

Prepared by and return to:
Jeremy V. Anderson, Esquire
Anderson, Givens & Fredericks, P.A.
P.O. Box 12613
Tallahassee, FL 32317
(850) 692 8900

Ver. 1/31/20

PROPOSED 2nd AMENDED AND RESTATED

**DECLARATION OF COVENANTS AND RESTRICTIONS
FOR
THE VILLAS OF CHESTNUT CREEK**

[Substantial Rewording of Declaration of Covenants and Restrictions. See Declaration of Covenants and Restrictions and amendments thereto for present text.]

This Amended and Restated Declaration of Covenants and Restrictions shall govern THE VILLAS OF CHESTNUT CREEK, a Subdivision (herein, “the Subdivision”).

**ARTICLE 1
DEFINITIONS**

For all purposes, the terms used in this Declaration of Covenants and Restrictions (herein, “Declaration”), the Articles of Incorporation of the Association and Association Bylaws (herein, “the Governing Documents”), shall have the meanings stated in the Florida Homeowners Association Act (Section 720, Florida Statutes) and as set forth below, unless the context otherwise requires. Also, throughout the Governing Documents whenever the context so permits, the use of the plural shall include the singular, the singular the plural, and the use of either gender shall be deemed to include both genders. In the event any term in the Governing Documents is deemed ambiguous, then the Board of Directors shall define the term, which definition shall be binding. A term shall not be construed in favor of or against the Association or any owner.

The following words and terms when used in this Declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

- (1) **“Act” or “Homeowners’ Association Act”** means Chapter 720, Florida Statutes, as amended from time to time.
- (2) **“Architectural Review Committee” or “ARC”** shall refer to the committee established by the Board of Directors of the Association described in Article 8 of this Declaration.

(3) **“Articles of Incorporation”** or **“Articles”** means the Articles of Incorporation for The Villas of Chestnut Creek Owners Association, Inc., a Florida not-for-profit corporation in the form attached hereto as **Exhibit “A”** and incorporated herein by reference, as amended from time to time.

(4) **“Assessment”** means a charge against a Lot and its owner as defined in Article 5 of this Declaration or any unpaid fine which may become a lien.

(5) **“Association”** shall mean and refer to The Villas of Chestnut Creek Owners Association, Inc., a Florida not-for-profit corporation established for the purposes set forth herein.

(6) **“Board”** shall mean the Board of Directors of the Association, appointed or elected in accordance with the Bylaws of the Association.

(7) **“Bylaws”** shall mean and refer to the Bylaws of the The Villas of Chestnut Creek Owners Association, Inc., in the form attached hereto as **Exhibit “B”** and incorporated herein by reference.

(8) **“Cluster Housing”** shall mean and refer to Dwelling Structures each of which contains two single story Dwelling Units, each Dwelling Unit of which constitutes an improvement to an individual platted Lot.

(9) **“Common Area”** or **“Common Property”** shall mean and refer to those tracts of land, together with any improvements thereon, which are actually and specifically dedicated by plat, deeded or leased to the Association or shall mean easements, licenses and servitudes, owned or leased by the Association, or the use of which has been granted to the Association, together with all improvements thereon for the use and enjoyment of all Owners of Lots, as herein defined, and designated in said plat dedication, deed or lease as **“Common Property”** or **“Common Area”**. The term **“Common Property”** shall also include any personal property acquired by the Association for the use and benefit of the Members.

(10) **“Common Expenses”** means all expenses properly incurred by the Association in the performance of its powers and duties.

(11) **“Declaration”** shall mean and refer to this 2nd Amended and Restated Declaration of Covenants and Restrictions for The Villas of Chestnut Creek, as it may be amended or supplemented from time to time.

(12) **“Dwelling Unit”** shall mean and refer to any residential structure intended as an abode for one family and constructed upon a Lot.

(13) **" Dwelling Structure "** shall mean and refer to any residential building which contains two (2) dwelling units.

(14) **" Lot " or " Lots "** shall mean and refer to any numbered parcel of real property suitable and intended for the erection thereupon of a Dwelling Unit and shown within the recorded plat of THE VILLAS OF CHESTNUT CREEK.

(15) **" Member "** shall mean and refer to all those persons or entities who hold record title to a Lot.

(16) **" Master Association "** shall mean and refer to the CHESTNUT CREEK MASTER ASSOCIATION, INC., a nonprofit Florida corporation, its successors and assigns. All property within THE VILLAS OF CHESTNUT CREEK is subject to the provisions of the Declaration of Maintenance and Land Use Provisions for CHESTNUT CREEK SUBDIVISION recorded in Official Records Book 1754, Page 1015-1045 of the Public Records of Sarasota County, Florida.

(17) **" Notice "** shall mean delivery of any document by mail with postage prepaid to the last known address according to the records of the Association of the person or entity who appears as Owner in the records of the Association.

(18) **" Owner " or " Villa Owner "** shall mean the record titleholder of a Lot.

(19) **" Party Wall "** shall mean and refer to that vertical component of a single dwelling structure which divides one dwelling unit from another within that dwelling structure and which is intended to be located on the boundary line separating the two adjacent lots on which the dwelling structure is situated.

(20) **" Plat "** shall mean and refer to any final plat of The Villas of Chestnut Creek, recorded in the Public Records of Sarasota County, Florida.

(21) **" Property "** shall mean and refer to any Lot within THE VILLAS OF CHESTNUT CREEK together with the Dwelling Unit and any other improvement constructed thereupon.

(22) **" Rules "** means the rules governing the use and occupancy of the common property adopted by the Association Board of Directors as provided herein, in the Articles of Incorporation and Association Bylaws.

(23) **" The Villas of Chestnut Creek " or " Villas "** shall mean and refer to that certain real property lying within the CHESTNUT CREEK SUBDIVISION on which, by special exception to the zoning ordinances of Sarasota County, cluster housing units may be constructed as herein above described and according to the record of final plat thereof as recorded in Plat Book 30 at Pages 13, 13A through 13E inclusive, of the Public Records of Sarasota County, Florida.

(24) **“Villa” or “Home”** means a residence constructed on a Lot.

(25) **“Villa Lot Owner”** shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of THE VILLAS OF CHESTNUT CREEK including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

ARTICLE 2 GENERAL CONDITIONS

2.1 The Association. The operation of the Subdivision in accordance with this Declaration and other authority shall be The Villas of Chestnut Creek Homeowners Association, Inc. (herein, “the Association”). The Association shall own title to common property in the Subdivision not dedicated and accepted by the public.

2.2 Purposes of Association. The purposes of the Association include, without limitation, those contained within this Declaration, the Articles of Incorporation, Bylaws and Chapter 720, Florida Statutes, and shall include the operation, maintenance, management, and improvement of the Common Areas, the implementation and enforcement of the provisions of this Declaration wherever applicable and appropriate, and to promote the health, safety, and social welfare of the Villa Lot owners. In the furtherance of such purposes, the Association, through the Board, shall have the power and duty to levy Assessments and to enforce collection thereof in the manner provided in Article 5. The Association shall also have such powers and duties as may be prescribed by its Articles of Incorporation and Bylaws, and the duties which follow:

(a) To ensure to all Villa Lot Owners that the Villas shall at all times be occupied by a community of compatible and congenial persons and, in addition, to ensure to such grantees and owners of property in the Villas, a continuing and concerted program for maintenance and management of the properties in the Villas including enforcement of these restrictions wherever applicable and appropriate, so as to establish, protect and preserve the quality of the Villas.

