

Prepared by and to be returned after recording to:
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**DECLARATION OF EASEMENTS, COVENANTS,
CONDITIONS, AND RESTRICTIONS FOR
HARBOR BEND**

THIS DECLARATION OF COVENANTS, EASEMENTS CONDITIONS, AND RESTRICTIONS FOR HARBOR BEND (the "Declaration") is made this 1 day of SEPT, 1998, by FLORIDA VENTURE PROPERTIES, INC., a Florida corporation (the "Developer"), which declares hereby that the Property described in Exhibit "A" attached to and by reference incorporated in this Declaration is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges, and liens set forth below. The address of the Developer is Suite 200, 2816 East Robinson Street, Orlando, Florida 32803.

WITNESSETH:

WHEREAS, the Developer is the owner of certain real property in Orange County, Florida, more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (the "Property"); and

WHEREAS, the Developer has established a land use plan for the Property and the Developer plans to develop the Property and cause or allow the construction on the developed lots of single-family detached residential dwelling units; and

WHEREAS, in order to preserve and protect the value and desirability of the Property, the Developer deems it prudent to place this Declaration of record and to subject the Property to the matters set forth below.

NOW, THEREFORE, the Developer hereby declares that all of the Property shall be held, sold, transferred and conveyed subject to the following easements, restrictions, covenants, and conditions.

These easements, restrictions, covenants and conditions are for the purpose of protecting the value and desirability of the Property as a residential community of high standards, quality, and beauty, and shall run with the Property and be binding on all of the parties having any rights, title or interest in the Property or any part hereof, their heirs, successors and assigns, and shall inure to the benefit of each owner of the Property or any portion thereof.

ARTICLE I
DEFINITIONS

The terms used in this Declaration shall be defined as set forth herein unless the context otherwise requires:

1.1 "Association" shall mean and refer to the HARBOR BEND HOMEOWNERS' ASSOCIATION, INC., a Florida corporation not-for-profit, its successor and assigns.

1.2 "Board of Directors" or "Board" shall mean the directors serving as such from time to time under the Articles of Incorporation and the Bylaws of the Association, copies of both of which are attached hereto as Exhibits "B" and "C", respectively, and by this reference specifically incorporated herein.

1.3 "Common Areas" shall mean those portions of the Property that are not included in any Lot and that are owned by the Association for the common use and enjoyment of the Owners, are dedicated to Orange County (such as retention ponds or detention areas), property designated as Common Areas in any future recorded supplemental declaration, property the Association does not own but is required to maintain, and property otherwise designated by the Developer as Common Areas, together with the landscaping and any improvements thereon, including without limitation any and all structures, including the outside portion of any walls built by the Developer bordering public right-of-ways contiguous to the Property, open space, conservation or preserve areas, drainage easements, mitigation buffer areas, littoral zones along retention/detention areas, walkways, swales and spreader swale areas, grass areas and upland buffer areas, signage areas and landscape buffer areas, landscape and wall buffer easement areas, parking areas, median strips in public streets, private streets, sidewalks, sprinkler systems, street lights and entrance features including the lighting, signage and landscaping of the entrance features, but excluding any public utility installations thereon.

1.4 "Developer" shall mean and refer to FLORIDA VENTURE PROPERTIES, INC., a Florida corporation, its successors and assigns (subject to the terms, conditions, and restrictions as may be imposed on an assignment of Developer's rights). The Developer may assign all or only a portion of its rights hereunder; and Developer may assign all or a portion of its rights with respect only to specified portions of the Property. In the event of a partial assignment, the assignee shall not be deemed the Developer, but may exercise those rights of the Developer specifically assigned to it, if any. Any such assignment may be made on a non-exclusive basis.

1.5 "Development" shall mean and refer to the Property as it is developed pursuant to the Declaration or any property annexed thereto pursuant to this Declaration.

1.6 "Institutional Lender" shall mean a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension fund, agency of the United States Government, mortgage banker or company, Federal National Mortgage Association, the Developer, or any affiliate of the Developer or other lender generally recognized as an institution type lender, which holds a mortgage on one or more of the Lots.

1.7 "Lot" shall mean and refer to any portion of the Property, described by lot or fractional lot, or by metes and bounds, with the exception of the Common Areas, and intended to be conveyed by the Developer to builders or individual purchasers for the site of a single-family residence.

1.8 "Member" shall mean and refer to all those Owners who are members of the Association in accordance with this Declaration, the Bylaws, or the Articles of Incorporation.

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

1.10 "Property" shall mean and refer to that certain real property heretofore described on Exhibit "A", and such additions thereto as may hereafter be properly brought within the jurisdiction of the Association.

ARTICLE II
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

2.1 Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. Any person or entity who holds an interest in a Lot merely as a security for the performance of an obligation is not a Member.

2.2 Voting Rights. The Association shall have two (2) classes of voting membership:

Class A. Class A Members shall be all Owners except the Developer (as long as the Class B membership shall exist, and thereafter, the Developer shall be a Class A Member to the extent it would otherwise qualify). Except as provided below, Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, they may exercise a total of only one vote for that Lot, and the vote for such Lot shall be exercised as set forth in the Bylaws of the Association.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to one (1) vote for each Lot owned by the Developer, plus two (2) votes for each vote that the Class A Members are entitled to cast at any time and from time to time. The Class B membership shall cease and terminate and be converted to Class "A" membership on the happening of any of the following events, whichever occurs earlier:

- (a) When the Developer no longer owns record title to any portion of the Property; or
- (b) Six (6) years from the date of filing of this Declaration; or
- (c) At the election of the Developer (whereupon the Class A Members shall be obligated to elect the Board and assume control of the Association).

2.3 General Matters. When reference is made herein, or in the Articles, Bylaws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the permitted votes of the Members and not of the Members themselves.

ARTICLE III
PROPERTY RIGHTS IN THE COMMON AREAS; OTHER EASEMENTS

3.1 Members Easements. Each Member, and each tenant, agent and invitee of such Member, shall have a non-exclusive permanent and perpetual right and easement of enjoyment in, over, and upon the Common Areas for the intended use and enjoyment thereof in common with all other such Members, their tenants, agents and invitees, in such manner as may be regulated by the Association. No person entitled to so use and enjoy the Common Areas may do so in any manner inconsistent with their intended use or purpose.

Without limiting the generality of the foregoing, such rights of use and enjoyment are hereby made subject to the following:

(a) The right and duty of the Association to levy Assessments against each Lot for the purpose of maintaining the Common Areas in compliance with the provisions of this Declaration and with the restrictions on the plats of portions of the Property from time to time recorded.

(b) The right of the Association to adopt at any time and from time to time and enforce rules and regulations governing, among other things, the use of the Common Areas and all facilities at any time situated thereon, including the right to fine Members as hereinafter provided. Any rule and/or regulation so adopted shall apply until rescinded or modified as if originally set forth at length in this Declaration.

