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DECLARATION FOR VILLAGE EMILIA

TABLE OF CONTENTS

	Page
1. Recitals.....	6
2. Definitions.....	6
3. Amendment.....	10
3.1 General Restrictions on Amendments	10
3.2 No Vested Rights.....	10
3.3 Amendments Prior to and Including the Turnover Date.....	10
3.4 Amendments After the Turnover Date	10
4. Plan of Development.....	10
5. Annexation and Withdrawal	10
5.1 Annexation by Developer	10
5.2 Annexation by Association.....	10
5.3 Withdrawal	11
6. Dissolution	11
6.1 Generally	11
6.2 Applicability of Declaration after Dissolution.....	11
7. Binding Effect and Membership	11
7.1 Term.....	11
7.2 Transfer.....	11
7.3 Membership	12
7.4 Ownership by Entity	12
7.5 Voting Interests.....	12
7.6 Document Recordation by Owners Prohibited	12
7.7 Composition of Board.....	12
7.8 Conflicts.....	12
8. Paramount Right of Developer.....	12

9.	Operation of Common Areas	12
9.1	Prior to Conveyance	12
9.2	Construction of Common Areas Facilities	13
9.3	Use of Common Areas by Developer	13
9.4	Conveyance	13
9.4.1	Generally	13
9.4.2	Form of Deed	13
9.5	Operation After Conveyance	14
9.6	Paved Areas	14
9.7	Delegation	14
9.8	Use	15
9.8.1	Nonexclusive Use	15
9.8.2	Right to Allow Use	15
9.8.3	Obstruction of Common Areas	15
9.8.4	Assumption of Risk	15
9.8.5	Owner's Obligation to Indemnify	15
10.	Party Walls	16
10.1	General Rules of Law to Apply	16
10.2	Sharing of Repair, Replacement and Maintenance for Party Walls	16
10.2.1	Generally	16
10.2.2	Failure to Contribute	16
10.2.3	Alterations	16
10.2.4	Weatherproofing	16
10.2.5	Easements	16
10.2.6	Reserves	16
11.	Party Roofs	17
11.1	General Rules of Law to Apply	17
11.2	Sharing of Repair, Replacement and Maintenance for Party Roofs	17
11.2.1	Generally	17
11.2.2	Failure to Contribute	17
11.3	Alterations	17
11.4	Easements	17
11.5	Reserves	17
12.	Maintenance by Association	17
12.1	Common Areas	17
12.2	Canvas Canopies	17
12.3	Lawn Maintenance	18
12.4	Painting of Paired Residence Buildings	18
12.5	Privacy Fences	18
12.6	Single Family Home Maintenance	18
12.7	Lakes, Lake Slopes and Canals	18
12.8	Right of Entry	18
12.9	Maintenance of Property Owned by Others	18
12.10	Driveway and Sidewalk Repair	19
13.	Easement for Unintentional and Non-Negligent Encroachments	19
14.	Requirement to Maintain Insurance	19
14.1	Liability Insurance	19
14.2	Directors and Officers Liability Insurance	19
14.3	Other Insurance	19
14.4	Developer	19
14.5	Items Not Covered By Premiums	19

14.6	Homes.....	19
14.6.1	Requirement to Maintain Insurance.....	19
14.6.2	Requirement to Reconstruct or Demolish.....	20
14.6.3	Paired Residence Buildings.....	20
14.6.4	Standard of Work.....	20
14.6.5	Additional Rights of Association.....	20
14.6.6	Association Has No Liability.....	20
14.7	Fidelity Bonds.....	20
14.8	Association as Agent.....	21
14.9	Casualty to Common Areas.....	21
14.10	Nature of Reconstruction.....	21
14.11	Additional Insured.....	21
14.12	Cost of Payment of Premiums.....	21
15.	Property Rights.....	21
15.1	Owners' Easement of Enjoyment.....	21
15.2	Ingress and Egress.....	22
15.3	Development Easement.....	22
15.4	Public Easements.....	23
15.5	Delegation of Use.....	23
15.6	Easement for Encroachments.....	23
15.7	Permits, Licenses and Easements.....	23
15.8	Support Easement and Maintenance Easement.....	23
15.9	Drainage.....	23
15.10	Club Easements.....	23
15.11	Easement for Errant Golf Balls.....	23
15.12	Golf Course Vehicle Easement.....	24
15.13	Blanket Easement in favor of Association and Master Association.....	24
15.14	Duration.....	24
16.	Club Plan.....	24
17.	Assessments.....	24
17.1	Types of Assessments.....	24
17.2	Purpose of Assessments.....	24
17.3	Designation.....	25
17.4	Allocation of Operating Costs.....	25
17.5	General Assessments Allocation.....	26
17.6	Use Fees and Individual Assessment.....	26
17.7	Commencement of First Assessment.....	26
17.8	Shortfalls and Surpluses.....	26
17.9	Budgets.....	26
17.10	Establishment of Assessments.....	26
17.11	Initial Contribution.....	27
17.12	Assessment Estoppel Certificates.....	27
17.13	Payment of Real Estate Taxes.....	27
17.14	Creation of the Lien and Personal Obligation.....	27
17.15	Subordination of the Lien to Mortgages and Club Dues.....	27
17.16	Acceleration.....	28
17.17	Non-Payment of Assessments.....	28
17.18	Exemption.....	28
17.19	Collection by Developer.....	28
17.20	Rights to Pay Assessments and Receive Reimbursement.....	28
17.21	Mortgagee Right.....	29
17.22	Collection of Master Assessments.....	29

18.	Information to Lenders and Owners.....	29
18.1	Availability	29
18.2	Copying	29
18.3	Notice.....	29
19.	Architectural Control	30
19.1	Architectural Control Committee	30
19.2	Developer Review	30
19.3	Membership	30
19.4	General Plan	30
19.5	Village Plan	30
19.6	Village Standards.....	30
19.7	Quorum.....	31
19.8	Power and Duties of the ACC.....	31
19.9	Procedure.....	31
19.10	Master ACC Authority	32
19.11	Alterations	32
19.12	Variances	32
19.13	Permits	32
19.14	Construction by Owners	32
19.15	Inspection.....	33
19.16	Violation	33
19.17	Court Costs	33
19.18	Certificate	33
19.19	Certificate of Compliance	33
19.20	Exemption.....	33
19.21	Exculpation.....	33
20.	Master Association.....	34
20.1	Master Association Easements	34
20.2	Priority of Master Association Lien.....	34
20.3	Rules and Regulations	34
21.	Owners Liability.	34
21.1	Loop System Irrigation	34
21.2	Right to Cure	34
21.3	Non-Monetary Defaults.....	35
21.4	No Waiver.....	35
21.5	Rights Cumulative	35
21.6	Enforcement By or Against Other Persons.....	35
21.7	Fines	35
22.	Additional Rights of Developer.	36
22.1	Sales and Administrative Offices.....	36
22.2	Modification	36
22.3	Promotional Events.....	36
22.4	Use by Prospective Purchasers	37
22.5	Franchises	37
22.6	Management	37
22.7	Easements	37
22.8	Right to Enforce.....	37
22.9	Additional Development.....	37
22.10	Representations.....	38
22.11	Non-Liability	38
22.12	Resolution of Disputes.....	38
22.13	Venue.....	39

22.14	Reliance	39
23.	Refund of Taxes and Other Charges	39
24.	Assignment of Powers	39
25.	General Provisions	39
25.1	Authority of Board.....	39
25.2	Severability	39
25.3	Execution of Documents.....	39
25.4	Affirmative Obligation of Association	40
25.5	Notices	40
25.6	Florida Statutes	40
25.7	Construction Activities	41

Exhibits

1. Legal Description
2. Articles of Incorporation
3. By-Laws

DECLARATION FOR

VILLAGE EMILIA

THIS DECLARATION FOR VILLAGE EMILIA (this "Declaration") is made by Verano Development LLC, a Delaware limited liability company ("Developer") and joined in by Village Emilia Association, Inc., a Florida not-for-profit corporation ("Association") and by Verano Property Owners Association, Inc., a Florida not-for-profit corporation ("Master Association").

R E C I T A L S

A. Developer is the owner of the real property in St. Lucie County, Florida, more particularly described in Exhibit 1 attached hereto and made a part hereof ("Village Emilia at Verano" or the "Village").

B. The Village is within a development of regional impact.

C. Developer desires to subject the Village to the covenants, conditions and restrictions contained in this Declaration.

D. This Declaration is a covenant running with all of the land comprising the Village, and each present and future owner of interests therein and their heirs, devisees, personal representatives, successors or assigns, are hereby subject to this Declaration.

E. NOW THEREFORE, in consideration of the promises and mutual covenants contained in this Declaration, Developer hereby declares that every portion of the Village is to be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, reservations, regulations, charges and liens hereinafter set forth.

1. Recitals. The foregoing Recitals are true and correct and are incorporated into and form a part of this Declaration.

2. Definitions. In addition to the terms defined elsewhere in this Declaration, all initially capitalized terms herein shall have the following meanings:

"ACC" shall mean the Architectural Control Committee for the Village established pursuant to Section 19 hereof.

"Articles" shall mean the Articles of Incorporation of Association filed with the Florida Secretary of State in the form attached hereto as Exhibit 2 and made a part hereof, as amended from time to time.

"Assessments" shall mean any assessments made in accordance with this Declaration and as further defined in Section 17 hereof.

"Association" shall mean the Village Emilia Association, Inc., its successors and assigns.

"Association Documents" shall mean this Declaration, the Articles, the By-Laws, the rules and regulations, and the Village Standards, if any, as amended from time to time.

"Board" shall mean the Board of Directors of Association.

"Builder" shall mean any person or entity that purchases a Parcel or Lot from Developer for the purpose of constructing one (1) or more Homes.

"By-Laws" shall mean the By-Laws of Association in the form attached hereto as Exhibit 3 and made a part hereof, as amended from time to time.

"City" shall mean the City of Port St. Lucie, Florida, including all of its agencies, divisions, departments, attorneys or agents employed to act on its behalf.

"Club" shall have the meaning set forth in the Master Declaration.

"Club Dues" shall have the meaning set forth in the Master Declaration.

"Club Expenses" shall have the meaning set forth in the Club Plan.

"Club Manager" shall have the meaning set forth in the Master Declaration.

"Club Owner" shall have the meaning set forth in the Master Declaration.

"Club Plan" shall have the meaning set forth in the Master Declaration.

"Common Areas" shall mean all real property interests and personalty within the Village designated as Common Areas from time to time by Plat, owned by Association and/or designated by a recorded amendment to this Declaration and provided for, owned, leased by, or dedicated to, the common use and enjoyment of the Owners within the Village.

"Contractors" shall have the meaning set forth in Section 19.14.2 hereof.

"County" shall mean St. Lucie County, Florida, including all of its agencies, divisions, departments, attorneys or agents employed to act on its behalf.

"Declaration" shall mean this Declaration, together with all amendments and modifications thereof.

"Development Lender" shall mean either (i) SunTrust Bank, its successors, assigns, or participants; or (ii) such other institutional lenders which have acquired a first mortgage upon any portion of Verano, which are providing or have provided acquisition, development or construction loan financing to Declarant or financing for the acquisition, development or construction of any portion of Verano.

"Developer" shall mean Verano Development LLC, and any of its designees (including its affiliated or related entities which conduct land development, homebuilding and sales activities), successors and assigns who receive a written assignment of all or some of the rights of Developer hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis. Without limiting the foregoing, Kolter Homes Verano LLC is hereby assigned, on a non-exclusive basis, all the rights of Developer hereunder.

"Home" shall mean a residential home and appurtenances thereto constructed on a Parcel within the Village. A Home shall include, without limitation, Single Family Home(s) and Paired Residence(s). The term Home may not reflect the same division of property as reflected on a Plat. A Home shall be deemed created and have perpetual existence upon the issuance of a final or temporary certificate of occupancy for such residence; provided, however, the subsequent loss of such certificate of occupancy (e.g., by casualty or remodeling) shall not affect the status of a Home, or the obligation of Owner to pay Assessments with respect to such Home. The term "Home" includes any interest in land, improvements, or other property appurtenant to the Home.

"Improvement" shall have the meaning set forth in Section 21.1 hereof.

"Individual Assessments" shall have the meaning set forth in Section 17.2.5 hereof.

"Initial Contribution" shall have the meaning set forth in Section 17.11 hereof.

"Installment Assessments" shall have the meaning set forth in Section 17.2.1 hereof.

“Lender” shall mean (i) the institutional and licensed holder of a first mortgage encumbering a Parcel, Lot, Commercial Unit or Home or (ii) Developer and its affiliates, to the extent Developer or its affiliates finance the purchase of a Home or Lot initially or by assignment of an existing mortgage.

“Lessee” shall mean the lessee named in any written lease respecting a Home who is legally entitled to possession of any rental Home within the Village.

“Lot” shall mean any platted residential lot shown on a Plat. Any two (2) or more platted lots which are under common ownership and on which a single Home has been constructed shall, unless otherwise provided in the original deed of conveyance by Developer or declaration(s) affecting such platted lots, be considered to be two (2) or more separate Lots for the purposes of voting, assessment and all other matters hereunder.

“Master ACC” shall mean the architectural control committee established by Master Association pursuant to the Master Declaration.

“Master Association” shall mean Verano Property Owners Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

“Master Community” shall mean the community in County known as Verano, which is legally described as **Exhibit 1** to the Master Declaration.

“Master Declaration” shall mean the Declaration for Verano, recorded or to be recorded in the Public Records, as the same may be amended from time to time, together with all amendments and modifications thereof.

“Master Developer” shall have the same meaning of Developer set forth in the Master Declaration.

“Member” shall have the meaning set forth in Section 7.3 hereof.

“Operating Costs” shall mean all costs and expenses of Association and the Common Areas. Operating Costs may include, without limitation, all costs of ownership; operation; administration; all amounts payable by Association; utilities; taxes; insurance; bonds; management fees; professional fees; service costs; supplies; maintenance; repairs; replacements; refurbishments; common area landscape maintenance; irrigation (including effluent-based irrigation system) and any and all costs relating to the discharge of the obligations hereunder, or as determined to be part of the Operating Costs by Association. By way of example, and not of limitation, Operating Costs shall include all of Association’s legal expenses and costs relating to or arising from the enforcement and/or interpretation of this Declaration.

“Owner” shall mean the record owner (whether one or more persons or entities) of fee simple title to any Home. The term “Owner” shall not include Developer, Club Owner or a Lender. A purchaser of a Parcel who thereafter builds one or more Homes upon such Parcel shall be deemed an Owner with respect to each Home.

“Paired Residence” shall mean each Home within the Village that is part of a Paired Residence Building.

“Paired Residence Building” shall mean a single structure containing multiple Homes in which the Homes are separated by Party Walls.

“Parcel” shall mean a platted or unplatted lot, tract, unit or other subdivision of real property upon which a Home has been, or will be, constructed. Once improved, the term Parcel shall include all improvements thereon and appurtenances thereto. The term Parcel, as used herein, may include more than one Home. A Parcel shall be deemed to contain the number of Homes which can be built on such Parcel. Developer shall determine, in its sole discretion, the number of Homes that may be built on a Parcel for the purposes of calculating Assessments.

“Party Roof” shall mean any roof built as part of the original construction of two or more Homes, which Homes are connected by one or more Party Walls.

"Party Wall" shall mean any fence or wall built as part of the original construction of two or more Homes which is placed on the dividing line or platted lot line between such Homes.

"Permit" shall have the meaning set forth in the Master Declaration.

"Plat" shall mean the plat(s) of any portion of the Village filed in the Public Records, as the same may be amended by Developer, from time to time.

"Public Records" shall mean the Public Records of County.

"Privacy Fence" shall mean any fence or wall built as part of the original construction of two Paired Residences, which is placed on the dividing line or platted lot line between such Paired Residences.

"Reserves" shall have the meaning set forth in Section 17.2.4 hereof.

"Single Family Home" shall mean each free standing single family home within the Village.

"Special Assessments" shall mean those Assessments more particularly described as Special Assessments in Section 17.2.2 hereof.

"Surface Water Management System" shall mean the collection of devices, improvements, or natural systems whereby surface waters are controlled, impounded or obstructed. This term includes exfiltration trenches, mitigation areas, lakes, retention areas, water management areas, ditches, culverts, structures, dams, impoundments, reservoirs, drainage maintenance easements, those works defined in Section 373.403(1)-(5) of the Florida Statutes and those works authorized by the SFWMD pursuant to the Permit.

"Turnover Date" shall mean the date on which transition of control of Association from Developer to Owners occurs. Without limiting the foregoing, Developer shall never be obligated to turn over Association prior to the date currently required by law.

"Use Fees" shall have the meaning set forth in Section 17.2.3 hereof.

"Village" or **"Village Emilia at Verano"** shall mean all of the real property described on **Exhibit 1** and shall include the Common Areas, each Home, Parcel, Lot, tract, unit or other subdivision of real property, subject to additions and deletions thereto as permitted pursuant to the terms of this Declaration. Developer may, when amending or modifying the description of real property which is subject to the operation of this Declaration, also amend or modify the definition of Village.

"Village Association" shall have the meaning set forth in the Master Declaration. Association is a Village Association.

"Village Completion Date" shall mean the date upon which all Homes in the Village, as ultimately planned and as fully developed, have been conveyed by Developer and/or Builder to Owners.

"Village Declaration" shall have the meaning set forth in the Master Declaration. This Declaration is a Village Declaration.

"Village Plan" shall mean collectively any full or partial concept plan for the development of the Village, as it exists as of the date of recording this Declaration, regardless of whether such plan is currently on file with one or more governmental agencies. The Village Plan is subject to change as set forth herein. The Village Plan is not a representation by Developer as to the development of Village or its amenities, as Developer reserves the right to amend all or part of the Village Plan from time to time including, but not limited to, change in the number of Homes.

"Village Standards" shall mean such standards of conduct, maintenance or other activity, if any, established by the ACC pursuant to Section 19.6 hereof.

3. **Amendment.**

3.1 **General Restrictions on Amendments.** Notwithstanding any other provision herein to the contrary, no amendment to this Declaration shall affect the rights of Developer or Club Owner unless such amendment receives the prior written consent of Developer or Club Owner, as applicable, which consent may be withheld for any reason whatsoever. No amendment shall alter the provisions of this Declaration benefiting Lenders or Development Lenders without the prior approval of the Lender(s) or Development Lender(s) enjoying the benefit of such provisions. No amendment shall be effective until it is recorded in the Public Records.

3.2 **No Vested Rights.** Each Owner by acceptance of a deed to a Home irrevocably waives any claim that such Owner has any vested rights pursuant to case law or statute with respect to this Declaration or any of the other Association Documents. It is expressly intended that Developer and Association have the unfettered right to amend this Declaration and the other Association Documents except as expressly set forth herein.

3.3 **Amendments Prior to and Including the Turnover Date.** Prior to and including the Turnover Date, Developer shall have the right to amend this Declaration as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Notwithstanding the foregoing, at all times from and after the Turnover Date Developer shall have the right to amend the Association Documents unilaterally to correct scrivener's errors.

3.4 **Amendments After the Turnover Date.** After the Turnover Date, but subject to the general restrictions on amendments set forth above, this Declaration may be amended with the approval of (i) sixty six and two-thirds percent (66⅔%) of the Board; and (ii) seventy-five percent (75%) of all of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum.

4. **Plan of Development.** The planning process for Village Emilia is an ever-evolving one and must remain flexible in order to be responsible to and accommodate the needs of Developer's buyers. Developer may wish and has the right to develop Village Emilia and any adjacent property, now or hereafter owned by Developer into residences, comprised of homes, villas, coach homes, townhomes, zero lot line homes, patio homes, condominiums, rental apartments and other forms of residential dwellings as well as commercial development. The existence at any point in time of walls, landscape screens, or berms is not a guaranty or promise that such items will remain or form part of Village Emilia as finally developed.