(b) To maintain, repair and replace and any common property and improvements, including, but not limited to, recreational facilities.

(c) To provide maintenance of sodded portions of Lots as provided in Article 10 of this Declaration.

(d) To levy assessments on Villa Lot owners for such purposes, having the right to enforce collection thereof by placing liens against the Lots, as necessary.

(e) To represent the interests of Villa Lot Owners in the Master Association

and to collect such Assessments as may be properly levied by the Master Association directly upon the Villa Lot Owners.

2.3 Voting. Each members shall be entitled to one (1) vote for each Lot owned. The Bylaws shall provide the method of voting.

2.4 Membership. Every Villa Lot owner shall automatically be a member of THE VILLAS OF CHESTNUT CREEK OWNERS ASSOCIATION, INC., a non-profit Florida corporation. Membership shall be appurtenant to and may not be separated from ownership of a Lot.

2.5 Duration. This Declaration shall remain in full force and effect for a period of thirty (30) years from the date this Amended and Restated Declaration is recorded. Upon the expiration of that time said covenants shall be automatically extended for successive periods of ten (10) years; provided, however, there shall be no renewal or extension of this Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, Members representing three-fourths (3/4) of the votes of the Association vote in favor of terminating this Declaration at the end of its then current term.

2.5 Government Regulation. To the extent any law, ordinance or regulation of the State of Florida and Sarasota County shall exceed the requirements hereof, that law, ordinance or regulation shall prevail.

ARTICLE 3 PROPERTY

3.1 Existing Property. The existing real property which is subject to this Declaration is The Villas of Chestnut Creek, according to the Plat thereof recorded in Plat Book 30 at Pages 13, 13A through 13E inclusive, of the Public Records of Sarasota County, Florida.

3.2 Intent and Purpose of These covenants and Restrictions. The express intent and purpose of these Covenants and Restrictions and of the obligations which are herein imposed on each Villa Lot Owner, and which each such Villa Lot owner or occupant is hereby obligated to keep and perform, is for the mutual protection, welfare and benefit of each and all owners and occupants of each and every Lot in The Villas. Each Villa Lot Owner shall and is hereby obligated to keep and perform these separate Covenants and Restrictions.

3.4 Delegation of Use. Any Owner may delegate his or her right of enjoyment in the Common Property to members of his or her family, or social guests, subject to the provisions of this Declaration and the Articles of Incorporation, Bylaws, and Rules of the Association.

3.4 No Waiver of Use. No Owner may be exempt from personal liability for assessments duly levied by the Association, nor release the Lot owned by him or her from the liens and charges thereof by waiver of the use and enjoyment of the Common Property or non-use thereof, or the abandonment of the Lot.

3.5 Partywalls. Any wall or walls that are built as part of the original construction of homes in the subdivision, and placed on the dividing line between the Lots shall constitute a party wall and, to the extent not inconsistent with the provisions of this Article, the general laws of Florida regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

ARTICLE 4 EASEMENTS

4.1 Owners' Easements of Enjoyment to the Subdivision Property. Every Owner shall have a right and easement of access and enjoyment in and to THE VILLAS OF CHESTNUT CREEK, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following, except that the Association may suspend the voting rights and right to use of the common areas recreational as provided by law.

4.2 Right of Entry. Upon providing a Homeowner written notice the Association its agents or employees shall have an irrevocable right of access to each Lot or Dwelling Unit as may be necessary: 1) to inspect the shared components of a building when the Association has a good faith belief that a condition in a Home or abutting Home is causing damage to the shared components of the building, which shall include but are not limited to building walls, slabs, support structures, and roofs; 2) to inspect the exterior portions of the Lot for compliance with the Declaration or any adopted rule or regulation; 3) to maintain, repair or replace shared components damaged by a condition occurring in a Home; or 4) to remedy a condition causing damage, which was not maintained, repaired, or replaced by the responsible Homeowner after receiving written notice of the need for maintenance, repair, or replacement. The Association's obligation to provide written notice shall not be required if the Association has a good faith belief that emergency access and repairs are necessary to prevent damage to the Home, adjacent Home or shared components of the building and that the delay in providing notice would result in additional damage. Expenses incurred by the Association in entering a Home and for maintenance, repairs or replacement permitted herein shall be collected in the same manner as assessments, which if not paid shall become a lien on the Home. It is the intent that the authority provided this provision shall not be used for general day-to-day inspections or routine access to a Dwelling Unit. This provision shall not be interpreted as altering or modifying the respective maintenance, repair or maintenance responsibilities provided in this Declaration, but as providing the Association the right to assume (at its discretion) the responsibilities provided herein to better protect Homeowners and the buildings from damage. In the event that the Association assumes any Villa Lot Owner

responsibility after inspection, all costs incurred by the Association shall become a lien on a Lot which shall be collectible in the same manner as an assessment in Article 5 of this Declaration.

ARTICLE 5 ASSESSMENTS

5.1 Creation of Lien and Personal Obligation of Assessments. Each Owner of any Lot (by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or conveyance) including without limitation any purchaser at a judicial sale, shall hereinafter be deemed to covenant and agree to all the terms and provisions of this Declaration and to promptly pay to the Association all regular annual assessments, special Assessments and all fees or other charges levied by the Association, as provided herein. No owner may waive or otherwise avoid liability for the assessments provided herein by any means including but not limited to non-use of the Common area or by abandonment. Upon conveyance of a Lot, the new and former Owners of the Lot shall personally be jointly and severally liable for all unpaid assessments, together with interest, late charges, costs and attorney's fees. Any party taking title to a lot where such lien has been recorded by the Association, takes title subject to such lien and the foreclosure of same if all amounts are not paid to the Association. The execution and recording of such notice shall not, however, be required in order for the continuing lien for assessments and related interest, late charges, costs and attorney's fees to be valid, as such lien relates back to the original recording of this Declaration.

5.2 Purpose of Assessments. Except as otherwise provided herein with regard to the regular annual assessments, special assessments, fees and other charges levied by the Board shall be used for the purposes of promoting the recreation, health, safety and welfare of the Members and residents of the subdivision and in particular for the improvement and maintenance of the Common Area, the Dwelling Units, and Lots as elsewhere set forth in greater detail herein, and any easement in favor of the Association, including, but not limited to, the cost of taxes, insurance, security services, Common Area maintenance, repair, restoration, repair or construction, drainage or compliance with any governmental requirements which may be imposed on the Subdivision, labor, equipment, materials, management, operations, maintenance and supervision thereof, protecting and preserving property values, as well as for such other purposes as are permissible activities of, and which may be undertaken by, a corporation not for profit organized and existing under the laws of the State of Florida and a homeowners association under Chapter 720, Florida Statutes, and any expenses that the Board shall reasonably incur on behalf of the Association. In addition, the Association may purchase bulk cable, internet and phone services, pest control and termite control as a common expense of all Owners.

5.3 Annual Assessments. The amount and time of payment of regular annual assessments shall be determined by the Board pursuant to the Articles and Bylaws after giving due consideration to the current maintenance, operational and other costs and the future needs of the Association. Assessments may include amounts established for reasonable reserves.

