

DECLARATION OF COVENANTS AND RESTRICTIONS OF PARKSIDE PLACE

THIS DECLARATION OF COVENANTS AND RESTRICTIONS OF PARKSIDE PLACE is made this 25th day of February____, 1986 , by Parkside Place, Inc., a Florida corporation ("DECLARANT")

DECLARANT owns the property described herein, and intends to develop the property as a residential community. The purpose of this DECLARATION is to provide various use and maintenance requirements and restrictions in the best interest of the future owners of dwellings within the property, to protect and preserve the values of the property. This DECLARATION will also establish an association which will own, operate and/or maintain various portions of the property and improvements constructed within the property, will have the right to enforce the provisions of this DECLARATION, and will be given various other rights and responsibilities. The expenses of the association will be shared by the owners of the property, who will be members of the association.

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

1. DEFINITIONS.

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

1.01 ARTICLES means the Articles of Incorporation of the ASSOCIATION, as same may be amended from time to time.

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

1.03 ASSOCIATION means the corporation established pursuant to the Articles of Incorporation attached hereto as an exhibit.

1.04 BOARD means the Board of Directors of the ASSOCIATION.

1.05 BUILDING means any building contained within the SUBJECT PROPERTY from time to time. A BUILDING may contain one or more UNITS which may be connected by party walls and, in that event, the term BUILDING Includes the UNITS within the BUILDING.

1.06 BYLAWS means the Bylaws of the ASSOCIATION, as same may be amended from time to time.

1.07 COMMON AREAS means any property, whether improved or unimproved, or any easement or Interest therein, now or hereafter owned by the ASSOCIATION or which is declared to be a COMMON AREA by this DECLARATION. COMMON AREAS may include, but are not limited to, parks, open areas, lakes, recreational facilities, roads, entranceways, parking areas, and other similar properties, provided that the foregoing shall not be deemed a representation or warranty that any or all of the foregoing types of COMMON AREAS will be provided.

[OR 2856.474-added]

1.07.1 LIMITED COMMON AREA. That area, within the subject property which is limited to the exclusive use by specific UNIT owners now or hereafter owned by the ASSOCIATION or which is declared to be a LIMITED COMMON AREA by this DECLARATION.

A typical illustration of LIMITED COMMON AREA of an INTERNAL UNIT is attached as Exhibit A.

LIMITED COMMON AREAS may include, but are not limited to the following:

BACK LIMITED COMMON AREA. – That area behind each INTERNAL UNIT bounded on each side by an imaginary line extended from the center line of each side PARTY WALL

of the UNIT, extending no more than twenty (20) feet from the original outside edge of the exterior back wall of the UNIT or ten (10) feet from the outside edge of any enclosed concrete patio area.

SIDE LIMITED COMMON AREA. – That area on the external side of each END UNIT located by an imaginary line set at the widest part of the UNIT plus eight (8) feet from the outside edge of the exterior wall, not including any exterior appendages and parallel to the PARTY WALL of said UNIT. Said Side Area shall extend from the front line of the FRONT LIMITED COMMON AREA to the rear line of the BACK LIMITED COMMON AREA.

A typical illustration of SIDE LIMITED COMMON AREA of an END UNIT is attached as Exhibit B.

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

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

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

1.08.4 Common water, sewer, trash removal, and other common utility, governmental, or similar services for the UNITS which are not separately metered or charged to the OWNERS, or which the ASSOCIATION determines to pay in common in the best interest of the OWNERS.

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

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

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

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

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

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

1.13 LOT means any parcel of land located within the SUBJECT PROPERTY, which has been or is intended to be conveyed by DECLARANT to an OWNER and which contains or is intended to contain a UNIT, and shall include any UNIT constructed upon the LOT.

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

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

[OR 2881.262]

1.16 SUBJECT PROPERTY means all of the property subject to this DECLARATION from time to time, which initially is the property described in Exhibit "E", attached hereto, and includes any UNITS or improvements constructed thereon.

1.17 UNIT means the residential dwelling constructed upon a LOT, which may be connected to one or more UNITS by a common party wall.

[OR 2856.474-added]

1.18 INTERNAL UNIT. A typical UNIT which is bounded on both sides by another UNIT.

[OR 2856.474-added]

1.19 END UNIT. A typical UNIT which is bound by no more than one UNIT.

[OR 2856.474-added]

1.20 PARTY WALL. That wall which exists between and is common to two existing UNITS. Said PARTY WALL acts as a dividing line between those existing UNITS.

[OR 6053.767-added]

1.18 ROOF means the roofing system consisting of the following components: covering (tile and underlayment); deck or sheathing (boards, usually plywood, attached to rafters to cover UNIT); structure (rafters and trusses constructed to support sheathing and covering); flashing (sheet metal or other material installed into a roof system's joints, valleys, and around any structure penetrating the sheathing and covering, e.g. exhaust pipes), skylights; fascia; and soffits.

2. ASSOCIATION.

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

2.01 ARTICLES. A copy of the ARTICLES is attached hereto as Exhibit "B." No amendment to the ARTICLES shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the ARTICLES, except as specifically provided herein.

2.02 BYLAWS. A copy of the BYLAWS is attached as Exhibit "C." No amendment to the BYLAWS shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the BYLAWS, except as specifically provided herein.

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

2.04 Approval or Disapproval of Matters. Whenever the decision of the OWNERS is required upon any matter, whether or not the subject of an ASSOCIATION meeting, such decision shall be expressed in accordance with the ARTICLES and the BYLAWS, except as otherwise provided herein.

2.05 Acts of the ASSOCIATION. Unless the approval or action of the OWNERS and/or a certain specific percentage of the BOARD is specifically required by this DECLARATION,

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

2.06 Management and Service Contracts. The ASSOCIATION shall have the right to contract for professional management or services on such terms and conditions as the BOARD deems desirable In Its sole discretion, provided, however, that any such contract shall not exceed three (3) years and shall be terminable by either party without cause and without payment of a termination or penalty fee on ninety (90) days or less written notice.

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

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

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

3.01 Conveyance of COMMON AREAS to ASSOCIATION.

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

3.02 Use and Benefit. All COMMON AREAS shall be held by the ASSOCIATION for the use and benefit of the ASSOCIATION and the OWNERS, the residents of the SUBJECT

PROPERTY, and their respective guests and invitees, the holders of any mortgage encumbering any PROPERTY from time to time, and any other persons authorized to use the COMMON AREAS or any portion thereof by DECLARANT or the ASSOCIATION, for all proper and reasonable purposes and uses for which the same are reasonably Intended, subject to the terms of this DECLARATION, subject to the terms of any easement, restriction, reservation or limitation of record affecting the COMMON AREA or contained in the deed or instrument conveying the COMMON AREA to the ASSOCIATION, and subject to any rules and regulations adopted by the ASSOCIATION. An easement and right for such use is hereby created in favor of all OWNERS, appurtenant to the title to their PROPERTY.

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

[OR 3570.3689]

3.04 Additions, alterations or improvements. The ASSOCIATION shall have the right to make additions, alterations or improvements of the grounds, buildings or facilities. These changes or other substantially or adversely affecting recreational facilities or other grounds, buildings or facilities, and the methods of financing same shall be subjected to a 2/3 vote of approval by the OWNERS. The exception being that minor unbudgeted changes may be made to the SUBJECT PROPERTY at the discretion of the BOARD for expenditures not exceeding a total five percent 5% of the current approved annual budget in any one calendar year.

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

3.06 Taxes. The ASSOCIATION shall pay all real and personal property taxes and assessments for any property owned by the ASSOCIATION, as a COMMON EXPENSE.

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

3.08 Maintenance of COMMON AREAS and other Property. The ASSOCIATION shall maintain all COMMON AREAS and property owned by the ASSOCIATION, and all improvements thereon, in good condition at all times. If pursuant to any easement the

ASSOCIATION is to maintain any Improvement within any property, then the ASSOCIATION shall maintain such Improvement in good condition at all times. In addition, the ASSOCIATION shall have the right to assume the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION if the BOARD, In its sole discretion, determines that the operation and/or maintenance of such property by the ASSOCIATION would be in the best interests of the residents of the SUBJECT PROPERTY. In such event, where applicable the ASSOCIATION shall so notify any OWNER otherwise responsible for such operation or maintenance, and thereafter such property shall be operated and/or maintained by the ASSOCIATION and not by the OWNER, until the BOARD determines no longer to assume the obligation to operate and/or maintain such property and so notifies the appropriate OWNER in writing. Without limitation, the ASSOCIATION shall have the right to assume the obligation to operate and/or maintain any walls or fences on or near the boundaries of the SUBJECT PROPERTY, and any pavement, landscaping, sprinkler systems, sidewalks, paths, signs, entrance features, or other improvements, in or within 40 feet of any public road right-of-ways within or contiguous to the SUBJECT PROPERTY. To the extent the ASSOCIATION assumes the obligation to operate and/or maintain any PROPERTY which is not owned by the ASSOCIATION, the ASSOCIATION shall have an easement and right to enter upon such PROPERTY in connection with the operation or maintenance of same, and no such entry shall be deemed a trespass. Such assumption by the ASSOCIATION of the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION may be evidenced by a supplement to this DECLARATION, or by a written document recorded in the public records of the county in which the SUBJECT PROPERTY is located, and may be made in connection with an agreement with any OWNER, the DECLARANT, or any governmental authority otherwise responsible for such operation or maintenance, and pursuant to any such document the operation and/or maintenance of any property may be made a permanent obligation of the ASSOCIATION. The ASSOCIATION may also enter into agreements with any other PERSON, or any governmental authority, to share in the maintenance responsibility of any property if the BOARD, In its sole and absolute discretion, determines this would be in the best interest of the OWNER. Notwithstanding the foregoing, if any UNIT OWNER or any resident of any UNIT, or their guests or invitees, damages any COMMON AREA or any improvement thereon, the UNIT OWNER of such UNIT shall be liable to the ASSOCIATION for the cost of repair or restoration to the extent not covered by the ASSOCIATION's insurance.