5. **Annexation and Withdrawal.**

5.1 **Annexation by Developer.** Prior to and including the Turnover Date, additional lands may be made part of Village Emilia by Developer, at Developer's sole discretion. Such additional lands to be annexed may or may not be adjacent to Village Emilia. Except for applicable governmental approvals (if any), no consent to such annexation shall be required from any other party (including, but not limited to, Association, Owners or any Lenders of any portion of Village Emilia, including a Home). Such annexed lands shall be brought within the provisions and applicability of this Declaration by the recording of an amendment to this Declaration in the Public Records. The amendment shall subject the annexed lands to the covenants, conditions, and restrictions contained in this Declaration as fully as though the annexed lands were described herein as a portion of Village Emilia. Such amendment may contain additions to, modifications of or omissions from the covenants, conditions, and restrictions contained in this Declaration as deemed appropriate by Developer and as may be necessary to reflect the different character, if any, of the annexed lands. Prior to and including the Turnover Date, only Developer may add additional lands to Village Emilia.

5.2 **Annexation by Association.** After the Turnover Date, and subject to applicable governmental approvals (if any), additional lands may be annexed with the approval of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of all of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum.

5.3 Withdrawal. Prior to and including the Turnover Date, any portions of Village Emilia (or any additions thereto) may be withdrawn by Developer from the provisions and applicability of this Declaration by the recording of an amendment to this Declaration in the Public Records. The right of Developer to withdraw portions of Village Emilia shall not apply to any Home which has been conveyed to an Owner unless that right is specifically reserved in the instrument of conveyance or the prior written consent of the Owner is obtained. The withdrawal of any portion of Village Emilia shall not require the consent or joinder of any other party (including, but not limited to, Association, Owners, or any Lenders of any portion of Village Emilia). Association shall have no right to withdraw land from Village Emilia.

6. Dissolution.

6.1 Generally. In the event of the dissolution of Association without reinstatement within thirty (30) days, other than incident to a merger or consolidation, any Owner may petition the circuit court of the appropriate judicial circuit of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and to manage the Common Areas in the place and stead of Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association. In the event Association is dissolved, and any portion of the Surface Water Management System is part of the Common Areas, the Surface Water Management System shall be conveyed to the District or an appropriate agency of local government and, if not accepted, then the Surface Water Management System shall be dedicated to a similar non-profit corporation.

6.2 Applicability of Declaration after Dissolution. In the event of dissolution of Association, Village Emilia and each Home therein shall continue to be subject to the provisions of this Declaration, including, without limitation, the provisions respecting Assessments and Club Dues specified in this Declaration and/or Club Plan. Each Owner shall continue to be personally obligated to the successors or assigns of Association and/or Club Owner for Assessments and Club Dues to the extent that Assessments and Club Dues are required to enable the successors or assigns of Association to properly maintain, operate and preserve the Common Areas and/or Club. Without limiting the foregoing, the obligation of each Owner to pay the Club Membership Fee shall survive the dissolution of Association. The provisions of this Section shall only apply with regard to the maintenance, operation, and preservation of those portions of Village Emilia which had been Common Areas and/or comprised part of the Club and continue to be so used for the common use and enjoyment of the Owners.

7. Binding Effect and Membership.

7.1 Term. This Declaration and all covenants, conditions and restrictions contained in this Declaration are equitable servitudes, perpetual and run with the land. Each Owner, by acceptance of a deed to a Home, Parcel, or Lot, and any person claiming by, through or under such Owner (i) agrees to be subject to the provisions of this Declaration and (ii) irrevocably waives any right to deny, and any claim, that this Declaration and all covenants, conditions and restrictions contained in this Declaration are not enforceable under the Marketable Record Titles to Real Property Act, Chapter 712 of the Florida Statutes. It is expressly intended that the Marketable Record Titles to Real Property Act will not operate to extinguish any encumbrance placed on the Village by this Declaration. It is further expressly intended that no re-filing or notice of preservation is necessary to continue the applicability of this Declaration and the applicability of all covenants, conditions, and restrictions contained in this Declaration. This provision is not subject to amendment, except by Developer.

7.2 Transfer. The transfer of the fee simple title to a Home, whether voluntary or by operation of law, terminating the Owner's title to that Home shall terminate the Owner's rights to the use of and enjoyment of the Common Areas as it pertains to that Home and shall terminate such Owner's membership in Association. An Owner's rights and privileges under this Declaration are not assignable separately from a Home. The Owner of each Home is entitled to the benefits of, and is burdened with the duties and responsibilities set forth in, the provisions of this Declaration. All parties acquiring any right, title and interest in and to any Home shall be fully bound by the provisions of this Declaration. In no event shall any Owner acquire any rights that are greater than the rights granted to, and limitations placed upon its predecessor in title pursuant to the provisions of this Declaration. In the event that any Owner desires to sell or otherwise transfer title of his or her Home, such Owner shall give the Board written notice of the name and address of the purchaser or transferee, the date on which such transfer of title is to take place, and such other information as the Board may reasonably require. The transferor shall remain jointly and severally

liable with the transferee for all obligations of the Owner and the Home pursuant to this Declaration including, without limitation, payment of all Assessments accruing prior to the date of transfer. Until written notice is received as provided in this Section, the transferor and transferee shall be jointly and severally liable for Assessments accruing subsequent to the date of transfer. In the event that upon the conveyance of a Home an Owner fails in the deed of conveyance to reference the imposition of this Declaration on the Home, the transferring Owner shall remain liable for Assessments accruing on the Home from and after the date of conveyance.

7.3 Membership. Upon acceptance of title to a Home, and as more fully provided in the Articles and By-Laws, each Owner (or his or her Lessee, if applicable) shall be a member of Association (a "Member"). In the event there are multiple Owners of a Home, all such Owners shall designate who are to be the occupants of the Home and register such persons with Association. Membership rights are governed by the provisions of this Declaration, the deed to a Home, the Articles and By-Laws. Membership shall be an appurtenance to and may not be separated from, the ownership of a Home. Developer rights with respect to Association are set forth in this Declaration, the Articles and By-Laws.

7.4 Ownership by Entity. In the event that an Owner of the Home is other than a natural person, that Owner shall, prior to occupancy of the Home, designate one or more persons who are to be the occupants of the Home and register such persons with Association. All provisions of this Declaration and the other Association Documents shall apply to both such Owner of the Home and the designated occupants.

7.5 Voting Interests. Voting interests in Association are governed by the provisions of the Articles and By-Laws.

7.6 Document Recordation by Owners Prohibited. Neither Association nor any Owner, nor group of Owners, may record any documents which, in any way, affect or restrict the rights of Developer or Club Owner, or conflict with the provisions of this Declaration or the other Association Documents.

7.7 Composition of Board. Developer reserves the right to change, from time to time prior to and including Turnover Date, the composition of the Board. Without limiting the foregoing, Developer may change the number of Board members, the effect of a vote by a Board member, or how a Board member is elected or appointed prior to and including Turnover Date.

7.8 Conflicts. In the event of any conflict among this Declaration, the Master Declaration, the Articles, the By-Laws or any of the other Association Documents, the Master Declaration shall control. Notwithstanding the foregoing, in the event this Declaration is more restrictive than the Master Declaration, this Declaration shall control. In the event of any conflict among this Declaration, the Articles, the By-Laws or any other Association Documents, this Declaration shall control.

8. Paramount Right of Developer. Notwithstanding anything to the contrary herein, prior to the Community Completion Date Developer shall have the paramount right to dedicate, transfer, and/or convey (by absolute conveyance, easement, or otherwise) portions of Village Emilia for various public purposes or to make any portions of Village Emilia part of the Common Areas, or to create and implement a special taxing district which may include all or any portion of Village Emilia. In addition, the Common Areas of Village Emilia may include decorative improvements, berms and waterbodies. Notwithstanding anything to the contrary herein, the waterbodies may be dry during certain weather conditions or during certain times of the year. Developer may remove, modify, eliminate or replace these items from time to time in its sole discretion. SALES BROCHURES, SITE PLANS, AND MARKETING MATERIALS ARE CURRENT CONCEPTUAL REPRESENTATIONS AS TO WHAT FACILITIES, IF ANY, WILL BE INCLUDED WITHIN THE COMMON AREAS. DEVELOPER SPECIFICALLY RESERVES THE RIGHT TO CHANGE THE LAYOUT, COMPOSITION, AND DESIGN OF ANY AND ALL COMMON AREAS AT ANY TIME WITHOUT NOTICE AT ITS DISCRETION.

9. Operation of Common Areas.

9.1 Prior to Conveyance. Prior to the conveyance, identification and/or dedication of the Common Areas to Association as set forth in Section 9.4 herein, any portion of the Common Areas owned by Developer shall

be operated, maintained, and administered at the sole cost of Association for all purposes and uses reasonably intended, as Developer in its sole discretion deems appropriate. During such period, Developer shall own, operate, and administer the Common Areas without interference from any Owner or Lender of a Parcel or Home or any other person or entity whatsoever. Owners shall have no right in or to any Common Areas referred to in this Declaration unless and until same are actually constructed, completed, and conveyed to, operated by, dedicated to, and/or maintained by Association. The current conceptual plans and/or representations, if any, regarding the composition of the Common Areas are not a guarantee of the final composition of the Common Areas. No party should rely upon any statement contained herein as a representation or warranty as to the extent of the Common Areas to be owned, operated by, or dedicated to Association. Developer, so long as it controls Association, further specifically retains the right to add to, delete from, or modify any of the Common Areas referred to herein in its sole discretion and without notice.

9.2 Construction of Common Areas Facilities. Developer has constructed or will construct certain facilities and improvements as part of the Common Areas, together with equipment and personalty contained therein, and such other improvements and personalty as Developer determines in its sole discretion. Developer shall be the sole judge of the composition of such facilities and improvements. Prior to the Village Completion Date Developer reserves the absolute right to construct additional Common Areas facilities and improvements within the Village, from time to time, in its sole discretion, and to remove, add to, modify and change the boundaries, facilities and improvements now or then part of the Common Areas. Developer is not obligated to, nor has it represented that it will, modify or add to the facilities, improvements, or Common Areas as they are contemplated as of the date hereof. Developer is the sole judge of the foregoing, including the plans, specifications, design, location, completion schedule, materials, size, and contents of the facilities, improvements, appurtenances, personalty (e.g., furniture), color, textures, finishes, or Common Areas, or changes or modifications to any of them.

9.3 Use of Common Areas by Developer. Until the Village Completion Date, Developer shall have the right to use any portion of the Common Areas, without charge, for any purpose deemed appropriate by Developer.

9.4 Conveyance.

9.4.1 Generally. Within sixty (60) days after the Turnover Date, or earlier as determined by Developer, in its sole discretion, or as may be required by applicable law, all or portions of the Common Areas shall be dedicated by Plats, created in the form of easements, or conveyed by written instrument recorded in the Public Records, or by Quitclaim Deed from Developer to Association. Association shall pay all of the costs of the conveyance. The dedication, creation by easement, or conveyance shall be subject to easements, restrictions, reservations, conditions, limitations, and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership operation, maintenance, and administration of the conveyed portions of Common Areas and other obligations relating to the Common Areas imposed herein. Association shall, and does hereby, indemnify and hold Developer harmless on account thereof. Association, by its joinder in this Declaration, hereby accepts such dedication(s) or conveyance(s) without setoff, condition, or qualification of any nature. The Common Areas, personal property and equipment thereon and appurtenances thereto shall be dedicated or conveyed in "as is, where is" condition WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF THE COMMON AREAS BEING CONVEYED.

9.4.2 Form of Deed. Each deed of the Common Areas shall be subject to the following provisions:

9.4.2.1 a perpetual nonexclusive easement in favor of governmental agencies for the maintenance and repair of existing road, speed and directional signs, if any;

9.4.2.2 matters reflected in the Plat;

9.4.2.3 a perpetual non-exclusive easements in favor of Developer, its successors, and assigns in, to, upon and over all of the Common Areas for the purpose of vehicular and pedestrian ingress and

egress, installation of utilities, landscaping and/or drainage, without charge, including, without limitation, the right to use such roadways for construction vehicles and equipment. The easements reserved in the deed shall run in favor of Developer, and its employees, representatives, agents, licensees, guests, invitees, successors and/or assigns;

9.4.2.4 all restrictions, easements, covenants and other matters of record;

9.4.2.5 in the event that Association believes that Developer shall have failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas conveyed herein are defective in any respect, Association shall give written notice to Developer detailing the alleged failure or defect. Once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas. Association's failure to give the notice and/or otherwise comply with the provisions of this Section will damage Developer. At this time, it is impossible to determine the actual damages Developer might suffer. Accordingly, if Association fails to comply with its obligations under this Section in any respect, Association shall pay to Developer liquidated damages in the amount of \$500,000.00 which Association and Developer agree is a fair and reasonable remedy; and

9.4.2.6 a reservation of right in favor of Developer (so long as Developer owns any portion of the Village) to require that Association reconvey all or a portion of the Common Areas conveyed by quitclaim deed in favor of Developer in the event that such property is required to be owned by Developer for any purpose, including, without limitation, the reconfiguration of any adjacent property by replatting or otherwise.

9.5 Operation After Conveyance. After the conveyance or dedication of any portion of the Common Areas to Association, the portion of the Common Areas so dedicated shall be owned, operated and administered by Association for the use and benefit of the owners of all property interests in the Village including, but not limited to, Association, Developer, Club Owner, Owners and any Lenders or Development Lenders. Subject to Association's right to grant easements, and other interests as provided herein, Association may not convey, abandon, alienate, encumber, or transfer all or a portion of the Common Areas to a third party without (i) if prior to the Turnover Date, the approval of (a) a majority of the Board; and (b) the consent of Developer and Club Owner, or (ii) from and after the Turnover Date, approval of (a) sixty-six and two-thirds percent (66 2/3%) of the Board; (b) seventy-five percent (75%) of all of the votes in Association; and (c) consent of the Club Owner being first had and obtained.

9.6 Paved Areas. The Common Areas may also contain certain paved areas. Without limiting any other provision of this Declaration, Association is responsible for the maintenance and/or resurfacing of all paved surfaces, including but not limited to, roads, pathways, bicycle paths, and sidewalks forming a part of the Common Areas, if any. Although pavement appears to be a durable material, it requires maintenance. Association shall have the right, but not the obligation, to arrange for an annual inspection of all paved surfaces forming a part of the Common Areas by a licensed paving contractor and/or engineer. The cost of such inspection shall be a part of the Operating Costs of Association. Association shall determine annually the parameters of the inspection to be performed, if any. By way of example, and not of limitation, the inspector may be required to inspect the roads and sidewalks forming part of the Common Areas annually for deterioration and to advise Association of the overall pavement conditions including any upcoming maintenance needs. Any patching, grading, or other maintenance work should be performed by a company licensed to perform the work. From and after the Village Completion Date, Association should monitor the roads and sidewalks forming the Common Areas monthly to ensure that vegetation does not grow into the asphalt and that there are no eroded or damaged areas that need immediate maintenance.

9.7 Delegation. Once conveyed or dedicated to Association, the Common Areas and facilities and improvements located thereon shall, subject to the provisions of this Declaration and the document of conveyance or dedication, at all times be under the complete supervision, operation, control, and management of Association. Notwithstanding the foregoing, Association may delegate all or a portion of its obligations hereunder to a licensed

manager or professional management company. Association specifically shall have the right to pay for management services on any basis approved by the Board (including bonuses or special fee arrangements for meeting financial or other goals). Developer, its affiliates and/or subsidiaries shall have the right to manage Association. Owners and Association acknowledge that it is fair and reasonable to have Developer, its affiliates and/or subsidiaries manage Association. Further, in the event that a Common Area is created by easement, Association's obligations and rights with respect to such Common Area may be limited by the terms of the document creating such easement.

9.8 Use.

9.8.1 Nonexclusive Use. The Common Areas shall be used and enjoyed by the Owners on a non-exclusive basis in common with other persons, entities and corporations (who may, but are not required to be, members of Association) entitled to use those portions of the Common Areas. Prior to the Village Completion Date, Developer, and thereafter, Association, has the right, at any and all times, and from time to time, to further provide and make the Common Areas available to other individuals, persons, firms, or corporations, as it deems appropriate. The granting of such rights shall not invalidate this Declaration, reduce or abate any Owner's obligations pursuant to this Declaration, or give any Owner the right to avoid any of the covenants, agreements or obligations to be performed hereunder. Without limiting the foregoing, Club Owner and all persons having a right to use the Club (whether or not they are Owners or members of the general public) shall have the right to use the Common Areas for pedestrian and vehicular ingress and egress to the Club for all purposes, and for maintenance, repair, and replacement of the Club beyond completion and turnover of the Association from Developer to the Owners.

9.8.2 Right to Allow Use. Developer and/or Association may enter into easement agreements or other use or possession agreements whereby the Owners, the City, Association and/or others may obtain the use, possession of, or other rights regarding certain property, on an exclusive or non-exclusive basis, for certain specified purposes. Association may agree to maintain and pay the taxes, insurance, administration, upkeep, repair, and replacement of such property, the expenses of which shall be Operating Costs. Any such agreement by Association prior to the Village Completion Date shall require the consent of Developer and Club Owner. Thereafter, any such agreement shall require the approval of the majority of the Board and the consent of Club Owner, which consent shall not be unreasonably withheld or delayed.

9.8.3 Obstruction of Common Areas. No portion of the Common Areas may be obstructed, encumbered, or used by Owners for any purpose other than as permitted by Association.

9.8.4 Assumption of Risk. BY ACCEPTANCE OF A DEED, EACH OWNER ACKNOWLEDGES THAT THE COMMON AREAS MAY CONTAIN WILDLIFE SUCH AS ALLIGATORS, DOGS, RACCOONS, SNAKES, DUCKS, DEER, SWINE, TURKEYS, AND FOXES. DEVELOPER, BUILDERS, MASTER ASSOCIATION, ASSOCIATION, ALL OTHER VILLAGE ASSOCIATIONS, CLUB OWNER, AND CLUB MANAGER SHALL HAVE NO RESPONSIBILITY FOR MONITORING SUCH WILDLIFE OR NOTIFYING OWNERS OR OTHER PERSONS OF THE PRESENCE OF SUCH WILDLIFE. EACH OWNER AND HIS OR HER GUESTS AND INVITEES ARE RESPONSIBLE FOR THEIR OWN SAFETY.

9.8.5 Owner's Obligation to Indemnify. Each Owner agrees to indemnify and hold harmless Developer, Master Association, Association, all other Village Associations, Club Owner, Club Manager, their shareholders, officers, partners, members, agents, employees, affiliates, directors, consultants and attorneys in-house and outsourced (collectively, the "Indemnified Parties"), against all actions, injury, claims, loss, liability, damages, costs and expenses of any kind or nature whatsoever ("Losses") incurred by or asserted against any of the Indemnified Parties from and after the date hereof, whether direct, indirect, or consequential, as a result of or in any way related to the Common Areas including, without limitation, use of the lakes and other waterbodies within the Village by Owners, and their guests, family members, invitees, or agents, or the interpretation of this Declaration and/or exhibits attached hereto and/or from any act or omission of Developer, Master Association, Association, all other Village Associations, Club Owner, or Club Manager or of any of the Indemnified Parties. Should any Owner bring suit against Developer, Master Association, Association, all other Village Associations, Club Owner or Club Manager or any of the Indemnified Parties for any claim or matter and fail to obtain judgment therein against such Indemnified Parties, such Owner shall be liable to such parties for all Losses, costs and expenses incurred by the

Indemnified Parties in the defense of such suit, including attorneys' fees, paraprofessional fees and costs, pre-trial and at all levels of proceedings, including appeals.

10. Party Walls. The provisions of this Section 10 shall apply to Paired Residences only.

10.1 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Section, the general rule of law regarding party walls and liability for personal damage due to negligence of willful acts or omissions shall apply to all Party Walls within the Village which are built by Developer as part of the original construction of the Paired Residences and any replacement thereof. In the event any portion of any structure or facility, as originally constructed by Developer including, without limitation, any Party Wall, shall protrude over an adjoining Home, it shall be deemed that such Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the projection or Party Wall. The foregoing shall also apply to any replacements of any Party Walls. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

10.2 Sharing of Repair, Replacement and Maintenance for Party Walls.

10.2.1 Generally. Owners shall pay Individual Assessments for the repair, replacement and/or maintenance of the Party Walls. The cost of reasonable repair and maintenance of Party Walls (other than painting) shall be shared equally by the Owners of the Homes sharing such improvements without prejudice, subject however, to the right of Association to call for a larger contribution from an Owner under any rule of law regarding liability for negligent or willful acts or omissions. Association shall have the right, but not the obligation, to advance monies for the repair, replacement and/or maintenance of Party Wall(s) and charge the responsible Owner(s) an Individual Assessment for such Owner's pro rata share of the costs.