5.4 Special Assessments. In addition to regular annual assessments, special assessments may be levied by the Board against all Lots for the purpose of defraying, in whole or in part, any capital improvement or any unbudgeted expense.

5.5 Uniform Assessments and Due Dates. Regular annual assessments and special assessments shall be uniform, with each Lot bearing an equal share. Regular annual assessments shall be paid by each Villa Lot owner in equal monthly installments in advance on the first day of January and on the first day of each month thereafter of the year for which the assessments are made. Special assessments shall be due on the date(s) established by the Board.

5.6 Budget. The Board of Directors shall prepare an annual budget and make copies thereof available to all members at least thirty (30) days prior to the first day of the upcoming fiscal year. Failure to fix the amount of the regular annual assessment within the time period set forth above will not preclude the Board from fixing the regular annual assessment at a later date. In the event the Board fails for any reason to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year, and the regular annual assessment for the immediately preceding year shall continue for the current year.

5.7 Notice. Upon the adoption of a new budget, amended budget, and/or special assessment, each Owner shall be provided notice of same, by mail or personal delivery.

5.8 Non-payment of Assessment and Remedies of Association. If any assessment is not paid on the date due, then such assessment shall become delinquent and shall, together with such interest, late charge, costs and attorney's fees of collection, be a continuing lien on the Lot against which such assessment is made, binding upon the Owner thereof, his or her heirs, personal representatives, successors and assigns. If any such assessment is not paid within ten (10) days of the due date, then a late charge equal to the greater of five percent (5%) or twenty-five dollars (\$25) of the amount due shall be levied and the assessment shall bear interest from the date of delinquency at the maximum annual rate permitted by law. Any partial payment shall be applied first to interest, late charges, costs and attorney's fees and then to the assessments first due. In any action at law or for foreclosure of a lien, the Association shall be entitled to recovery of attorneys' fees and costs. An action to recover a money judgment for the unpaid assessments made be filed without waiving a claim of lien.

ARTICLE 6 DUTIES AND POWERS OF ASSOCIATION

6.1 General Duties and Powers of the Association. In furtherance of its purposes and in addition to the duties and powers enumerated herein and in the Articles and Bylaws, the

Association shall have the following powers, which, unless indicated otherwise by the Declaration or Bylaws of the Association, may be exercised by the Board of Directors:

(a) All of the powers conferred upon not-for-profit corporations by common law and Florida Statutes in effect from time to time; and

(b) All of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the Bylaws and the Declaration, including, without limitation, the following:

(i) The power to fix, levy and collect adequate Assessments against Lots, as provided in and subject to the Declaration;

(ii) The power to expend monies assessed and collected for the purpose of paying the expenses of the Association, including without limitation costs and expenses as provided in the Declaration;

(iii) The power to manage, control, operate, maintain, repair and improve the Common Areas, if any;

(iv) The power to purchase supplies and materials and lease equipment required for the maintenance, repair, replacement, operation and management of the subdivision as provided in the Declaration;

(v) The power to insure and keep insured Association Property and the Common Areas, if any;

(vi) The power to employ the personnel required for the operation and management of the Association and the subdivision;

(vii) The power to pay utility bills for utilities serving the Common Areas, if any;

(viii) The power to pay all taxes, licenses, assessments or other governmental assessments which are liens against the Association Property or Common Areas, if any;

(ix) The power to establish and maintain a reserve fund for capital improvements, repairs and replacements;

(x) Subject to applicable laws, ordinances and governmental regulation the power to control and regulate the use of the Lots and Common Areas, if any;

(xi) The power to acquire (by gift, purchase or otherwise), own hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, mortgage, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(xii) The power to make reasonable Rules and Regulations and to amend the same from time to time, in the adoption of a Landscape Master Plan that details the planting standards and Landscape maintenance responsibilities as they apply to the Association and to individual Owners;

(xiii) The power to enforce by any legal means the provisions of these Articles, the Bylaws, the Declaration and the Rules and Regulations promulgated by the Association from time to time;

(xiv) The power to borrow money, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred and to select depositories for the Association's funds, and to determine the manner of receiving, depositing, and disbursing those funds and the form of checks and the person or persons by whom the same shall be signed, when not signed as otherwise provided in the Bylaws;

(xv) The power to enter into a contract with any person, firm, corporation, or management agent of any nature or kind to provide for the maintenance, operation, and administration of the Association and the subdivision.

(xvi) The power to appoint committees as the Board of Directors may deem appropriate;

(xvii) The power to collect delinquent Assessments and fines by suit or otherwise, to abate nuisances and to fine, suspend use or voting rights, enjoin or seek damages from Owners for violation of the provisions of the Declaration, these Articles of Incorporation, the Bylaws or the Rules and Regulations;

(xviii) Subject to the terms of the Declaration, the power to bring suit and to litigate on behalf of the Association;

(xix) The power to provide any and all supplemental municipal services as may be necessary or proper;

(xx) The power to possess, employ and exercise all powers necessary to implement, enforce and carry into effect the powers above described.

(xxi) Emergency Powers as provided in the Articles of Incorporation.

6.2 Implied Powers. The Association shall have all power and authority reasonably necessary for it to carry out each and every of its obligations set forth in this Declaration, the Articles or Bylaws, including any right or power reasonably to be implied from the existence of any other right, power, duty or obligation given to it or reasonably necessary to effectuate its obligations hereunder.

ARTICLE 7 INSURANCE

7.1 Insurance. The insurance other than title insurance which shall be carried upon the Common Area and the property of the Villa Lot Owners shall be governed by the provisions hereinafter set forth.

7.2 Authority to Purchase; Named Insured. All insurance policies upon the Common Area shall be purchased by the Association. The named insured on all such policies shall be the Association individually and if permitted by the insurance company, as agent for the Villa Lot Owners. Provision shall be made for the insurance of mortgage endorsements and memoranda of insurance is the mortgagees of Villa Lot Owners, upon written request of the mortgagee. Villa Lot Owners shall obtain and shall maintain at all times insurance coverage at their own expense upon their own Dwelling Units or Dwelling Structures and personal property at the full insurable value, replacement cost, or similar coverage. The Villa Lot Owner shall provide the Association proof of such insurance coverage at least annually or upon the written request of the Association. If a Villa Lot Owner fails or refuses to maintain insurance required herein or provide the Association proof of such coverage at least annually or within thirty (30) days of the Association's written request, the Association is authorized (but not under no circumstances required) to purchase such insurance as the duly-authorized agent of the Villa Lot Owner and specially assess the Villa Lot Owner accordingly. Such special assessment may be collected by the Association as provided in Article 5 the Declaration of Covenants. In addition, the Association may file a court action to compel the purchase of insurance required herein and/or levy daily fines for violations of this Article 8.2 in an amount up to \$100 per day but not exceeding Two Thousand Dollars (\$2,000.00) in the aggregate. Unpaid fines may become a lien as provided by law. Unpaid fines which become a lien are considered a special assessment and may be collected as provided in Article 5 of the Declaration of Covenants. Villa Lot Owners may also obtain insurance coverage for their personal liability and living expense.