(c) The right to the use and enjoyment of the Common Areas and facilities thereon shall extend to the users' immediate family who reside with a permitted user, subject to regulation from time to time by the Association in its lawfully adopted and published rules and regulations.

(d) The right of the Developer to permit such persons as the Developer shall designate to use the Common Areas and all recreational facilities thereon (if any).

(e) The right of the Association, by a two-thirds (2/3) affirmative vote of the entire membership, to dedicate, sell, or transfer all or portions of the Common Areas to a public agency under such terms as the Association deems appropriate and to create or contract with special taxing districts for lighting, roads, recreational or other services, security or communications and other similar purposes deemed appropriate by the Developer (to which such creation or contract all Owners hereby consent).

(e) The right of the Association to suspend for a reasonable time the rights of a Member and the Member's tenants, guests, and invitees to use Common Areas as a result of the violation by the Member (or by the Member's tenant, guest, or invitee) of any covenant, condition, or restriction contained in this Declaration.

3.2 Easement Appurtenant. The rights and easements provided in Section 3.1 shall be appurtenant to and shall pass with the title to each Lot.

3.3 Maintenance. The Association shall maintain in good repair and shall manage, operate and insure, and shall replace as often as necessary, the Common Areas and the paving, drainage structures, street lighting fixtures and appurtenances, landscaping, improvements and other structures (except utilities) situated or built on the Common Areas, if any, (the "Improvements") all such work to be done as ordered by the Board of Directors of the Association. Maintenance of the aforesaid street lighting fixtures shall include and extend to payment for all electricity consumed in their

illumination. Without limiting the generality of the foregoing, the Association shall assume all of the Developer's and its affiliates' responsibility to any governmental agencies of any kind with respect to the Improvements and the Common Areas and shall indemnify and hold the Developer and its affiliates harmless with respect thereto.

All work pursuant to this Section and all expenses incurred hereunder shall be paid for by the Association through assessments (either general or special) imposed in accordance with this Declaration. No Owner may waive or otherwise escape liability for assessments by non-use of the Common Areas or abandonment of the right to use the Common Areas.

The Association shall maintain the outside portion of the walls (the side thereof not facing the Property) constructed by the Developer along the perimeter of the Property; whereas each Owner shall maintain the inside surface of that portion of any such wall that lies on or adjoins the Owner's Lot, as well as any other wall or fence that is on the Owner's lot. The Owner shall not make any structural changes in the wall, including, but not limited to, change of paint color on the outside of the wall, without the express written approval of the Association.

3.4 Utility Easements. Use of the Common Areas for utilities as well as use of the other utility easements as shown on relevant plats, shall be in accordance with the applicable provisions of this Declaration. The Developer and its affiliates and its and their designees shall have a perpetual easement over, upon and under the Common Areas for the installation and maintenance of community and/or cable TV and security and other underground television, radio and security cables for service to the Lots and other portions of the Development.

3.5 Public Easements. Fire, police, health and sanitation, park maintenance and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas.

3.6 Ownership. The Common Areas shall be for the nonexclusive joint and several use, in common, of the Developer and the Owners of all Lots that may from time to time constitute part of the Property and the Developer's and such Owners' tenants, guests and invitees. The Common Areas (or appropriate portions thereof) shall, upon the later of completion of any improvements thereon or the date when the first Lot with a residence built thereon within the Property has been conveyed to a purchaser (or at any time and from time to time sooner at the sole election of the Developer), be conveyed to the Association, which shall accept such conveyance. Beginning from the date on which this Declaration is recorded, the Association shall be responsible for the maintenance of the Common Areas (Whether or not then conveyed or to be conveyed to the Association or the County as the case may be), such maintenance to be performed in a continuous and satisfactory manner. As long as there is a Class B membership, as that term is defined above, the Federal Housing Administration and the Veterans Administration must approve any dedication of the Common Areas. The Common Areas cannot be mortgaged or conveyed without the consent of two-thirds (2/3) vote of the Class A Members of the Association. It is intended that all real estate taxes assessed against that portion of the Common Areas owned or to be owned by the Association shall be proportionately assessed against and payable as part of the taxes of the Lots. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Areas, the Association shall be responsible for the payment of those taxes, including taxes on any improvements and any personal property located thereon. The Developer and its affiliates shall have the right from time to time to enter upon the Common Areas and other portions of the Property for the purpose of construction, reconstruction, repair, replacement and/or alteration of the any Improvements or facilities on the Common Areas or elsewhere on the Property, that the Developer and its affiliates elect to effect, and to use the Common Areas and other portions of the Property for sales, displays and signs of any portion of the Development. Without limiting the generality of the

foregoing the Developer and its affiliates shall have the specific right to maintain upon any portion of the Property sales, administrative, construction and other offices without charge, and appropriate easements of access and use are expressly reserved unto the Developer and its affiliates, and its and their successors, assigns, employees and contractors, for this purpose. Any obligation to complete portions of the Common Areas shall, at all times, be subject and subordinate to these rights and easements and to the above-referenced activities. Accordingly, the Developer shall not be liable for delays in such completion to the extent resulting from the above-referenced activities.

3.7 Other Easements.

(a) The Owner of each Lot shall have an easement of access over and upon adjoining Lots and the Common Areas for the purpose of allowing such Owner to maintain and repair air-conditioning compressors, air-conditioning equipment, meters, and other equipment serving such Owner's Lot which may be located on or extending onto such adjoining Lots or Common Areas. Easements are reserved over each Lot and the Common Areas in favor of each other Lot and the Common Areas in order to permit drainage and run-off from one Lot (and its improvements) to another or to the Common Areas or from the Common Areas to any Lot or Lots.

In the event any portion of any Lot (or of the improvements thereon) encroaches upon the Common Areas as a result of the construction, reconstruction, repairs, shifting, settlement or moving of any portion of the Property, a valid easement for the encroachment is hereby created and granted. Notwithstanding the foregoing, no easement for an encroachment shall exist for any encroachment occurring due to the willful conduct of an Owner. The Association is granted an easement over the Lot of each Owner for the purpose of enforcing the provisions of this Declaration, and may go upon any Lot as necessary to remove or repair any cause or condition that constitutes a violation of any provision of this Declaration. If the Association, after notice to the Owner and failure to cure by the Owner, does in fact exercise its right to cure such a cause or condition, then all costs incident to the Association's actions shall become the personal obligation of the Owner and be imposed as a lien against the Lot in the same fashion as if those sums represented monies due for unpaid assessments.