10.2.2 Failure to Contribute. In the event that an Owner shall fail or refuse to pay his pro rata share of costs of repair, maintenance or replacement of a Party Wall (whether or not through his own fault or the failure of his insurance company to pay any claim), then and in that event, Association shall have a right to file a claim of lien for such monies advanced in the Public Records and shall have the right to foreclose such lien in accordance with the same procedural requirements as now provided for in Florida Statutes for foreclosure of a construction lien; provided, however, such claim of lien shall be filed within ninety (90) days from date repairs or replacements are made to Party Wall and suit thereon shall be commenced one (1) year from date such lien is filed. Notwithstanding the foregoing, Association shall have the right, but not the obligation, to advance monies for the repair, replacement and/or maintenance of Party Wall(s) and charge the responsible Owner(s) an Individual Assessment for such Owner's pro rata share of the costs.

10.2.3 Alterations. The Owner of a Home sharing a Party Wall with an adjoining Home shall not cut windows or other openings in the Party Wall, nor make any alterations, additions or structural changes in the Party Wall without the joint agreement of all of the Owners sharing the Party Wall.

10.2.4 Weatherproofing. Notwithstanding any other provisions of this Declaration, an Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

10.2.5 Easements. Association and each Owner sharing a Party Wall shall have all easement rights reasonably necessary to perform the obligations contained herein over the Homes sharing the Party Wall.

10.2.6 Reserves. Association may, but shall not be obligated to, maintain Reserves for Party Walls and painting of the Paired Residences. Association will advance monies for the repair, replacement and/or maintenance of Party Wall(s) and charge the Owners of the Homes sharing such improvements a Individual Assessment for such Owners' pro rata share of the costs. Initially, there will be no Reserves established; however, Association, in its sole discretion, may elect to establish Reserves at a later time. Association, at all times, shall have the right to establish and collect Reserves for Party Walls at any time.

11. Party Roofs. The provisions of this Section 11 shall apply to Paired Residences only.

11.1 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Section, the general rule of law regarding party roofs and liability for personal damage due to negligence of willful acts or omissions shall apply to all Party Roofs within the Village which are built by Developer as part of the original construction of the Homes and any replacement thereof. In the event any portion of any structure or facility, as originally constructed by Developer including, without limitation, any Party Roof, shall protrude over an adjoining Home, it shall be deemed that such Owners have granted perpetual easements to the adjoining Owner or Owners for continuing maintenance and use of the protruding structure, facility or Party Roof. The foregoing shall also apply to any replacements of Party Roofs. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

11.2 Sharing of Repair, Replacement and Maintenance for Party Roofs.

11.2.1 Generally. Owners shall pay Individual Assessments for the repair, replacement and/or maintenance of the Party Roofs. The cost of reasonable repair and maintenance of Party Roofs shall be shared equally by the Owners of the Homes sharing such improvements without prejudice, subject however, to the right of any Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

11.2.2 Failure to Contribute. In the event that an Owner fails or refuses to pay his or her pro rata share of costs to repair, maintain and/or replace his or her portion of the Party Roof (whether or not through his or her own fault or the failure of his or her insurance company to pay any claim), then and in that event, Association shall have the right to file a claim of lien in the Public Records for such monies advanced and shall have the right to foreclose such lien in accordance with the same procedural requirements as now provided for in Florida Statutes for foreclosure of a construction lien; provided, however, such claim of lien shall be filed within ninety (90) days from the date repairs, replacements and/or maintenance are made to the Party Roof and the suit thereon shall be commenced one (1) year from the date such lien is filed. Notwithstanding the foregoing, Association shall have the right, but not the obligation, to advance monies for the repair, replacement and/or maintenance of Party Roof(s) and charge the responsible Owner(s) an Individual Assessment for such Owner's pro rata share of the costs.

11.3 Alterations. Subject to applicable building codes, the Owner of a Home sharing a Party Roof with an adjoining Home shall not make any alterations, additions or structural changes in the Party Roof without the written consent of the ACC.

11.4 Easements. Each Owner sharing a Party Roof shall have all easement rights reasonably necessary to perform the obligations contained herein over the Homes sharing the Party Roof.

11.5 Reserves. Association may, but shall not be obligated to, maintain Reserves for Party Roofs. Association will advance monies for the repair, replacement and/or maintenance of Party Roof(s) and charge the responsible Owners of the Homes sharing such improvements a Individual Assessment for such Owners' pro rata share of the costs. Initially, there will be no Reserves established; however, Association, in its sole discretion, may elect to establish Reserves at a later time. Association, at all times, shall have the right to establish and collect Reserves for Party Roofs at any time.

12. Maintenance by Association.

12.1 Common Areas. Except as otherwise specifically provided in this Declaration to the contrary, Association shall at all times maintain, repair, replace and insure the Common Areas, including all improvements placed thereon.

12.2 Canvas Canopies. Association shall be responsible for the removal of all canvas canopies including, but not limited to, mailbox and entrance canopies, if any, located within the Common Areas of the Community in the event winds are forecasted to exceed fifty (50) miles per hour. The expense of such removal shall be part of the Operating Costs of Association. Additionally, under the same wind conditions, each Owner shall be

responsible, at its sole cost and expense, for the removal of all canvas canopies located within its respective Home and yard.

12.3 Lawn Maintenance. Association shall maintain the entire yard of Homes and the cost thereof shall form part of Operating Costs. Lawn maintenance includes cutting grass, edging, fertilization, exterior pest control, irrigation system maintenance, and maintenance of trees and hedges. Paired Residences and Single Family Homes shall not pay the same Assessment amount due to the difference in Lot and yard sizes. Lawn and landscape maintenance relating to the Common Areas (including, but not limited to, maintenance of lake slopes, embankments and Lake Easement Areas) shall be coordinated with the Master Association to ensure a uniform and consistent look throughout the Village.

12.4 Painting of Paired Residence Buildings. Association shall be responsible for painting the exterior of the Paired Residence Buildings and the cost of which shall be assessed to Owners as a Individual Assessment.

12.5 Privacy Fences. Association shall be responsible for maintaining and repairing all Privacy Fences. Owners shall pay Individual Assessments for the repair, replacement and/or maintenance of Privacy Fences. The cost of reasonable repair and maintenance of Privacy Fences shall be shared equally by the Owners of the Homes sharing such improvements without prejudice, subject however, to the right of any Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions. Notwithstanding the foregoing, Association shall have the right, but not the obligation, to advance monies for the repair, replacement and/or maintenance of Privacy Fences and charge the responsible Owner(s) an Individual Assessment for such Owner's pro rata share of the costs.

12.6 Single Family Home Maintenance. Except when provided otherwise by an amendment to this Declaration or the provisions of the Master Declaration, and notwithstanding Association's responsibility to maintain the entire yard of Homes, the exterior of each Single Family Home will be maintained by the respective Owner of the Single Family Home.

12.7 Lakes, Lake Slopes and Canals. Certain lakes, lake slopes, and embankments located within the Village shall be maintained by Association, the cost of which shall be included in Operating Costs; however, such lakes, lake slopes and embankments may be owned by other entities, such as the Master Association or a District (as defined in the Master Declaration). A twenty-foot (20') lake maintenance easement ("Lake Easement Areas") around the lakes in the Village shall exist in favor of Association and Master Association. Master Association shall maintain certain lake slopes and embankments including, but not limited to, the Lake Easement Areas and Association shall maintain other such portions. Notwithstanding the foregoing for all Lots within Village Emilia at Verano which abut a lake, canal or other water body, Association shall be responsible for maintaining the lake slopes abutting such Lot at its sole cost and expense. Such lake slopes shall be maintained by Association in a neat and orderly condition.

12.8 Right of Entry. Developer, Club Owner, Association, Master Association, County and City are granted a perpetual and irrevocable easement over, under and across the Village for the purposes herein expressed, including, without limitation, for inspections to ascertain compliance with the provisions of this Declaration, and for the performance of any maintenance, alteration or repair which it is entitled to perform. Without limiting the foregoing, Developer specifically reserves easements for all purposes necessary to comply with any governmental requirement or to satisfy any condition that is a prerequisite for a governmental approval. By way of example, and not of limitation, Developer may construct, maintain, repair, alter, replace and/or remove improvements; install landscaping; install utilities; and/or remove structures on any portion of the Village if Developer is required to do so in order to obtain the release of any bond posted with any governmental agency.

12.9 Maintenance of Property Owned by Others. Association shall, if designated by Master Association, or Developer by amendment to this Declaration or by other notice or direction, maintain vegetation, landscaping, sprinkler system, community identification/features and/or other areas or elements designated by Developer and/or Master Association, upon areas which are within or outside of the Village and which are owned by, or dedicated to, others including, but not limited to, a utility, governmental or quasi-governmental entity, so as to enhance the appearance of the Village. These areas may include (by way of example and not limitation) swale areas, lakes, lake slopes, and embankments landscape buffer areas, berm areas or median areas within the right-of-

way of public streets, roads, drainage areas, community identification or entrance features, community signage or other identification and/or areas within canal rights-of-ways or other abutting waterways. To the extent there is any agreement between Developer and Association for the maintenance of any lakes or ponds outside the Village, Association shall maintain the same as part of the Common Areas.

12.10 Driveway and Sidewalk Repair. Each Owner shall be responsible to properly and timely repair, maintain and/or replace the driveway which comprises part of a Home and the sidewalk abutting the front Lot of the Home including, but not limited to, any damage caused by Developer, Association or by the holder of any easement over which such driveway or sidewalk is constructed. Each Owner, by acceptance of a deed to a Home, shall be deemed to have agreed to indemnify and hold harmless Association and the holder of any such easement including, without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common Areas and any easement or the construction and/or maintenance of any driveway or sidewalk in that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse Association any expense incurred in repairing any damage to such driveway or sidewalk in the event that such Owner fails to make the required repairs, together with interest at the highest rate allowed by law.

13. Easement for Unintentional and Non-Negligent Encroachments. If any other building or improvement on a Home shall encroach upon another Home by reason of original construction by Developer, then an easement for such encroachment shall exist so long as the encroachment exists. It is contemplated that each Home shall contain an improvement with exterior walls, footings, and other protrusions which may pass over or underneath an adjacent Home. A perpetual nonexclusive easement is herein granted to allow the footers for such walls and such other protrusions and to permit any natural water run off from roof overhangs, eaves and other protrusions onto an adjacent Home.

14. Requirement to Maintain Insurance. Association shall maintain the following insurance coverage:

14.1 Liability Insurance. Commercial general liability insurance coverage providing coverage and limits deemed appropriate. Such policies must provide that they may not be canceled or substantially modified by any party, without at least thirty (30) days' prior written notice to Developer (until the Village Completion Date), Club Owner and Association.

14.2 Directors and Officers Liability Insurance. Each member of the Board shall be covered by directors and officers liability insurance in such amounts and with such provisions as approved by the Board.

14.3 Other Insurance. Such other insurance coverage as appropriate from time to time. All coverage obtained by Association shall cover all activities of Association and all properties maintained by Association, whether or not Association owns title thereto.

14.4 Developer. Prior to and including the Turnover Date, Developer shall have the right, at Association's expense, to provide any such insurance coverage it deems appropriate under its master insurance policy in lieu of any of the foregoing.

14.5 Items Not Covered By Premiums. Each Owner acknowledges that certain items will not be covered by insurance policies maintained by the Association, including but not limited to, deductibles and landscaping. The cost incurred by Association regarding such items shall be assessed to all Owners as a Special Assessment.

14.6 Homes.

14.6.1 Requirement to Maintain Insurance. Each Owner shall be required to obtain and maintain adequate insurance of his or her Home. Such insurance shall be sufficient for necessary repair or reconstruction work, and/or shall cover the costs to demolish a damaged Home, remove the debris, and to resod and landscape land comprising the Home. Owners of Paired Residences shall name Association as additional insured.

Upon the request of Association, each Owner shall be required to supply the Board with evidence of insurance coverage on his Home which complies with the provisions of this Section. Without limiting any other provision of this Declaration or the powers of Association, Association shall specifically have the right to bring an action to require an Owner to comply with his or her obligations hereunder.

14.6.2 Requirement to Reconstruct or Demolish. In the event that any Home is destroyed by fire or other casualty, the Owner of such Home shall do one of the following: the Owner shall commence reconstruction and/or repair of the Home ("**Required Repair**"), or Owner shall tear the Home down, remove all the debris, and resod and landscape the property comprising the Home as required by the ACC ("**Required Demolition**") to the extent permitted under law. If an Owner elects to perform the Required Repair, such work must be commenced within thirty (30) days of the Owner's receipt of the insurance proceeds respecting such Home. If an Owner elects to perform the Required Demolition, the Required Demolition must be completed within six (6) months from the date of the casualty or such longer period of time established by the Board in its sole discretion subject to extension if required by law. If an Owner elects to perform the Required Repair, such reconstruction and/or repair must be completed in a continuous, diligent, and timely manner. Association shall have the right to inspect the progress of all reconstruction and/or repair work. Without limiting any other provision of this Declaration or the powers of Association, Association shall have a right to bring an action against an Owner who fails to comply with the foregoing requirements. By way of example, Association may bring an action against an Owner who fails to either perform the Required Repair or Required Demolition on his or her Home within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit or a demolition permit in no way shall be deemed to satisfy the requirements set forth herein, which are independent of, and in addition to, any requirements for completion of work or progress requirements set forth in applicable statutes, zoning codes, and/or building codes.

14.6.3 Paired Residence Buildings. Certain Homes are separated by Party Walls but form part of a Paired Residence Building. Notwithstanding anything to the contrary herein, any Owner of a Home within a Paired Residence Building must have the written agreement of all of the Owners of Homes within such Paired Residence Building before any Required Demolition can be commenced. Such written agreement must be presented to the ACC before any Required Demolition can commence. If all of the Owners of Homes within a Paired Residence Building do not agree to the Required Demolition, then such Required Demolition shall not be commenced by any Owner of a Home within a Paired Residence Building and all Owners of damaged or destroyed Homes within such Paired Residence Building shall perform Required Repair with respect to such Homes.

14.6.4 Standard of Work. The standard for all demolition, reconstruction, and other work performed as required by this Section shall be in accordance with the Village Standards and any other standards established by Association with respect to any casualty that affects all or a portion of the Village.

14.6.5 Additional Rights of Association. If an Owner refuses or fails, for any reason, to perform the Required Repair or Required Demolition as herein provided, then Association, in its sole discretion, by and through its Board is hereby irrevocably authorized by such Owner to perform the Required Repair or Required Demolition. All Required Repair performed by Association pursuant to this Section shall be in conformance with the original plans and specifications for the Home. Association shall have the absolute right to perform the Required Demolition to a Home pursuant to this Section if any contractor certifies in writing to Association that such Home cannot be rebuilt or repaired. The Board may levy an Individual Assessment against the Owner in whatever amount sufficient to adequately pay for Required Repair or Required Demolition performed by Association.

14.6.6 Association Has No Liability. Notwithstanding anything to the contrary in this Section, Association, its directors and officers, shall not be liable to any Owner should an Owner fail for any reason whatsoever to obtain insurance coverage on a Home. Moreover, Association, its directors and officers, shall not be liable to any person if Association does not enforce the rights given to Association in this Section.

14.7 Fidelity Bonds. If available, Association shall obtain a blanket fidelity bond for all officers, directors, trustees and employees of Association, and all other persons handling or responsible for funds of, or administered by, Association. In the event Association delegates some or all of the responsibility for the handling of the funds to a professional management company or licensed manager, such bonds shall be required for its officers, employees and agents, handling or responsible for funds of, or administered on behalf of Association. The amount

of the fidelity bond shall be based upon reasonable business judgment. The fidelity bonds required herein must meet the following requirements (to the extent available at a reasonable premium):

14.7.1 The bonds shall name Association as an obligee.

14.7.2 The bonds shall contain waivers, by the issuers of the bonds, of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee" or similar terms or expressions.

14.7.3 The premiums on the bonds (except for premiums on fidelity bonds maintained by a professional management company, or its officers, employees and agents), shall be paid by Association.

14.7.4 The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to Developer (until the Village Completion Date), Club Owner and Association.

14.8 Association as Agent. Association is irrevocably appointed agent for each Owner of any interest relating to the Common Areas to adjust all claims arising under insurance policies purchased by Association and to execute and deliver releases upon the payment of claims.

14.9 Casualty to Common Areas. In the event of damage to the Common Areas, or any portion thereof, Association shall be responsible for reconstruction after casualty. In the event of damage to a Parcel, Lot or Home, or any portion thereof, the Owner shall be responsible for reconstruction after casualty.

14.10 Nature of Reconstruction. Any reconstruction of improvements hereunder shall be substantially in accordance with the plans and specifications of the original improvement, or as the improvement was last constructed, subject to modification to conform with the then current governmental regulation(s).

14.11 Additional Insured. Developer, Club Owner and its respective Lender(s) or Development Lender(s) shall be named as additional insured on all policies obtained by Association, as their interests may appear.

14.12 Cost of Payment of Premiums. The costs of all insurance maintained by Association hereunder, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof are Operating Costs. Notwithstanding the foregoing, the costs of items not covered by insurance premiums (e.g., deductibles, landscaping, etc.) shall be assessed to all Owners as a Special Assessment.

15. Property Rights.

15.1 Owners' Easement of Enjoyment. Every Owner, and its immediate family, tenants, guests and invitees, and every owner of an interest in the Village shall have a non-exclusive right and easement of enjoyment in and to those portions of the Common Areas which it is entitled to use for their intended purpose, subject to the following provisions:

15.1.1 Easements, restrictions, reservations, conditions, limitations and declarations of record, now or hereafter existing, and the provisions of this Declaration, as amended.

15.1.2 The right of Association to suspend an Owner's rights hereunder or to impose fines in accordance with Section 720.305, Florida Statutes, as amended from time to time.

15.1.3 The right to suspend the right to use all (except vehicular and pedestrian ingress and egress and necessary utilities) or a portion of the Common Areas by an Owner, its immediate family, etc. for any period during which any Assessment against that Owner remains unpaid.

15.1.4 The right of Developer and/or Association to dedicate or transfer all or any part of the Common Areas. No such dedication or transfer shall be effective prior to the Village Completion Date without prior written consent of Developer and, at any time, without the prior written consent of the Club Owner.

15.1.5 No Owner shall have any ownership rights in the Club.

15.1.6 The right of Developer and/or Association to modify the Common Areas as set forth in this Declaration.

15.1.7 The perpetual right of Developer, Club Owner, Master Association, and/or Association to access and enter the Common Areas at any time, even after the Village Completion Date, for the purposes of inspection and testing of the Common Areas. Association and each Owner shall give Developer unfettered access, ingress and egress to the Common Areas so that Developer and/or its agents can perform all tests and inspections deemed necessary by Developer. Developer shall have the right to make all repairs and replacements deemed necessary by Developer. At no time shall Association and/or an Owner prevent, prohibit and/or interfere with any testing, repair or replacement deemed necessary by Developer relative to any portion of the Common Areas.

15.1.8 The rights of Developer, Master Association, and/or Association regarding the Village as reserved in this Declaration, including the right to utilize the same and to grant use rights, etc. to others.

15.1.9 An Owner relinquishes use of the Common Areas at any time that a Home is leased to a Lessee.

15.2 Ingress and Egress. An easement for ingress and egress is hereby created for pedestrian traffic over, and through and across sidewalks, paths, pedestrian trail, walks, driveways, passageways, and lanes as the same, from time to time, may exist upon, or be designed as part of, the Common Areas, and for vehicular traffic over, through and across such portions of the Common Areas as, from time to time, may be paved and intended for such purposes.

15.3 Development Easement. In addition to the rights reserved elsewhere herein, Developer reserves an easement for itself or its nominees and creates an easement in favor of the Club Owner over, upon, across, and under the Village as may be required in connection with the development of the Village, the Club and other lands designated by Developer and to promote or otherwise facilitate the development, construction and sale and/or leasing of Homes, any portion of the Village, the Club and other lands designated by Developer. Without limiting the foregoing, Developer specifically reserves the right to use all paved roads and rights of way within the Village for vehicular and pedestrian ingress and egress to and from construction sites and for the construction and maintenance provided by Developer. Specifically, each Owner acknowledges that construction vehicles and trucks may use portions of the Common Areas. Developer shall have no liability or obligation to repave, restore, or repair any portion of the Common Areas as a result of the use of the same by construction traffic, and all maintenance and repair of such Common Areas shall be deemed ordinary maintenance of Association payable by all Owners as part of Operating Costs. Notwithstanding the foregoing, any damage caused by any Builder due to construction traffic shall be repaired by such Builder at its sole cost and expense. Without limiting the foregoing, at no time shall Developer be obligated to pay any amount to Association on account of Developer's and Club Owner's use of the Common Areas for construction purposes. Developer intends to use the Common Areas for sales of new and used Homes. Further, Developer may market other residences and commercial properties located outside of the Village from Developer's sales facilities located within the Village. Developer has the right to use all portions of the Common Areas in connection with its marketing activities, including, without limitation, allowing members of the general public to inspect model Homes, installing signs and displays, holding promotional parties and picnics, and using the Common Areas for every other type of promotional or sales activity that may be employed in the marketing of new and used residential Homes. The easements created by this Section, and the rights reserved herein in favor of Developer, shall be construed as broadly as possible and supplement the rights of Developer set forth in Section 22 of this Declaration. At no time shall Developer incur any expense whatsoever in connection with its use and enjoyment of such rights and easements. Without limiting any other provision of this Declaration, Developer may non-exclusively assign its rights hereunder to each Builder.

15.4 Public Easements. City, fire, police, school transportation, health, sanitation and other public service and utility company personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas. The City and County shall also have a permanent and perpetual easement for ingress and egress over and across the Common Areas.

15.5 Delegation of Use. Every Owner shall be deemed to have delegated its right of enjoyment to the Common Areas to occupants or Lessees of that Owner's Home subject to the provisions of this Declaration. Any such delegation or lease shall not relieve any Owner from its responsibilities and obligations provided herein.

15.6 Easement for Encroachments. In the event that any improvement upon Common Areas, as originally constructed, shall encroach upon any other property or improvements thereon, or for any reason, then an easement appurtenant to the encroachment shall exist for so long as the encroachment shall naturally exist.

15.7 Permits, Licenses and Easements. Prior to the Village Completion Date, Developer, and thereafter Association, County, and/or City shall, in addition to the specific rights reserved to Developer herein, have the right to grant, modify, amend and terminate permits, licenses and easements over, upon, across, under and through the Village (including Parcels, Lots, and Homes) for utilities, roads and other purposes reasonably necessary or useful as it determines, in its sole discretion. To the extent legally required, each Owner shall be deemed to have granted to Developer and, thereafter, Association an irrevocable power of attorney, coupled with an interest, for the purposes herein expressed.

15.8 Support Easement and Maintenance Easement. An easement is hereby created for the existence and maintenance of supporting structures (and the replacement thereof) in favor of the entity required to maintain the same. An easement is hereby created for maintenance purposes (including access to perform such maintenance) over and across the Village (including Parcels, Lots, and Homes) for the reasonable and necessary maintenance of Common Areas, the Club, utilities, cables, wires and other similar facilities.

15.9 Drainage. A non-exclusive easement shall exist in favor of Developer, Club Owner, Master Association, Association, City, County and their designees, and any applicable water management district, state agency, county agency and/or federal agency having jurisdiction over the Village over, across and upon the Village for drainage, irrigation and water management purposes. A non-exclusive easement for ingress, egress and access exists as shown on the Plat for such parties to enter upon and over any portion of the Village (including Homes) in order to construct, maintain, inspect, record data on, monitor, test, or repair, as necessary, any water management areas, conservation areas, mitigation areas, irrigation systems, well sites and facilities thereon and appurtenances thereto. No structure, landscaping, or other material shall be placed or be permitted to remain which may damage or interfere with the drainage or irrigation of the Village and/or installation or maintenance of utilities or which may obstruct or retard the flow of water through the Village and/or water management areas and facilities or otherwise interfere with any drainage, irrigation and/or easement provided for in this Section or the use rights set forth elsewhere in this Declaration.

15.10 Club Easements. A non-exclusive easement shall exist in favor of the Club Owner and its respective designees, invitees, guests, agents, employees, and members over and upon the Common Areas and portions of the Village necessary for ingress, egress, access to, construction, maintenance and/or repair of the Club. Club Owner, Club employees, agents, invitees, guests, any manager of the Club and all members of the Club shall be given access to the Club on the same basis as Owners, but without any charge therefor (in the term of Assessments or otherwise).

15.11 Easement for Errant Golf Balls. Non-specific easements are created for the benefit of users of the neighboring Golf Course over Homes, Common Areas, and other properties adjacent to the Golf Course, to permit every reasonable act necessary and appropriate to playing golf, including but not limited to, the retrieval of golf balls from the Common Areas and non-fenced yards of Homes. These easements include, without limitation, the flight of golf balls over Homes and the Common Areas, the landing of golf balls, the use of necessary Golf Course Vehicles (as defined in the Master Declaration) and maintenance equipment and the usual common noises and odors created by playing golf and constructing and maintaining the Golf Course. Developer, Club Owner, Association and Master Association shall not be liable or responsible for disputes between an Owner and any person using the Golf Course. All Owners, by acceptance of delivery of a deed to a Home or Parcel will assume all risks associated with errant golf

balls, and agree and covenant not to make any claim or institute any action against the Developer, the Club Owner, Association, or Master Association arising or resulting from any errant golf balls or damages caused thereby.

15.12 Golf Course Vehicle Easement. A non-exclusive easement shall exist for Golf Course Vehicle (as defined in the Master Declaration) traffic over, through and across such portions of the Common Areas as, from time to time, may be paved and intended for such purposes including, but not limited to, roadways and designated Golf Course Pathway (as defined in the Master Declaration).

15.13 Blanket Easement in favor of Association and Master Association. Association and Master Association are hereby granted an easement over all of the Village, including all Homes, for the purpose of (a) constructing, maintaining, replacing and operating all Common Areas of the Village and Master Community including, but not limited to, lakes, perimeter walls and fences and (b) performing any obligation of an Owner for which Association intends to impose an Individual Assessment.

15.14 Duration. All easements created herein or pursuant to the provisions hereof shall be perpetual unless stated to the contrary.

16. Club Plan. Association and each Owner shall be bound by and comply with the Club Plan which is incorporated herein by reference. Although the Club Plan is an exhibit to the Master Declaration, the Association Documents are subordinate and inferior to the Club Plan. In the event of any conflict between the Club Plan and Association Documents, the Club Plan shall control.

17. Assessments.

17.1 Types of Assessments. Each Owner and Builder, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner (whether or not so expressed in the deed), including any purchaser at a judicial sale, shall hereafter be deemed to have covenanted and agreed to pay to Association at the time and in the manner required by the Board, assessments or charges and any special assessments as are fixed, established and collected from time to time by Association (collectively, the "Assessments"). All Owners and Builders shall pay Assessments. Each Builder shall pay such portion of Operating Costs which benefits any Lot or Parcel owned by such Builder, as determined by Developer, in Developer's sole discretion. By way of example, and not of limitation, Developer may require that each Builder pay some portion of Assessments on a Lot or Parcel owned by a Builder which does not contain a Home. As vacant Lots or Parcels owned by Builders may not receive certain services, Builders shall not be required to pay for the same. Club Owner shall not be required to pay Assessments to Association.

17.2 Purpose of Assessments. The Assessments levied by Association shall be used for, among other things, the purpose of promoting the recreation, health, safety and welfare of the residents of the Village, and in particular for the improvement and maintenance of the Common Areas and any easement in favor of Association including, but not limited to the following categories of Assessments as and when levied and deemed payable by the Board:

17.2.1 Any quarterly assessment (as determined by the Board), which shall be payable in advance, or charge for the purpose of operating Association and accomplishing any and all of its purposes, as determined in accordance herewith, including, without limitation, payment of Operating Costs and collection of amounts necessary to pay any deficits from prior years' operation (hereinafter "Installment Assessments");

17.2.2 Any special assessments for capital improvements, major repairs, emergencies, the repair or replacement of the Common Areas, or nonrecurring expenses (hereinafter "Special Assessments");

17.2.3 Any specific fees, dues or charges to be paid by Owners for any special services provided to or for the benefit of an Owner or Home, for any special or personal use of the Common Areas, or to reimburse Association for the expenses incurred in connection with that service or use (hereinafter "Use Fees"); and

17.2.4 Assessments of any kind for the creation of reserves determined by Association, from time to time, for any of the aforesaid purposes. At such time as there are improvements in any Common Areas for which Association has a responsibility to maintain, repair, and replace, the Board may, but shall have no obligation to, include a "Reserve for Replacement" in the Installment Assessments in order to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements comprising a portion of the Common Areas (hereinafter "Reserves"). Assessments pursuant to this Section shall be payable in such manner and at such times as determined by Association, and may be payable in installments extending beyond the fiscal year in which the Reserves are approved. Until the Village Completion Date, Reserves shall be subject to the prior written approval of Developer, which may be withheld for any reason. Initially, there will be no Reserves established. However, Association, in its sole discretion, may elect to establish Reserves at a later time. Notwithstanding the foregoing, Association, at all times, shall have the right to establish and collect Reserves at any time.

17.2.5 Assessments for which one or more Owners (but less than all Owners) within the Village is subject ("Individual Assessments") such as costs of special services provided to a Home, or Owner or cost relating to enforcement of the provisions of this Declaration or the architectural provisions hereof as it relates to a particular Owner or Home. By way of example, and not of limitation, all of the Owners within a Village may be subject to Individual Assessments for maintenance, repair and/or replacement of facilities serving only the residents of such Village. Further, in the event an Owner fails to maintain the exterior of his or her Home (other than those portions of a Home maintained by Association) in a manner satisfactory to Association, Association shall have the right, through its agents and employees, to enter upon the Home and to repair, restore, and maintain the Home as required by this Declaration. The cost thereof, plus a ten percent (10%) administrative surcharge, shall be an Individual Assessment. The lien for an Individual Assessment may be foreclosed in the same manner as any other Assessment. Further, in the event that Association decides it is in the best interest of the Village that Association performs any other obligation of an Owner under this Declaration and/or a Master Declaration, the cost of performing such obligation shall be an Individual Assessment. Further, without limiting any provision of the Master Declaration, Master Association shall have the right to perform any obligation of Association and assess all Owners within the Village the costs of performance as Individual Assessments. The lien for an Individual Assessment may be foreclosed in the same manner as any other Assessment.

17.3 Designation. The designation of Assessment type shall be made by Association. Prior to the Village Completion Date, any such designation must be approved by Developer. Such designation may be made on the budget prepared by Association. The designation shall be binding upon all Owners.

17.4 Allocation of Operating Costs.

17.4.1 For the period until the adoption of the first annual budget, the allocation of Operating Costs shall be as set forth in the initial budget prepared by Developer.

17.4.2 Commencing on the first day of the period covered by the annual budget, and until the adoption of the next annual budget, the Installment Assessments shall be allocated so that each Owner shall pay his pro rata portion of Installment Assessments, Special Assessments, and Reserves based upon a fraction, the numerator of which is one (1) and the denominator of which is the total number of Paired Residences or Single Family Homes, as applicable, in the Village conveyed to Owners or any greater number determined by Developer from time to time. Developer, in its sole discretion, may change such denominator from time to time. Under no circumstances will the denominator be less than the number of Homes owned by Owners other than Developer.

17.4.3 In the event the Operating Costs as estimated in the budget for a particular fiscal year are, after the actual Operating Costs for that period is known, less than the actual costs, then the difference shall, at the election of Association: (i) be added to the calculation of Installment Assessments for the next ensuing fiscal year; or (ii) be immediately collected from the Owners as a Special Assessment. Association shall have the unequivocal right to specially assess Owners retroactively on January 1st of any year for any shortfall in Installment Assessments, which Special Assessment shall relate back to the date that the Installment Assessments could have been made. No vote of the Owners shall be required for such Special Assessment (or for any other Assessment) except to the extent specifically provided herein.

17.4.4 Each Owner agrees that so long as it does not pay more than the required amount it shall have no grounds upon which to object to either the method of payment or non-payment by other Owners of any sums due.

17.5 General Assessments Allocation. Except as hereinafter specified to the contrary, Installment Assessments, Special Assessments and Reserves shall be allocated equally to each Owner.

17.6 Use Fees and Individual Assessment. Except as hereinafter specified to the contrary, Use Fees and Individual Assessments shall be made against the Owners benefiting from, or subject to the special service or cost as specified by Association.

17.7 Commencement of First Assessment. Assessments shall commence as to each Owner on the day of the conveyance of title of a Home to an Owner. The applicable portion of Assessments shall commence as to each Builder on the day of the conveyance of title of a Lot or Parcel to such Builder, unless waived by Developer.

17.8 Shortfalls and Surpluses. Prior to the Turnover Date, Developer shall have the option to (i) fund the shortfall in Installment Assessments not raised by virtue of all income received by Association or (ii) to pay Installment Assessments on Homes, Lots, Parcels or Commercial Units owned by Developer. If Developer has cumulatively over funded Operating Costs and/or prepaid expenses of Association which have not been reimbursed to Developer prior to the Turnover Date, Association shall refund such amounts to Developer on or prior to the Turnover Date or as soon as possible thereafter (e.g. once the amount is finally determined). Developer shall never be required to (i) pay Installment Assessments if Developer has elected to fund the deficit instead of paying Installment Assessments on Homes, Lots, Parcels or Commercial Units owned by Developer, or (ii) pay Special Assessments, management fees or Reserves. Any surplus Assessments collected by Association may be (i) allocated towards the next year's Operating Costs, (ii) used to fund Reserves, whether or not budgeted, (iii) retained by Association, and/or (iv) used for any other purpose, in Association's sole and absolute discretion. Under no circumstances shall Association be required to pay surplus Assessments to Owners.

17.9 Budgets. The initial budget prepared by Developer is adopted as the budget for the period of operation until adoption of the first annual Association budget. Thereafter, annual budgets shall be prepared and adopted by Association. To the extent Association has commenced or will commence operations prior to the date this Declaration is recorded or the first Home is closed, the Operating Costs may vary in one or more respects from that set forth in the initial budget. Unless waived by Developer, a Builder shall pay Assessments as per the budget for each Lot owned by such Builder commencing from the date the Builder obtained title to such Lot. Developer shall fund entirely all Operating Costs not covered by Builders' Assessments until the month prior to the closing of the first Home. Thereafter, Assessments shall be payable by each Owner and Builder as provided in this Declaration. THE INITIAL BUDGET OF ASSOCIATION IS PROJECTED (NOT BASED ON HISTORICAL OPERATING FIGURES). THEREFORE, IT IS POSSIBLE THAT ACTUAL ASSESSMENTS MAY BE LESSER OR GREATER THAN PROJECTED.

17.10 Establishment of Assessments. Assessments shall be established in accordance with the following procedures:

17.10.1 Installment Assessments shall be established by the adoption of a twelve (12) month operating budget by the Board. The budget shall be in the form required by Section 720.303(6) of the Florida Statutes, as amended from time to time. Written notice of the amount and date of commencement thereof shall be given to each Owner not less than ten (10) days in advance of the due date of the first installment thereof. Notwithstanding the foregoing, the budget may cover a period of less than twelve (12) months if the first budget is adopted mid-year or in order to change the fiscal year of Association.

17.10.2 Special Assessments and Individual Assessments against the Owners may be established by Association, from time to time, and shall be payable at such time or time(s) as determined. Until the Village Completion Date, no Special Assessment shall be imposed without the consent of Developer.

17.10.3 Association may establish, from time to time, by resolution, rule or regulation, or by delegation to an officer or agent, including, a professional management company, Use Fees. The sums established shall be payable by the Owner utilizing the service or facility as determined by Association.

17.11 Initial Contribution. The first purchaser of each Lot, Home or Parcel upon which a Home will be constructed, at the time of closing of the conveyance from Developer to the purchaser, shall pay to Association an initial contribution in the amount of two (2) months Assessments per Home ("Initial Contribution"). The funds derived from the Initial Contributions shall be used at the discretion of Association for any purpose including, but not limited to, future and existing capital improvements, operating expenses, support costs and start-up costs. Association may waive this requirement for some Lots, Parcels, and Homes, if the first purchaser is a Builder, and the Builder becomes unconditionally obligated to collect and pay the Initial Contribution upon the subsequent sale of each Home to an end purchaser

17.12 Assessment Estoppel Certificates. No Owner shall sell or convey its interest in a Home unless all sums due Association have been paid in full and an estoppel certificate in recordable form shall have been received by such Owner. Association shall prepare and maintain a ledger noting Assessments due from each Owner. The ledger shall be kept in the office of Association, or its designees, and shall be open to inspection by any Owner. Within ten (10) days of a written request therefor, there shall be furnished to an Owner an estoppel certificate in writing setting forth whether the Assessments have been paid and/or the amount which is due as of any date. As to parties other than Owners who, without knowledge of error, rely on the certificate, the certificate shall be conclusive evidence of the amount of any Assessment therein stated. The Owner requesting the estoppel certificate shall be required to pay Association a reasonable sum to cover the costs of examining records and preparing such estoppel certificate. Each Owner waives its rights (if any) to an accounting related to Operating Costs or Assessments.

17.13 Payment of Real Estate Taxes. Each Owner shall pay all taxes and obligations relating to its Home which, if not paid, could become a lien against the Home which is superior to the lien for Assessments created by this Declaration.

17.14 Creation of the Lien and Personal Obligation. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title to a Home, shall be deemed to have covenanted and agreed that the Assessments, and/or other charges and fees set forth herein, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees pre-trial and at all levels of proceedings including appeals, shall be a charge and continuing lien in favor of Association encumbering the Home and all personal property located thereon owned by the Owner against whom each such Assessment is made. The lien is effective from and after recording a claim of lien in the Public Records stating the legal description of the Home, name of the Owner, and the amounts due as of that date, but shall relate back to the date that this Declaration is recorded. Without limiting the foregoing, any claim of lien filed by Association shall be subordinate to any lien of Master Association. The claim of lien shall also cover any additional amounts which accrue thereafter until satisfied. Each Assessment, together with interest, late fees, costs and reasonable attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings including appeals, and other costs and expenses provided for herein, shall be the personal obligation of the person who was the Owner of the Home at the time when the Assessment became due, as well as the Owner's heirs, devisees, personal representatives, successors or assigns.

17.15 Subordination of the Lien to Mortgages and Club Dues. The lien for Assessments shall be subordinate to (i) a bona fide first mortgage held by a Lender on a Home or a Development Lenders if the mortgage is recorded in the Public Records prior to the claim of lien and (ii) to Club Dues, as further provided in this Section 17.15. The lien for Assessments shall not be affected by any sale or transfer of a Home, except in the event of a sale or transfer of a Home pursuant to a (i) foreclosure (or by deed in lieu of foreclosure or otherwise) of a bona fide mortgage held by a Lender, or (ii) lien for Club Dues, in which event, the acquirer of title, its successors and assigns, shall not be liable for such sums secured by a lien for Assessments encumbering the Home or chargeable to the former Owner of the Home, which became due prior to such sale or transfer. However, any such unpaid Assessments for which such acquirer of title is not liable may be reallocated and assessed to all Owners (including such acquirer of title) as a part of Operating Costs included within Installment Assessments. Any sale or transfer pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) shall not relieve the Owner from liability for, nor the Home from the lien of any Assessments made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent Assessments from the payment thereof, or the enforcement of collection

by means other than foreclosure. Association shall have the right, but not the obligation, to cure such default within the time periods applicable to Owner. In the event Association makes such payment on behalf of an Owner, Association shall, in addition to all other rights reserved herein, be subrogated to all of the rights of the Lender. All amounts advanced on behalf of an Owner pursuant to this Section shall be added to Assessments payable by such Owner with appropriate interest. A Lender, other than a Development Lender, shall give written notice to Association if the mortgage held by such Lender is in default.

17.16 Acceleration. In the event of a default in the payment of any Assessment, Association may accelerate the Assessments then due for up to the next ensuing twelve (12) month period.

17.17 Non-Payment of Assessments. If any Assessment is not paid within fifteen (15) days (or such other period of time established by the Board) after the due date, a late fee of \$25.00 per month (or such greater amount established by the Board), together with interest in an amount equal to the maximum rate allowable by law (or such lesser rate established by the Board), per annum, beginning from the due date until paid in full, may be levied. The late fee shall compensate Association for administrative costs, loss of use of money, and accounting expenses. Association may, at any time thereafter, bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Home, or both. Association shall not be required to bring such an action if it believes that the best interests of Association would not be served by doing so. There shall be added to the Assessment all costs expended in preserving the priority of the lien and all costs and expenses of collection, including attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, collection and bankruptcy. No Owner may waive or otherwise escape liability for Assessments and Club Dues provided for herein by non-use of, or the waiver of the right to use the Common Areas, the Club or by abandonment of a Home.

17.18 Exemption. Notwithstanding anything to the contrary herein, Developer shall not be responsible for any Assessments of any nature or any portion of the Operating Costs prior to the Turnover Date. Developer, at Developer's sole option, may pay Assessments on Homes owned by it, or fund the deficit, if any, as set forth in Section 17.8 herein. In addition, the Board shall have the right to exempt any portion of the Village subject to this Declaration from the Assessments, provided that such portion of the Village exempted is used (and as long as it is used) for any of the following purposes:

17.18.1 Any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;

17.18.2 Common Areas or property (other than a Home) owned by a Association;

17.18.3 Any of the Village exempted from ad valorem taxation by the laws of the State of Florida or exempted from Assessments by other provisions of this Declaration;

17.18.4 Any Master Association Common Areas; and

17.18.5 Any District Facilities (as defined in the Master Declaration).

17.19 Collection by Developer. If for any reason Association shall fail or be unable to levy or collect Assessments, then in that event, Developer shall at all times have the right, but not the obligation: (i) to advance such sums as a loan to Association to bear interest and to be repaid as hereinafter set forth; and/or (ii) to levy and collect such Assessments by using the remedies available as set forth above, which remedies; including, but not limited to, recovery of attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings including appeals, shall be deemed assigned to Developer for such purposes. If Developer advances sums, it shall be entitled to immediate reimbursement, on demand, from Association for such amounts so paid, plus interest thereon at the Wall Street Journal Prime Rate plus two percent (2%), plus any costs of collection including, but not limited to, reasonable attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals.

17.20 Rights to Pay Assessments and Receive Reimbursement. Association, Developer, Club Owner and any Lender of a Home shall have the right, but not the obligation, jointly and severally, and at their sole option,

to pay any Assessments or other charges which are in default and which may or have become a lien or charge against any Home. If so paid, the party paying the same shall be subrogated to the enforcement rights of Association with regard to the amounts due.

17.21 Mortgagee Right. Each Lender may request in writing that Association notify such Lender of any default of the Owner of the Home subject to the Lender's mortgage under the Association Documents which default is not cured within thirty (30) days after Association learns of such default. A failure by Association to furnish notice to any Lender shall not result in liability of Association because such notice is given as a courtesy to a Lender and the furnishing of such notice is not an obligation of Association to Lender.

17.22 Additional Lender Rights. In the event that any Development Lender (the "Acquiring Party") acquires title to any portion of Village Emilia owned by Declarant (or on which Declarant held a mortgage which was assigned to the Acquiring Party) as a result of the foreclosure of a mortgage(s) thereon or the giving of a deed in lieu of foreclosure or in satisfaction of debt, such party shall automatically succeed to all rights, benefits and privileges of Declarant hereunder (and under the Articles, Bylaws and Rules and Regulations of the Association), except to the extent the Acquiring Party specifically disclaims any of such rights, benefits or privileges in a written notice to the Association. Notwithstanding the foregoing or anything to the contrary contained in this Declaration (or in the aforesaid Articles, Bylaws or Rules and Regulations), the Acquiring Party shall in no manner be obligated or liable for any duties, obligations, warranties, liabilities, acts or omissions of Declarant (i) occurring or arising from facts existing (regardless of when same became known or should have become known) prior to the date the Acquiring Party succeeds to the rights, benefits and privileges of Declarant or (ii) otherwise not directly attributable to the Acquiring Party solely in its own right. The foregoing shall be in addition to, and not in derogation of, the Acquiring Party's rights, benefits and privileges as same may exist elsewhere in, under or in connection with this Declaration (or the aforesaid Articles, Bylaws or Rules and Regulations). The development or construction of the improvements shall mean and refer to all of the improvements constructed upon the Property.

17.23 Collection of Master Assessments. All assessments due to Master Association ("**Master Assessments**") shall be paid by each Owner directly to Association along with any assessments then due to Association. Association shall on a quarterly basis remit a lump sum payment to Master Association in the full amount of all Master Assessments. Any collection proceedings for an Owner's failure to pay Master Assessments shall be the sole responsibility of Association. Association shall be responsible to pay all Master Assessments to Master Association on time and in full regardless of whether such Association receives such full amount of Master Assessments from its Owners.

18. Information to Lenders and Owners.

18.1 Availability. There shall be available for inspection upon request, during normal business hours or under other reasonable circumstances, to Owners and Lenders current copies of the Association Documents.

18.2 Copying. Any Owner and/or Lender shall be entitled, upon written request, and at its cost, to a copy of the documents referred to above.

18.3 Notice. Upon written request by a Lender (identifying the name and address of the Lender and the name and address of the applicable Owner), the Lender will be entitled to timely written notice of:

18.3.1 Any condemnation loss or casualty loss which affects a material portion of a Home to the extent Association is notified of the same;

18.3.2 Any delinquency in the payment of Assessments or Club Dues owed by an Owner of a Home subject to a first mortgage held by the Lender, which remains uncured for a period of sixty (60) days;

18.3.3 Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained hereunder; and

18.3.4 Any proposed action (if any) which would require the consent of a specific mortgage holder.

19. Architectural Control. In addition to the architectural control provisions promulgated by the Master ACC pursuant to the Master Declaration, the following provisions govern the Village. Notwithstanding the foregoing, the ACC shall have the responsibility to first review and approve any application by an Owner under this Section 19 before such application is submitted to the Master Association.

19.1 Architectural Control Committee. The ACC shall be a permanent committee of Association and shall administer and perform the architectural and landscape review and control functions relating to the Village. The ACC shall consist of a minimum of three (3) members who shall initially be named by Developer and who shall hold office at the pleasure of Developer. The ACC shall have the right to form subcommittees to review ACC applications. The ACC shall oversee such subcommittees and shall take precedence over any decision made by such subcommittees. Until the Village Completion Date, Developer shall have the right to change the number of members on the ACC, and to appoint, remove, and replace all members of the ACC. Developer shall determine which members of the ACC shall serve as its chairman and co-chairman. In the event of the failure, refusal, or inability to act of any of the members appointed by Developer, Developer shall have the right to replace any member within thirty (30) days of such occurrence. If Developer fails to replace that member, the remaining members of the ACC shall fill the vacancy by appointment. From and after the Village Completion Date, the Board shall have the same rights as Developer with respect to the ACC. The ACC shall enforce the Master Association's community standards established pursuant to the Master Declaration.

19.2 Developer Review. Prior to and including the Turnover Date, Developer shall be reimbursed for all administrative expenses incurred relating to the review of applications pursuant to Section 19.9. Such reimbursement shall be made through review fees collected by the ACC. ACC review fees collected in a given taxable year shall be reduced by Developer's expense in such year.

19.3 Membership. There is no requirement that any member of the ACC be an Owner or a member of Association.

19.4 General Plan. It is the intent of this Declaration to create a general plan and scheme of development of the Village. Accordingly, the ACC shall have the right to approve or disapprove all architectural, landscaping, and improvements by Owners within the Village other than Developer. The ACC shall have the right to evaluate all plans and specifications as to harmony of exterior design, landscaping, location of any proposed improvements, relationship to surrounding structures, topography and conformity with such other reasonable requirements as shall be adopted by the ACC. The ACC may impose standards for construction and development which may be greater or more stringent than standards prescribed in applicable building, zoning, or other local governmental codes. Prior to the Village Completion Date, any additional standards or modification of existing standards shall require the consent of Developer, which may be granted or denied in its sole discretion.

19.5 Village Plan. Developer has established an overall Village Plan. However, notwithstanding the above, or any other document, brochures or plans, Developer reserves the right to modify the Village Plan or any site plan at any time as it deems desirable in its sole discretion and in accordance with applicable laws and ordinances. WITHOUT LIMITING THE FOREGOING, DEVELOPER AND/OR BUILDERS MAY PRESENT TO THE PUBLIC OR TO OWNERS RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS RESPECTING VILLAGE. SUCH RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS ARE NOT A GUARANTEE OF HOW VILLAGE WILL APPEAR UPON COMPLETION AND DEVELOPER RESERVES THE RIGHT TO CHANGE ANY AND ALL OF THE FOREGOING AT ANY TIME AS DEVELOPER DEEMS NECESSARY IN ITS SOLE DISCRETION.

19.6 Village Standards. Each Owner and its contractors and employees shall observe, and comply with, the Village Standards which now or may hereafter be promulgated by the ACC and approved by the Board from time to time. The Village Standards shall be effective from the date of adoption; shall be specifically enforceable by injunction or otherwise; and shall have the effect of covenants as if set forth herein verbatim. The Village Standards shall not require any Owner to alter the improvements previously constructed. Until the Village

Completion Date, Developer shall have the right to approve the Village Standards, which approval, may be granted in its sole discretion.

19.7 Quorum. A majority of the ACC shall constitute a quorum to transact business at any meeting. The action of a majority present at a meeting at which a quorum is present shall constitute the action of the ACC. In lieu of a meeting, the ACC may act in writing.

19.8 Power and Duties of the ACC. No improvements shall be constructed on any portion of the Village, no exterior of a Home shall be repainted, no landscaping, sign, or improvements erected, removed, planted, or maintained on any portion, nor shall any material addition to or any change, replacement, or alteration of the improvements as originally constructed by Developer (visible from the exterior of the Home) be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, and the location of same shall have been submitted to and approved in writing by the ACC.

19.9 Procedure. In order to obtain the approval of the ACC, each Owner shall observe the following:

19.9.1 Each applicant shall submit an application to the ACC with respect to any proposed improvement or material change in an improvement, together with the required application(s) and other fee(s) as established by the ACC. The applications shall include such information as may be required by the application form adopted by the ACC. The ACC may also require submission of samples of building materials and colors proposed to be used. At the time of such submissions, the applicant shall, if requested, submit to the ACC, such site plans, plans and specifications for the proposed improvement, prepared and stamped by a registered Florida architect or residential designer, and landscaping and irrigation plans, prepared by a registered landscape architect or designer showing all existing trees and major vegetation stands and surface water drainage plan showing existing and proposed design grades, contours relating to the predetermined ground floor finish elevation, pool plans and specifications and the times scheduled for completion, all as reasonably specified by the ACC.

19.9.2 In the event the information submitted to the ACC is, in the ACC's opinion, incomplete or insufficient in any manner, the ACC may request and require the submission of additional or supplemental information. The Owner shall, within fifteen (15) days thereafter, comply with the request.

19.9.3 No later than thirty (30) days after receipt of all information required by the ACC for final review, the ACC shall approve or deny the application in writing. The ACC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in the ACC's sole discretion, for aesthetic or any other reasons or to impose qualifications and conditions thereon. In approving or disapproving such plans and specifications, the ACC shall consider the suitability of the proposed improvements, the materials of which the improvements are to be built, the site upon which the improvements are proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the ACC fails to respond within such thirty (30) day period, the plans and specifications shall be deemed disapproved by the ACC.

19.9.4 Construction of all improvements shall be completed within the time period set forth in the application and approved by the ACC.

19.9.5 In the event that the ACC disapproves any plans and specifications, the applicant may request a rehearing by the ACC for additional review of the disapproved plans and specifications. The meeting shall take place no later than thirty (30) days after written request for such meeting is received by the ACC, unless applicant waives this time requirement in writing. The ACC shall make a final written decision no later than thirty (30) days after such meeting. In the event the ACC fails to provide such written decision within such thirty (30) days, the plans and specifications shall be deemed disapproved.

19.9.6 Upon final disapproval (even if the members of the Master ACC and the ACC are the same), the applicant may appeal the decision of the ACC to the Board within thirty (30) days of the ACC's written review and disapproval. Review by the Board shall take place no later than thirty (30) days subsequent to the receipt by the Board of the Owner's request therefor. If the Board fails to hold such a meeting within thirty (30) days after receipt of request for such meeting, then the plans and specifications shall be deemed approved. The Board shall

make a final decision no later than sixty (60) days after such meeting. In the event the Board fails to provide such written decision within such sixty (60) days after such meeting, such plans and specifications shall be deemed approved. The decision of the ACC, or if appealed, the Board, shall be final and binding upon the applicant, its heirs, legal representatives, successors and assigns.

19.10 Master ACC Authority. The Master ACC shall have the right to overrule any and all action taken by the ACC, including, but not limited to, approval or disapproval of applicant requests. The decision of the Master ACC, or if appealed, the Board of Master Association, shall be final and binding upon the applicant, its heirs, legal representatives, successors and assigns. This provision shall not be amended without Master Association's prior written consent.

19.11 Alterations. Any and all alterations, deletions, additions and changes of any type or nature whatsoever to then existing improvements or the plans or specifications previously approved by the ACC shall be subject to the approval of the ACC in the same manner as required for approval of original plans and specifications.

19.12 Variances. Association or ACC shall have the power to grant variances from any requirements set forth in this Declaration or from the Village Standards, on a case by case basis, provided that the variance sought is reasonable and results from a hardship upon the applicant. The granting of a variance shall not nullify or otherwise affect the right to require strict compliance with the requirements set forth herein or in the Village Standards on any other occasion.

19.13 Permits. The Owner is solely responsible to obtain all required building and other permits from all governmental authorities having jurisdiction.

19.14 Construction by Owners. The following provisions govern construction activities by Owners after consent of the ACC has been obtained:

19.14.1 Each Owner shall deliver to the ACC, if requested, copies of all construction and building permits as and when received by the Owner. Each construction site in the Village shall be maintained in a neat and orderly condition throughout construction. Construction activities shall be performed on a diligent, workmanlike and continuous basis. Roadways, easements, swales, Common Areas and other such areas in the Village shall be kept clear of construction vehicles, construction materials and debris at all times. No construction office or trailer shall be kept in the Village and no construction materials shall be stored in the Village subject, however, to such conditions and requirements as may be promulgated by the ACC. All refuse and debris shall be removed or deposited in a dumpster on a daily basis. No materials shall be deposited or permitted to be deposited in any canal, waterway, Common Areas or Home in the Village or be placed anywhere outside of the Home upon which the construction is taking place. No hazardous waste or toxic materials shall be stored, handled and used, including, without limitation, gasoline and petroleum products, except in compliance with all applicable federal, state and local statutes, regulations and ordinances, and shall not be deposited in any manner on, in or within the construction or adjacent property or waterways. All construction activities shall comply with the Village Standards. If a contractor or Owner shall fail in any regard to comply with the requirements of this Section, the ACC may require that such Owner or contractor post security with Association in such form and such amount deemed appropriate by the ACC in its sole discretion. Notwithstanding the foregoing, Developer shall not be subject to the provisions of this Section 19.14.1.

19.14.2 There shall be provided to the ACC, if requested, a list (name, address, telephone number and identity of contact person), of all contractors, subcontractors, materialmen and suppliers (collectively, "Contractors") and changes to the list as they occur relating to construction. Each Builder and all of its employees and Contractors and their employees shall utilize those roadways and entrances into the Village as are designated by the ACC for construction activities. The ACC shall have the right to require that each Builder's and Contractor's employees check in at the designated construction entrances and to refuse entrance to persons and parties whose names are not registered with the ACC.

19.14.3 Each Owner is responsible for insuring compliance with all terms and conditions of these provisions and of the Village Standards by all of its employees and Contractors. In the event of any violation of any such terms or conditions by any employee or Contractor, or, in the opinion of the ACC, the continued refusal of any

employee or Contractor to comply with such terms and conditions, after five (5) days' notice and right to cure, the ACC shall have, in addition to the other rights hereunder, the right to prohibit the violating employee or Contractor from performing any further services in the Village.

19.14.4 The ACC may, from time to time, adopt standards governing the performance or conduct of Owners, Contractors and their respective employees within the Village. Each Owner and contractor shall comply with such standards and cause its respective employees to also comply with same. The ACC may also promulgate requirements to be inserted in all contracts relating to construction within the Village and each Owner shall include the same therein.

19.15 Inspection. There is specifically reserved to Association and ACC and to any agent or member of either of them, the right of entry and inspection upon any portion of the Village at any time within reasonable daytime hours, for the purpose of determination whether there exists any violation of the terms of any approval or the terms of this Declaration or the Village Standards.

19.16 Violation. Without limiting any other provision herein, if any improvement shall be constructed or altered without prior written approval, or in a manner which fails to conform with the approval granted, the Owner shall, upon demand of Association or the ACC, cause such improvement to be removed, or restored until approval is obtained or in order to comply with the plans and specifications originally approved. The Owner shall be liable for the payment of all costs of removal or restoration, including all costs and attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings including appeals, incurred by Association or ACC. The costs shall be deemed an Individual Assessment and enforceable pursuant to the provisions of this Declaration. The ACC and/or Association are specifically empowered to enforce the architectural and landscaping provisions of this Declaration and the Village Standards, by any legal or equitable remedy.

19.17 Court Costs. In the event that it becomes necessary to resort to litigation to determine the propriety of any constructed improvement or to cause the removal of any unapproved improvement, Association and/or ACC shall be entitled to recover court costs, expenses and attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, in connection therewith.

19.18 Certificate. In the event that any Owner fails to comply with the provisions contained herein, the Village Standards, or other rules and regulations promulgated by the ACC, Association and/or ACC may, in addition to all other remedies contained herein, record a certificate of non-compliance against the Home stating that the improvements on the Home fail to meet the requirements of this Declaration and that the Home is subject to further enforcement remedies.

19.19 Certificate of Compliance. If requested by an Owner, prior to the occupancy of any improvement constructed or erected on any Home by other than Developer, or its designees, the Owner thereof shall obtain a certificate of compliance from the ACC, certifying that the Owner has complied with the requirements set forth herein. The ACC may, from time to time, delegate to a member or members of the ACC, the responsibility for issuing the certificate of compliance. The issuance of a certificate of compliance does not abrogate the ACC's rights set forth in Section 19.15 herein.

19.20 Exemption. Notwithstanding anything to the contrary contained herein, or in the Village Standards, any improvements of any nature made or to be made by Developer, Club Owner, or their nominees, including, without limitation, improvements made or to be made to the Common Areas, Club, or Home, shall not be subject to the review of the ACC, Association, or the provisions of the Village Standards.

19.21 Exculpation. Developer, Association, the directors or officers of Association, the ACC, the members of the ACC, or any person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any Owner or any other party whatsoever, due to any mistakes in judgment, negligence, or any action of Developer, Association, ACC or their members, officers, or directors, in connection with the approval or disapproval of plans and specifications. Each Owner agrees, individually and on behalf of his or her heirs, devisees, legal and personal representatives, successors and assigns, by acquiring title to a Home, that it shall not bring any action or suit against Developer, Association or their respective directors or officers, the ACC or the members of the ACC, or their respective agents, in order to recover any damages caused by the actions of Developer, Association, or

ACC or their respective members, officers, or directors in connection with the provisions of this Section. Association does hereby indemnify, defend and hold Developer and the ACC, and each of their members, officers, and directors harmless from all costs, expenses, and liabilities, including attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, of all nature resulting by virtue of the acts of the Owners, Association, ACC or their members, officers and directors. Developer, Association, its directors or officers, the ACC or its members, or any person acting on behalf of any of them, shall not be responsible for any defects in any plans or specifications or the failure of same to comply with applicable laws or code nor for any defects in any improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

20. Master Association. Each Owner and Home is subject to the Master Declaration which contains, among other things, architectural review requirements, assessment obligations, and use restrictions. The terms of the Master Declaration are incorporated herein by reference. Association shall at all times enforce the terms of the Master Declaration.

20.1 Master Association Easements. Without limiting any provision of the Master Declaration, the Master Association, and its agents, employees, and managers, shall be deemed to have easements of ingress and egress in, over, and across the Common Areas for all reasonable purposes including, without limitation, such easements required for maintenance of the lake and canal banks and slopes for the Village, if any, and the entry and boundary signs.