7.3 Casualty. All Common Area buildings, Common Area improvements and all personal property of the Association shall be insured by the Association in an amount equal to the maximum insurance replacement value, excluding foundation and excavation costs, as determined

annually by the Board of Directors of the Association. The Board of Directors of the Association shall determine the amount of a reasonable deductible on all its insurance policies. Such coverage shall afford protection against:

(a) Loss or damage by fire and other hazards including without limitation wind that is covered by a standard extended coverage endorsement;

(b) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the Common Area, including, but not limited to, vandalism and malicious mischief.

(c) The Association shall not be liable for any damage to the property or person of any Villa Owner or occupant of a Villa resulting from water intrusion into a Villa through the Villa's exterior walls, roof, floor and from another Villa, resulting from rain leakage, pipe leakage, overflow, bursting or other similar source, unless the Association is guilty of gross negligence or willful and wanton misconduct.

7.4 Public Liability. Public liability insurance shall be carried in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including, but not limited to, hired automobile and non-owned automobile coverages, and with cross liability endorsement to cover liabilities of the Villa Lot owners as a group, to a Villa Lot owner.

7.5 Workers' Compensation. Workers' Compensation insurance shall be carried to meet the requirements of law.

7.6 Other Insurance. The Association shall carry such other insurance and in such amounts as the Board of Directors shall determine from time to time to be appropriate.

7.7 Premiums. Premiums upon insurance policies purchased by the Association and the insurance deductible shall be paid by the Association as a common expense.

7.8 Association as Agent. The Association is irrevocably appointed agent to adjust all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon the payment of such claims.

7.9 Reconstruction and Repair. If any part of the Common Area shall be damaged by casualty, it shall be reconstructed and repaired by the Association immediately unless it is determined in the manner elsewhere provided that the Association shall be terminated.

7.10 Plans and Specifications. Any reconstruction or repair of the Common Area must be substantially in accordance with the plans and specifications for the original building, or if not,

then according to plans and specifications approved by the Board of Directors of the Association.

7.11 Responsibility. If the damage is only to a Lot or Dwelling Unit, then the Villa Lot Owner shall be responsible for reconstruction and repair after casualty. The responsibility for reconstruction and repair after casualty for all Common Areas shall be that of the Association. Insurance proceeds shall be applied to such reconstruction and repair.

7.12 Estimate of Costs. Immediately after a casualty causing damage to property for which the Association has the insurable responsibility to maintain and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

7.13 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair of the items insured by the Association, or if at any time during reconstruction and repair, the funds for the payment of the costs thereof are insufficient, the Association shall pay over sufficient amounts to provide funds to pay the estimated costs, as part of the common expenses of the Association to be assessed against Villa Lot Owners, either via special assessment or amendment to the annual budget of the Association.

7.14 Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance and funds collected by the Association from assessments against Villa Lot Owners, shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association. The first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds and if there is a balance in the construction fund after payment of all costs of reconstruction and repair for which the fund is established, such balance shall be distributed to the Association as common surplus.

7.15 Fidelity Bonds. The Association shall obtain and maintain in an amount not less than \$30,000.00, fidelity bonding for the President, Secretary and Treasurer of the Association and those individuals authorized to sign checks. The Association shall bear the cost of such bonding as a common expense.

ARTICLE 8 ARCHITECTURAL CONTROL

8.1 Architectural Review Committee. For the purpose of carrying out the Architectural Review process, the Board may establish an Architectural Review Committee (“the ARC”), which shall have jurisdiction over all construction and installation of improvements on any portion of the Subdivision. The ARC shall consist of not less than three (3) nor more than seven (7) members. The members of the ARC shall be appointed by the Board. A member of the ARC may at the same time serve as a member of the Board, and if the Board determines it may sit as the ARC. Members of the ARC shall serve terms established by the Board. The Board of Directors may act as the ARC. The establishment of the number of members, method of selecting

a chairman and other similar provisions for the composition of the ARC shall be as provided from time to time by the Board.

8.2 Architectural Standards. The ARC may, with the approval of the Board from time to time, adopt and promulgate architectural standards for the Subdivision. The standards may not be contrary to the provisions of this Declaration or the Bylaws and shall be consistent with the original architectural, structural, esthetic and environmental concept and the original development of the Subdivision, but may be greater or more stringent than standards prescribed in applicable building, zoning, planning or other local governmental codes. All standards shall be adopted and applied on uniform basis, and may be reviewed or expanded from time to time to take cognizance of new materials, techniques and proposals. All architectural standards shall be deemed to include the mandatory architectural obligations, prohibitions and guidelines contained in this Declaration.

8.3 Architectural Review Required. Architectural review shall be required in each of the following circumstances:

(a) Whenever the Owner of a Lot proposes to construct any improvements thereto, including landscaping.

(b) Whenever any exterior alteration or other exterior improvement to an existing Lot or Lots is proposed by an Owner.

(c) Whenever any Owner or the Association proposes to maintain or repair a Lot or Lots in any manner that will result in the application or use of materials of a different type, shade, color or quality than those originally used on the Lot and the Lots thereon.

(d) Whenever the improvements to a Lot have been substantially damaged or destroyed, in whole or in part, by casualty or otherwise, and reconstruction or rebuilding is intended.

(e) Whenever an Owner proposes any change or addition to the landscaping of a Lot. For clarification purposes, ARC approval is not required for the replacement of plantings or landscaping so long as the replacement plantings or landscaping are the same or are similar in appearance.

(f) For the purposes of this Section, any structure, including but not limited to buildings, fences, roofs, driveways, sidewalks, walls, pools, screen cages, enclosures, mail box, solar energy devices, antennas, water and sewer lines, irrigation systems, signs, or decorative objects or landscaping devices shall be deemed to be alterations or improvements subject to architectural review.

(g) For the purposes of this Section, the term construction shall include within its definition staking, clearing, excavation, grading, other site work or exterior alterations or modifications of existing improvements and the planting or removal of plants, trees, or shrubs.

8.4 Procedure. There shall be submitted to the ARC a written application setting forth plans (site, grading, landscape, floor, etc.), colors, materials and other specifications for any activity for which review is required. Additionally, the Owner shall submit the identity of the individual or company intended to perform the work and a projected commencement and completion date. All contractors shall be properly licensed in the State of Florida and/or local governments, and must provide proof of insurance coverage for work done to Common Areas or to Association property.

(a) The ARC may request additional and supplementary information. The Committee shall, within forty-five (45) days after receipt of a complete application, either approve or disapprove, or approve in part and disapprove in part, the application. The ARC shall specify its reasons for disapproval and annotate its decision by reference to architectural standards, where applicable. No work shall proceed except in compliance with this Declaration and architectural approval. If the Board is sitting as the ARC, no application for architectural approval shall be considered by the Board at a Board meeting unless the complete application is submitted no less than ten (10) days prior to a scheduled Board meeting. The submission of a complete application more than ten (10) days in advance of a Board meeting is not a guarantee that the application will be considered by the Board at that meeting.

(b) In the opinion of the ARC and with written agreement of the Board or in the written opinion of the Board when sitting as the ARC, the proposed improvements will be approved if: (1) the improvements will be of an architectural style and of materials that are compatible with the other structures in the Property; (2) the improvements will not violate any restrictive covenant or encroach upon any easement or platted building set back lines; (3) the improvements will not result in the reduction in property value or use of adjacent property; (4) the individual or company intended to perform the work is acceptable to the ARC; and (5) the improvements will be substantially completed, including all cleanup, within six (6) months of the date of commencement (twelve (12) months for the construction of a complete house). In the event that the ARC fails to issue its written approval or disapproval of the proposed construction within forty-five (45) days of its receipt of the last of the materials or documents required to complete the Owner's submission, approval shall be deemed to have been granted without further action.

(c) In the exercise of its sole discretion, the ARC may require the Owner to provide assurances that the improvements will be completed in accordance with the approved plans. Such assurances may include the posting of a performance bond and/or a completion bond in favor of the Association, independent professional inspection reports or sworn progress reports.

(d) If there shall be a material deviation from the approved plans in the completed improvements, such improvements shall be in violation of this Article 8 to the same extent as if erected without prior approval of the ARC. The ARC or the Association or any Owner may maintain an action at law or in equity for the removal or correction of the non-conforming structure and, if successful, shall recover from the Owner in violation reasonable attorney's fees and costs and any other expenses or fees incurred in the prosecution thereof.

(e) The Board of Directors of the Association has the right, but not the obligation, to grant waivers for minor deviations and infractions of this Declaration upon its own action or at the request of the ARC. The granting of any waiver for any portion of the Property may be given or withheld in the Board's sole discretion and a prior grant of a similar waiver shall not impose upon the Board the duty to grant new or additional requests for such waivers.

(f) The Association and ARC, and any officer, employee, director or member thereof, shall not be liable for damages to any persons submitting plans and specifications for approval by reason of mistake in judgment, negligence or non-feasance arising out of or in connection with the approval, disapproval or failure to approve any plans and specifications. Every person who submits plans and specifications for approval agrees, by submission of such plans and specifications, that it will not bring any action or suit against the Association or ARC, or any officer, employee, director or member thereof, to recover any such damages.

8.5 Emergency/Expedited Review and Approval. In the event that emergency or expedited architectural review and approval is determined appropriate or necessary, the President or the President's designee shall be authorized to perform all of the ARC duties stated in Articles 8.1 - 8.4 hereinabove. The determination of whether emergency or expedited review and approval is appropriate or necessary shall be made in the sole discretion of the President or the President's designee.

8.6 Rules and Regulations and Fees. The ARC may adopt reasonable rules for the conduct of its authority. The Board may establish reasonable fees for architectural review.

8.7 Records. The records of all architectural review proceedings shall be maintained by the Association's management company.

8.8 Address for Notice. Requests for ARC approval or correspondence with the ARC shall be addressed to the Architectural Review Committee – The Villas of Chestnut Creek Owners Association, Inc. and mailed or delivered to the principal office of the current management company or such other address as may be designated from time to time by the ARC. No correspondence or request for approval shall be deemed to have been received until actually received by the ARC in a form satisfactory to the ARC.

ARTICLE 9 USE RESTRICTIONS

In order to provide for congenial occupancy of Lots and Dwelling Units within the subdivision and to better protect the values of the Dwelling Units, the use of Lots, Dwelling Units and Common Areas shall be restricted by and in accordance with the following provisions as long as the subdivision exists:

9.1 Persons Bound. All provisions of this Declaration, the Bylaws of the Association and Board adopted Rules and Regulations which govern the conduct of persons shall apply to all Owners, occupants, guests, invitees, licensees, contractors, and visitors. Every Owner shall cause all occupants, guests, invitees, licensees, contractors, and visitors of his/her Lot to comply with this Declaration, the Association Bylaws, and any Board adopted Rule or Regulation and shall be responsible for all violations and losses to the Common Areas caused by such occupants, guests, invitees, licensees, contractors, and visitors, notwithstanding the fact that such occupants, guests, invitees, licensees, contractors, and visitors are fully liable and may be sanctioned for any violation of this Declaration, the Bylaws of the Association, or Board adopted Rule or Regulation.

9.2 Residential and Business Uses. The Lots and the Common Areas shall be used for single family residential purposes only. A single family is defined to mean any number of persons related by blood, marriage or adoption or not more than two (2) unrelated persons living as a single household unit. No trade or business may be conducted on any Lot or on the Common Areas, except that an Owner or other occupant may have a home office within the Dwelling Unit so long as (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Dwelling Unit; (2) the business activity conforms to all zoning requirements for the subdivision; (3) the business activity does not involve persons coming onto the subdivision who do not reside in the subdivision or door-to-door solicitation of residents of the subdivision; and (4) the business activity is consistent with the residential character of the subdivision and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the subdivision, as may be determined in the sole discretion of the Board.

9.3 Business Ownership of Lots Prohibited and Owner Occupancy Requirement. No business entity of any kind, including by not limited to, corporations, partnerships, or limited liability companies, shall own any interest in any lot within the subdivision. It is the intention that the subdivision be an owner-occupied community and that renting of Lots shall be prohibited as provided in Article 9.6. This prohibition shall not apply to any lending institution that acquires title to a lot through a mortgage foreclosure or by a deed in lieu thereof.

9.4 Occupancy. In no event shall permanent occupancy exceed two (2) persons for each bedroom, except when temporary guests are visiting. Temporary guests shall be defined as

individuals gratuitously residing in a Dwelling Unit at the request of the Owner for not more than thirty (30) consecutive days or more than forty-five (45) days in any twelve (12) month period.

9.5 Housing Facility for Older Persons. This is a housing facility for older persons. Pursuant to the exemption to the Federal Fair Housing Amendment Act of 1988, at least 80% of the Dwelling Units shall be occupied by at least one (1) person 55 years of age or older. However, at the discretion of the Board of Directors up to 20% of the Dwelling Units in the Association may be occupied by persons between the ages of 18 and 54. The Board of Directors shall have the authority to adopt reasonable rules and regulations to enforce this provision, including but not limited to the right to require potential occupants to provide proof of their age upon Board request. The Board of Directors reserves the right to deny occupancy to any person where such occupancy would cause the Association to not qualify as housing for older persons under the Federal Law.

No person under the age of 18 years shall be permitted to occupy a Dwelling Unit for more than ninety days cumulative during any calendar year. The Board shall have the specific authority to extend the permitted occupancy of a Dwelling Unit by a minor person up to one year from the date of commencement thereof if the Board determines that such occupancy is reasonably unavoidable.

9.6 Lease, License and Dwelling Unit Loan Obligations/Restrictions. From and after February 28, 2003, no Dwelling Unit may be rented. Further no Dwelling Unit may be licensed or loaned in exchange for consideration of any kind. It shall also be a violation of this Declaration to advertise a Dwelling Unit online as being available for lease, license or loan in exchange for consideration of any kind.

9.7 Nuisances, Offensive or Illegal Activities. No portion of the subdivision shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition that will be obnoxious to the eye, nor shall any substance, thing, or material be kept upon any portion of the subdivision that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants or surrounding property. No noxious, illegal or offensive activity shall be carried on upon any portion of the subdivision, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the subdivision. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the subdivision or which will increase insurance rates on any Lot or on the Common Areas. The burning of wood, leaves, trash, garbage, or household refuse is prohibited.

9.8 Signs. No sign, billboard or notice of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Dwelling Unit or other improvement upon such Lot so as to be visible from public view or mounted on any vehicle or trailer parked or driven in the

subdivision except that an Owner may erect and maintain one (1) For Sale sign and one (1) Open House sign in conjunction with the sale of a Lot. Owners may also display ornamental number plates and one (1) home security sign near their front door. The color, format, nature, content, and location of For Sale and Open house signs shall be subject to the prior written approval of the Architectural Review Committee.