(b) The Association shall have the right to grant permits, licenses, and easements over the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the Development.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of the Assessments. Except as provided elsewhere herein, each Owner of a Lot by acceptance of a deed or conveyance therefor, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association annual assessments or charges for the maintenance, management, operation, and insurance of the Common Areas, administration of the Association, and for funding other permitted or required activities of the Association, including capital improvement assessments, assessments for maintenance, and all other charges and assessments hereinafter referred to, all such assessments to be fixed, established and collected from time to time as herein provided and in accord with all other provisions herein. In addition, special assessments may be levied against particular Lots or Owners (to the exclusion of others). The Association may also levy other charges against specific Lots or Owners as contemplated in this Declaration. The annual, special, and other assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the owner of the Lot against which the assessment is levied at the time when the assessment fell due and the obligation of all subsequent Owners until

paid. Except as provided herein with respect to special assessments which may be imposed on one or more Lots and Owners to the exclusion of others, all assessments imposed by the Association shall be imposed against all Lots equally.

All references in the Declaration to "Assessments" shall be deemed to include reference to any and all of the aforesaid charges whether or not specifically mentioned.

4.2 Purpose of Assessments. The annual Assessments levied by the Association shall be used exclusively for maintenance of the Common Areas (including walls), for certain Lot maintenance, for capital improvements, insurance, cash reserves (if any), and for promoting the health, safety, welfare and recreational opportunities of the Members of the Association and their families residing with them, their guests and tenants, all as provided for herein. Payment of taxes on the Common Areas shall be a purpose of the Association and shall be paid by the Association.

4.3 Specific Damage. Owners (on their behalf and on behalf of their children and guests) causing damage to any portion of the Common Areas as a result of misuse, negligence, failure to maintain, or otherwise shall be directly liable to the Association for the cost of repairing damages or otherwise remedying the effects of their actions, and a special Assessment may be levied therefor against such Owner or Owners. Such special Assessments shall be subject to all of the provisions hereof relating to other Assessments, including, but not limited to, the lien and foreclosure procedures.

4.4 Exterior Maintenance. Each Owner, except as contemplated specifically herein, shall maintain the structures and grounds on his Lot at all times in a clean, kempt, and attractive condition as provided elsewhere herein. Upon an Owner's failure to do so, the Association may at its option, after giving the Owner five (5) days written notice sent to his last known address, or to the affected Lot, have that portion of the grass, weeds, shrubs and vegetation which the Owner is to maintain cut when and as often as the Association deems necessary in its judgment, and dead trees, shrubs and plants removed from such Lot, and other areas resodded or landscaped, or the Association may otherwise do that which the Association deems necessary to place that Lot and the improvements thereon in full compliance with this Declaration; and all expenses of the Association for work performed or actions taken under this provision shall be a lien and special Assessment charged against the Lot on which the work was done and shall be the personal obligation of all Owners of such Lot. No bids need to be obtained by the Association for any such work and the Association shall designate the contractor or other service provider in its sole discretion.

4.5 Date of Commencement of Annual Assessments; Due Dates. The annual Assessments provided for in this Article shall commence as to all Lots on the first day of the month next following the recording of this Declaration, and shall be applicable through December 31 of such year. Each subsequent annual Assessment shall be imposed for the year beginning January 1 and ending December 31.

The annual Assessments shall be payable in advance in monthly installments, or in annual, semi-annual or quarter-annual installments if so determined by the Board of Directors.

The Assessment amount (and applicable installments) may be changed at any time by the Board from that originally stipulated or from any other Assessment that is in the future adopted. The original Assessment for any year shall be levied for the calendar year, but the amount of any revised Assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar year.

The due date of any special Assessment shall be fixed in the Board resolution establishing such Assessment.

4.6 Duties of the Board of Directors. The Board of Directors shall fix the commencement date and the amount of the Assessment against each Lot subject to the Association's jurisdiction for each assessment period to the extent practicable at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the Assessment shall be sent to every Owner subject thereto thirty (30) days prior to the due date for payment of the first installment thereof, except as to emergency Assessments. In the event no such notice of a change in the Assessments for a new assessment period is given, the amount payable shall continue to be the same as the amount payable for the previous period, until change in the manner provided for herein.

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

The Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms, or corporations (including affiliates of the Developer) for management services. The Association shall have all other powers provided in its Articles of Incorporation and Bylaws.

4.7 Effect of Non-Payment; the Personal Obligation; the Lien; Remedies of the Association. If the Assessments (or installments) are not paid on the date(s) when due (being the date(s) specified herein), then such Assessments (or installments) shall become delinquent and shall, together with late charges, interest, and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind that Lot in the hands of the then Owner, his heirs, personal representatives, successors, and assigns. The personal obligation of the then Owner to pay such Assessment shall pass to his successors in title and recourse may be had against either or both.

If any installment of an Assessment is not paid within fifteen (15) days after the due date, at the option of the Association, a late charge not greater than the amount of such unpaid installment may be imposed (provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the late charge shall accrue interest as provided herein but shall not be subject to additional late charges, provided further, however, that each other installment thereafter coming due shall be subject to one late charge each as aforesaid), or the next 12 months worth of installments may be accelerated and become immediately due and payable in full, and all such sums shall bear interest from the dates when due until paid at the highest lawful rate. The Association may bring an action at law against the Owner(s) personally obligated to pay the Assessment or may record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the Lot on which the Assessments and late charges are unpaid and may foreclose the lien (in the manner to foreclose a mortgage) against the Lot on which the Assessments and late charges are unpaid. The Association may pursue one or more of such remedies at the same time or successively, and reasonable attorneys' fees and costs of preparing and filing the claim of lien and the complaint, if any, in such action shall be added to the amount of such Assessments, late charges and interest. In the event a judgment is obtained, such judgment shall include all such sums as above provided and reasonable attorneys' fee to be fixed by the court together with the costs of the action, and the

Association shall be entitled to reasonable attorneys' fees in connection with any appeal of any such action. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or abandonment of his/her Lot.

In the case of an acceleration of the next twelve (12) months worth of installments, each installment so accelerated shall be deemed, initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable Assessment or budget, the Owner of the Lot whose installments were so accelerated shall continue to be liable for the balance due by reason of such increase and special Assessments against such Lot shall be levied by the Association for such purpose.

No Owner acquiring title to a Lot an Assessment against which is delinquent shall be entitled to enjoy or use the Common Areas until such time as all unpaid and delinquent Assessments due and owing from the selling Owner have been paid; provided, however, that the provisions of this sentence shall not be applicable to the mortgages and purchasers contemplated by the Section below in this Article entitled "Subordination of the Lien." The Board shall also have the right to suspend any or all voting rights of any Owner who has failed to pay annual Assessments due from him within ninety (90) days after such Assessments become due.

It shall be the legal duty and responsibility of the Association (as hereinafter contemplated) to enforce payment of the Assessments hereunder. Failure of the Association to send or deliver bills shall not, however, relieve Owners from their obligations hereunder.

