.

Signed, sealed and delivered
in the presence of:

Sign Linda J. Matthews
Print Linda J. Matthews

Sign Patricia Q. Cordier
Print Patricia Q. Cordier


SCARBOROUGH ESTATES AT PGA VILLAGE
HOMEOWNERS' ASSOCIATION, INC.,

By: Richard S. Jones, Jr.
Richard S. Jones, Jr., President

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 28 day of September, 2004, by RICHARD S. JONES, JR. as President of SCARBOROUGH ESTATES AT PGA VILLAGE HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, on behalf of the corporation. The above-named individual is personally known to me, and executed this instrument on behalf of the corporation.

 Leslie J Powell
My Commission DD166588
Expires November 14, 2006

[SEAL]

FLORIDA NOTARY PUBLIC
Leslie J Powell
Print Name: Leslie J Powell

JOINDER AND CONSENT OF ASSOCIATION

PGA VILLAGE PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, hereby joins in this Declaration of Covenants, Conditions and Restrictions for the purpose of acknowledging the same and agreeing to the terms thereof.

Signed, sealed and delivered
in the presence of:

Sign Nicola J. Angelakos
Print NICOLE E. ANGELAKOS
Sign [Signature]
Print Cynthia Perik

PGA VILLAGE PROPERTY OWNERS
ASSOCIATION, INC.,

By: [Signature] PRESIDENT (sign)
JOHN C. CSARO (print)

STATE OF FLORIDA

COUNTY OF

The foregoing instrument was acknowledged before me this 10 day of November, 2004, by John C. CSARO, as _____ President of **PGA VILLAGE PROPERTY OWNERS ASSOCIATION, INC.**, a Florida corporation, on behalf of the corporation. The above-named individual [] is personally known to me or [] has produced the following identification _____ and executed the same in behalf of the corporation.

FLORIDA NOTARY PUBLIC

Nicola J. Angelakos
NICOLE E. ANGELAKOS

[SEAL]

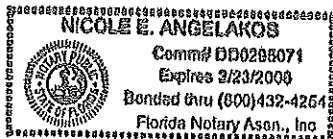


Exhibit "A"

Legal Description of Initial Property

Plat of Pods 12 and 13, P.U.D. I AT THE RESERVE, SCARBOROUGH ESTATES, according to the Plat thereof, recorded in Plat Book 45, Page 13, of the public records of St. Lucie County, Florida.