9.9 Trash Containers and Pickup. All trash containers shall be screened or placed in garages so that they shall not be visible from streets or other Lots. On collection days trash must be placed curbside in closed containers or secured trash bags. Garden trash is to be properly bagged and placed curbside according to the utility contract for each Lot and bundled according to County ordinance.

9.10 Hanging of Laundry. No outdoor clothes drying facility or apparatus other than a residential-type umbrella clothesline shall be installed and then only in the rear yard of a Dwelling Unit within the area bounded by the rear wall of the Dwelling Unit, a line parallel to and five (5) feet removed from the lot line bisecting the Dwelling Structure, a line parallel to and ten (10) feet removed from the rear lot line and a line formed by an extension of the vertical plane established by the non-attached side of the Dwelling Unit. The outdoor clothes drying facility shall be removed after use or by 5:00 p.m. on the day of use, whichever is earlier.

9.11 Bodies of Water. Villa Lot Owners, their guests, invitees, and/or tenants may use the lakes and ponds within The Villas for such private and recreational purposes as are permitted by law, which do not interfere with the peaceful enjoyment of other Villa Lot Owners and which are consistent, with such reasonable rules and regulations governing such use as may be adopted from time to time by the Association. No commercial use, however, shall be made of any such bodies of water. No boat or craft shall be used on any such bodies of water which utilizes any petroleum powered motor as a means of propulsion. Any docks or wharfs which currently exist may not be modified in any way without the prior written consent of the Association, and no docks, wharfs or structures of any type may be installed or maintained which protrude into any water areas without the prior written consent of the Association.

9.12 Permitted Television Antennae. With the consent of the ARC, a satellite television antenna which is (a) no larger than 1 meter in diameter, (b) attached to a Dwelling Unit either on the side or at the rear, (c) compatible with the residential character and appearance of the subdivision, (d) in compliance with such other written specifications that the ARC shall promulgate in writing from time to time, and (f) in compliance with this Declaration may be installed on a residential lot. This restriction will not be enforced if it: (i) unreasonably delays or prevents installation, maintenance or use of a protected antenna, as defined hereafter; (ii) unreasonably increases the cost of installation, maintenance or use of such antenna or (iii) precludes reception of an acceptable quality signal. A protected antenna is one designed to receive broadcast satellite service, including direct to home satellite services, including distribution services, including multi-channel multipoint distribution services, instructional television fixed

services, and local multipoint distribution services and that is one meter or less in diameter or diagonal measurement, or an antenna that is designed to receive television broadcast signal. All other types of satellite and television antennas shall be prohibited. The ground or pole installation of a satellite television antenna permitted herein shall be prohibited unless attachment to the side or rear of the Dwelling Unit precludes reception of an acceptable quality signal.

9.13 Water Usage. The drilling for, the establishment of, and the subsequent use and operation of private waterwells and pumps and other appurtenances thereto is absolutely prohibited, nor shall any water be taken from a drainage easement, storm water retention area or other water body for any use whatsoever, except in case of fire or other emergency and except by the Association for the operation of its lawn sprinkling system.

9.14 Prohibition Respecting Modification of Drainage System Improvements. No drainage pipe or tile, drainage swale, drainage structure, water or sewer line or appurtenance, shall be removed or altered for any purpose without the specific prior written consent of the Association.

9.15 Protection of Surface and Sub-Surface Drainage. No structure or improvement shall be erected, placed or permitted and no alteration shall be made or permitted on any Lot which shall in any way hinder the surface or sub-surface drainage of any portion of The Villas.

9.16 Animals. No animals shall be permitted except domestic canines under 28 pounds, felines as household pets and ornamental birds in cases. All domestic animals shall be kept on a handheld leash and under control when outside the Dwelling Unit. No animals shall be allowed to create a noise audible to any adjoining or nearby property, to such an extent so as to be offensive to a person of ordinary sensitivity. All animal waste shall be picked up by the owner of the animal and properly disposed of in his own garbage container.

9.17 Visible Parking and Storage. Except for normal passenger automobiles, non-commercial pick-up trucks, or non-commercial vans, no vehicle of any kind shall be parked or stored on a Lot except fully within the enclosed garage of the Dwelling Unit thereon. No vehicle whatsoever shall be parked or stored on a street within the Villas except that occasional street parking for and by social guests shall be permitted. No vehicle whatsoever may be parked on any portion of a Lot outside the garage except on the paved driveway thereupon. Vehicles prohibited from being parked in open view upon a Lot shall include carts, commercial vehicles, motor homes, recreational vehicles, larger than normal vans, boat and other trailers, boats, racing vehicles, aircraft, off-road vehicles, motorcycles, campers and any vehicle whatsoever which is non-licensed or inoperative or which is undergoing repairs which will cause it to be unused for a period of more than forty-eight (48) consecutive hours or seven (7) cumulative days within any thirty (30) day period. Construction and service vehicles and equipment are exempt from these restrictions only during the time while service is being provided.

For Purposes of this Article, "commercial vehicles" shall mean those which are not designed and used for customary, personal/family, purposes, and those vehicles which contain commercial lettering, graphics, signs or displays; those vehicles which lack rear or side windows; or those vehicles which contain or transport tools, tool boxes or other equipment incidental to any business. The absence of commercial-type lettering, graphics, signs or displays on a vehicle or any or all of the aforementioned criteria shall not be dispositive as to whether it is a commercial vehicle. The determination of the Board of Directors as to the commercial nature of a vehicle shall be binding upon the Home Owner.

9.18 PROHIBITION OF PERSONS CONVICTED OF CERTAIN FELONIES. It shall be a violation of this Declaration for a Unit to be acquired for ownership (whether in whole or in part) or occupied at any time for any duration by any person convicted (either via an adjudication of guilt or a withhold of adjudication) of felony drug possession within last three (3) years, felony drug trafficking, robbery, burglary, murder, sexual battery, child molestation, rape or their equivalent under federal or state laws. It shall also be a violation of this Declaration for any ownership in a Lot to be provided in any manner to any such person. Notwithstanding any requirement in this Declaration that the Association provide an alternative purchaser for the transfer of a Lot, the Association shall not be responsible for providing an alternative purchaser if the requested approval is denied because the person acquiring or being provided ownership of the Lot is convicted of any of the enumerated crimes listed herein. The Board shall have the authority to modify this provision to comply with any state or federal law or regulation. As provided in Article 11 of this Declaration, an application and background check shall be required for all transfers of any ownership in a Lot.

9.19 STORM SHUTTERS AND OTHER HURRICANE PROTECTION. Except for plywood which is prohibited at all times, storm shutters and other similar hurricane protection devices are permitted as follows: 1) for an occupied Dwelling Unit, during hurricane season only, and 2) for an unoccupied Dwelling Unit, during hurricane season and continuing through the earlier of December 1st or within five (5) days of the Dwelling Unit being occupied.

ARTICLE 10 REPAIR, MAINTENANCE AND DRAINAGE

10.1 Common Area. The Common Areas are intended for the common use, enjoyment, and benefit of the Villa Lot Owners. The Common Areas include the recreational area with all facilities therein, as well as private roads, lakes and greenbelt areas. The Association shall maintain, repair and replace these areas in a reasonable condition, except as otherwise designated as Master Association responsibility.