All Assessments, late charges, interest, penalties, fines, reasonable attorneys' fees and other sums provided for herein shall accrue to the benefit of the Association.

Owners shall be obligated to deliver the documents originally received from the Developer, containing this and other declarations and documents, to any grantee of such Owner.

4.8 Subordination of the Lien. The lien of the Assessments provided for in this Article shall be a lien superior to all other liens except real estate tax liens and the lien of any mortgage to any Institutional Lender now or hereafter encumbering a Lot. Notwithstanding the foregoing, an Institutional Lender mortgagee, when in possession, or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgagee acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgagee, shall hold title subject to the liability and lien of any Assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid Assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be deemed to be an Assessment divided equally among, payable by, and a lien against all Lots subject to assessment. No purchaser at a foreclosure sale, and no persons claiming by, through or under an Institutional Lender acquiring title to a Lot through foreclosure or a deed in lieu thereof, shall be personally obligated to pay Assessments that accrue prior to the Institutional Lender's or the foreclosure purchaser's acquiring title.

4.9 Access at Reasonable Hours. The Association, through its duly authorized agents or employees or independent contractors, shall have the right, after reasonable notice to the Owner, to enter upon any Lot at reasonable hours on any day for the purpose solely of performing exterior maintenance on the Lot, and shall also have a reasonable right of entry upon any Lot to make emergency repairs or to do other work reasonably necessary for the proper maintenance or operation of the Development.

4.10 The Developer's Assessment. The Developer, as a Lot Owner shall be relieved from the obligation of paying Assessments levied against the Lots owned by the Developer, but instead shall be obligated to pay any operating expenses incurred by the Association that exceed the Assessments receivable from other Members and other income of the Association.

4.11 Trust Funds. The portion of all annual Assessments collected by the Association for reserves for future expenses, and the entire amount of all special Assessments, shall be held by the Association for the Owners of all Lots, as their interest may appear, and may be invested in interest-bearing accounts or in certificates of deposit or other like instruments or accounts available at banks or savings and loan institutions, the deposits of which are insured by an agency of the United States.

4.12 Homeowner's Documents, Books and Papers. The Association shall have current copies of the Declaration, the Bylaws of the Association, the Articles of Incorporation, the Rules and Regulations for the Property, and the books, records, and financial statements of the Association available for inspection, upon request, during normal business hours, to Members and Institutional Lenders, and to holders, insurers or guarantors of any first mortgage on any Lot. The Association may adopt reasonable rules governing the frequency, time, location, notice, and manner of such inspections, and may impose fees to cover the Association's costs of providing copies of such records.

4.13 Reserves for Replacement. The Association may establish and maintain, out of regular Assessments for common expenses, an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common areas.

4.14 Exempt Property. All properties dedicated to, and accepted by a local public authority shall be exempt from the Assessments created herein.

ARTICLE V
CERTAIN RULES AND REGULATIONS

5.1 Applicability. The provisions of this Article V shall be applicable to all of the Property (and the Owners thereof) but shall not be applicable to the Developer or property owned by the Developer.

5.2 Land Use and Building Type. No Lot shall be used except for residential purposes. No building constructed on a Lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any Lot other than one single-family house not to exceed two (2) stories in height. The minimum square footage of any residence shall be one thousand (1,000) square feet under roof. Temporary uses by Developer and its affiliates for model homes, sales displays, parking lots, sales offices, and other offices, or any one or combination of such uses, shall be permitted. No changes may be made in buildings erected by the Developer or its affiliates (unless such changes are made by the Developer) without the consent of the Architectural Control Board as provided below.

5.3 Easements. Easements for installations and maintenance of utilities and drainage facilities are reserved as shown on the recorded plats covering the Property, as shown on the final surveys, and as provided herein. Within these easements, no structure, planting or other material may be placed or permitted to remain that will interfere with, damage, or prevent the maintenance of utilities or obstruct or retard the flow of water through drainage channels in the easements, or otherwise prevent or impede the intended use of the easement, except with the consent of the Board of Directors and the appropriate governmental agency. The area of each Lot covered by an easement and all improvements in the area shall be maintained continuously by the Owner of the Lot, except

as provided herein to the contrary and except for installation for which a public authority or utility company is responsible. The appropriate water and sewer authority, electric utility company, telephone company, the Association and the Developer and its affiliates, and their respective successors and assigns, shall have a perpetual easement for the installation and maintenance, of underground facilities and equipment such as water line, sanitary sewers, storm drains, and electric, telephone and security lines, cables, and conduits, under and through the utility easements as shown on the plats of the Property. The Developer and its affiliates, and its and their designees, successors and assigns, shall have a perpetual easement for the installation and maintenance of cable and community antenna, radio, television, and security lines within platted utility easement areas. All utilities and lines within the Development, whether in street rights-of-way or utility easements, shall be installed and maintained underground.

5.4 Nuisances. No noxious, offensive or unlawful activity shall be carried on upon the Property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to any Owners.

5.5 Temporary Structures. No structure of a temporary character, or trailer, tent, mobile home or recreational vehicle, shall be permitted on the Property at any time or used at any time as a residence, either temporarily or permanently, except by the Developer and its affiliates or other builders during construction. No gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any residence or ancillary building.

5.6 Signs. No sign of any kind shall be displayed on any Lot, except only one sign of not more than one(1) square foot used to indicate the name of the resident or one sign of not more than five (5) square feet advertising the Lot for sale or for rent (in locations and in accordance with design standards approved by the Architectural Control Board), or any sign used by a builder to advertise the company during the construction and sales period. No sign of any kind shall be permitted to be placed on the outside walls of a residence or on any fences on the Property, nor on the Common Areas, nor on dedicated areas, if any, nor on entry ways within the Property, except such as are placed by the Developer or its affiliates.

5.7 Oil and Mining Operation. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Property, nor on dedicated areas, nor shall oil wells, tunnels, mineral excavations or shafts be permitted upon or in the Property. No derrick or other structure designed for use boring for oil or natural gas shall be erected, maintained or permitted upon any Lot or any portion of the Property.

5.8 Pets, Livestock and Poultry. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except household pets (in such numbers as the Board may permit) that are not kept, bred, or maintained for any commercial purpose, and provided that they do not become a nuisance or annoyance to any neighbor. No dogs or other pets shall be permitted to defecate on any Common Areas, except any areas designated by the Association, and Owners shall be responsible to clean up any improper defecations. In no event shall dogs be permitted upon the Common Areas unless leashed. For purposes hereof, "household pets" shall mean dogs, cats, caged domestic birds, and fish. Any Owner who keeps a pet thereby agrees to indemnify the Association and hold it harmless against any and all fines, penalties, claims, demands, expenses, costs, obligations, and liabilities of any kind or character arising from or relating to the pet. Pets shall also be subject to applicable rules and regulations. Notwithstanding anything provided in this subparagraph to the contrary, no pit bull dogs shall be raised, bred, or kept on any Lot. The term "pit bull" as used herein shall be based upon standards established by either the American Kennel Club or the United Kennel Club.