20.2 Priority of Master Association Lien. A claim of lien for Assessments payable to the Master Association shall be superior to a claim of lien for Assessments due to Association. Master Assessments shall be collected by Association pursuant to Section 17.23 above.

20.3 Rules and Regulations. The rules and regulations of the Master Association shall be enforced by Association.

21. Owners Liability.

21.1 Loop System Irrigation. Some or all Homes and Common Areas may receive irrigation pursuant to a loop system. If an Owner desires to make any alterations or improvements to a Home that in any way affect the loop irrigation system, then the Owner shall be responsible for taking measures to "cap off" the main line of the loop irrigation system that leads to the Home. In addition, the Owner shall be obligated to obtain the prior written approval of Association before taking any action that may adversely affect the loop irrigation system. Once the main line is "capped off," the Owner shall then be responsible for maintaining the irrigation system for his or her Home. Any damages to the Home resulting from an Owner's failure to comply with the terms set forth herein shall be the sole responsibility of such Owner and Developer shall not be liable for the same. Furthermore, each Owner understands that as provided in this Declaration, an Owner may be permitted to install, including without limitation, a patio, and/or screened enclosure ("Improvement") on the Home upon the prior written approval of the ACC as set forth in this Declaration and/or the Village Standards. Before the ACC approves the installation of an Improvement, the irrigation system that will be within the Improvement portion of that Home must be re-routed, if necessary, by a professional irrigation company. In order for the ACC to approve the Improvement installation, a letter or other evidence by a professional irrigation company must be given to the ACC at least ten (10) days before the Improvement installation stating that the effectiveness of the Village drainage system will not be affected by the re-routing of the irrigation system. Should an Owner install the Improvement without providing the necessary letter or other evidence from a professional irrigation company in advance as required herein, then Association may conduct the necessary inspection, repair any necessary drainage facilities and charge the work as an Individual Assessment to such Owner, all as further provided in this Declaration and/or the Village Standards.

21.2 Right to Cure. Should any Owner do any of the following:

21.2.1 Fail to perform its responsibilities as set forth herein or otherwise breach the provisions of the Declaration; or

21.2.2 Cause any damage to any improvement or Common Areas or Club; or

21.2.3 Impede Developer, Club Owner, or Association from exercising its rights or performing its responsibilities hereunder or under the Club Plan; or

21.2.4 Undertake unauthorized improvements or modifications to a Home or the Common Areas or the Club; or

21.2.5 Impede Developer or Club Owner from proceeding with or completing the development of the Village or Club, as the case may be.

Then Developer, Club Owner, Master Association and/or Association, where applicable, after thirty (30) days prior written notice, shall have the right, through its agents and employees, to cure the breach including, but not limited to, the entering upon the Home and causing the default to be remedied and/or the required repairs or maintenance to be performed, or as the case may be, removing unauthorized improvements or modifications. The cost thereof, plus reasonable overhead costs and attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, incurred shall be assessed against the Owner as an Individual Assessment.

21.3 Non-Monetary Defaults. In the event of a violation by any Owner, other than the nonpayment of any Assessment or other monies, of any of the provisions of this Declaration, Developer or Association shall notify 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, the party entitled to enforce same may, at its option:

21.3.1 Commence an action to enforce the performance on the part of the Owner or to enjoin the violation or breach or for equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

21.3.2 Commence an action to recover damages; and/or

21.3.3 Take any and all action reasonably necessary to correct the violation or breach.

21.3.4 All expenses incurred in connection with the violation or breach, or the commencement of any action against any Owner, including reasonable attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings including appeals, shall be assessed against the Owner, as an Individual Assessment, and shall be immediately due and payable without further notice.

21.4 No Waiver. The failure to enforce any right, provision, covenant or condition in this Declaration, shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future.

21.5 Rights Cumulative. All rights, remedies, and privileges granted to Developer, Club Owner, Master Association, Association and/or the ACC pursuant to any terms, provisions, covenants or conditions of this Declaration, or the Village Standards, 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 any of them from pursuing such additional remedies, rights or privileges as may be granted or as it might have by law.

21.6 Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration or the Village Standards may be enforced by Developer and/or, where applicable, Owners, Club Owner and/or 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 or the Village Standards 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 or the Village Standards.

21.7 Fines. Association may suspend, for reasonable periods of time, the rights of an Owner or an Owner's tenants, guests and invitees, or both, to use the Common Areas and may levy reasonable fines, not to

exceed the maximum amounts permitted by Section 720.305(2) of the Florida Statutes, against an Owner, tenant, guest or invitee, for failure to comply with any provision of this Declaration.

21.7.1 A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. Fines in the aggregate are not capped to any amount.

21.7.2 A fine or suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) persons (the "Compliance Committee") appointed by the Board who are not officers, directors or employees of Association, or the spouse, parent, child, brother, sister of an officer, director or employee. If the Compliance Committee does not by a majority vote approve a fine or suspension the same may not be imposed. The written notice of violation shall be in writing to the Owner, tenant, guest or invitee and detail the infraction or infractions. Included in the notice shall be the date and time of the hearing of the Compliance Committee. An Owner may appeal a Compliance Committee decision to the Board. In no event shall the Board impose a fine or suspension greater than that imposed by the Compliance Committee. Furthermore, the Compliance Committee shall have not right to appeal a decision of the Board.

21.7.3 The non-compliance shall be presented to the Compliance Committee acting as a tribunal, after which the Compliance Committee shall hear reasons why a fine should not be imposed. The hearing shall be conducted in accordance with the procedures adopted by the Compliance Committee from time to time. A written decision of the Compliance Committee shall be submitted to the Owner, tenant, guest or invitee, as applicable, by not later than twenty-one (21) days after the meeting of the Compliance Committee.

21.7.4 The Compliance Committee may impose Individual Assessments against the Owner in the amount of \$100 (or any greater amount permitted by law from time to time) for each violation. Each day of non-compliance shall be treated as a separate violation and there is no cap on the aggregate amount the Compliance Committee may fine an Owner, tenant, guest or invitee. Individual Assessment fines shall be paid not later than five (5) days after notice of the imposition of the Individual Assessment. All monies received from fines shall be allocated as directed by the Board.

22. Additional Rights of Developer.

22.1 Sales and Administrative Offices. Developer shall have the perpetual right to take such action reasonably necessary to transact any business necessary to consummate the development of the Village and sales and re-sales of Homes and/or other properties owned by Developer or others outside of the Village. This right shall include, but not be limited to, the right to maintain models, sales offices and parking associated therewith, have signs on any portion of the Village, including Common Areas and the Club, employees in the models and offices without the payment of rent or any other fee, maintain offices in models and use of the Common Areas and the Club to show Homes. The sales office, models and signs and all items pertaining to development and sales remain the property of Developer. Developer shall have all of the foregoing rights without charge or expense. Without limiting any other provision of this Declaration, Developer may assign its rights hereunder to each Builder. The rights reserved hereunder shall extend beyond the Village Completion Date. All other sales offices, other than those owned, operated, or maintained by Developer, shall be prohibited within the Village.

22.2 Modification. The development and marketing of the Village will continue as deemed appropriate in Developer's sole discretion, and nothing in this Declaration or the Village Standards, or otherwise, shall be construed to limit or restrict such development and marketing. It may be necessary or convenient for the development of the Village to, as an example and not a limitation, amend a Plat and/or the Village Plan, modify the boundary lines of the Common Areas, grant easements, dedications, agreements, licenses, restrictions, reservations, covenants, rights-of-way, and to take such other actions which Developer, or its agents, affiliates, or assignees may deem necessary or appropriate. Association and Owners shall, at the request of Developer, execute and deliver any and all documents and instruments which Developer deems necessary or convenient, in its sole discretion, to accomplish the same.

22.3 Promotional Events. Prior to the Village Completion Date, Developer and its successors shall have the right, at any time, to hold marketing, special and/or promotional events within the Village and/or on the

Common Areas, without any charge for use. Developer, its agents, affiliates, or assignees shall have the right to market the Village and Homes in advertisements and other media by making reference to the Village, including, but not limited to, filming commercials within the Village, creating videos within the Village, pictures or drawings of the Village, Common Areas, and Homes constructed in the Village without any payment to or permission from any Owner. All logos, trademarks, and designs used in connection with the Village are the property of Developer, and Association shall have no right to use the same after the Village Completion Date except with the express written permission of Developer. Without limiting any other provision of this Declaration, Developer may assign its rights hereunder to each Builder.

22.4 Use by Prospective Purchasers. Prior to the Village Completion Date, Developer shall have the right, without charge, to use the Common Areas for the purpose of entertaining prospective purchasers of Homes or other properties owned by Developer outside of the Village.

22.5 Franchises. Developer may grant franchises or concessions to commercial concerns on all or part of the Common Areas and shall be entitled to all income derived therefrom.

22.6 Management. Developer may manage the Common Areas by contract with Association. Developer may also contract with a third party ("Manager") for management of Association and the Common Areas. Each Owner acknowledges that Developer may receive lump sum or monthly compensation from any Manager in connection with the costs of services provided by such Manager. Such compensation may be paid on a per Home or other basis. All such compensation shall be the sole property of Developer, who shall have no duty to account for or disclose the amount of such compensation.

22.7 Easements. Until the Village Completion Date, Developer reserves the exclusive right to grant, in its sole discretion, easements, permits and/or licenses for ingress and egress, drainage, utilities service, maintenance, and other purposes over, under, upon and across the Village so long as any such easements do not materially and adversely interfere with the intended use of Homes previously conveyed to Owners. By way of example, and not of limitation, Developer may be required to take certain action, or make additions or modifications to the Common Areas in connection with an environmental program. All easements necessary for such purposes are reserved in favor of Developer, in perpetuity, for such purposes. Without limiting the foregoing, Developer may relocate any easement affecting a Home, or grant new easements over a Home, after conveyance to an Owner, without the joinder or consent of such Owner, so long as the grant of easement or relocation of easement does not materially and adversely affect the Owner's use of the Home as a residence. As an illustration, Developer may grant an easement for irrigation, drainage lines or electrical lines over any portion of the Village so long as such easement is outside the footprint of the foundation of any residential or commercial improvement constructed on such portion of the Village. Developer shall have the sole right to any fees of any nature associated therewith, including, but not limited to, license or similar fees on account thereof. Association and Owners will, without charge, if requested by Developer: (a) join in the creation of such easements, etc. and cooperate in the operation thereof; and (b) collect and remit fees associated therewith, if any, to the appropriate party. Association will not grant any easements, permits or licenses to any other entity providing the same services as those granted by Developer, nor will it grant any such easement, permit or license prior to the Village Completion Date without the prior written consent of Developer which may be granted or denied in its sole discretion.

22.8 Right to Enforce. Developer has the right, but not the obligation, to enforce the provisions of this Declaration and the Village Standards and to recover all costs relating thereto, including attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals. Such right shall include the right to perform the obligations of Association and to recover all costs incurred in doing so. The Club Owner shall also have such rights relating to the Club and/or Club Dues.

22.9 Additional Development. If Developer withdraws portions of the Village from the operation of this Declaration, Developer may, but is not required to, subject to governmental approvals, create other forms of residential property ownership or other improvements of any nature on the property not subjected to or withdrawn from the operation of this Declaration. Developer shall not be liable or responsible to any person or entity on account of its decision to do so or to provide, or fail to provide, the amenities and/or facilities which were originally planned to be included in such areas. If so designated by Developer, owners or tenants of such other forms of housing or improvements upon their creation, may share in the use of all or some of the Common Areas and other

facilities and/or roadways which remain subject to this Declaration. The expense of the operation of such facilities shall be allocated to the various users thereof, if at all, as determined by Developer.

22.10 Representations. Developer makes no representations concerning development both within and outside the boundaries of the Village including, but not limited to, the number, design, boundaries, configuration and arrangements, prices of all Parcels, Lots, or Homes and buildings in all other proposed forms of ownership and/or other improvements on the Village or in the Village or adjacent to or near the Village, including, but not limited to, the size, location, configuration, elevations, design, building materials, height, view, airspace, number of homes, number of buildings, location of easements, parking and landscaped areas, services and amenities offered.

22.11 Non-Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE ASSOCIATION DOCUMENTS, NEITHER MASTER ASSOCIATION NOR ASSOCIATION SHALL BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF VILLAGE INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, LESSEES, LICENSEES, INVITEES, AGENTS, SERVANTS, CONTRACTORS, AND/OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

22.11.1 IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF VILLAGE HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF VILLAGE AND THE VALUE THEREOF; AND

22.11.2 ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN AGENCY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE STATE OF FLORIDA, CITY AND/OR COUNTY OR PREVENTS TORTIOUS ACTIVITIES; AND

22.11.3 THE PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY, AND WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY, OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON. EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO A HOME) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING A USE OF, ANY PORTION OF VILLAGE (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS SECTION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF ASSOCIATION HAS BEEN DISCLAIMED IN THIS SECTION OR OTHERWISE. AS USED IN THIS SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS).

22.12 Resolution of Disputes. BY ACCEPTANCE OF A DEED, EACH OWNER AGREES THAT THE ASSOCIATION DOCUMENTS ARE VERY COMPLEX; THEREFORE, ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSS CLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THE ASSOCIATION DOCUMENTS, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHOULD BE HEARD IN A COURT PROCEEDING BY A JUDGE AND NOT A JURY IN ORDER TO BEST SERVE JUSTICE. DEVELOPER HEREBY SUGGESTS THAT EACH OWNER UNDERSTAND THE LEGAL CONSEQUENCES OF ACCEPTING A DEED TO A HOME.

22.13 Venue. EACH OWNER ACKNOWLEDGES REGARDLESS OF WHERE SUCH OWNER (i) EXECUTED A PURCHASE AND SALE AGREEMENT, (ii) RESIDES, (iii) OBTAINS FINANCING OR (iv) CLOSED ON A HOME, THIS DECLARATION LEGALLY AND FACTUALLY WAS EXECUTED IN COUNTY. DEVELOPER HAS AN OFFICE IN COUNTY AND EACH HOME IS LOCATED IN COUNTY. ACCORDINGLY, AN IRREBUTTABLE PRESUMPTION EXISTS THAT THE ONLY APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN COUNTY. IN ADDITION TO THE FOREGOING, EACH OWNER AND DEVELOPER AGREES THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN COUNTY.

22.14 Reliance. BEFORE ACCEPTING A DEED TO A HOME, EACH OWNER HAS AN OBLIGATION TO RETAIN AN ATTORNEY IN ORDER TO CONFIRM THE VALIDITY OF THIS DECLARATION. BY ACCEPTANCE OF A DEED TO A HOME, EACH OWNER ACKNOWLEDGES THAT HE HAS SOUGHT AND RECEIVED SUCH AN OPINION OR HAS MADE AN AFFIRMATIVE DECISION NOT TO SEEK SUCH AN OPINION. DEVELOPER IS RELYING ON EACH OWNER CONFIRMING IN ADVANCE OF ACQUIRING A HOME THAT THIS DECLARATION IS VALID, FAIR AND ENFORCEABLE. SUCH RELIANCE IS DETRIMENTAL TO DEVELOPER. ACCORDINGLY, AN ESTOPPEL AND WAIVER EXISTS PROHIBITING EACH OWNER FROM TAKING THE POSITION THAT ANY PROVISION OF THIS DECLARATION IS INVALID IN ANY RESPECT. AS A FURTHER MATERIAL INDUCEMENT FOR DEVELOPER TO SUBJECT VILLAGE TO THIS DECLARATION, EACH OWNER DOES HEREBY RELEASE, WAIVE, DISCHARGE, COVENANT NOT TO SUE, ACQUIT, SATISFY AND FOREVER DISCHARGE DEVELOPER, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS AND ITS AFFILIATES AND ASSIGNS FROM ANY AND ALL LIABILITY, CLAIMS, COUNTERCLAIMS, DEFENSES, ACTIONS, CAUSES OF ACTION, SUITS, CONTROVERSIES, AGREEMENTS, PROMISES AND DEMANDS WHATSOEVER IN LAW OR IN EQUITY WHICH AN OWNER MAY HAVE IN THE FUTURE, OR WHICH ANY PERSONAL REPRESENTATIVE, SUCCESSOR, HEIR OR ASSIGN OF OWNER HEREAFTER CAN, SHALL OR MAY HAVE AGAINST DEVELOPER, ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AND AGENTS, AND ITS AFFILIATES AND ASSIGNS, FOR, UPON OR BY REASON OF ANY MATTER, CAUSE OR THING WHATSOEVER RESPECTING THIS DECLARATION, OR THE EXHIBITS HERETO. THIS RELEASE AND WAIVER IS INTENDED TO BE AS BROAD AND INCLUSIVE AS PERMITTED BY THE LAWS OF THE STATE OF FLORIDA.

23. Refund of Taxes and Other Charges. Unless otherwise provided herein, Association agrees that any taxes, fees or other charges paid by Developer to any governmental authority, utility company or any other entity which at a later date are refunded in whole or in part, shall be returned to Developer in the event such refund is received by Association.

24. Assignment of Powers. All or any part of the rights, exemptions and powers and reservations of Developer or Club Owner, as the case may be, herein contained may be conveyed or assigned in whole or part to other persons or entities by an instrument in writing duly executed, acknowledged, and, at Developer's option, recorded in the Public Records.

25. General Provisions.

25.1 Authority of Board. Except when a vote of the membership of Association is specifically required, all decisions, duties, and obligations of Association hereunder may be made by the Board. Association and Owners shall be bound thereby.

25.2 Severability. Invalidation of any of the provisions of this Declaration by judgment or court order shall in no way affect any other provision, and the remainder of this Declaration shall remain in full force and effect.

25.3 Execution of Documents. Developer's plan of development for the Village including, without limitation, the creation of one (1) or more taxing districts, may necessitate from time to time the execution of certain documents as required by governmental agencies. To the extent that such documents require the joinder of Owners or Association, Developer, by its duly authorized officers, may, as the agent or the attorney-in-fact for the Owners, execute, acknowledge and deliver such documents (including, without limitation, any consents or other documents required by any governmental agencies in connection with the creation of any special taxing district); and the

Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through its duly authorized officers, as their proper and legal attorneys-in-fact, for such purpose. Such appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner and Association agree, by its acceptance of a deed to a Home, Parcel or any other portion of the Village, to execute or otherwise join in any petition and/or other documents required in connection with the creation of the any taxing district relating to the Village or any portion(s) thereof.

25.4 Affirmative Obligation of Association. In the event that Association believes that Developer has failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas are defective in any respect, Association shall give written notice to Developer detailing the alleged failure or defect. Association agrees that once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas. Association's failure to give the notice and/or otherwise comply with the provisions of this Section will damage Developer. At this time, it is impossible to determine the actual damages Developer might suffer. Accordingly, if Association fails to comply with its obligations under this Section in any respect, Association shall pay to Developer liquidated damages in the amount of \$250,000.00 which Association and Developer agree is a fair and reasonable remedy.

25.5 Notices. Any notice required to be sent to any person, firm, or entity under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address at the time of such mailing.

25.6 Florida Statutes. Whenever this Declaration refers to the Florida Statutes, it shall be deemed to refer to the Florida Statutes as they exist on the date this Declaration is recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

[ADDITIONAL TEXT AND SIGNATURES APPEAR ON THE FOLLOWING PAGE]

25.7 Construction Activities. ALL OWNERS, OCCUPANTS AND USERS OF VILLAGE ARE HEREBY PLACED ON NOTICE THAT (1) DEVELOPER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES AND/OR (2) ANY OTHER PARTIES MAY BE, FROM TIME TO TIME, CONDUCTING CONSTRUCTION ACTIVITIES, BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO VILLAGE. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF VILLAGE, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (ii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO VILLAGE WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (iii) DEVELOPER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM DEVELOPER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AND (iv) ANY PURCHASE OR USE OF ANY PORTION OF VILLAGE HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING.

IN WITNESS WHEREOF, the undersigned, being Developer hereunder, has hereunto set its hand and seal this 26 day of MARCH, 2007.