10.2 Lawn Maintenance. The Association is specifically obligated to maintain, cut, trim and/or repair as necessary all sodded areas on a Lot. Such obligation shall extend to the operation, maintenance, repair or replacement of the underground sprinkler system. Further, the

Association's obligation for sod replacement shall be limited to the front and side yards of a Lot. No Villas Board member or their immediate family shall be compensated in any manner for any labor or time expended on any Villas projects or repairs.

10.3 Additional Landscaping. The Association's obligation to provide landscape maintenance services specifically does not extend to the maintenance of any trees, ornamental shrubbery, natural undergrowth or flowers present within individual Lots, occurring naturally or added by Villa Lot owners. Furthermore, Villa Lot Owners may add such trees, ornamental shrubbery or flowers to their Lots as they see fit, provided that such additions do not unreasonably restrict the view of any lake from nearby Dwelling Units. The Association may either disapprove such additions and require their removal or levy additional special charges upon the individual Villa Lot Owner for maintenance of such portion of the lawn or sprinkler system within such Lot if such additions to landscaping made by that Villa Lot Owner constitute an unreasonable hindrance to the overall lawn or sprinkler maintenance process.

10.4 Exterior Maintenance of Dwelling Units. Each Villa Lot Owner shall be responsible for the maintenance, repair and replacement of the exterior surfaces of his Dwelling Unit, in conformance with the general state of maintenance and average appearance of other Dwelling Units. The Villa Lot Owner shall obtain prior written approval from the Architectural Review Board for any exterior painting to the Dwelling Unit. It is the responsibility of the Villa Lot Owner to purchase the matching colors for each of the sections of the Unit to be painted. The Association shall provide, upon request, the paint manufacturer and code numbers for all paints. Likewise, the Villa Lot Owner shall purchase the proper roofing shingle for each development phase, for shingle repair or re-roofing. The Association shall provide, upon request, the manufacturer and shingle colors. In the event a Villa Lot Owner shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board, the Association shall have the right to enter upon said parcel and to repair, maintain, and restore the Lot and the Dwelling Unit's exterior and any other improvements erected thereon. The cost of such exterior maintenance, together with an Administrative Fee equal to 10% of the total expense, shall be added to and become part of the assessment to which such Lot is subject. Such assessment shall be collectible by way of the assessment claim of lien as is permitted in Article 5 of this Declaration.

10.5 Obligation to Repair. By acceptance of a deed to a Lot, each Villa Lot Owner is deemed to acknowledge, agree and accept the following covenants:

(a) To be liable for the expenses of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, or agents, but only to the extent that such expense is not met by the proceeds of insurance carried by individual Villa Lot Owners or the Association. A Villa Lot owner shall pay the Association the amount of any increase in its insurance premium occasioned by use, misuse, occupancy or abandonment of its Dwelling Unit or its appurtenances, or of the common areas, by the Villa Lot owner.

(b) To promptly effect the repair of any casualty occurring on the Lot or which casualty adversely affects or causes a condition to exist which adversely affects an adjoining Dwelling Unit or adjacent Lot.

(c) To allow an adjoining Villa Lot owner of a common Dwelling Structure or his designated representative(s) to enter onto said Villa Lot owner's Property for the purpose of investigating and/or repairing a source of damage being experienced by said adjoining Villa Lot owner; or investigating and/or repairing a casualty of an emergency nature which may reasonably be thought to have occurred on said Villa Lot Owner's Property and which occurrence or casualty is thought to adversely affect or cause a condition to exist which adversely affects the adjoining Villa Lot Owner's Property. Also to allow in the absence of a Villa Lot Owner, or in the event said Villa Lot owner fails to cooperate as specified above, the Board of Directors' duly authorized representative(s) to enter onto said Villa Lot owner's Property to investigate any condition which may exist which adversely affects the adjoining Villa Lot Owner's Property. Reasonable notice shall be given to the Villa Lot owner and reasonable charges to the Villa Lot Owner shall be made by the adjoining Villa Lot owner for the investigation and/or repair thereof.

10.6 Disposition of Charges. All charges properly made upon a Villa Lot Owner in accordance with the provisions of this Article 10 above shall constitute a lien upon the property of said Villa Lot owner until paid and shall be collected in the same manner as assessments.

10.7 Street Lighting. Each individual Villa Lot Owner shall be responsible for the maintenance, repair and replacement of his streetlight and for the payment of all electricity charges therefor. All streetlight replacements shall uniformly match the appearance of the existing lighting. The Association shall have the right to enter upon any Lot through its person or designated agent to effect maintenance or repair of any such lighting fixture if the Villa Lot Owner fails in his obligation to keep such lighting fixture in operation or maintain its reasonable appearance.

10.8 Responsibility of Villa Lot Owners for Damage. Villa Lot owners shall be directly responsible to the Association for damage to the Common Area improvements resulting from the actions of said Villa Lot Owners, their employees, agents or independent contractors furnishing labor or materials to or for said owners. The costs incurred by the Association in repairing any damage shall become a lien on the lot and is collectable in the same manner as assessments.

10.9 Roof Replacement. Roof maintenance, repair and replacement is a Villa Lot owner obligation. It is mandatory that at the time one side of the Dwelling Structure's roof requires replacement, that the entire roof over the entire Dwelling Structure (both Dwelling Units) shall be replaced. The Villa Lot Owners, if they cannot agree upon replacement, shall obtain separate opinions from local licensed roofing contractors. In the event both Villa Lot Owners remain in disagreement over the roof replacement, then the Villa Lot owners may petition the Board of

Directors for its opinion. The decision of the Board of Directors, or a committee delegated this duty, shall be binding upon both Villa Lot Owners. It shall be the individual Villa Lot Owner's obligation to pay his apportioned share of the roofing expense.

ARTICLE 11 SALES AND TRANSFERS

In order to maintain a community of congenial residents and thus protect home values within the subdivision and to maintain and regulate the provision of the Federal Fair Housing Act 55 and older exemption, the transfer or sale of any interest in a Dwelling Unit by an Owner shall be subject to the following provisions:

11.1 Sale or Transfer. An Owner intending to make a transfer or sale of a Lot or any interest therein shall give to the Association notice of such intention, on forms prescribed by the Board and such other information concerning the intended transfer or sale as the Association may reasonably require, and shall be accompanied by a copy of the proposed transfer documents or proposed sales contract signed by the proposed purchaser. Within twenty (20) days after receipt of such fully completed notice and information, the Association must either approve or disapprove the proposed transfer or sale. If approved, the approval shall be stated in a certificate executed by an Association officer or its agent. Failure of the Association to respond within the twenty (20) day period shall constitute approval. The Board may delegate its approval/denial authority provided herein to a committee or authorized agent.

(a) Disapproval of a Transfer or Sale. Approval of the Association may be withheld only if a majority of the entire Board so votes. The Board shall consider the following factors and may confer with counsel in reaching its decision. Only the following may be deemed to constitute good cause for disapproval:

(i) The application for approval on its face, or subsequent investigation thereof, indicates that the person seeking approval intends to conduct himself or herself in a manner inconsistent with the governing documents.