5.9 Visibility at Intersection. No obstruction to visibility at street intersections or Common Area intersections shall be permitted, and visibility clearances shall be maintained as required by local law.

5.10 Architectural Control. No building, wall, fence, swimming pool or other structure or improvement of any nature (including landscaping or exterior paint or exterior finish) shall be created, placed, applied, altered, or maintained on any Lot until the construction plans, specifications, and a plan showing the location of the structure, landscaping, and intended exterior materials as may be required by the Architectural Control Board have been approved in writing by the Architectural Control Board named below, and all necessary governmental permits are obtained. Each building, wall, fence, or other structure or improvement of any nature, together with the landscaping, shall be erected, placed or altered upon a Lot only in accordance with the plans and specifications and plot plan so approved by the Architectural Control Board and with applicable governmental permits and requirements. Refusal by the Architectural Control Board of approval of plans, specifications and plot plans, or any of them, may be based on any ground, including purely aesthetic grounds. Any change in the exterior appearance of any building (including any change in the exterior color of the building), wall, fence or other structure or improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval under this provision. The Architectural Control Board shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph. The Architectural Control Board shall be appointed by the Board of Directors of the Association. A majority of the Architectural Control Board may take any action the Architectural Control Board is empowered to take, may designate a representative to act for the Architectural Control Board, and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Architectural Control Board, the remaining members shall have full authority to designate a successor. The members of the Architectural Control Board shall not be entitled to any compensation for services performed pursuant to this covenant. The Architectural Control Board shall act on submissions to it within thirty (30) days after receipt of the same (and all further documentation required). The Architectural Control Board's failure expressly to approve or disapprove any submittal under this paragraph within thirty (30) days of receipt of the last information delivered in connection with that submittal shall be deemed an approval of that submittal.

Without limiting the generality of Section 5.1 hereof, the foregoing provisions shall not be applicable to the Developer or its affiliates or to construction activities conducted by the Developer or such affiliates.

5.11 Exterior Appearance and Landscaping. The paint, coating, stain and other exterior finishing colors and materials on all residential buildings may be maintained as that originally installed without prior approval of the Architectural Control Board. However, prior approval by the Architectural Control Board shall be necessary before any such exterior finishing color or material is changed. The Lot landscaping (except for that portion to be maintained by the Association, if any), including, without limitation, the trees, shrubs, lawns, flower beds, walkways and ground elevations, shall be maintained by the Owner or by the Association, as provided elsewhere herein, as originally installed, unless the prior approval for any change, deletion or addition is obtained from the Architectural Control Board.

5.12 Commercial Trucks, Trailers, Campers and Boats. No trucks of any kind, commercial vehicles, campers, mobile homes, motor homes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers or horse trailers (collectively the "Prohibited Vehicles"), shall be permitted to be parked or to be stored at any place on the Property, nor in dedicated areas, unless the Developer designates specifically certain spaces for some or all of the above. This prohibition of parking shall not apply to temporary parking of trucks and commercial vehicles, such as for pick-up

and delivery and other commercial services, nor to vans, pick-up trucks, or sport utility vehicles for personal use (with no commercial markings) which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time), nor to any vehicles of the Developer or its affiliates. No vehicles or automobiles shall be permitted to be parked or to be stored on easement areas, buffer areas, or any drainage easement or road right-of-way. Any Prohibited Vehicle parked in violation of these or other restrictions contained herein or in the rules and regulations now or hereafter adopted may be towed by the Association at the sole expense of the owner of such Prohibited Vehicle if such Prohibited Vehicle remains in violation for a period of twenty-four (24) hours from the time a notice of violation is placed upon it. The Association shall not be liable to the owner of the Prohibited Vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. An affidavit of the person posting such notice stating that it was properly posted shall be conclusive evidence of proper posting.

5.13 Garbage and Trash Disposal. No garbage, refuse, trash or rubbish shall be deposited, dumped or disposed of within the Property, except as permitted by the Association. The requirements from time to time of the applicable governmental authority for disposal or collection of waste shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Containers must be rigid plastic, no less than twenty (20) gallons, or more than thirty-two (32) gallons in capacity, and well sealed. Such containers may not be placed out for collection sooner than twenty-four (24) hours prior to scheduled collection and must be removed within twelve (12) hours of collection. In the event that governmental disposal or collection of waste is not provided to individual Lots, garbage, refuse, trash or rubbish shall be deposited by each Owner in a dumpster designated by the Association and shall be collected by a private entity hired by the Association.

5.14 Fence. No fences on any Lot shall extend toward the front of any Lot beyond the front corner of the home on the Lot that is nearest the front lot line. No fence or wall shall exceed a height of six (6) feet. The composition, location, and height not specified herein of any other fence or wall to be constructed on any Lot shall be subject to the approval of the Architectural Control Board.

5.15 No Drying. To the extent lawful, no clothing, laundry or wash shall be aired or dried out of doors on any portion of the Property.

5.16 Unit Air Conditioning and Reflective Materials. No air conditioning units may be mounted through windows or walls. No building shall have any aluminum foil placed in any window or glass door, or any reflective substance or other materials (except standard window treatments) placed on any glass, except such as may be approved by the Architectural Control Board for energy conservation purposes.

5.17 Metal Out Buildings. No metal out-buildings or sheds shall be constructed or placed on any Lot.

5.18 Garages. All garage doors on residences with garages must be maintained in operating condition. No garage on a residence with a garage may be converted to living space without the prior approval of the Architectural Control Board.

5.19 Landscaping. The basic landscaping plan for each house must be submitted to and approved by the Architectural Control Board. Sodding will be required on all front yards. Either sodding, seeding, and/or sprigging is required in side and rear yards. On corner Lots, sodding will be required on all sides. Sodding in side yards will extend to the rear property line and the width will be

the same as the side setback between the house and side Lot line. Each house must have shrubs on front yard.

5.20 Swimming Pools. Any swimming pool constructed on any Lot shall be subject to the following restrictions, reservations and conditions:

(a) Pool screening may not be higher than sixteen (16) feet or the higher edge of the roof, whichever is lower.

(b) No overhead electrical wires shall cross the pool. All pool lights other than underwater lights must be four (4) feet from the edge of the pool.

(c) The pool itself must be enclosed with a fence not less than five (5) feet in height. Entrance gate to the backyard, or the pool itself, as the case may be, is to be constructed with a self-closing latch placed at least forty (40) inches above the ground. The fence of a neighbor, where sufficient to meet above standards, may be utilized to secure a pool.