3.09 Mortgage and Sale of COMMON AREAS. The ASSOCIATION shall not abandon, partition, subdivide, encumber, sell or transfer any COMMON AREA owned by the ASSOCIATION without the approval of at least 2/3 of the votes of the OWNERS, excluding DECLARANT. Notwithstanding the foregoing, as to any portion of any COMMON AREA

that is unimproved and is to consist of landscaped open area around future UNITS not yet constructed, if DECLARANT changes the location of any future UNITS such that a portion of the COMMON AREA would be within a relocated LOT, then the ASSOCIATION shall have the right without the approval of the OWNERS to convey such area to DECLARANT, and in connection therewith, DECLARANT shall convey to ASSOCIATION any area which was formerly Intended to be a LOT which is, due to the relocation of any LOT, then intended to be a COMMON AREA. If ingress or egress to any PROPERTY is through any COMMON AREA, any conveyance or encumbrance of such COMMON AREA shall be subject to an appurtenant easement for ingress and egress in favor of the OWNER(S) of such PROPERTY, unless alternative Ingress and egress is provided to the OWNER(S).

3.10 Special Provisions Regarding Recreational Facilities. It is acknowledged DECLARANT plans to construct various recreational facilities within the SUBJECT PROPERTY, and various other property contiguous thereto. Such recreational facilities will be owned and operated by the Parkside Place Master Association, Inc., pursuant to the Master Declaration for Parkside Place which has previously been recorded in the Public Records of Brevard County, Florida. Pursuant to this Master Declaration, the ASSOCIATION will be a member of Parkside Place Master Association, Inc., and will be required to pay assessments to the Master Association.

3.11 Assigned Parking. It is acknowledged the COMMON AREAS include parking areas for automobiles of the residents of the SUBJECT PROPERTY, and their guests and invitees. The ASSOCIATION shall have the right to assign one parking space for the exclusive use of the residents of each UNIT. In the event of such assignment, no resident of any other UNIT, or their guests and invitees, shall park in a parking space assigned to another UNIT. All unassigned parking spaces will be for the general use of the residents of the SUBJECT PROPERTY, and their guests and invitees. For good cause the ASSOCIATION shall have the right to reassign parking spaces from time to time upon written notice to the affected OWNERS.

4. Easements.

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

4.01 Easements for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time

to time exist upon the COMMON AREAS and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the COMMON AREAS as may from time to time be paved and intended for such purposes, same being for the use and benefit of the OWNERS and the residents of the SUBJECT PROPERTY, and owners and residents of any portion of the property described in Exhibit "D" attached hereto, their mortgagees, and their guests and invitees.

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

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

4.04 Support. Every portion of a UNIT contributing to the support of a BUILDING or an adjacent UNIT shall be burdened with an easement of support for the benefit of all

other UNITS In the BUILDING.

4.05 Encroachments. If any portion of the COMMON AREAS encroaches upon any LOT; if any UNIT or other improvement encroaches upon any LOT or upon any portion of the COMMON AREAS; or if any encroachment shall hereafter occur as a result of (i) construction or reconstruction of any improvements; (ii) settling or shifting of any improvements; (iii) any addition, alteration or repair to the COMMON AREAS made by or with the consent of the ASSOCIATION, (iv) any repair or restoration of any improvements (or any portion thereof) or any UNIT after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any UNIT or the COMMON AREAS; or (v) any nonpurposeful or non-negligent act of an OWNER except as may be authorized by the BOARD, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the improvements shall stand.

[OR 2856.474-added]

No change or improvement on any portion of the LIMITED COMMON AREA will, at any time, be allowed to block or impede access to any Unit.

4.06 Easements for overhanging troughs or gutters, downspouts and the discharge therefrom of rainwater and the subsequent flow thereof over the LOTS and the COMMON AREAS.

4.07 Additional Easements. DECLARANT (so long as it owns any LOTS) and the ASSOCIATION, on their behalf and on behalf of all OWNERS, each shall have the right to (i) grant and declare additional easements over, upon, under and/or across the COMMON AREAS in favor of the OWNERS and residents of the SUBJECT PROPERTY and their guests and invitees, or in favor of any other person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements within or outside of the SUBJECT PROPERTY in favor of the ASSOCIATION and/or the OWNERS and residents of the SUBJECT PROPERTY and their guests and invitees or in favor of any person, entity, public or quasi-public authority, or utility company, as the DECLARANT or the ASSOCIATION may deem desirable for the proper operation and maintenance of the SUBJECT PROPERTY, or any portion thereof, or for the health, safety or welfare of the OWNERS, or for any other reason or purpose. So long as such additional easements, or the modification, relocation or abandonment of existing easements will not unreasonably and adversely interfere with the use of LOTS for dwelling purposes, no joinder of any OWNER or any mortgagee of any LOT shall be required or, if same would unreasonably and adversely interfere with the use of any LOT for dwelling purposes, only the joinder of the OWNERS and INSTITUTIONAL LENDERS of LOTS so affected shall be required. To the extent required, all OWNERS

hereby irrevocably appoint DECLARANT and/or the ASSOCIATION as their attorney-in-fact for the foregoing purposes.

4.08 Sale and Development Easement. DECLARANT reserves and shall have an easement over, upon, across and under the SUBJECT PROPERTY as may be reasonably required in connection with the development, construction, sale and promotion, or leasing, of any LOT or UNIT, or any portion of the property described in Exhibit "D" attached hereto.

5. MAINTENANCE OF THE SUBJECT PROPERTY.

5.01 By the ASSOCIATION. The ASSOCIATION shall operate, maintain, repair and replace, as a COMMON EXPENSE, the following portions of the SUBJECT PROPERTY:

5.01.2 Landscaping. The ASSOCIATION shall be responsible for the maintenance and care of all landscaping throughout the SUBJECT PROPERTY and in the unpaved portion of contiguous road right-of-ways, except for any landscaping contained within a fenced or walled-in area of any LOT. The ASSOCIATION shall plant, remove and/or replace sod, plants, flowers, shrubbery and trees when in the sole discretion of the BOARD same is appropriate and in the best interest of the SUBJECT PROPERTY. The ASSOCIATION's responsibility shall include mowing, trimming, pruning, edging, fertilizing, and weed, insect and disease control

5.01.3 Subdivision Wells and Water Sprinkler System. The ASSOCIATION shall maintain and repair wells (if any), pipes and water sprinkler systems throughout the SUBJECT PROPERTY, except for wells, pipes and sprinkler systems serving the fenced or walled-in area of any LOT.

5.01.4 Utility Services. The ASSOCIATION shall maintain all utility services not owned by any governmental authority or utility company, except for utility services located within any LOT, which serve only the LOT or the UNIT on the LOT.

[OR 6053.767]

5.01.5 Building Exteriors. The ASSOCIATION shall perform periodic exterior wall painting of all UNITS.

5.01.6 Surface Water Management System. The ASSOCIATION shall operate and maintain the surface water management system for the SUBJECT PROPERTY.

5.01.7 Other Property. The ASSOCIATION shall have the right to maintain such other areas within or contiguous to the SUBJECT PROPERTY as the BOARD determines from

time to time is in the best interest of the OWNERS, and the cost of any such maintenance shall be a COMMON EXPENSE. In particular, the ASSOCIATION shall have the right to maintain landscaping within any road right-of-way contiguous to the SUBJECT PROPERTY, to the edge of the pavement within such right-of-way, and if any lake or canal is contiguous to the SUBJECT PROPERTY, the ASSOCIATION shall have the right to maintain landscaping to the waterline of any such lake or canal.

5.01.8 Notwithstanding the foregoing if any special maintenance, other than regular periodic maintenance performed by the ASSOCIATION or maintenance necessitated by ordinary wear and tear, is required due to the actions of any OWNER, or the residents of any UNIT, or their guests or invitees, the OWNER of the UNIT shall be responsible for the cost of such maintenance and may be assessed for such cost by the ASSOCIATION.