(ii) The person seeking approval (which shall include all disposed occupants has been convicted of a prohibited felony or of a crime that otherwise involves violence against a person that resulted in injury.

(iii) The person seeking approval has a record of financial irresponsibility, including without limitation bankruptcies, foreclosures or bad debt.

(iv) The person seeking approval has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his or her conduct in

other social organizations, communities or associations, or by conduct in this subdivision as a Tenant, Owner or occupant of a lot.

(v) The person seeking approval failed to provide the information, fees or appearance required to process the application in a timely manner.

(vi) All assessments, fines and other charges against the Lot or the Owner have not been paid in full, provided however, the Association may grant approval subject to payment in full as a condition of the approval.

(b) Right of First Refusal, Duty to Provide Alternative Purchaser. If the Association disapproves a prospective purchaser, the Association shall have the obligation to purchase the Lot on the same terms and conditions as the offer from the disapproved purchaser or provide an alternate purchaser within sixty (60) days after written notice of disapproval, or at such later date as the parties may agree. However, should the transfer or sale be rejected on the basis that such transfer or sale would result in a violation of an express provision of the Declaration, the Association's right of first refusal or requirement that the Association provide an alternate purchaser shall be optional, unless otherwise prohibited by law.

(c) Fair Market Price Determination. If the application for transfer or sale raises a question, in the Board's reasonable judgment, as to whether the stated purchase price is bona fide, the price to be offered shall be determined by taking an average fair market value established by two qualified real estate appraisals from current home prices in Sarasota County. One (1) appraiser will be selected by the selling owner and the other selected by the Association. The cost of the appraisals shall be shared equally by the Owner and the Association. Closing and transfer shall be within thirty (30) days from submission of the agreement to purchase by the Association or ten (10) days after the price is determined as provided above, whichever occurs later.

(d) Screening Fees. The Association may impose a transfer/sales fee not to exceed one hundred and no/100 dollars (\$100.00) per applicant or as permitted by law from time to time simultaneously with the giving of notice of intention to transfer or sell a lot or any interest therein.

(e) The Association may require that interviews be conducted of prospective transferee or purchasers prior to the transfer or sale of a lot or any interest therein.

ARTICLE 12 AMENDMENT

Amendments to this Declaration shall be proposed and adopted in the following manner:

12.1 Proposal. A proposal for any amendment to this Declaration may be made by the Board of Directors or upon the written request of not less than ten (10%) percent of the voting interests of the Association. Notice of the subject matter of any proposed amendment shall be included in or with the notice of the meeting of the Members at which the amendment is to be proposed and considered.

12.2 Approval. This Declaration may be amended by an affirmative vote of at least a majority of the entire membership.

12.3 Limitation and Recording. No amendment shall make any changes in the qualifications for membership or in the voting rights or property rights of Members, without approval in writing by all Members so affected. A copy of each amendment shall be recorded in the Public Records along with a Certificate of Amendment executed with the formalities of a deed.

ARTICLE 13 ENFORCEMENT

13.1 Independent Covenant. Each and every covenant and restriction contained herein shall be considered to be an independent and separate covenant and agreement, and in the event any one or more of said covenants or restrictions, shall, for any reason, be held to be invalid or unenforceable, all remaining covenants and restrictions shall nevertheless remain in full force and effect.

13.2 Enforcement. This Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association or by any Owner, their respective legal representatives, heirs, successors, and assigns. The Association shall have the duty to enforce and require compliance of the provisions of this Declaration and any Rules authorized hereby against Owners, their tenants and guests on behalf of the Association membership. Enforcement shall be by proceedings for injunctive relief, declaratory relief and/or damages. The prevailing party in any such action shall be entitled to recover reasonable attorney's fees and costs. The Association may also charge a Lot for any reasonable attorney's fees and costs incurred in obtaining compliance by the Owner or tenant thereof and that charge shall be payable and collectible in the same manner as an assessment by the Association as provided in the Declaration. The failure to enforce any provision of this Declaration or Rules shall in no event be deemed a waiver of the right to enforce as aforesaid thereafter as to the same breach or violation occurring prior or subsequent thereto. Failure to enforce same shall not give rise to any liability on the part of the Association with respect to parties aggrieved by such failure.

13.3 Fines. The Association may levy reasonable fines for failure of the Villa Lot Owner, tenant, occupant, licensee or invitee to comply with any provision of this Declaration, the Bylaws, or the reasonable rules of the Association. A fine may be levied on the basis of each day

of a continuing violation, with a single notice and opportunity for a hearing, provided that no such fine shall in the aggregate exceed \$5,000.00 or as otherwise permitted by law, whichever is greater. A fine shall not be levied except after giving reasonable notice and opportunity for a hearing to the owner and, if applicable, its licensee or invitee as required by state law. A fine for a single violation exceeding \$1000.00 may become a lien on the Lot and may be foreclosed as an assessment.

13.4 Election of Remedies. All rights, remedies and privileges granted to the Association hereunder shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be granted to such other party by Association documents, or at law or in equity.

ARTICLE 14 MISCELLANEOUS

14.1 Severability. The invalidity or unenforceability in whole or in part of any covenant or restriction or any article, section, subsection, sentence, clause, phrase or word or other provision of this Declaration, the Articles of Incorporation, Bylaws or Rules shall not affect the remaining portions hereof.

14.2 Binding Effect. All provisions of this Declaration shall be enforceable as equitable servitudes and shall run with the land and shall be in full force and effect until a particular provision is duly amended or until the Declaration is duly revoked.

14.3 Applicable Statutes. The validity, application and construction of this Declaration and its exhibits shall be governed by the laws of Florida, particularly the Homeowners Association Act, as amended from time to time.

14.3 Usage. Whenever used herein, the singular number shall include the plural and the plural the singular, and the use of any gender shall include all genders. Titles of Articles, paragraphs, and subparagraphs of this Declaration are for convenience only and neither limit nor amplify the provisions of this Declaration.

14.4 Waiver. Failure of the Association to insist upon strict performance of any provision of this Declaration with respect to any Villa Lot Owner or property in the Subdivision shall not be deemed to be a waiver of such provision as to such Villa Lot Owner or property unless the Association has executed in writing a waiver thereof. Any such written waiver of any provision of this Declaration by the Association with respect to any Villa Lot Owner or property in the Subdivision shall not constitute a waiver of such provision as to any other Villa Lot Owner or property.

14.5 Governing Law. The construction, validity, and enforcement of the provisions of this Declaration shall be determined according to the laws of the State of Florida. The venue of any action or suit brought in connection with this Declaration shall be in Sarasota county, Florida.

14.6 Conflicts. If there is a conflict between any provision of this Declaration and the Homeowners Association Act shall control. In the event of any conflict, the Governing documents shall take priority in the following order: this Declaration, Articles of Incorporation, Association Bylaws and then the Association Rules and Regulations, all as amended from time to time.

14.7 Headings and Capitalization. The headings of paragraphs or sections herein, and the capitalization of certain words, are for convenience purposes only, and shall not be used to alter or interpret the provisions herein.

14.8 Interpretation. The provisions of this Declaration shall be liberally construed to affect the purpose of creating a uniform plan for the operation of a subdivision in accordance with the laws made and providing for the same. The terms of this Declaration, Articles of Incorporation, Bylaws and Rules shall not be construed in favor of or against the Association or a Unit Owner in the event of arbitration or litigation.