5.21 Antennas and Dishes. No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission of television, radio, satellite, or other signals of any kind shall be placed, allowed, or maintained upon any portion of a Lot. No short wave operations of any kind shall operate from any Lot.

5.22 Water Supply System. No individual water supply system shall be permitted on any Lot without the approval of the Architectural Control Board. The above does not restrict the right of any Owner to install, operate, and maintain a water well on the premises for use restricted to swimming pool and/or irrigation purposes.

5.23 Air Conditioning Units. No air conditioning units, either central or wall type, shall be placed on the front of any dwelling or otherwise placed or located so as to be visible from any public street. It is acknowledged that homes built on corner Lots may require an air conditioning unit facing a public street. Should this be necessary, or if that air conditioning unit is placed at the side or rear of such dwelling, but is still visible from any public street, it shall be permissible to so locate said unit if it is screened by mature bushes and shrubbery or some other permanent type of screening material, to be approved by the Architectural Control Board. Failure to maintain such screening may result in Association action.

5.24 Waterfront Lots. Owners of Lots fronting lakes or retention ponds will not be permitted to construct docks, floating or otherwise, boat davits, pier, or other structures in the lakes or retention ponds. No swimming or water skiing, and no boats will be permitted in lakes or retention ponds and no gasoline (combustion) engines will be permitted.

5.25 Increase in Insurance Rates. No Owner may take any action which will result in an increase in the rate of any insurance policy or policies covering any portion of the Common Areas.

5.26 Casualties. In the event that improvements on a Lot, in whole or in part, are destroyed by casualty or otherwise, or in the event any improvements upon the Common Areas are damaged or destroyed by casualty or otherwise, the Owner thereof or the Association, as the case may be, shall promptly clear all debris resulting therefrom and (subject to the duties and obligations of the Association) commence either to rebuild or repair the damaged improvements in accordance with the terms and provisions of this Declaration.

5.27 Reconstruction. Any repair, rebuilding, or reconstruction on account of casualty or other damage to any Common Areas or any part or parts thereof shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or with new plans and specifications approved by the Architectural Control Board. Any repair, rebuilding, or reconstruction on account of casualty or other damage to any improvements or any part or parts thereof shall be substantially in accordance with the plans and specifications for such property and areas as originally constructed or the new plans and specifications approved by the Architectural Control Board.

ARTICLE VI ENFORCEMENT

6.1 Compliance by Owners. Every Owner shall comply with the easements, restrictions, and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by the Board of Directors.

6.2 Enforcement. Failure of an Owner to comply with such easements, restrictions, covenants, or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend voting rights of defaulting Owners in accordance with this Declaration and with applicable law. The offending Owner shall be responsible for all costs of enforcement, including reasonable attorneys' fees actually incurred and court costs.

6.3 Fines. In addition to all other remedies, in the sole discretion of the Board of Directors a fine or fines may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, or employees, to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(a) Notice. The Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a special meeting of a committee of the Board at which time the Owner shall present reasons why penalties should not be imposed. At least fourteen (14) days' advance notice of such meeting shall be given.

(b) Hearing. The alleged violation shall be presented to the committee of the Board, after which that committee shall hear reasons why penalties should not be imposed. A written decision of the committee shall be submitted to the Owner by not later than twenty-one (21) days after the meeting. The Owner shall have a right to be represented by counsel and to cross-examine witnesses.

(c) Penalties. The committee of the Board may impose special assessments against the Lot owned by the Owner as follows:

The committee may levy fines not to exceed \$100.00 for each violation. The fine may be levied for each day a continuing violation continues (and no additional notice or hearing shall be required); provided, however, the aggregate total fine for a violation shall not exceed \$5,000.00.

(d) Payment of Penalties. Fines shall be paid not later than five (5) days after notice of the imposition or assessment of the penalties.

(e) Collection of Fines. Fines shall be treated as an Assessment subject to the provisions for the collection of Assessments as set forth herein.

(f) Application of Penalties. All monies received from fines shall be allocated as directed by the Board of Directors, subject always to the provisions of this Declaration.

(g) Non-Exclusive Remedy. These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; provided, however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Owner.

(h) Applicable Law. To the extent applicable law regulates the imposition of fines by the Association, the notwithstanding the procedures, restrictions, and other details prescribed above, the Association's right to impose fines shall conform to, and this provision shall be deemed amended to conform to, applicable law; and the Association's right to impose fines shall be coextensive with the maximum right permitted by the law.

ARTICLE VII INSURANCE

7.1 Coverage. The Association shall maintain insurance covering the following:

(a) Casualty. All improvements located on the Common Areas from time to time, together with any and all fixtures, building service equipment, personal property and supplies constituting the Common Areas or owned by the Association (collectively the "Insured Property"), which shall be insured in an amount not less than one hundred percent (100%) of the full insurable replacement value thereof, excluding foundation and excavation costs. Such policies may contain reasonable deductible provisions as determined by the Board of Directors of the Association. Such coverage shall afford protection against (i) loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and (ii) such other risks as from time to time are customarily covered with respect to buildings and improvements similar to the Insured Property in construction, location and use, including, but not limited to, vandalism, malicious mischief and those covered by the standard "all risk" endorsement.

(b) Liability. Comprehensive general public liability and automobile liability insurance covering injury, loss or damage resulting from accidents or occurrences on or about or in connection with the Insured Property or adjoining driveways and walkways, or any work, matters of things related to the Insured Property (including, but not limited to, liability arising from law suits related to employment contracts to which the Association is a party), with such additional coverage as shall be required by the Board of Directors of the Association, but with combined single limit liability of not less than \$1,000,000.00 for each accident of occurrence, \$1000,000.00 per person and \$50,000.00 property damage, and with a cross liability endorsement to cover liabilities of the Owners as a group to any Owner, and vice versa.

(c) Flood Insurance. Covering the Insured Property shall be maintained by the Association if the Development is in a special flood hazard area or if the Association so elects. The amount of flood insurance shall be the lesser of: (i) 100% of the current replacement cost of the Insured Property; or (ii) the maximum coverage available for the Insured Property under the National Flood Insurance Program.

(d) Fidelity Insurance or Bonds. Naming the Association as obligee and covering all directors, officers and employees of the Association shall be maintained by the Association in amount which is the greater of \$10,000.00 or the maximum amount of funds that will be in custody of the Association at any time while the bond is in force; notwithstanding the foregoing sentence, however, such fidelity insurance or bond shall not be for an amount less than the sum of three (3) months assessments on all Units and Lots, plus the Association's reserve funds for each person so insured or bonded.

(e) Other Insurance. The Association may also maintain worker's compensation or such other insurance as the Board may determine from time to time including officers' and directors' liability insurance.