[OR 6053.767]

5.02 By the OWNERS. Each OWNER shall maintain his UNIT and all improvements upon his LOT in first class condition, except those portions of his UNIT and LOT which are to be maintained by the ASSOCIATION as discussed above. Included within the responsibility of the OWNER, shall be roofs, windows, screens, sliding glass doors, garage doors and doors on the exterior of his UNIT, and framing for same; all landscaping and improvements within any fenced or walled-in area of the OWNER's LOT; and all fences on the LOT, all of which shall be maintained by the OWNER in good condition and repair and in a neat and attractive manner. In addition, if any OWNER installs landscaping outside of any fence or walled-in area of the OWNER's LOT which is more extensive than the landscaping upon the other LOTS, the OWNER will be required to maintain such landscaping, and if the OWNER fails to do so, the ASSOCIATION shall have the right to remove such landscaping.

[OR 2856.474-added]

The ASSOCIATION shall be responsible for the maintenance and care of all landscaping and sprinkler systems as provided by DECLARANT per section 5.01.2, and 5.01.3.

[OR 2856.474-added]

5.02.2 LIMITED COMMON AREA OR IMPROVEMENTS. Any improvement in any LIMITED COMMON AREA, which is common to more than one Unit will be enjoyed equally by each associated owner in its entirety. No change will be made to the improvement or LIMITED COMMON AREA without the express written consent by both owners being on record with the ASSOCIATION, unless the change is made by the DECLARANT or ASSOCIATION. Any repair or replacement expense will be shared equally by both owners.

[OR 6053.767-deleted]

[OR 6053.767-added]

5.03 Roof Maintenance, Repair, and Replacement – Each OWNER is responsible for the maintenance, repair, and/or replacement of the ROOF of his UNIT, subject to following:

[OR 6053.767-added]

5.03.01 Extent – Each OWNER is responsible only for that portion of a BUILDING's ROOF that directly covers his UNIT, including portions that overlap where contiguous ROOFS meet and that overhang the OWNER'S Limited Common Area. The OWNER's responsibility ends at the line defined by the center of the party wall(s) of his UNIT and any overlapping portions adversely affected by the OWNER's maintenance, repair or replacement of the ROOF.

[OR 6053.767-added]

5.03.02 Quality Control – The ASSOCIATION will maintain at all times a list of qualified roofing contractors that have agreed in advance, in writing, to meet minimum standards of workmanship, material selection, warranty terms, and conformance to ASSOCIATION policies and procedures. The list of contractors, and the specific qualifications and terms agreed to, will be periodically reviewed by the ASSOCIATION and made public to all OWNERS.

[OR 6053.767-added]

5.03.03 Qualified Contractors Only. The Owner may utilize any contractor from the list of qualified contractors maintained by the ASSOCIATION (sec 5.03.02) for ROOF repairs or replacement. No other contractor or person, including the OWNER himself, is to perform roof maintenance, repair or replacement work within the SUBJECT PROPERTY unless approved in advance, in writing by the ASSOCIATION.

[OR 6053.767-added]

5.03.04 Documentation. The OWNER will notify the ASSOCIATION in advance of any roof work to be performed on his UNIT, and will provide to the ASSOCIATION copies of any documents that may be required by local law or ordinance regarding roof repair or replacement activity, such as Notice of Commencement or Building Permits. Upon completion of work the OWNER will furnish to the ASSOCIATION a copy of the Building Permit showing a satisfactory inspection of the completed repairs or replacement.

[OR 6053.767-added]

5.03.05 Association's Authority to Act. The ASSOCIATION may, with sufficient cause, require an OWNER to effect a repair or replacement of his roof by a qualified contractor. (sec 5.03.04). Sufficient cause may include, but is not limited to, water damage to an adjoining unit, safety, aesthetics, protection of property values and discovery of any

work performed in a manner or by a person that does not conform to the requirements of this document. The Owner will be notified in writing of any offending condition, and will be given 30 days to provide to the ASSOCIATION written proof (per sec. 5.03.04) that the condition has been corrected. If such proof is not provided by the required date, the ASSOCIATION may contract for the corrective work, the cost of which will be considered as an ASSESSMENT against the OWNER's UNIT pursuant to Section 11.02.04 of this DECLARATION. The ASSOCIATION may also employ any remedies provided in Section 11.02 of this DECLARATION.

[OR 7964.23]

6. INSURANCE.

The insurance which shall be carried upon the Common Area and the UNITS, shall be as follows:

6.01 Authority to Purchase Insurance. All insurance policies shall be purchased by the ASSOCIATION for the benefit of the ASSOCIATION and the OWNERS and their mortgagees as their respective interests may appear and provisions shall be made for the issuance of mortgagee endorsements to the mortgagees of OWNERS, upon the mortgagee's request. OWNERS may obtain insurance coverage at their own expense upon their personal property and for their personal liability and living expenses, and shall be responsible for insuring all property not insured by the ASSOCIATION as provided herein. All policies purchased by the ASSOCIATION must be written by insurance companies authorized to do business in the State of Florida, and with offices or agents in Florida.

6.02 Coverage.

6.02.1 Property Insurance. Except as otherwise provided herein, the ASSOCIATION shall obtain and maintain fire, wind, general property and extended coverage insurance upon all of the Insurable Improvements of Parkside Place, including the UNITS, and the personal property of the ASSOCIATION, for the replacement value thereof, including coverage for changes in building codes, unless the Board determines that such coverage for changes in building codes is not reasonably available or commercially practicable, and less a commercially reasonable deductible as determined by the Board, provided the Board may exclude landscaping and exterior improvements not customarily insured

by condominium or homeowner associations in the locality, and foundation and excavation costs, in its discretion. The original policy of insurance shall be held by the ASSOCIATION, and mortgagees shall be furnished, upon request, mortgage endorsements covering their respective interests. The word "Building" or "Insurable Improvement" in every property insurance policy issued to protect the Parkside Place buildings does not include: personal property in the Unit; the Unit's floor coverings, wall coverings, and ceiling coverings; the Unit or balcony electrical fixtures; appliances; water heaters; water filters; built-in cabinets and countertops; window treatments, including curtains, drapes, blinds, hardware and similar window treatment components; and replacements of any of the foregoing, which are located within the boundaries of a Unit and serve only one Unit. The OWNERS shall also be responsible to insure all alterations, modifications or additions made to the Unit by said OWNER, or his/her predecessor in interest or title. OWNERS may obtain insurance at their own expense and at their own discretion for their personal property, all items not covered by the ASSOCIATION's insurance, and personal liability.

6.02.2 Flood. If required by law, the ASSOCIATION shall use its best efforts to obtain and maintain adequate flood insurance, for replacement value, less a commercially reasonable deductible as determined by the Board, and less foundation and excavation costs if determined by the Board. The ASSOCIATION will have discharged its responsibility to use its "best efforts" to obtain "adequate" flood insurance if it is able to purchase flood insurance up to the limits available through the National Flood Insurance Program (NFIP), or through any similar federally-sponsored or related program, or through private carriers with similar coverage, for premium rates that are generally commensurate with flood insurance premium rates for condominium and homeowner associations in the local area.

6.02.3 Liability Insurance. The ASSOCIATION shall obtain and maintain public liability insurance covering all of the COMMON AREAS and ASSOCIATION property and insuring the ASSOCIATION and the OWNERS as their interest may appear in such amount as the Board of Directors may deem appropriate. The Board of Directors shall have authority to compromise and settle all claims against the ASSOCIATION or upon insurance policies held by the ASSOCIATION. OWNERS shall have no personal liability upon such claims, except as may be otherwise provided by law, and nothing herein contained shall in any way be construed as imposing upon the ASSOCIATION a duty to assess OWNERS for the purpose of raising sufficient funds to discharge any liability in excess of insurance coverage.

6.02.4 Fidelity Bond. The ASSOCIATION shall obtain and maintain insurance or fidelity bonding of all persons who control or disburse funds of the ASSOCIATION in compliance with the requirements of the law. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the ASSOCIATION or its management agent at any one time. As used in this paragraph, the term “persons who control or disburse funds of the association” includes, but is not limited to, those individuals authorized to sign checks on behalf of the ASSOCIATION, and the President, Secretary, and Treasurer of the ASSOCIATION.

6.02.5 Worker’s Compensation. Such worker’s compensation coverage as may be required by law, or deemed advisable by the Board.

6.02.6 Other Insurance. Such other insurance as the Board of Directors may from time to time deem to be necessary, including but not limited to Errors and Omissions, Officers and Directors Liability insurance coverage and insurance for the benefit of its employees and volunteers.

6.03 Deductible and Other Insurance Features. The Board of Directors shall establish the amount of the deductible under the insurance policies, and other features (including but not limited to exclusions), as it deems desirable and financially expedient, in the exercise of its business judgment. The deductible and other features shall be consistent with industry standards and prevailing practice for communities of similar size and age, and having similar construction and facilities in the locale where the Subject Property is situated.