WITNESSES:

VERANO DEVELOPMENT LLC, a Delaware limited liability company

Tracy M. Standing
Print Name: Tracy M. Standing

Aaron Chorost
Print Name: AARON CHOROST

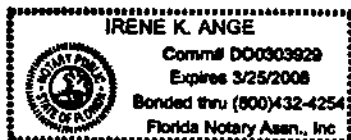
By:

Craig A. Perna
Name: Craig A. Perna
Title: President

STATE OF FLORIDA)
COUNTY OF ST. LUCIE) SS.:

The foregoing instrument was acknowledged before me this 26 day of March, 2007 by Craig A. Perna as President of and member of VERANO DEVELOPMENT LLC, a Delaware limited liability company, who is personally known, on behalf of the corporation.

My commission expires:



Irene K. Ange
NOTARY PUBLIC, State of Florida at Large

Print Name: Irene K. Ange

JOINDER

VERANO PROPERTY OWNERS ASSOCIATION, INC.

VERANO PROPERTY OWNERS ASSOCIATION, INC. ("**Master Association**") does hereby join in the Declaration for Village Emilia ("**Declaration**") to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. Master Association acknowledges that this Joinder is for convenience only and is not to the effectiveness of the Declaration, as Master Association has no right to approve the Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 26 day of MARCH, 2007.

WITNESSES:

VERANO PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation

Tracy M. Stading
Print Name: Tracy M. Stading
Aaron Chrost
Print Name: AARON CHROST

By: [Signature]
Name: Craig A. Perna
Title: President
Date: _____

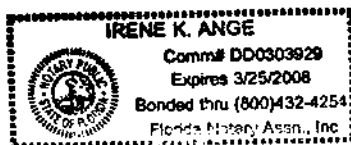
[SEAL]

STATE OF FLORIDA)
) SS.:
COUNTY OF ST. LUCIE)

The foregoing instrument was acknowledged before me this 26 day of March, 2007 by Craig A. Perna as President of VERANO PROPERTY OWNERS ASSOCIATION, INC., a Florida not-for-profit corporation, corporation, who is personally known to me, on behalf of the corporation.

My commission expires:

[Signature]
NOTARY PUBLIC, State of Florida at Large
Print
Name Irene K. Ange



JOINDER

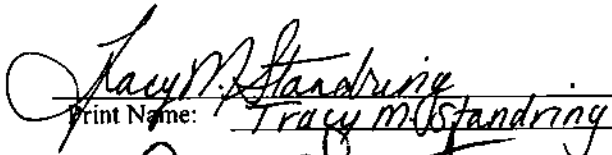
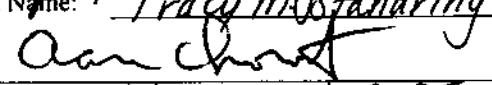
VILLAGE EMILIA ASSOCIATION, INC.

VILLAGE EMILIA ASSOCIATION, INC. ("Association") does hereby join in the Declaration for Village Emilia ("Declaration") to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. Association acknowledges that this Joinder is for convenience only and is not to the effectiveness of the Declaration, as Association has no right to approve the Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 26 day of MARCH, 2007.

WITNESSES:

VILLAGE EMILIA ASSOCIATION, INC., a Florida not-for-profit corporation


Print Name: Tracy M. Standring

Print Name: AARON CHAREST

By: 
Name: Craig A. Perna
Title: President
Date: 3/26/07

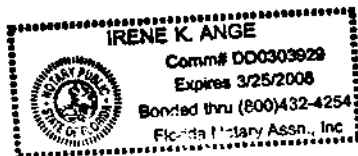
[SEAL]

STATE OF FLORIDA)
) SS.:
COUNTY OF ST. LUCIE)

The foregoing instrument was acknowledged before me this 26 day of March, 2007 by Craig A. Perna as President of VILLAGE EMILIA ASSOCIATION, INC., a Florida not-for-profit corporation, corporation, who is personally known to me, on behalf of the corporation.

My commission expires:


NOTARY PUBLIC, State of Florida at Large
Print
Name Irene K. Ange



CONSENT TO

DECLARATION FOR VILLAGE EMILIA

SunTrust Bank, a bank organized under the State of Georgia, the holder of a mortgage ("Mortgage") recorded in Official Records Book 1745, Page 2098 of the Public Records of St. Lucie County, Florida, which encumbers the Land described in Exhibit 1, does hereby Consent to the Declaration for Village Emilia, to which this consent is attached, and acknowledges that the terms thereof are and shall be binding upon the undersigned and its successors and assigns.

By consenting to the Declaration for Village Emilia SunTrust Bank is not subordinating the Mortgage to any assessments against any portion of Verano levied pursuant to the Declaration nor is SunTrust Bank waiving or subordinating any of its rights under that certain Acquisition, Development and Construction Loan Agreement dated as of March 2, 2006, which shall specifically control over the terms of Sections 5.1, 5.3 and 9.1 of the Declaration. Further, the Loan Agreement shall control as to the application and disbursement of insurance and condemnation proceeds as to any conflicting provision of the Declaration.

IN WITNESS WHEREOF, the undersigned has executed this Consent on this 5th day of ~~March~~ APRIL, 2007.

WITNESSES:

[Signature]
Print Name: SHEREE FOSTER

[Signature]
Print Name: Karen Mclemore

SunTrust Bank,
a bank organized under the State of Georgia

By: [Signature]
Name: Fred Roxas JEFFREY TART
Title: First Vice President
Date: 4/5/07

STATE OF FLORIDA)
COUNTY OF PALM BEACH) SS.:



The foregoing instrument was acknowledged before me this 5th day of ~~March~~ APRIL, 2007 by ~~Fred Roxas~~ Jeffrey TART as ~~First Vice President of SunTrust Bank~~, a bank organized under the State of Georgia, who is personally known to me or who produced _____ as identification, on behalf of the bank.

My commission expires: 7/29/07

[Signature]
NOTARY PUBLIC, State of Florida at Large
Print Name Doreen Fischer



Doreen Fischer
My Commission DD238151
Expires July 29, 2007

EXHIBIT 1

LEGAL DESCRIPTION

VILLAGE EMILIA

PLAT OF VERANO, P.U.D. NO. 1 BEING A REPLAT OF MONTAGE, P.U.D. NO. 1, AS RECORDED IN PLAT BOOK 56, AT PAGES 11 THROUGH 17, INCLUSIVE, PUBLIC RECORDS OF ST. LUCIE COUNTY, FLORIDA, LESS AND EXCEPTING TRACT A (COMMERCE CENTER DRIVE), TRACT B, AND TRACT C.

ALL LYING IN SECTION 34, TOWNSHIP 36 SOUTH, RANGE 30 EAST, CITY OF PORT ST. LUCIE, ST. LUCIE COUNTY, FLORIDA.

EXHIBIT 2
ARTICLES OF INCORPORATION

State of Florida



Department of State

I certify from the records of this office that VILLAGE EMILIA ASSOCIATION, INC. is a corporation organized under the laws of the State of Florida, filed on November 22, 2006.

The document number of this corporation is N06000012146.

I further certify that said corporation has paid all fees due this office through December 31, 2006, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes, and authenticated by the code, 806A00068239-112706-N06000012146-1/1, noted below.

Authentication Code: 806A00068239-112706-N06000012146-1/1



Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-seventh day of November, 2006

Sue M. Cobb
Sue M. Cobb
Secretary of State

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of VILLAGE EMILIA ASSOCIATION, INC., a Florida corporation, filed on November 22, 2006, as shown by the records of this office.

I further certify the document was electronically received under FAX audit number H06000281068. This certificate is issued in accordance with section 15.16, Florida Statutes, and authenticated by the code noted below.

The document number of this corporation is N06000012146.

Authentication Code: 806A00068239-112706-N06000012146-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Twenty-seventh day of November, 2006



Sue M. Cobb
Sue M. Cobb
Secretary of State

(((H06000281068 3)))

**ARTICLES OF INCORPORATION
OF
VILLAGE EMILIA ASSOCIATION, INC.
(A CORPORATION NOT-FOR-PROFIT)**

TABLE OF CONTENTS

	Page
1. Name of Corporation.....	1
2. Principal Office	1
3. Registered Office - Registered Agent.....	1
4. Definitions.....	1
5. Purpose of Association.....	1
6. Not for Profit.....	1
7. Powers of Association.....	1
8. Voting Rights	2
9. Board of Directors.....	2
10. Dissolution.....	2
11. Duration.....	2
12. Amendments.....	2
12.1 General Restrictions on Amendments.....	2
12.2 Amendments Prior to and Including the Turnover Date	2
12.3 Amendments After the Turnover Date.....	3
13. Limitations.....	3
13.1 Declaration is Paramount	3
13.2 Rights of Developer.....	3
13.3 By-Laws	3
14. Incorporator.....	3
15. Officers.....	3
16. Indemnification of Officers and Directors.....	3
17. Transactions in Which Directors or Officers are Interested	3

ARTICLES OF INCORPORATION
OF
VILLAGE EMILIA ASSOCIATION, INC.
(A CORPORATION NOT-FOR-PROFIT)

In compliance with the requirements of the laws of the State of Florida, and for the purpose of forming a corporation not-for-profit, the undersigned does hereby acknowledge:

1. Name of Corporation. The name of the corporation is Village Emilia Association, Inc. ("Association").
2. Principal Office. The principal office of Association is 9700 Reserve Blvd., Port St. Lucie, FL 34986.
3. Registered Office - Registered Agent. The street address of the Registered Office of Association is 200 South Biscayne Blvd., Suite 3400, Miami, Florida 33131. The name of the Registered Agent of Association is:

JEFFREY R. MARGOLIS, P.A.

4. Definitions. A declaration entitled Declaration for Village Emilia (the "Declaration") will be recorded in the Public Records of St. Lucie County, Florida, and shall govern all of the operations of a community to be known as Village Emilia at Verano. All initially capitalized terms not defined herein shall have the meanings set forth in the Declaration.

5. Purpose of Association. Association is formed to: (a) provide for ownership, operation, maintenance and preservation of the Common Areas, and improvements thereon; (b) perform the duties delegated to it in the Declaration; (c) administer the interests of Association and the Owners; (d) promote the health and welfare of the Owners.

6. Not for Profit. Association is a not-for-profit Florida corporation and does not contemplate pecuniary gain to, or profit for, its members.

7. Powers of Association. Association shall, subject to the limitations and reservations set forth in the Declaration, have all the powers, privileges and duties reasonably necessary to discharge its obligations, including, but not limited to, the following:

7.1 To perform all the duties and obligations of Association set forth in the Declaration and By-Laws, as herein provided.

7.2 To enforce, by legal action or otherwise, the provisions of the Declaration and By-Laws and of all rules, regulations, covenants, restrictions and agreements governing or binding Association and Village Emilia at Verano.

7.3 To operate and maintain the Surface Water Management System as required by the Permit and Declaration, including the lake and mitigation areas, if applicable.

7.4 To fix, levy, collect and enforce payment, by any lawful means, of all Assessments pursuant to the terms of the Declaration, these Articles and By-Laws.

7.5 To pay all Operating Costs, including, but not limited to, all licenses, taxes or governmental charges levied or imposed against the property of Association.

7.6 To acquire (by gift, purchase or otherwise), annex, own, hold, improve, build upon, operate, maintain, convey, grant rights and easements, sell, dedicate, lease, transfer or otherwise dispose of real or personal property (including the Common Areas) in connection with the functions of Association except as limited by the Declaration.

7.7 To borrow money, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money or debts incurred.

7.8 To dedicate, grant, license, lease, concession, create easements upon, sell or transfer all or any part of Village Emilia at Verano to any public agency, entity, authority, utility or other person or entity for such purposes and subject to such conditions as it determines and as provided in the Declaration.

7.9 To participate in mergers and consolidations with other non-profit corporations organized for the same purposes.

7.10 To adopt, publish, promulgate or enforce rules, regulations, covenants, restrictions or agreements governing Association, Village Emilia at Verano, the Common Areas, Lots and, as provided in the Declaration, to effectuate all of the purposes for which Association is organized.

7.11 To have and to exercise any and all powers, rights and privileges which a not-for-profit corporation organized under the laws of the State of Florida may now, or hereafter, have or exercise.

7.12 To employ personnel and retain independent contractors to contract for management of Association, Village Emilia at Verano, and the Common Areas as provided in the Declaration and to delegate in such contract all or any part of the powers and duties of Association.

7.13 To contract for services to be provided to, or for the benefit of, Association, Owners, the Common Areas, and Village Emilia at Verano as provided in the Declaration, such as, but not limited to, Telecommunications Services, maintenance, garbage pick-up, and utility services.

7.14 To establish committees and delegate certain of its functions to those committees.

7.15 To contract with the Verano Center Community Development District, the Verano # 1 Community Development District, their successors and/or assigns.

8. Voting Rights. Owners and Developer shall have the voting rights set forth in the By-Laws.

9. Board of Directors. The affairs of Association shall be managed by a Board of odd number with not less than three (3) nor more than nine (9) members. The initial number of directors shall be three (3). Board members shall be appointed and/or elected as stated in the By-Laws. The election of directors shall be held at the annual meeting. Directors shall be elected for a term expiring on the date of the next annual meeting. The names and addresses of the members of the first Board who shall hold office until their successors are appointed or elected, or until removed, are as follows:

NAME	ADDRESS
Craig A. Perna	1601 Forum Place, Suite 805 West Palm Beach, FL 33401
Aaron Chorost	1601 Forum Place, Suite 805 West Palm Beach, FL 33401
Kevin Voller	1601 Forum Place, Suite 805 West Palm Beach, FL 33401

10. Dissolution. In the event of the dissolution of Association other than incident to a merger or consolidation, any member may petition the circuit court having jurisdiction of the judicial circuit of the State of Florida for the appointment of a receiver to manage its affairs of the dissolved Association and to manage the Common Areas, in the place and stead of Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties. In addition, if Association is dissolved, the Surface Water Management System shall be conveyed to an appropriate agency of local government. If a governmental agency will not accept the Surface Water Management System, then it must be dedicated to a similar non-profit corporation.

11. Duration. Association shall have perpetual existence.

12. Amendments.

12.1 General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to these Articles shall affect the rights of Developer and/or Club Owner unless such amendment receives the prior written consent of Developer which may be withheld for any reason whatsoever. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to these Articles, then the prior written consent of such entity or agency must also be obtained. No amendment shall be effective until it is recorded in the Public Records. Notwithstanding the foregoing, no amendment to these Articles shall adversely affect the rights of Developer or Club Owner.

12.2 Amendments Prior to and Including the Turnover Date. Prior to and including the Turnover Date, Developer shall have the right to amend these Articles as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Developer's right to amend under this Section is to be construed as broadly as possible. In the event that Association shall desire to amend these Articles prior to and including the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments after the Turnover Date.

Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

12.3 Amendments After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, these Articles may be amended with the approval of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present, in person or by proxy, at a duly noticed meeting of the members of Association at which there is a quorum.

13. Limitations.

13.1 Declaration is Paramount. No amendment may be made to these Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration.

13.2 Rights of Developer. There shall be no amendment to these Articles which shall abridge, reduce, amend, effect or modify the rights of Developer and/or Club Owner.

13.3 By-Laws. These Articles shall not be amended in a manner that conflicts with the By-Laws.

14. Incorporator. The name and address of the incorporator of this corporation is:

Jeffrey R. Margolis, Esq.
Jeffrey R. Margolis, P.A.
Duane Morris LLP
200 South Biscayne Blvd., Suite 3400
Miami, Florida 33131

15. Officers. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine. The names and addresses of the officers who shall serve until their successors are elected by the Board are as follows:

President	Craig A. Perna 1601 Forum Place, Suite 805 West Palm Beach, FL 33401
Vice President	Aaron Chorost 1601 Forum Place, Suite 805 West Palm Beach, FL 33401
Secretary	Aaron Chorost 1601 Forum Place, Suite 805 West Palm Beach, FL 33401
Treasurer	Kevin Voller 1601 Forum Place, Suite 805 West Palm Beach, FL 33401

16. Indemnification of Officers and Directors. Association shall and does hereby indemnify and hold harmless every director and every officer, their heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which such director or officer may be made a party by reason of being or having been a director or officer of Association, including reasonable attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals. This indemnification shall not apply to matters wherein the director or officer shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such director or officers may be entitled.

17. Transactions in Which Directors or Officers are Interested. No contract or transaction between Association and one (1) or more of its directors or officers or Developer, or between Association and any other corporation, partnership, association, or other organization in which one (1) or more of its officers or directors are officers, directors or employees or otherwise interested shall be invalid, void or voidable solely for this reason, or solely because the officer or director is present at, or participates in, meetings of the Board thereof which authorized the contract or transaction, or solely because such officers' or directors' votes are counted for such purpose. No director or officer of Association shall incur liability by reason of the fact that such director or officer may be interested in any such contract or transaction.

Interested directors shall disclose the general nature of their interest and may be counted in determining the presence of a quorum at a meeting of the Board which authorized the contract or transaction.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned, being the incorporator of this Association, has executed these Articles of Incorporation as of this 21st day of November, 2006.

WITNESSES:

Marie Grondin
Print Name: MARIE GRONDIN

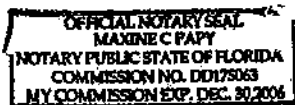
Rebecca Jo Walter
Print Name: REBECCA JO WALTER

Jeffrey R. Margolis, Esq.
Incorporator
(SEAL)

STATE OF FLORIDA)
COUNTY OF MIAMI-DADE) SS.:

The foregoing instrument was acknowledged before me this 21 day of November 2006 by Jeffrey R. Margolis, Esq., who is personally known to me.

My commission expires:



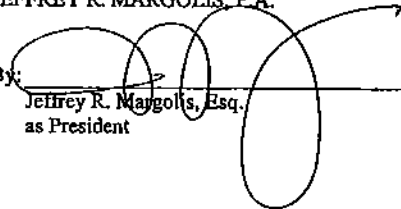
Maxine C. Papy
NOTARY PUBLIC
State of Florida at Large
Print Name MAXINE C PAPPY

ACCEPTANCE BY REGISTERED AGENT

The undersigned, having been named to accept service of process for the above-stated corporation at the place designated in this certificate, hereby agrees to act in this capacity, and is familiar with, and accepts, the obligations of this position and further agrees to comply with the provisions of all statutes relative to the proper and complete performance of its duties.

Dated this 21st day of November, 2006.

JEFFREY R. MARGOLIS, P.A.

By: 

Jeffrey R. Margolis, Esq.
as President

EXHIBIT 3
BY-LAWS

TABLE OF CONTENTS

1.	Name and Location.....	1
2.	Definitions	1
3.	Members.....	1
3.1	Voting Interests	2
3.1.1	Home Owned By Husband and Wife.....	2
3.1.2	Trusts	2
3.1.3	Corporations.....	2
3.1.4	Partnerships.....	2
3.1.5	Multiple Individuals.....	2
3.1.6	Liability of Association.....	2
3.2	Annual Meetings	2
3.3	Special Meetings of the Members	3
3.4	Notice of Members Meetings	3
3.5	Quorum of Members	3
3.6	Adjournment of Members Meetings	3
3.7	Action of Members	3
3.8	Proxies.....	3
4.	Board of Directors.....	3
4.1	Number.....	3
4.2	Term of Office.....	3
4.3	Removal	3
4.4	Compensation.....	4
4.5	Action Taken Without a Meeting	4
4.6	Appointment and Election of Directors.....	4
4.7	Election	4
4.8	Fiduciary Duty of Directors	4
5.	Meeting of Directors.....	4
5.1	Regular Meetings	4
5.2	Special Meetings	4
5.3	Emergencies	4
5.4	Quorum	4
5.5	Open Meetings	4
5.6	Voting	4
5.7	Notice of Board Meetings	4
6.	Powers and Duties of the Board.....	5
6.1	Powers.....	5
6.1.1	General.....	5
6.1.2	Rules and Regulations.....	5
6.1.3	Enforcement.....	5
6.1.4	Declare Vacancies.....	5
6.1.5	Hire Employees.....	5
6.1.6	Common Areas	5
6.1.7	Granting of Interest	5
6.1.8	Financial Reports	5
6.1.9	District	5
6.2	Vote.....	5

6.3	Limitations	5
7.	Delegates	5
8.	Obligations of Association	6
8.1	Official Records	6
8.2	Supervision.....	6
8.3	Assessments and Fines	6
8.4	Enforcement	6
9.	Officers and Their Duties.	6
9.1	Officers.....	6
9.2	Election of Officers	6
9.3	Term.....	6
9.4	Special Appointment.....	6
9.5	Resignation and Removal.....	6
9.6	Vacancies	6
9.7	Multiple Offices	6
9.8	Duties	6
9.8.1	President	6
9.8.2	Vice President	6
9.8.3	Secretary	7
9.8.4	Treasurer	7
10.	Committees.....	7
10.1	General.....	7
10.2	ACC	7
11.	Records	7
12.	Corporate Seal	7
13.	Amendments.....	7
13.1	General Restrictions on Amendments	7
13.2	Amendments Prior to and Including the Turnover Date	7
13.3	Amendments After the Turnover Date	7
14.	Conflict.....	7
15.	Fiscal Year.....	8
16.	Miscellaneous.....	8
16.1	Florida Statutes.....	8
16.2	Severability	8

BY-LAWS
OF
VILLAGE EMILIA ASSOCIATION, INC.

Village Emilia Association, Inc.
By-Laws

**BY-LAWS
OF
VILLAGE EMILIA ASSOCIATION, INC.**

1. **Name and Location.** The name of the corporation is VILLAGE EMILIA ASSOCIATION, INC. ("**Association**"). The principal office of the corporation shall be located at 9700 Reserve Blvd., Port St. Lucie, FL 34986, or at such other location determined by the Board of Directors (the "**Board**") from time to time.

2. **Definitions.** The definitions contained in the Declaration for Village Emilia (the "**Declaration**") relating to the residential community known as Village Emilia at Verano, recorded, or to be recorded, in the Public Records of St. Lucie County, Florida, are incorporated herein by reference and made a part hereof. All initially capitalized terms not defined herein shall have the meaning set forth in the Declaration. In addition to the terms defined in the Declaration, the following terms shall have the meanings set forth below:

"Annual Members Meeting" shall have the meaning assigned to such term in Section 3.2 of these By-Laws.

"Articles" shall mean the Articles of Incorporation for Association, as amended from time to time.

"By-Laws" shall mean these By-Laws, together with all amendments and modifications thereof.

"Declaration" shall mean the Declaration as modified from time to time.

"Developer" shall mean Verano Development LLC and any of its designees, successors and assigns who receive a written assignment of all or some of the rights of Developer hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

"Master Association" shall mean Verano Property Owners Association, Inc., a Florida not-for-profit corporation.

"Master By-Laws" shall mean the By-Laws of Master Association.

"Master Declaration" shall mean that certain Declaration for Verano, recorded or to be recorded in the Public Records of St. Lucie County, Florida, as the same may be amended from time to time, together with all amendments and modifications thereof.

"Member" shall mean a member of Association.

"Minutes" shall mean the minutes of all Member and Board meetings, which shall be in the form required by the Florida Statutes. In the absence of governing Florida Statutes, the Board shall determine the form of the minutes.

"Official Records" shall mean all records required to be maintained by Association pursuant to Section 720.303(4) of the Florida Statutes, as amended from time to time.

"Special Members Meeting" shall have the meaning assigned to such term in Section 3.3 of these By-Laws.

"Turnover Date" shall have the meaning set forth in the Declaration.

"Voting Interests" shall mean the voting rights held by the Members.

3. **Members.**

3.1 Voting Interests. Each Owner and Developer shall be a Member of Association. No person who holds an interest in a Home only as security for the performance of an obligation shall be a Member of Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Home. There shall be one vote appurtenant to each Home. For the purposes of determining who may exercise the Voting Interest associated with each Home, the following rules shall govern:

3.1.1 Home Owned By Husband and Wife. Either the husband or wife (but not both) may exercise the Voting Interest with respect to a Home. In the event the husband and wife cannot agree, neither may exercise the Voting Interest.

3.1.2 Trusts. In the event that any trust owns a Home, Association shall have no obligation to review the trust agreement with respect to such trust. By way of example, if the Home is owned by Robert Smith, as Trustee, Robert Smith shall be deemed the Owner of the Home for all Association purposes. If the Home is owned by Robert Smith as Trustee for the Laura Jones Trust, then Robert Smith shall be deemed the Member with respect to the Home for all Association purposes. If the Home is owned by the Laura Jones Trust, and the deed does not reference a trustee, then Laura Jones shall be deemed the Member with respect to the Home for all Association purposes. If the Home is owned by the Jones Family Trust, the Jones Family Trust may not exercise its Voting Interest unless it presents to Association, in the form of an attorney opinion letter or affidavit reasonably acceptable to Association, the identification of the person who should be treated as the Member with respect to the Home for all Association purposes. If Robert Smith and Laura Jones, as Trustees, hold title to a Home, either trustee (but not both) may exercise the Voting Interest associated with such Home. In the event of a conflict between trustees, the Voting Interest for the Home in question cannot be exercised. In the event that any other form of trust ownership is presented to Association, the decision of the Board as to who may exercise the Voting Interest with respect to any Home shall be final. Association shall have no obligation to obtain an attorney opinion letter in making its decision, which may be made on any reasonable basis whatsoever.

3.1.3 Corporations. If a Home is owned by a corporation, the corporation shall designate a person, an officer, employee, or agent who shall be treated as the Member who can exercise the Voting Interest associated with such Home.

3.1.4 Partnerships. If a Home is owned by a limited partnership, any one of the general partners may exercise the Voting Interest associated with such Home. By way of example, if the general partner of a limited partnership is a corporation, then the provisions hereof governing corporations shall govern which person can act on behalf of the corporation as general partner of such limited partnership. If a Home is owned by a general partnership, any one of the general partners may exercise the Voting Interest associated with such Home. In the event of a conflict among general partners entitled to exercise a Voting Interest, the Voting Interest for such Home cannot be exercised.

3.1.5 Multiple Individuals. If a Home is owned by more than one individual, any one of such individuals may exercise the Voting Interest with respect to such Home. In the event that there is a conflict among such individuals, the Voting Interest for such Home cannot be exercised.

3.1.6 Liability of Association. Association may act in reliance upon any writing or instrument or signature, whether original or facsimile, which Association, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so. So long as Association acts in good faith, Association shall have no liability or obligation with respect to the exercise of Voting Interests, and no election shall be invalidated (in the absence of fraud) on the basis that Association permitted or denied any person the right to exercise a Voting Interest. In addition, the Board may impose additional requirements respecting the exercise of Voting Interests (e.g., the execution of a Voting Certificate).

3.2 Annual Meetings. The annual meeting of the Members (the "Annual Members Meeting") shall be held at least once each calendar year on a date, at a time, and at a place to be determined by the Board.

3.3 Special Meetings of the Members. Special meetings of the Members (a "Special Members Meeting") may be called by the President, a majority of the Board, or upon written request of ten percent (10%) of the Voting Interests of the Members. The business to be conducted at a Special Members Meeting shall be limited to the extent required by Florida Statutes.

3.4 Notice of Members Meetings. Written notice of each Members meeting shall be given by, or at the direction of, any officer of the Board or any management company retained by Association. A copy of the notice shall be mailed to each Member entitled to vote, postage prepaid, not less than ten (10) days before the meeting (provided, however, in the case of an emergency, two (2) days' notice will be deemed sufficient). The notice shall be addressed to the Member's address last appearing on the books of Association. The notice shall specify the place, day, and hour of the meeting and, in the case of a Special Members Meeting, the purpose of the meeting. Alternatively, and to the extent not prohibited by the Florida Statutes, the Board may adopt from time to time, other procedures for giving notice to the Members of the Annual Members Meeting or a Special Members Meeting. By way of example, and not of limitation, such notice may be included in a newsletter sent to each Member by Association.

3.5 Quorum of Members. Until and including the Turnover Date, a quorum shall be established by Developer's presence, in person or by proxy, at any meeting. After the Turnover Date, a quorum shall be established by the presence, in person or by proxy, of the Members entitled to cast twenty percent (20%) of the Voting Interests, except as otherwise provided in the Articles, the Declaration, or these By-Laws. Notwithstanding any provision herein to the contrary, in the event that technology permits Members to participate in Members meetings and vote on matters electronically, then the Board shall have authority, without the joinder of any other party, to revise this provision to establish appropriate quorum requirements.

3.6 Adjournment of Members Meetings. If, however, a quorum shall not be present at any Members meeting, the meeting may be adjourned as provided in the Florida Statutes. In the absence of a provision in the Florida Statutes, the Members present shall have power to adjourn the meeting and reschedule it on another date.

3.7 Action of Members. Decisions that require a vote of the Members must be made by a concurrence of a majority of the Voting Interests present in person or by proxy, represented at a meeting at which a quorum has been obtained unless provided otherwise in the Declaration, the Articles, or these By-Laws.

3.8 Proxies. At all meetings, Members may vote their Voting Interests in person or by proxy. All proxies shall comply with the provisions of Section 720.306(8) of the Florida Statutes, as amended from time to time, be in writing, and be filed with the Secretary at, or prior to, the meeting. Every proxy shall be revocable prior to the meeting for which it is given.

4. Board of Directors.

4.1 Number. The affairs of Association shall be managed by a Board consisting of no less than three (3) persons and no more than nine (9) persons. Board members appointed by Developer need not be Members of Association. Board members elected by the other Members must be Members of Association.

4.2 Term of Office. The election of Directors shall take place after Developer no longer has the authority to appoint the Board and shall take place at the Annual Members Meeting or on the Turnover Date. Directors shall be elected for a term ending upon the election of new Directors at the following Annual Members Meeting (except that the term of the Board appointed by Developer shall extend until the date designated by Developer or until the Turnover Date).

4.3 Removal. Any vacancy created by the resignation or removal of a Board member appointed by Developer may be replaced by Developer. Developer may replace or remove any Board member appointed by Developer in Developer's sole and absolute discretion. In the event of death or resignation of a Director elected by the Members, the remaining Directors may fill such vacancy. Directors may be removed with or without cause by the vote or agreement in writing of Members holding a majority of the Voting Interests.

4.4 Compensation. No Director shall receive compensation for any service rendered as a Director to Association; provided, however, any Director may be reimbursed for actual expenses incurred as a Director.

4.5 Action Taken Without a Meeting. Except to the extent prohibited by law, the Board shall have the right to take any action without a meeting by obtaining the written approval of the required number of Directors. Any action so approved shall have the same effect as though taken at a meeting of Directors.

4.6 Appointment and Election of Directors. Until the Turnover Date, Developer shall have the unrestricted power to appoint all Directors of Association. From and after the Turnover Date, or such earlier date determined by Developer in its sole and absolute discretion, the Members shall elect all Directors of Association at or in conjunction with the Annual Members Meeting of the Members.

4.7 Election. Election to the Board shall be by secret written ballot, unless unanimously waived by all Members present. The persons receiving the largest numbers of votes shall be elected. Cumulative voting is not permitted.

4.8 Fiduciary Duty of Directors. Directors shall act in good faith in the performance of all duties.

5. Meeting of Directors.

5.1 Regular Meetings. Regular meetings of the Board shall be held on a schedule adopted by the Board from time to time. Meetings shall be held at such place and hour and date as may be fixed, from time to time, by resolution of the Board.

5.2 Special Meetings. Special meetings of the Board shall be held when called by the President, or by any two (2) Directors. Each Director shall be given not less than two (2) days notice except in the event of an emergency. Notice may be waived. Attendance shall be a waiver of notice. Telephone conference meetings are permitted.

5.3 Emergencies. In the event of an emergency involving immediate danger of injury or death to any person or damage to property, if a meeting of the Board cannot be immediately convened to determine a course of action, the President or, in his absence, any other officer or director, shall be authorized to take such action on behalf of Association as shall be reasonably required to appropriately respond to the emergency situation, including the expenditure of Association funds in the minimum amount as may reasonably be required under the circumstances. The authority of officers to act in accordance herewith shall remain in effect until the first to occur of the resolution of the emergency situation or a meeting of the Board convened to act in response thereto.

5.4 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting, at which a quorum is present, or in writing in lieu thereof, shall be action of the Board.

5.5 Open Meetings. Meetings of the Board shall be open to all Members.

5.6 Voting. Board Members shall cast votes in the manner provided in the Florida Statutes. In the absence of a statutory provision, the Board shall establish the manner in which votes shall be cast.

5.7 Notice of Board Meetings. Notices of meetings of the Board shall be posted in a conspicuous place on the Common Areas and/or in the Club at least 48 hours in advance except in an event of an emergency. Alternatively, notice may be given to Members in any other manner provided by Florida Statute. By way of example, and not of limitation, notice may be given in any Club newsletter distributed to the Members. For the purposes of giving notice, the area for notices to be posted within the Club shall be deemed a conspicuous place. Notices of any meetings of the Board at which Assessments against Homes are to be established shall specifically contain a statement that Assessments shall be considered and a statement of the nature of such Assessments.

6. Powers and Duties of the Board.

6.1 Powers. The Board shall, subject to the limitations and reservations set forth in the Declaration and Articles, have the powers reasonably necessary to manage, operate, maintain and discharge the duties of Association, including, but not limited to, the power to cause Association to do the following:

6.1.1 General. Exercise all powers, duties and authority vested in or delegated to Association by law and in these By-Laws, the Articles, and the Declaration including, without limitation, adopt budgets and levy Assessments.

6.1.2 Rules and Regulations. Adopt, publish, promulgate and enforce rules and regulations governing the use of Village Emilia at Verano by the Members, tenants and their guests and invitees, and to establish penalties and/or fines for the infraction thereof subject only to the requirements of the Florida Statutes, if any.

6.1.3 Enforcement. Suspend the right of use of the Common Areas (other than for vehicular and pedestrian ingress and egress and for utilities) of a Member during any period in which such Member shall be in default in the payment of any Assessment or charge levied, or collected, by Association.

6.1.4 Declare Vacancies. Declare the office of a member of the Board to be vacant in the event such Member shall be absent from three (3) consecutive regular Board meetings.

6.1.5 Hire Employees. Employ, on behalf of Association, managers, independent contractors, or such other employees as it deems necessary, to prescribe their duties and delegate to such manager, contractor, or other person or entity, any or all of the duties and functions of Association and/or its officers.

6.1.6 Common Areas. Acquire, sell, operate, lease, manage and otherwise trade and deal with property, real and personal, including the Common Areas, as provided in the Declaration, and with any other matters involving Association or its Members, on behalf of Association or the discharge of its duties, as may be necessary or convenient for the operation and management of Association and in accomplishing the purposes set forth in the Declaration.

6.1.7 Granting of Interest. Grant licenses, easements, permits, leases, or privileges to any individual or entity, which affect Common Areas and to alter, add to, relocate or improve the Common Areas as provided in the Declaration.

6.1.8 Financial Reports. Prepare all financial reports required by the Florida Statutes.

6.1.9 District. Contract with the Verano Center Community Development District, the Verano # 1 Community Development District and their successors and/or assigns for any lawful purpose.

6.2 Vote. The Board shall exercise all powers so granted except where the Declaration, Articles or these By-Laws specifically require a vote of the Members.

6.3 Limitations. Until the Turnover Date, Developer shall have and is hereby granted a right to disapprove or veto any such action, policy, or program proposed or authorized by Association, the Board, the ACC, any committee of Association, or the vote of the Members. This right may be exercised by Developer at any time within ten (10) days following a meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to veto proposed actions but shall not extend to the requiring of any action or counteraction on behalf of Association, the Board, the ACC or any committee of Association.

7. Delegates. The President of Association shall serve as the Delegate (as defined in the Master By-Laws) for Village Emilia at Verano at meetings of the Master Association. The Vice-President shall serve as the alternate Delegate should the President be unavailable for any meeting of the Master Association. At meetings of the Master

Association, the Delegate shall be the person responsible for casting the votes attributable to all of the Homes within Village Emilia at Verano.

8. Obligations of Association. Association, subject to the provisions of the Declaration, Articles, and these By-Laws shall discharge such duties as may be necessary in order to operate Association pursuant to the Declaration, including, but not limited to, the following:

8.1 Official Records. Maintain and make available all Official Records.

8.2 Supervision. Supervise all officers, agents and employees of Association, and to see that their duties are properly performed.

8.3 Assessments and Fines. Fix and collect the amount of the Assessments and fines; take all necessary legal action; and pay, or cause to be paid, all obligations of Association or where Association has agreed to do so, of the Members.

8.4 Enforcement. Enforce the provisions of the Declaration, Articles, these By-Laws, and Rules and Regulations.

9. Officers and Their Duties.

9.1 Officers. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer.

9.2 Election of Officers. Except as set forth below, the election of officers shall be by the Board and shall take place at the first meeting of the Board following each Annual Members Meeting.

9.3 Term. The officers named in the Articles shall serve until their replacement by the Board. The officers of Association shall hold office until their successors are appointed or elected unless such officer shall sooner resign, be removed, or otherwise be disqualified to serve.

9.4 Special Appointment. The Board may elect such other officers as the affairs of Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

9.5 Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

9.6 Vacancies. A vacancy in any office shall be filled by appointment by the Board. The officer appointed to fill such vacancy shall serve for the remainder of the term of the replaced officer.

9.7 Multiple Offices. The office of President and Vice-President shall not be held by the same person. All other offices may be held by the same person.

9.8 Duties. The duties of the officers are as follows:

9.8.1 President. The President shall preside at all meetings of Association and Board, sign all leases, mortgages, deeds and other written instruments and perform such other duties as may be required by the Board. The President shall be a member of the Board.

9.8.2 Vice President. The Vice President shall act in the place and stead of the President in the event of the absence, inability or refusal to act of the President, and perform such other duties as may be required by the Board.

9.8.3 Secretary. The Secretary shall record the votes and keep the Minutes of all meetings and proceedings of Association and the Board; keep the corporate seal of Association and affix it on all papers required to be sealed; serve notice of meetings of the Board and of Association; keep appropriate current records showing the names of the Members of Association together with their addresses; and perform such other duties as may be required by the Board.

9.8.4 Treasurer. The Treasurer shall cause to be received and deposited in appropriate bank accounts all monies of Association and shall disburse such funds as directed by the Board; sign, or cause to be signed, all checks, and promissory notes of Association; cause to be kept proper books of account and accounting records required pursuant to the provisions of Section 720.303 of the Florida Statutes cause to be prepared in accordance with generally accepted accounting principles all financial reports required by the Florida Statutes; and perform such other duties as required by the Board.

10. Committees.

10.1 General. The Board may appoint such committees as it deems appropriate. The Board may fill any vacancies on all committees.

10.2 ACC. Developer shall have the sole right to appoint the members of the ACC until the Turnover Date. Upon expiration of the right of Developer to appoint members of the ACC, the Board shall appoint the members of the ACC. As provided in the Declaration, Association shall have the authority and standing to seek in courts of competent jurisdiction, enforcement of any decisions of the ACC.

11. Records. The official records of Association shall be available for inspection by any Member at the principal office of Association. Copies may be purchased, by a Member, at a reasonable cost.

12. Corporate Seal. Association shall have an impression seal in circular form.

13. Amendments.

13.1 General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to these By-Laws shall affect the rights of Developer or Club Owner unless such amendment receives the prior written consent of Developer or Club Owner which may be withheld for any reason whatsoever.

13.2 Amendments Prior to and Including the Turnover Date. Prior to and including the Turnover Date, Developer shall have the right to amend these By-Laws as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Developer's right to amend under this provision is to be construed as broadly as possible. In the event that Association shall desire to amend these By-Laws prior to and including the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected.

13.3 Amendments After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, these By-Laws may be amended with the approval of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present, in person or by proxy, at a duly noticed meeting of the Members at which there is a quorum. Notwithstanding the foregoing, these By-Laws may be amended after the Turnover Date by sixty-six and two-thirds percent (66 2/3%) of the Board acting alone to change the number of directors on the Board. Such change shall not require the approval of the Members. Any change in the number of directors shall not take effect until the next Annual Members Meeting.

14. Conflict. In the case of any conflict between the Articles and these By-Laws, the Articles shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

15. Fiscal Year. The first fiscal year shall begin on the date of incorporation and end on December 31 of that year. Thereafter, the fiscal year of Association shall begin on the first day of January and end on the 31st day of December of every year.

16. Miscellaneous.

16.1 Florida Statutes. Whenever these By-Laws refer to the Florida Statutes, they shall be deemed to refer to the Florida Statutes as they exist on the date these By-Laws are recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

16.2 Severability. Invalidation of any of the provisions of these By-Laws by judgment or court order shall in no way affect any other provision, and the remainder of these By-Laws shall remain in full force and effect.