Every casualty policy obtained by the Association shall have the following endorsements: (i) agreed amount and inflation guard, (ii) steam boiler coverage (providing at least \$50,000.00 coverage for each accident at each location), if applicable, and (iii) an appropriate endorsement covering the costs of changes to undamaged portions of the improvements (even when only a portion thereof is damaged by an insured hazard) if any applicable construction code requires such changes.

7.2 Additional Provisions. All policies of insurance and fidelity bonds shall provide that such policies and bonds may not be cancelled or substantially modified without at least thirty (30) days prior written notice to all of the named insureds, including all mortgages of Units and Lots, including each service that services a Federal National Mortgage Association owned mortgage encumbering a Unit and Lot located in the Development.

7.3 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense, except that the amount of increase in the premium occasioned by misuse, occupancy or abandonment of any one or any other action or omission of, particular Owners shall be assessed against and paid by such Owners. Premiums may be financed in such manner as the Board of Directors deems appropriate.

ARTICLE VIII NOTICES

8.1 Notices to Member or Owner. In addition to such other manners for providing notice as are permitted or prescribed in this Declaration, the Bylaws, or the Articles of Incorporation, any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been sent when personally delivered or mailed, post-paid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

ARTICLE IX STANDARD DEVELOPMENT AND ANNEXATION

9.3 Other Annexation of Property. Additional land adjacent to the Property and owned by the Developer may be annexed to the Property and subjected to the terms and conditions of this Declaration by the Developer as long as there is a Class B membership. Such annexation shall become effective upon the recording of an amendment to this Declaration evidencing the annexation in the Public Records of the County. No further consent or approval by the Members or any Owner, the Federal Housing Administration or the Veteran's Administration shall be required for such annexation. Developer

hereby reserves the right to convey additional Common Area to the Association in connection with the annexation of any additional land. Nothing in this Section shall require or obligate the Developer to annex any additional land to the Property or subject any additional land to this Declaration or to convey any additional Common Area to the Association.

9.4 Platting. As long as there is a Class B membership, the Developer shall be entitled at any time and from time to time, to plat and/or replat all or any part of the Property and to file subdivision restrictions and/or amendments thereto with respect to any undeveloped portion or portions of the Property or Development without the consent or approval of an Owner.

9.5 Amendment. The provisions of this Article X cannot be amended without the written consent of the Developer, and any amendment of this Article X without the written consent of the Developer shall be deemed null and void.

ARTICLE X GENERAL PROVISIONS

10.1 Duration. The easements, conditions, covenants, and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Developer, the Association, the Architectural Control Board, and the Owner of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of seventy-five percent (75%) of all the Lots subject hereto has been recorded, agreeing to revoke this Declaration. Provided, however, that no such agreement to revoke shall be effective unless made and recorded three (3) years in advance of the effective date of such revocation, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

10.2 Enforcement. Enforcement of these easements, conditions, covenants, and restrictions shall be accomplished by either the Developer, the Association, or any Owner by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenants or restriction, either to restrain violation or to recover damages, and against the Lots to enforce any lien created by these covenants; and failure by the Developer, the Association, or by any Owner to enforce any covenant or restriction herein contained, including those set forth in Section 4.4 hereof, shall in no event be deemed a waiver of the right to do so thereafter. Court costs and reasonable attorneys' fees for a proceeding at law or in equity to enforce this Declaration, including any appeal thereof, shall be borne by the Owner(s) against whom the suit has been filed. In addition to all remedies expressly provided in this Declaration, the Developer and the Association shall have the right to enforce this Declaration by all remedies (including without implied limitation the imposition of fines and penalties) that may be permitted in 617.301 et seq, Florida Statutes, as amended; and this Declaration shall be deemed to include all procedures and conditions prescribed by those statutes for the exercise of the statutory remedies.

10.3 Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions of applications in other circumstances, all of which shall remain in full force and effect.

10.4 Amendment. In addition to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, conditions, charges and liens of this Declaration may be amended, changed, or supplemented at any time and from time to time upon the

execution and recording of an instrument executed by the Developer alone, for so long as it or its affiliates holds title to any Lot affected by this Declaration; or alternatively by approval at a meeting of Owners holding not less than two-thirds (2/3) votes of the membership in the Association; provided, however, that so long as the Developer or its affiliates is the Owner of any Lot affected by this Declaration, the Developer's consent must be obtained if such amendment, in the sole opinion of the Developer, affects Developer's interest. In the event FLORIDA VENTURE PROPERTIES, INC. is not the Developer, no amendment may be made which, in the opinion of Florida Venture Properties, Inc., adversely affects its interest, without its consent. Further, no provision of this Declaration may be amended if such provision is required to be included herein by any law. The foregoing three (3) sentences may not be amended. Without limiting the generality of the foregoing paragraph, the Developer specifically reserves the right to amend this Declaration in order to comply with the requirements of the Federal Housing Authority, Veteran's Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation or Orange County. Notwithstanding any of the foregoing, as long as there is Class B membership, as that term is defined in Section 2.2. hereof, the Federal Housing Administration or Veterans Administration must approve any amendment to this Declaration other than those to correct scrivener's errors or clarify any ambiguities herein.

The Developer shall have the right at any time within six (6) years from the date hereof to amend this Declaration to correct scrivener's errors and to clarify any ambiguities determined to exist herein. No amendment shall impair or prejudice rights or priorities of any Institutional Lender without their written consent.

10.5 Effective Date. This Declaration shall become effective when recorded in the Orange County Public Records.

10.6 Withdrawal. The Developer reserves the right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of the Property then owned by the Developer or its affiliates or the Association from the provisions of this Declaration to the extent included originally in error or as a result of reasonable changes in the plans for the Property desired to be effected by the Developer.

10.7 Conflicts. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and Bylaws of the Association and the Articles shall take precedence over the Bylaws.

10.8 Standards for Consent, Approval, Completion, Other Action and Interpretation. Unless otherwise provided herein, whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Developer or its affiliates, the Association or the Architectural Control Board, such consent, approval or action may be withheld in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed or substantially completed when such matters have been completed or substantially completed in the reasonable opinion of the Developer or Association, as appropriate. This Declaration shall be interpreted by the Board of Directors and an opinion of counsel to the Association rendered in good faith, provided that the particular interpretation is not unreasonable, shall establish the validity of such interpretation.

10.9 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 have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantee for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement

and the Owners designate hereby the Developer and the Association (or either of them as their lawful attorney-in-fact to execute any instrument on such Owners' 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 in some or all of such provisions.

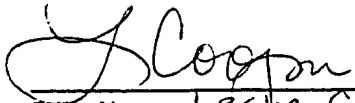
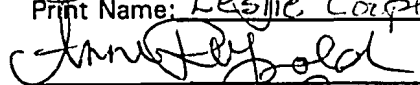
10.10 CPI. Whenever specific dollar amounts are mentioned in this Declaration (or in the Articles or Bylaws of rules and regulations), unless limited or prohibited by law, such amounts will be increased from time to time by application of a nationally recognized consumer price index chosen by the Board, using the date this Declaration is recorded as the base year. In the event no such consumer price index is available, the Board shall choose a reasonable alternative to compute such increases.