6.03.1 Deductible when damage to Building, Lot or Unit. If damage is caused to a BUILDING, LOT, or UNIT by an insurable event, and if the cost to repair damage to the entire BUILDING is less than the BUILDING’s non-hurricane deductible, notwithstanding whether the damage was caused by a named storm or other casualty, then the individual OWNERS whose UNITS are affected by the damage, are responsible to make the repairs and for the costs associated with the repairs. If damage is caused to a BUILDING, LOT, or UNIT by an insurable event and if the cost to repair damage to the entire BUILDING is more than the BUILDING’s non-hurricane deductible, notwithstanding whether the damage was caused by a named storm or other casualty,

then the deductible shall be paid by the ASSOCIATION as a Common Expense. The Board of Directors shall make the sole determination as to whether the damage exceeds the deductible. It is the OWNER's sole responsibility to report damage to the ASSOCIATION after casualty within thirty (30) days of the insurable event or within the timeframe prescribed by the Board of Directors. If the OWNER fails to report damage to the Association within thirty (30) days of the insurable event or within the timeframe prescribed by the Board of Directors, the OWNER shall be responsible for the costs and expenses to repair the damage, notwithstanding the amount of damage.

6.03.2 Deductible when damage to Common Area. Deductibles shall be paid by the ASSOCIATION as a Common Expense when damage occurs to Common Area from casualty or insurable event.

6.04 Premiums. Premiums upon insurance policies purchased by the ASSOCIATION shall be paid by the ASSOCIATION as a Common Expense, except that any increase in any insurance premium occasioned by misuse, occupancy, or abandonment of a Unit by a particular OWNER, or by a resident of any Unit, or by a member of their families or their guests or invitees, shall be assessed against and paid by that OWNER.

6.05 Insurance Shares or Proceeds. Insurance proceeds of policies purchased by the ASSOCIATION covering property losses shall be paid to the ASSOCIATION, and all policies and endorsements thereon shall be deposited with the ASSOCIATION. The duty of the ASSOCIATION shall be to receive such proceeds as are paid and to hold and disburse the same for the purposes stated herein and for the benefit of the OWNERS and their mortgagees in the following shares:

6.05.1 COMMON AREAS; Proceeds On Account Of Damage To COMMON AREAS. Proceeds on account of damage to the COMMON AREAS shall be held in as many undivided shares as there are LOTS, the share of each OWNER being equal.

6.05.2 Unit; Proceeds On Account Of Damage To Units Shall Be Held In The Following Undivided Shares.

6.05.2.1 Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs relating to the reconstruction and repair for which the fund is established, such balance shall be distributed in the manner elsewhere stated.

6.05.2.2 COMMON AREAS and UNITS. When both COMMON AREAS and those portions of the Unit insured by the ASSOCIATION are damaged by a common occurrence, the proceeds of insurance shall be allocated between damage to COMMON AREAS and the UNITS as the Board of Directors shall determine. It shall be presumed that when there are insurance proceeds received on account of a common Casualty or covered cause of loss under the ASSOCIATION's applicable insurance policy, but insufficient proceeds for Casualty or covered cause of loss repair (including but not limited to shortfalls occasioned by the existence of a deductible), that such shortfalls shall first be applied to COMMON AREA damage, and then to damage to UNITS, it being the intent of this provision that when there is a common Casualty loss or covered cause of loss under the ASSOCIATION's applicable insurance policy causing significant damage to the premises, the shortfalls occasioned by deductibles shall be first apportioned to all OWNERS equally and not applied first to Unit damage.

6.05.3 Mortgages. In the event that a mortgage endorsement has been issued as to a Unit, the share of that OWNER shall be held in trust for the mortgagee and the OWNER as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds.

6.06 Distribution of Proceeds. Proceeds of insurance policies received by the ASSOCIATION shall be distributed in the following manner:

6.06.1 Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the OWNERS, or, at the option of the Board, may be deposited in the ASSOCIATION's reserve fund.

6.06.2 Failure to Reconstruct or Repair If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the OWNERS of the damaged UNITS.

6.07 ASSOCIATION as Agent. The ASSOCIATION is irrevocably appointed agent for each OWNER and for each OWNER of a mortgage or other lien upon any Unit and for each OWNER of any other interest in the Subject Property or any property in which the ASSOCIATION owns an interest, to adjust all claims arising under insurance policies by the ASSOCIATION, and to execute and deliver releases upon the payment of such claim.

[OR 7964.23]

7. Reconstruction or Repair After Casualty.

If any part of the SUBJECT PROPERTY shall be damaged by Casualty, whether or not it can be reconstructed or repaired shall be determined in the following manner:

7.01.1 Common Area. If the damage improvement is a Common Area, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the community shall be terminated.

7.01.2 Buildings. If one or more residential BUILDINGS shall be damaged or destroyed, repair or reconstruction thereof, or termination of the community, shall be in accordance with the following:

7.01.2.1 Major Damage. If the damage renders all of the UNITS in the community uninhabitable, as determined by the Board of Directors or governmental agencies of jurisdiction, the damaged property will be reconstructed or repaired, unless 75% of the entire voting interests in the ASSOCIATION agree in writing that such reconstruction or repair shall not take place. The decision whether or not to reconstruct or repair shall be made within one hundred eighty (180) days after the Casualty or covered cause of loss under the ASSOCIATION's applicable insurance policy, provided however that the Board

of Directors shall have the authority to extend this period for decision-making, not to exceed three (3) years, to deal with exigencies in communication with OWNERS caused by natural disasters or other significant casualties, or to deal with delays in obtaining information regarding reconstruction costs or insurance proceeds available for reconstruction.

7.01.2.2 Lesser Damage. If some, but not all of the residential BUILDINGS are damaged and/or destroyed and one or more of the UNITS and one or more of the BUILDINGS remain habitable the damaged or destroyed common elements and/or UNITS shall be restored or reconstructed so that each building and/or UNIT shall be restored to substantially the same condition as existed prior to such damage or destruction, unless within sixty days after the Casualty it is determined by agreement in the manner elsewhere provided that the community shall be terminated.

For purposes of this Declaration, "uninhabitable" shall mean that the Board of Directors has concluded that the property which the ASSOCIATION is required to insure cannot be restored to the condition in which it existed prior to the Casualty or covered cause of loss under the ASSOCIATION's applicable insurance policy through available insurance proceeds, plus a special assessment against each OWNER not to exceed 10% of the average fair market value of the UNITS prior to the Casualty or covered cause of loss, as determined by the Board. This calculation shall not include costs affiliated with those items the OWNER is obligated to repair or replace, at the OWNER's expense. A governmental agency's declaration or order that the Property may not be occupied for a defined period of time due to safety concerns shall not conclusively establish that UNITS are uninhabitable, provided that the UNITS can be made safe for occupancy pursuant to the standards set forth above. In the event of a dispute as to whether or not UNITS are "habitable," a resolution enacted by the Board shall be binding on all parties, unless wholly arbitrary or contrary to law.

7.02 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications of the original buildings and improvements; or if not, then according to plans and specifications approved by the Board of Directors, and if the damaged property is a building housing UNIT, by the OWNERS of all damaged UNITS therein, which approval shall not be unreasonably withheld.

7.03 Estimate of Cost. Promptly after a Casualty causing damage to the property for which the ASSOCIATION has the responsibility of reconstruction and repair, the ASSOCIATION shall obtain reliable and detailed estimates of the cost to repair or rebuild.

7.04 Assessments and Costs. The cost of reconstruction after Casualty for those portions of the community required to be insured by the ASSOCIATION shall be considered a Common Expense, notwithstanding exceptions delineated in Section 6.03.1 including deductibles and other damages in excess of property insurance coverage under the property insurance policies maintained by the ASSOCIATION, except that:

All property insurance deductibles and other damages in excess of property insurance coverage under the property insurance policies maintained by the ASSOCIATION are a Common Expense of the ASSOCIATION, except that:

7.04.1 An OWNER is responsible for the costs of repair or replacement of any portion of the Property not paid by insurance proceeds if such damage is caused by intentional conduct, negligence, or failure to comply with the terms of the Declaration or the rules of the ASSOCIATION by an OWNER, the members of his or her family, occupants, tenants, guests, or invitees, without compromise of the subrogation rights of the insurer.

7.04.2 The provisions of subsection a. regarding the financial responsibility of an OWNER for the costs of repairing or replacing other portions of the Property also apply to the costs of repair or replacement of personal property of other OWNERS or the ASSOCIATION, as well as other property, whether real or personal, which the OWNERS are required to insure.

7.04.3 To the extent the cost of repair or reconstruction for which the OWNER is responsible under this Section is reimbursed to the ASSOCIATION by insurance proceeds, and the ASSOCIATION has collected the cost of such repair or reconstruction from the OWNER, the ASSOCIATION shall reimburse the OWNER without the waiver of any rights of subrogation.

7.04.4 The ASSOCIATION is not obligated to pay for reconstruction or repairs of property losses as a Common Expense if the property losses were known or should have been known to an OWNER and were not reported to the ASSOCIATION until after the insurance claim of the ASSOCIATION for that property was settled or resolved with finality, or denied because it was untimely filed.

If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the ASSOCIATION, or if at any time during the reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments may be made by the Board against the OWNERS in sufficient amounts to provide funds to pay the estimated costs. However, any cost of repair, reconstruction or replacement of portions of the Property that is not caused by a Casualty or covered cause of loss under the ASSOCIATION's applicable insurance policy, as determined by the Board of Directors, shall be repaired, and said costs allocated pursuant to the general maintenance, repair, and replacement provisions of this Declaration.

7.05 Deductible and Other Insurance Features. The funds necessary to cover any deductible amount under an insurance policy against which a claim is made shall be a common expense. The Board of Directors shall establish the amount of the deductible under the insurance policies, and other features (including but not limited to exclusions), as it deems desirable and financially expedient, in the exercise of its business judgment, and as may be required by law from time to time. The deductible and other features shall be consistent with industry standards and prevailing practice for communities of similar size and age, and having similar construction and facilities in the locale where the community is situated.

7.06 Responsibility for Reconstruction. All reconstruction work after a Casualty or covered cause of loss under the ASSOCIATION's applicable insurance policy for damaged items that the ASSOCIATION insures shall be undertaken by the ASSOCIATION, except that an OWNER may undertake reconstruction work on portions of the UNIT with the prior written consent of the Board. However, such work, and the disbursement of insurance proceeds, may be conditioned upon the prior approval by the Board of the repair methods, the qualifications of the proposed contractor, the contract that is used for that purpose, and reasonable verification of appropriate steps to ensure that the

work is done and that the contractor is paid for the performance of said work. OWNERS shall be responsible for reconstructing those items that the OWNERS are required to insure. All required governmental permits and approvals must be obtained prior to commencing reconstruction. Assessments for the cost of the work shall be set forth in Section 14 above. If an OWNER fails to repair and reconstruct those items that the OWNER is responsible for under this Declaration, the ASSOCIATION shall have, without waiver of other remedies, the right to proceed in accordance with Article VII, Section 3, in which event the OWNER shall be charged for the costs of such activities (including attorneys' fees incurred by the ASSOCIATION) by the ASSOCIATION which shall be secured by such rights as exist for collecting Common Expenses under this Amended Declaration.

7.07 Damage Caused By Wear and Tear of the Property. Damage to the property that is not caused by a Casualty, as defined herein or covered cause of loss under the ASSOCIATION's applicable insurance policy, shall be repaired or replaced in accordance with the provisions of the general maintenance, repair, and replacement provisions of this Declaration and shall not be subject to this Article 7.

7.08 Additional Board Authority. In addition to Board authority granted by law and the governing documents, the Board shall have the following power and authority in connection with emergency conditions:

- a. To determine after a Casualty whether the UNITS can be safely occupied, which decision shall not be conclusive as to the determination of habitability in Article 7, Section 7.01.2.2. Such decision shall be based upon the advice of emergency management officials or a licensed professional.
- b. To declare any portion of the Property or Common Areas unavailable for occupancy by OWNERS, family members, tenants, or guests after a Casualty, including during the rebuilding process. Such decision by the Board shall be based upon the advice of emergency management officials or a licensed professional (such as an engineer) and can be made only if necessary to protect the health, safety, or welfare of the ASSOCIATION, OWNERS, family members, tenants, or guests.
- c. To mitigate damage and take action to prevent the spread of fungus (including but not

limited to mold and mildew) by tearing out wet drywall and carpet (even if the OWNER is obligated to insure and/or replace those items) and to remove personal property from the UNIT and dispose of damaged property or store such property onsite or at an offsite location, with OWNERS responsible for reimbursing the ASSOCIATION for items for which the OWNER is responsible. The ASSOCIATION shall bear no liability for such actions, if taken in good faith.

d. To contract on behalf of OWNERS, with said OWNERS responsible to reimburse the ASSOCIATION, for items for which the OWNER is responsible but which may be necessary to prevent further damage. Without limitation, this includes debris removal, dry-out of UNITS and replacement of damaged air conditioners when necessary to provide climate control in the UNITS. The OWNER shall be responsible to reimburse the ASSOCIATION within ten (10) days of the ASSOCIATION's invoice. The ASSOCIATION's right to payment shall be secured by a lien and be collectable in the manner of an assessment. Actions to collect such sums shall entitle the ASSOCIATION to recover interest, late fees, attorneys' fees, and other costs and expenses of collection.

e. To implement a disaster plan prior to, during or after an impending disaster including, but not limited to, shutting down electricity, security systems, water, and air conditioners.

f. To adopt, by Board action, emergency assessments with such notice deemed practicable by the Board.

g. To adopt emergency Rules and Regulations governing the use and occupancy of the UNITS, Common Areas, and ASSOCIATION property, with notice given only to those Directors with whom it is practicable to communicate.

h. To enter into agreements with local counties and municipalities to assist counties and municipalities with debris removal.

i. To exercise all emergency powers as may be authorized by law from time to time.

8. USE RESTRICTIONS.

8.01 Garages. No garage shall be permanently enclosed, and no portion of a garage required for the parking of an automobile shall be converted into a living space or storage area. All garage doors shall remain closed when not in use.

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

8.03 No Trade or Business. No trade, business, profession, or commercial activity, or any other nonresidential use, shall be conducted upon any portion of the SUBJECT PROPERTY or within any LOT or UNIT.

[OR 5391.193]

Section 8.04 Sales and Leases. Any lease of a UNIT must be in writing and specifically be subject to this. DECLARATION, the ARTICLES and the BYLAWS, and copies delivered to the ASSOCIATION prior to occupancy by the tenant(s). No Unit shall be leased for a term of less than twelve (12) months. If the tenant or lessee vacates the Unit prior to the expiration of twelve (12) months, the Unit may not be occupied by another tenant or lessee within twelve (12) months from the date that the original lease period began. The Unit Owner(s) shall be responsible for supplying all documents describing Restrictions of the Association to the potential lessee. The lessee shall provide the Association with a signed form indicating that they have read, understand and agree to comply with the use description documents of the Association. All Unit Owners will be jointly and severally liable with their tenants to the Association for any amount which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant"

8.05 Outside Storage of Personal Property. The personal property of any resident of the SUBJECT PROPERTY shall be kept inside the resident's UNIT or a fenced or a walled-in yard, except for tasteful patio furniture and other personal property commonly kept outside.

8.06 Portable Buildings. No portable, storage, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any LOT for storage or otherwise, without the prior written consent of the ASSOCIATION.

8.07 Garbage and Trash. Each OWNER shall regularly pick up all garbage, trash, refuse & rubbish on the OWNER'S LOT. Garbage, trash, refuse or rubbish that is required to be placed at the front of the LOT in order to be collected may be placed and kept at the

front of the LOT after 5:00 p.m. on the day before the scheduled day of collection, and any trash facilities must be removed on the collection day. All garbage, trash, refuse or rubbish must be placed in appropriate trash facilities or bags. All containers, dumpsters or garbage facilities shall be stored inside a UNIT or fenced-in area and screened from view and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted.

8.08 Vehicles. Only automobiles, vans, small pick-up trucks having a capacity of not more than one-half tons, and other vehicles manufactured and used as private passenger vehicles, may be parked within the SUBJECT PROPERTY overnight without the prior written consent of the ASSOCIATION, unless kept within an enclosed garage. In particular and without limitation, no vehicle shall be parked outside of a UNIT overnight without the prior written consent of the ASSOCIATION if commercial lettering or signs are painted to or affixed to the vehicle, or if commercial equipment is placed upon the vehicle, or if the vehicle is a truck, recreational vehicle, camper, trailer, or other than a private passenger vehicle as specified above. Notwithstanding the foregoing, automobiles owned by governmental law enforcement agencies are expressly permitted. The OWNER and residents of any UNIT may not keep more than two vehicles within the SUBJECT PROPERTY on a permanent basis without the prior written consent of the ASSOCIATION. The foregoing restrictions shall not be deemed to prohibit the temporary parking of commercial vehicles while making delivery to or from, or while used in connection with providing services to, the SUBJECT PROPERTY. All vehicles parked within the SUBJECT PROPERTY must be in good condition, and no vehicle which is unlicensed or which cannot operate on its own power shall remain within the SUBJECT PROPERTY for more than 24 hours, and no major repair of any vehicle shall be made on the SUBJECT PROPERTY. Motorcycles are not permitted except with the prior written consent of the ASSOCIATION which may be withdrawn at any time, and any permitted motorcycle must be equipped with appropriate noise muffling equipment so that the operation of same does not create an unreasonable annoyance to the residents of the SUBJECT PROPERTY.

8.09 Pets. No animals, livestock or poultry of any kind shall be permitted within the SUBJECT PROPERTY except for common household domestic pets. Notwithstanding the foregoing, only one (1) cat, and/or one (1) dog not exceeding 50 pounds at maturity, is permitted in any UNIT, except with the written consent of the BOARD which may be granted or withheld in the BOARD's discretion. Any pet must be carried or kept on a leash when outside of a UNIT or fenced-in area. No pet shall be kept outside of a UNIT unless someone is present in the UNIT. Any pet must not be an unreasonable nuisance or annoyance to other residents of the SUBJECT PROPERTY. Any resident shall pick up and remove any solid animal waste deposited by his pet on the SUBJECT PROPERTY, except for designated pet-walk areas, if any. No commercial breeding of pets is

permitted within the SUBJECT PROPERTY. The ASSOCIATION may require any pet to be Immediately and permanently removed from the SUBJECT PROPERTY due to a violation of this paragraph.

[OR 3304.1849]

8.10 Air Conditioning Units. Only central air conditioning units and wall units are permitted. No window or portable air conditioning units are permitted. A wall unit is subject to the following conditions:

b The highest point of the wall unit may not exceed the height of the adjacent knee wall or be more than two (2) feet above ground, whichever is less.

c. A wall unit may not protrude on the outside wall by more than six (6) inches.

d. The color of the wall unit on the outside must match the color of the exterior wall on which it will be installed.

e. Owner will be required to landscape around the unit to the satisfaction of the Board of Directors.

f. Written approval of the Association must be obtained prior to installation.

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

8.12 Nuisances. No nuisances shall be permitted within the SUBJECT PROPERTY, and no use or practice which is an unreasonable source of annoyance to the residents within the SUBJECT PROPERTY or which shall interfere with the peaceful possession and proper use of the SUBJECT PROPERTY by its residents shall be permitted. No unreasonably offensive or unlawful action shall be permitted, and all laws, zoning ordinances and regulations of all controlling governmental authorities shall be complied with at all times by the OWNERS.

8.13 Outside Antennas. No outside signal receiving or sending antennas, dishes or devices are permitted. The foregoing shall not prohibit any antenna or signal receiving dish owned by the ASSOCIATION which services the entire SUBJECT PROPERTY.

8.14 Lakes and Canals. No swimming or motorized boating is allowed in any lake or canal within the SUBJECT PROPERTY.

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

8.16 Signs. No signs shall be placed upon any LOT, and no signs shall be placed in or upon any UNIT which are visible from the exterior of the UNIT, without the prior written consent of the ASSOCIATION.

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

8.18 Boats. No boats may be kept or stored outside of any UNIT, without the prior written consent of the ASSOCIATION.

8.19 Irrigation Systems. Irrigation systems which irrigate landscaping near any building or other improvement must use water supplied by the applicable utility company or governmental authority, or other water which is iron-free or properly treated, so that iron or rust deposits will not form on the building or other improvements from such irrigation system.

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

8.21 Wells. No Wells may be installed within the SUBJECT PROPERTY without the prior written consent of the ASSOCIATION and the utility company supplying potable water to the SUBJECT PROPERTY.

8.22 Architectural Control for Exterior Changes.

[OR 3570.3689]

8.22.1 OWNER to Obtain Approval. No OWNER shall make, install, place or remove any building, fence, wall, patio area, pool, spa, landscaping or any other alteration, addition, improvement or change any of the kind or nature to, in or upon any portion of the COMMON AREAS, the OWNER's LOT, or the exterior of the OWNER's UNIT, unless the OWNER first obtains the written approval of the ASSOCIATION to same, except that such approval shall not be required for any maintenance or repair which does not result in a material change in any improvement including the color of same. Any improvement within the LIMITED COMMON AREA or to the exterior of the unit is expressly prohibited without written consent of the ASSOCIATION. The ASSOCIATION may, at its discretion, remove any improvement not receiving prior written consent or repair, and maintain any improvement not in first class condition, charge the unit owner for such repair, maintenance or removal.

8.22.2 ASSOCIATION's Consent. Any request by an OWNER for approval by the ASSOCIATION to any addition, alteration, improvement, or change shall be in writing and shall be accompanied by plans and specifications or other details as the ASSOCIATION may deem reasonably necessary in connection with its determination as to whether or not it will approve same. The ASSOCIATION shall have the right to charge a reasonable fee in connection with the approval of any request to pay for the cost of any architect or engineer hired by the ASSOCIATION to review any plans or specifications. Approval of any request shall not be unreasonably withheld, and shall not be withheld in a discriminatory manner or in a manner which unreasonably prohibits the reasonable improvement of any LOT or UNIT, but may be withheld due to aesthetic considerations. The ASSOCIATION shall notify the OWNER of its approval or disapproval by written notice within 30 days after request for such consent is made in writing to the ASSOCIATION, and in the event the ASSOCIATION fails to disapprove any request within such 30 day period, the consent shall be deemed approved and upon request the ASSOCIATION shall give written notice of such approval. In consenting to any plans or specifications, the ASSOCIATION may condition such consent upon changes being made. If the ASSOCIATION consents to any plans and specifications, the OWNER may proceed to make the alteration, addition, improvement, or change in strict conformance with the plans and specifications approved by the ASSOCIATION, and subject to any conditions of the ASSOCIATION's approval.

8.22.3 No Liability. The ASSOCIATION shall not be liable to any OWNER in connection

with the exercise or non-exercise of architectural control hereunder, or the approval or disapproval of any alteration, addition, improvement, or change. Furthermore, any approval of any plans or specifications by the ASSOCIATION shall not be deemed to be a determination that such plans or specifications are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the ASSOCIATION, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the ASSOCIATION shall not be liable for any deficiency, or any injury resulting from any deficiency, in such plans and specifications.

8.22.4 Remedy for Violations. In the event this section is violated in that any alteration, addition, improvement, or change is made without first obtaining the approval of the ASSOCIATION, or is not made in strict conformance with any approval granted by the ASSOCIATION, the ASSOCIATION shall specifically have the right to injunctive relief to require the OWNER to stop, remove and/or alter any alteration, addition, Improvement, or change in a manner which complies with the requirements of the ASSOCIATION, or the ASSOCIATION may pursue any other remedy available to it. In connection therewith, the ASSOCIATION shall have the right to enter onto any LOT and make any inspection necessary to determine that the provisions of this paragraph have been complied with. Any action to enforce this Section must be commenced within 1 year after the date of the violation. The foregoing shall be in addition to any other remedy set forth herein for violations of this DECLARATION. Notwithstanding anything contained within this DECLARATION to the contrary, the ASSOCIATION shall have the exclusive authority to enforce the provisions of this paragraph.

8.22.5 Architectural Control Vested in DECLARANT. Notwithstanding the foregoing, so long as DECLARANT owns any LOT UNIT, or any portion of the property described in Exhibit "D" attached hereto, architectural control shall be vested in DECLARANT and not the ASSOCIATION, and during such period all references contained in this subparagraph to the ASSOCIATION shall be deemed to refer to DECLARANT, provided however that at any time DECLARANT may assign its right of architectural control to the ASSOCIATION by a written assignment.

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

8.24 Waiver. The ASSOCIATION shall have the right to waive the application of one or more of these restrictions, or to permit a deviation from these restrictions, as to any

LOT where, in the discretion of the BOARD, circumstances exist which justify such waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any violation of these restrictions, such actions or inactions shall not be deemed to prohibit or restrict the right of the ASSOCIATION, or any other person having the right to enforce these restrictions, from insisting upon strict compliance with respect to all other LOTS, nor shall any such actions be deemed a waiver of any of the restrictions contained herein as same may be applied in the future. Notwithstanding the foregoing, so long as DECLARANT owns any LOT, if any waiver or deviation of any restriction requires the consent of the ASSOCIATION, such consent shall be obtained from DECLARANT, and not from the ASSOCIATION, unless DECLARANT voluntarily relinquishes this right at an earlier date.

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

[OR 2856.474-added]

8.26 INSPECTION. The Board of Directors or its representative will have the right to inspect any portion of a UNIT'S LIMITED COMMON AREA.

9. PARTY WALLS.

9.01 Party Walls. Each common wall shared by two (2) UNITS which divides the two (2) UNITS shall be a party wall for the perpetual benefit of and use by the OWNERS of the two (2) UNITS, including their respective heirs, assigns, successors and grantees.

9.02 Easement for Encroachment. Each OWNER hereby grants to the OWNER of the

adjacent UNIT(S) an easement for the continuance of any encroachment of the party wall on the adjoining UNIT existing as a result of the construction of the party wall, or which may come into existence thereafter as a result of settling or shifting of the party wall, or as a result of repair or reconstruction of the party wall

9.03 Repair and Maintenance. Except as otherwise provided herein, each OWNER shall bear the responsibility to repair and maintain the unfinished surface of the exterior portion of the party wall which is located within his UNIT. As to the structural and interior portions of the party wall, each OWNER shall share equally in the cost of the repair, maintenance and reconstruction of same. However, if any OWNER's negligence or willful misconduct causes damage to or destruction of a party wall, such negligent or willfully mischievous OWNER shall bear the entire cost of repairing or reconstructing the party wall. If an OWNER executes a mortgage encumbering his UNIT, then the holder of the mortgage shall have the full right, at its option, to exercise the rights of its mortgagor as an OWNER hereunder and, in addition, the right to add to the outstanding balance of such mortgage any amounts paid by the mortgagee for repairs or reconstruction and not reimbursed to the mortgagee by the OWNER.

9.04 Easement for Repairs. Each OWNER shall have the right to enter into an adjacent UNIT where necessary in connection with the repair, maintenance or reconstruction of a party wall, at reasonable times and upon reasonable notice. The foregoing right shall constitute an easement and a covenant running with the land.

9.05 Materials, Location and Size. Whenever a party wall is to be repaired, maintained or reconstructed, same shall be performed with the same or similar materials and quality as the original party wall. Whenever a party wall or any part thereof shall be reconstructed, it shall be reconstructed such that it shall be of the same size and shall be at the same location as initially constructed, and shall be of the same or similar materials and quality as used to initially construct the party wall.

9.06 Use. Each OWNER shall have the right to the full use of the party wall for whatever purposes he chooses, subject to the limitation that such use shall not infringe upon the rights of the OWNER of the adjoining UNIT, or his enjoyment of the party wall, or in any manner impair the structure of the party wall. The term "use" shall and does include normal interior usage such as paneling, plastering, painting, decorating and erection of tangent walls and shelving, but prohibits any form of alteration (other than a minor alteration) which would cause an aperture, hole, break or other displacement of the original structure forming the party wall. Additionally, each OWNER shall not cut windows or other openings in the party wall, nor make any hereinabove prohibited alterations, additions or structural changes to the party wall unless agreed upon by both OWNERS sharing the party wall.

10. ASSESSMENT FOR COMMON EXPENSES.

10.01 Each OWNER of a UNIT shall be responsible for the payment to the ASSOCIATION of ASSESSMENTS for COMMON EXPENSES for each UNIT owned by the OWNER, which amount shall be assessed to the OWNER as described below. In addition, each OWNER shall be responsible for the payment to the ASSOCIATION of any ASSESSMENTS owned by the prior OWNER, except for any ASSESSMENTS owed by DECLARANT, and except as elsewhere provided in this DECLARATION.

10.02 Prior to the beginning of each fiscal year, the BOARD shall adopt a budget for such fiscal year which shall estimate all of the COMMON EXPENSES to be incurred by the ASSOCIATION during the fiscal year. The BOARD shall then establish the ASSESSMENT for COMMON EXPENSES for each UNIT, which shall be equal and shall be determined by dividing the total amount to be assessed for COMMON EXPENSES by the number of UNITS for which ASSESSMENTS for COMMON EXPENSES are to be made pursuant to the budget. The ASSOCIATION shall then notify each OWNER in writing of the amount, frequency and due dates of the ASSESSMENT for COMMON EXPENSES. From time to time during the fiscal year) the BOARD may modify the budget, and pursuant to the revised budget or otherwise, the BOARD may, upon written notice to the OWNERS, change the amount, frequency and/or due dates of the ASSESSMENTS for COMMON EXPENSES. If the expenditure of funds for COMMON EXPENSES is required in addition to funds produced by ASSESSMENTS for COMMON EXPENSES, the BOARD may make special ASSESSMENTS for COMMON EXPENSES, which shall be levied in the same manner as hereinbefore provided for regular ASSESSMENTS, and shall be payable in the manner determined by the BOARD, as stated in the notice of any special ASSESSMENTS for COMMON EXPENSES, In the event any ASSESSMENTS for COMMON EXPENSES are made payable in equal periodic payments, as provided in the notice from the ASSOCIATION, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the ASSOCIATION notifies the OWNER in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any ASSESSMENTS for COMMON EXPENSES be due less than ten (10) days from the date of the notification of such ASSESSMENTS.

10.03 In addition to ASSESSMENTS for COMMON EXPENSES, the first OWNER acquiring title from DECLARANT to a UNIT shall pay to the ASSOCIATION a contribution to a working capital fund of the ASSOCIATION in an amount equal to two (2) months' ASSESSMENTS for COMMON EXPENSES, which shall be in addition to the OWNER's responsibility for ASSESSMENTS for COMMON EXPENSES. The working capital fund shall

be used by the ASSOCIATION for start-up expenses or otherwise as the ASSOCIATION shall determine from time to time and need not be restricted or accumulated.

10.04 Notwithstanding the foregoing, until such time as DECLARANT no longer owns any UNIT, or until DECLARANT notifies the ASSOCIATION in writing that DECLARANT elects to pay ASSESSMENTS for COMMON EXPENSES as in the case of any other OWNER, DECLARANT shall not be liable for ASSESSMENTS for COMMON EXPENSES for any UNITS owned by DECLARANT, but in lieu thereof, DECLARANT shall be responsible for all COMMON EXPENSES in excess of the ASSESSMENTS for COMMON EXPENSES receivable from the other OWNERS (including working capital contributions), and other income received by the ASSOCIATION. During such period when DECLARANT is not liable for ASSESSMENTS for COMMON EXPENSES for UNITS owned by DECLARANT, the ASSESSMENTS for COMMON EXPENSES shall be established by DECLARANT based upon DECLARANT's estimate of what the expenses of the ASSOCIATION would be if all UNITS and IMPROVEMENTS contemplated within the SUBJECT PROPERTY were completed, so that ASSESSMENTS for COMMON EXPENSES during such period will be approximately what said ASSESSMENTS would be if the development of the SUBJECT PROPERTY as contemplated by DECLARANT was complete. In any event, DECLARANT shall not be required to fund reserves allocated to any unbuilt UNITS.

11. DEFAULT.

11.01 Monetary Defaults and Collection of Assessments.

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

11.01.3 Lien for ASSESSMENTS. The ASSOCIATION has a lien on each LOT for unpaid ASSESSMENTS owed to the ASSOCIATION by the OWNER of such LOT, and for late fees and interest, and for reasonable attorneys' fees incurred by the ASSOCIATION incident to the collection of the ASSESSMENT or enforcement of the lien, and all sums advanced

and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, 1 lens or encumbrances in order to preserve and protect the ASSOCIATION's lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the LOT is located, stating the description of the LOT, the name of the record OWNER, and the amount due as of the recording of the claim of lien. A recorded claim of lien shall secure all sums set forth in the claim of lien, together with all ASSESSMENTS or other moneys owed to the ASSOCIATION by the OWNER until the lien is satisfied. The lien is in effect until all sums secured by it have been fully paid or until the lien is barred by law. The claim of lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien.

11.01.4 Collection and Foreclosure. The ASSOCIATION may bring an action in its name to foreclose a lien for ASSESSMENTS in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid ASSESSMENTS without waiving any claim of lien, and the applicable OWNER shall be liable to the ASSOCIATION for all costs and expenses incurred by the ASSOCIATION in connection with the collection of any unpaid ASSESSMENTS, and the filing, enforcement, and/or foreclosure of the ASSOCIATION'S lien, including reasonable attorneys' fees, and all sums paid by the ASSOCIATION for taxes and on account of any other mortgage, lien, or encumbrance in order to preserve and protect the ASSOCIATION'S lien. The BOARD is authorized to settle and compromise the ASSOCIATION'S lien if the BOARD deems a settlement or compromise to be in the best interest of the ASSOCIATION.

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

11.01.6 Subordination of Lien. Where any person obtains title to a LOT pursuant to the foreclosure of a first mortgage of record, or where the holder of a first mortgage accepts a deed to a LOT in lieu of foreclosure of the first mortgage of record of such lender, such acquirer of title, its successors and assigns, shall not be liable for any ASSESSMENTS or for other moneys owed to the ASSOCIATION which are chargeable to the former OWNER of the LOT and which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the payment of such funds is secured by a claim of lien recorded prior to the recording of the foreclosed or underlying mortgage. The unpaid ASSESSMENTS or other moneys are COMMON EXPENSES collectable from all of the OWNERS, including such acquirer and his successors and assigns. The new OWNER, from and after the time of acquiring such title, shall be liable for payment of all future ASSESSMENTS for COMMON EXPENSES and such other expenses as may be

assessed to the OWNER's LOT. Any person who acquires a LOT, except through foreclosure of a first mortgage of record or deed in lieu thereof, including, without limitation, persons acquiring title by sale, gift, devise, operation of law or by purchase at a judicial or tax sale, shall be liable for all unpaid ASSESSMENTS and other moneys due and owing by the former OWNER to the ASSOCIATION, and shall not be entitled to occupancy of the UNIT or enjoyment of the COMMON AREAS, or of the recreational facilities as same may exist from time to time, until such time as all unpaid ASSESSMENTS and other moneys have been paid in full

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

11.01.8 Unpaid ASSESSMENTS Certificate. Within 15 days after written request by any OWNER or any INSTITUTIONAL LENDER holding or making a mortgage encumbering any LOT, the ASSOCIATION shall provide the OWNER or INSTITUTIONAL LENDER a written certificate as to whether or not the OWNER of the LOT is in default with respect to the payment of ASSESSMENTS or with respect to compliance with the terms and provisions of this DECLARATION, and any person or entity who relies on such certificate in purchasing or in making a mortgage loan encumbering any LOT shall be protected thereby.

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

11.02 Non-Monetary Defaults. In the event of a violation by any OWNER or any tenant of an OWNER or any person residing with them, or their guests or invitees, (other than the non-payment of any ASSESSMENT or other moneys) of any of the provisions of this DECLARATION, the ARTICLES, the BYLAWS or the Rules and Regulations of the ASSOCIATION, the ASSOCIATION shall notify the OWNER and any tenant of the OWNER of the violation, by written notice. If such violation is not cured as soon as practicable

and in any event within seven (7) days after such written notice, or if the violation is not capable of being cured within such seven (7) day period, if the OWNER or tenant fails to commence and diligently proceed to completely cure such violation as soon as practicable within seven (7) days after written notice by the ASSOCIATION, or if any similar violation is thereafter repeated, the ASSOCIATION may, at its option:

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

11.02.3 Commence an action to recover damages; and/or

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

All expenses incurred by the ASSOCIATION in connection with the correction of any failure, plus a service charge of ten (10%) percent of such expenses, and all expenses incurred by the ASSOCIATION in connection with any legal proceedings to enforce this DECLARATION, including reasonable attorneys' fees, shall be assessed against the applicable OWNER, and shall be due upon written demand by the ASSOCIATION. The ASSOCIATION shall have a lien for any such ASSESSMENT and any interest, costs or expenses associated therewith, including attorneys' fees incurred in connection with such ASSESSMENT, and may take such action to collect such ASSESSMENT or foreclose said lien as in the case and in the manner of any other ASSESSMENT as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the County in which the SUBJECT PROPERTY is located.

11.03 Fines. The amount of any fine shall be determined by the BOARD, and shall not exceed one-third of one month's ASSESSMENT for COMMON EXPENSES for the first offense, two-thirds of one month's ASSESSMENT for COMMON EXPENSES for a second similar offense, and one month's ASSESSMENT for COMMON EXPENSES for a third or a subsequent similar offense. Any fine shall be imposed by written notice to the OWNER or tenant, signed by an officer of the ASSOCIATION, which shall state the amount of the fine, the violation for which the fine is imposed, and shall specifically state that the OWNER or tenant has the right to contest the fine by delivering written notice to the ASSOCIATION within 10 days after receipt of the notice imposing the fine. If the OWNER or tenant timely and properly objects to the fine, the BOARD shall conduct a hearing

within 30 days after receipt of the OWNER's or tenant's objection, and shall give the OWNER or tenant not less than 10 days written notice of the hearing date. At the hearing, the BOARD shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and that the fine imposed is appropriate. The OWNER or tenant shall have the right to attend the hearing and to produce evidence on his behalf. At the hearing the BOARD shall ratify, reduce or eliminate the fine and shall give the OWNER or tenant written notice of its decision. Any fine shall be due and payable within 10 days after written notice of the imposition of the fine, or if a hearing is timely requested within 10 days after written notice of the BOARD's decision at the hearing. Any fine levied against an OWNER shall be deemed an ASSESSMENT, and if not paid when due all of the provisions of this DECLARATION relating to the late payment of ASSESSMENTS shall be applicable. If any fine is levied against a tenant and is not paid within 10 days after same is due, the ASSOCIATION shall have the right to evict the tenant pursuant to Paragraph 11.06.

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

11.05 Responsibility of an OWNER for Occupants, Tenants, Guests, and Invitees. Each OWNER shall be responsible for the acts and omissions, whether negligent or willful, of any person residing in his UNIT, and for all guests and invitees of the OWNER or any such resident, and in the event the acts or omissions of any of the foregoing shall result in any damage to the COMMON AREAS, or any liability to the ASSOCIATION, the OWNER shall be assessed for same as in the case of any other ASSESSMENT, limited where applicable to the extent that the expense or liability is not met by the proceeds of insurance carried by the ASSOCIATION. Furthermore, any violation of any of the provisions of this DECLARATION, of the ARTICLES, or the BYLAWS, by any resident of any UNIT, or any guest or invitee of an OWNER or any resident of a UNIT, shall also be deemed a violation by the OWNER, and shall subject the OWNER to the same liability as if such violation was that of the OWNER.

11.06 Right of ASSOCIATION to Evict Tenants, Occupants, Guests and Invitees. With respect to any tenant or any person present in any UNIT or any portion of the SUBJECT PROPERTY, other than an OWNER and the members of his Immediate family permanently residing with him in the UNIT, If such person shall materially violate any provision of this DECLARATION, the ARTICLES, or the BYLAWS, or shall create a nuisance or an unreasonable and continuous source of annoyance to the residents of the

SUBJECT PROPERTY, or shall willfully damage or destroy any COMMON AREAS or personal property of the ASSOCIATION, then upon written notice by the ASSOCIATION such person shall be required to immediately leave the SUBJECT PROPERTY and if such person does not do so, the ASSOCIATION is authorized to commence an action to evict such tenant or compel the person to leave the SUBJECT PROPERTY and, where necessary, to enjoin such person from returning. The expense of any such action, including attorneys' fees, may be assessed against the applicable OWNER, and the ASSOCIATION may collect such ASSESSMENT and have a lien for same as elsewhere provided. The foregoing shall be in addition to any other remedy of the ASSOCIATION.

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

11.08 Rights Cumulative. All rights, remedies and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this DECLARATION, the ARTICLES or the BYLAWS, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the ASSOCIATION from executing any additional remedies, rights or privileges as may be granted or as it might have by law.

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

12. TERM OF DECLARATION.

All of the foregoing covenants, conditions, reservations and restrictions shall run with

the land and continue and remain in full force and effect at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this DECLARATION, unless within such time, one hundred (100%) percent of the OWNERS execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). Any termination of this DECLARATION shall be effective on the date the instrument of termination is recorded in the public records of the county in which the SUBJECT PROPERTY is located, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by the DECLARANT so long as the DECLARANT owns any LOT, or holds any mortgage encumbering any LOT.

13. AMENDMENT

13.01 This DECLARATION may be amended upon the approval of not less than 2/3 of the OWNERS. In addition, so long as DECLARANT owns any portion of the SUBJECT PROPERTY, or any portion of the property described in Exhibit "D" which may be added to the SUBJECT PROPERTY, this DECLARATION may be amended from time to time, by DECLARANT and without the consent of the ASSOCIATION or any OWNER, and no amendment may be made by the OWNERS without the written joinder of DECLARANT. Such right of DECLARANT to amend this DECLARATION shall specifically include, but shall not be limited to, (i) amendments adding any portion of the property described in Exhibit "D" attached hereto which will be developed in a similar manner as the SUBJECT PROPERTY, or deleting any property from the SUBJECT PROPERTY which will be developed differently than the SUBJECT PROPERTY (provided that any such amendment shall require the joinder of the owners of such property or any portion thereof if different than DECLARANT, and further provided that DECLARANT shall not have the obligation to add any property to or delete any property from the SUBJECT PROPERTY), and (ii) amendments required by any INSTITUTIONAL LENDER or governmental authority in order to comply with the requirements of same. In order to be effective, any amendment to this DECLARATION must first be recorded in the public records of the county in which the SUBJECT PROPERTY is located, and in the case of an amendment made by the OWNERS, such amendment shall contain a certification by the President and Secretary of the ASSOCIATION that the amendment was duly adopted.

[OR 2881.262]

Paragraph 13 shall be amended by substituting Exhibit F " attached hereto, in place of Exhibit "D", which will correct scrivener's error in original legal description as shown on Exhibit "D".

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

13.03 Notwithstanding anything contained herein to the contrary, any amendment to this DECLARATION which would adversely affect the surface water management system, including the water management portions of the COMMON AREAS, must have the prior approval of the South Florida Water Management District.

14. SPECIAL PROVISIONS REGARDING INSTITUTIONAL LENDERS.

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

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

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

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

14.02 Consent of INSTITUTIONAL LENDERS. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgage(s) encumbering

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

14.03 Payment of Taxes and Insurance. Any 1NSTITUTIONAL LENDER may pay any taxes or assessments which are in default, or any overdue insurance premiums, or may secure new insurance upon the lapse of a policy, and shall be owed immediate reimbursement therefore from the ASSOCIATION plus interest at the highest rate permitted by law and any costs of collection, including attorneys' fees.

15. MISCELLANEOUS.

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

15.02 Authority of ASSOCIATION and Delegation. Nothing contained in this DECLARATION shall be deemed to prohibit the BOARD from delegating to any one of its members, or to any officer, or to any committee or any other person, any power or right granted to the BOARD by this DECLARATION including, but not 1 limited to, the right to exercise architectural control and to approve any deviation from any use restriction, and the BOARD is expressly authorized to so delegate any power or right granted by this DECLARATION.

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

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

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

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

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

15.08 Actions Against DECLARANT. The ASSOCIATION shall not institute any legal proceedings against DECLARANT without the consent of 75% of the votes of the OWNERS.

[OR 2881.262]

Paragraph 16

3, Paragraph 16 shall be added to said Declaration. Said Paragraph 16 provides that the SUBJECT PROPERTY shall be increased in order to incorporate the balance of the

property described in Exhibit "___F" to the Declaration, and same shall be developed in a similar manner as the SUBJECT PROPERTY and shall be subject to all of the terms and provisions of the Declaration. Hereinafter, the SUBJECT PROPERTY shall be the property which is described in Exhibit "F" to the Declaration.

Parkside Place Homeowners Association