10.11 Covenants Running With the Land. Anything to the contrary herein notwithstanding, it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants and restrictions shall run with the land and with title to the Property. If any provision or application of this Declaration would prevent this Declaration from running with the land as aforesaid, such provision and/or application shall be judicially modified, if at all possible, to come as close as possible to the intent of such provision or application and then be enforced in a manner which will allow these covenants and restrictions to so run with the land; but if such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the parties affected hereby (that these covenants and restrictions run with the land as aforesaid) be achieved.

10.12 Management Contract. At such time as it sees fit, the Association is hereby authorized to enter into an agreement with a management company (which may be an affiliate of the Developer) to provide for the management and maintenance of the Property, in which case each Owner shall be assessed for his Lot's share of the management fees, in accordance with the assessment provisions contained in this Declaration.

EXECUTED as of the date first above written.

Signed, sealed and delivered
in the presence of:


Print Name: Leslie Cooper

Print Name: Anne Reynolds

FLORIDA VENTURE PROPERTIES, INC., a
Florida corporation

By: 

Kevin B. Hawkins, President

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, this 1 day of SEPT, 1998, by KEVIN B. HAWKINS, as President of FLORIDA VENTURE PROPERTIES, INC., a Florida corporation, executing the foregoing instrument on behalf of the corporation, freely and voluntarily and for the purposes stated herein. He is (a) personally known to me or (b) produced _____ as identification.

WITNESS my hand and official seal in the County and State aforesaid this 1 day of SEPT., 1998.



LINDA K PARKER
My Commission CC421050
Expires Nov. 18, 1998
Bonded by ANB
#00-682-6678

Linda K. Parker

Name: LINDA K. PARKER
Notary Public, State of Florida
My Commission Expires:

007

JOINDER AND CONSENT OF MORTGAGEE

REGIONS BANK, being the owner and holder of that certain Mortgage recorded May 8, 1997 in Official Records Book 5249, Page 546, re-recorded on June 20, 1997 in Official Records Book 5277, Page 1924, as modified by instrument dated August 29, 1997 and recorded September 5, 1997 in Official Records Book 5322, Page 58, all of the Public Records of Orange County, Florida, as otherwise amended and modified of record, encumbering the parcel of real property described in the foregoing Declaration of Easements, Covenants, Conditions and Restrictions for Harbor Bend hereby consents to and joins in the filing of this Declaration of Easements, Covenants, Conditions and Restrictions for Harbor Bend.

Signed, sealed and delivered in the presence of:

Teresa M. LaBonte
Name: Teresa M. LaBonte

Karen L. Smith
Name: Karen L. Smith

REGIONS BANK

By: [Signature]
Joseph S. Lambert, Jr.
Vice President

Attest: [Signature]
Name: Karen L. Smith
Title: V.P.

Address:

425 U.S. Highway 17-92 South
Longwood, Florida 32752

(CORPORATE SEAL)

OR Bk 5572 Pg 3190
Orange Co FL 1998-0378542

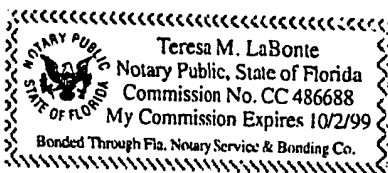
STATE OF FLORIDA
COUNTY OF ORANGE

BEFORE ME, the undersigned authority personally appeared JOSEPH S. LAMBERT, JR. and Karen L. Smith, personally known to me and known to be to be respectively the Vice President and Vice President of Regions Bank, and they duly acknowledged to and before me, under oath, that they executed the within instrument as such officers of such Corporation for the uses and purposes therein expressed pursuant to lawful authority given to them and that they know the seal of said Corporation is affixed to the within instrument by like authority.

WITNESS my hand and official seal in the County and State last aforesaid this 27th day of April, 1998.

NOTARY PUBLIC

[Signature]
Printed Name: Teresa M. LaBonte
Notary Public, State of Florida
My Commission Expires:



HARBOR BEND

A REPLAT OF A PORTION OF BLOCK 26, LOS TERRANOS AS RECORDED IN PLAT BOOK "P", PAGE 87 OF THE PUBLIC RECORDS OF ORANGE COUNTY, FLORIDA AND A PORTION OF SECTION 23, TOWNSHIP 23 SOUTH, RANGE 30 EAST, ORANGE COUNTY, FLORIDA

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DESCRIPTION

That portion of Block 26, LOS TERRANOS, as per Plat thereof recorded in Plat Book "P", Page 87, of Public Records of Orange County, Florida and that portion of the Northeast 1/4 of Section 23, Township 23 South, Range 30 East, described as follows: Commence at the Southwest corner of the Northwest 1/4 of the Northeast 1/4 of said Section 23, thence run N 89°50'24" E along the South line of the said Northwest 1/4 of the Northeast 1/4, (also being the centerline of Seminole Avenue) a distance of 793.94 feet for the Point of Beginning; thence continue N 89°50'24" E along said centerline a distance of 379.90 feet; thence run S 00°05'42" E a distance of 182.26 feet; thence run S 28°29'48" E a distance of 57.03 feet; thence run S 00°13'27" E a distance of 99.77 feet; thence run N 89°46'33" E a distance of 610.61 feet; thence run S 00°13'27" E a distance of 125.00 feet; thence run N 89°46'33" E a distance of 0.61 feet; thence run S 00°13'27" E a distance of 125.00 feet; thence run N 89°46'33" E a distance of 314.60 feet; thence run S 00°13'27" E a distance of 125.00 feet; thence run N 89°46'33" E a distance of 4.93 feet; thence run S 00°13'27" E a distance of 125.00 feet to the South line of the North 1/4 of the Southeast 1/4 of the Northeast 1/4 of said Section 23; thence run S 89°46'33" W along said South line a distance of 1293.37 feet; thence run N 45°39'31" W along the East right of way line of Narcoossee Road as shown on said Plat of LOS TERRANOS, a distance of 333.79 feet to the beginning of a curve, concave to the Northeast, having a radius of 25.00 feet; thence from a tangent bearing of N 44°20'29" E run Northeasterly along the arc of said curve through a central angle of 90°00'00" a distance of 39.27 feet; thence run N 44°20'29" E a distance of 457.61 feet to the beginning of a curve, concave to the Southeast, having a radius of 300.00 feet; thence run Northeasterly along the arc of said curve through a central angle of 15°36'31" a distance of 81.73 feet; thence run N 45°39'31" W a distance of 316.97 feet to the Point of Beginning.

Containing 700,052.3 square feet or 16.071 acres more or less.

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY