



San Sebastian

Neighborhood Association
Documents for the
Villages of San Sebastian

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An Arvida Community.

DECLARATION OF COVENANTS
FOR THE VILLAGES OF SAN SEBASTIAN

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Schedule "A"	- Rules and Regulations
Exhibit "A"	- Legal Description of Common Areas
Exhibit "B"	- Legal Description of The Properties

DECLARATION OF COVENANTS

FOR

THE VILLAGES OF SAN SEBASTIAN

THIS DECLARATION is made this ____ day of _____, 1994, by ARVIDA/JMB PARTNERS, a Florida general partnership which declares hereby that "The Properties" described in Article II of this Declaration are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words when used in this Declaration (unless the context shall prohibit) shall have the following meanings:

(a) "Association" shall mean and refer to THE VILLAGES OF SAN SEBASTIAN MAINTENANCE ASSOCIATION, INC., a Florida corporation not for profit.

(b) "Common Areas" shall mean and refer to the property legally described in Exhibit "A" attached hereto and made a part hereof, plus all property designated as Common Areas in any future recorded supplemental declaration; together with the landscaping and any improvements thereon, including, without limitation, all gatehouses, private roadways and sidewalk areas, fountains, structures, recreational facilities, open space, walkways, sprinkler systems and street lights, if any, but excluding any public utility installations thereon, and all portions of any Community Systems (as defined below) not made Common Areas pursuant to Article IV, Section 7 hereof, and any other property of Developer not intended to be made Common Areas.

(c) "Community Systems" shall mean and refer to any and all cable television, telecommunication, security or other lines, conduits, wires, amplifiers, towers, antennae equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) installed by Developer or pursuant to any grant of easement or authority by Developer within The Properties and serving more than one Lot/Unit.

(d) "Developer" shall mean and refer to Arvida/JMB Partners, a Florida general partnership, its successors and such of its assigns as to which the rights of Developer hereunder are specifically assigned. Developer may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with appropriate portions of The Properties. In the event of such a partial assignment, the

assignee shall not be deemed the Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

(e) "Foundation" shall mean and refer to Town Foundation, Inc., a Florida corporation not for profit, being the entity responsible for the administration of the hereinafter defined Master Declaration.

(f) "Foundation Covenants" shall mean and refer to the Amended and Restated Declaration of Town Foundation Covenants, dated May 13, 1985 and recorded May 17, 1985 in Official Records Book 12546, Page 921 of the Public Records of Broward County, Florida, and, unless the context prohibits, the Articles of Incorporation, By-Laws and Rules and Regulations of the Foundation, all as now or hereafter amended, modified or supplemented.

(g) "Lot" shall mean and refer to any Lot on any plat or site plan of all or a portion of The Properties, which is designated by Developer hereby or by any other recorded instrument to be subject to these covenants and restrictions, any Lot shown upon any resubdivision of any such plat, on site plan amendment and any other property hereafter declared as a Lot by the Developer and thereby made subject to this Declaration; provided, however, that no portion of any Community System shall be deemed to be part of a Lot unless and until same is made such pursuant to Article IV, Section 7 hereof, if at all.

(h) "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article III hereof.

(i) "Member's Permittee" shall mean and refer to a person described in Article VIII, Section 3 hereof.

(j) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot situated upon The Properties.

(k) "The Properties" shall mean and refer to all existing properties, and additions thereto, as are now or hereafter made subject to this Declaration, except those which are withdrawn from the provisions hereof in accordance with the procedures hereinafter set forth.

(l) "Unit" shall mean and refer to the individual residential structure constructed on a Lot for which a certificate of occupancy has been issued; provided, however, that no portion of any Community System, even if installed in a Unit, shall be deemed to be a part of a Unit unless and until same is made such pursuant to Article IV, Section 7 hereof, if at all.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

Section 1. Legal Description. The real property which, initially, is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Broward County, Florida, and is more particularly described in Exhibit "B" attached hereto, all of which real property (and all improvements thereto), together with additions thereto, but less any withdrawals therefrom, is herein referred to collectively as "The Properties".

Section 2. Supplements. In accordance with Developer's current intention to reserve the right to increase the land constituting The Properties from time to time in "phases", Developer may from time to time bring other land under the provisions hereof by recorded supplemental declarations (which shall not require the consent of then existing Owners, the Association, or any mortgagee other than that of the land intended to be added to the Properties) and thereby add to The Properties. To the extent that such additional real property shall be made a part of The Properties as a common scheme, reference herein to The Properties shall be deemed to be reference to all of such additional property where such reference is intended to include property other than that legally described above. Nothing herein, however, shall obligate the Developer to add to the initial portion of The Properties, to develop any such future portions under such common scheme, nor to prohibit Developer (or the applicable Developer-affiliated Owner) from rezoning and changing plans with respect to such future portions. All Owners, by acceptance of a deed to or other conveyance of their Lots, thereby automatically consent to any such rezoning, change, addition or deletion thereafter made by the Developer (or the applicable Developer-affiliated Owner thereof) and shall evidence such consent in writing if requested to do so by the Developer at any time (provided, however, that the refusal to give such written consent shall not obviate the general effect of this provision).

Section 3. Withdrawal. Developer reserves the right to amend this Declaration at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of The Properties then owned by the Developer or its affiliates or the Association from the provisions of this Declaration to the extent included originally in error or as a result of any changes whatsoever in the plans for The Properties desired to be effected by the Developer; provided, however, that such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for The Properties. Any withdrawal of land not owned by Developer shall require the written consent or joinder of the then-owner(s) and mortgagee(s) of such land.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot shall be a Member of the Association. Notwithstanding anything else to the contrary set forth in this Section 1, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Association.

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

Class A. Class A Members shall be all those Owners as defined in Section 1 with the exception of the Developer (as long as the Class B Membership shall exist, and thereafter, the Developer shall be a Class A Member to the extent it would otherwise qualify). Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, but the single vote for such Lot shall be exercised as they among themselves determine but, subject only to the following subsection, in no event shall more than one (1) vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Developer. The Class B member shall be entitled to one (1) vote, plus two (2) votes for each vote entitled to be cast in the aggregate at any time and from time to time by the Class A Members. The Class B membership shall cease and terminate sixty (60) days after the last Lot within The Properties has been sold and conveyed by the Developer (or its affiliates), or sooner at the election of the Developer (whereupon the Class A Members shall be obligated to elect the Board and assume control of the Association).

Section 3. General Matters. When reference is made herein, or in the Articles, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members present at a duly constituted meeting thereof (i.e., one for which proper notice has been given and at which a quorum exists) and not of the Members themselves or of their Lots.

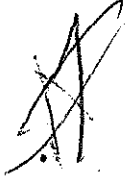
ARTICLE IV

COMMON AREAS; CERTAIN EASEMENTS; COMMUNITY SYSTEMS

Section 1. Members' Easements. Except for Limited Common Areas as herein specified, each Member, and each Member's Permittee, shall have a non-exclusive permanent and perpetual easement over and upon the Common Areas for the intended use and enjoyment thereof in common with all other such Members, Member's Permittees, their tenants, agents and invitees, in such manner as may be regulated by the Association.

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

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



(b) The right of the Association to suspend the Member's (and his Member's Permittees') right to use the recreational facilities (if any) for any period during which any assessment against his Lot remains unpaid for more than thirty (30) days; and for a period not to exceed sixty (60) days for any infraction of lawfully adopted and published rules and regulations.

(c) The right of the Association to charge reasonable admission and other fees for the use of recreational facilities (if any) situated on the Common Areas.

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

(e) The right to the use and enjoyment of the Common Areas and facilities thereon shall extend to all Members' Permittees, subject to regulation from time to time by the Association in its lawfully adopted and published rules and regulations.

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

(g) The right of Developer and the Association to have, grant and use general ("blanket") and specific easements over, under and through the Common Areas.

(h) The right of the Association, by a 2/3rds affirmative vote of the entire membership, to dedicate or convey portions of the Common Areas to any other association having similar functions, or any public or quasi-public agency, community development district or similar entity under such terms as the Association deems appropriate and to create or contract with the other association, community development and special taxing districts for lighting, roads, recreational or other services, security, or communications and other similar purposes deemed appropriate by the Association (to which such dedication or contract all Owners, by the acceptance of the deeds, to their Lots, shall be deemed to have consented, no consent of any other party, except the Developer, being necessary).

(i) The right of the Foundation to enter onto, control and otherwise regulate the Common Areas pursuant to the Master Declaration.

WITH RESPECT TO THE USE OF THE COMMON AREAS AND THE PROPERTIES GENERALLY, ALL PERSONS ARE REFERRED TO ARTICLE XIV, SECTIONS 10, 11 AND 12, AND ARTICLE XV, HEREOF, WHICH SHALL AT ALL TIMES APPLY THERETO.

Section 2. Easements Appurtenant. The easements provided in Section 1 shall be appurtenant to and shall pass with the title to each Lot, but shall not be deemed to grant or convey any ownership interest in the Common Area subject thereto.

Section 3. Maintenance. The Association shall at all times maintain in good repair and manage, operate and insure, and shall replace as often as necessary, the Common Areas and, to the extent not otherwise provided for, the paving, drainage structures, landscaping, improvements and other structures (except public utilities and Community Systems, to the extent same have not been made Common Areas) situated on the Common Areas, if any, all such work to be done as ordered by the Board of Directors of the Association. Without limiting the generality of the foregoing, the Association shall assume all of Developer's and its affiliates' responsibility to Broward County and its governmental and quasi-governmental subdivisions and similar entities of any kind with respect to the Common Areas and shall indemnify and hold the Developer and its affiliates harmless with respect thereto.

The Association shall also maintain, in the same manner as Common Areas, the land, landscaping and improvements covered by any easement in favor of the Association which provides for such maintenance.

All work pursuant to this Section and all expenses incurred or allocated to the Association pursuant to this Declaration shall be

paid for by the Association through assessments (either general or special) imposed in accordance herewith.

No Owner may waive or otherwise escape liability for assessments by non-use (whether voluntary or involuntary) of the Common Areas or abandonment of the right to use the Common Areas.

Section 4. Utility and Community Systems Easements. Use of the Common Areas for utilities, as well as use of the other utility easements as shown on relevant plats, shall be in accordance with the applicable provisions of this Declaration and said plats. The Developer and its affiliates and its and their designees shall have a perpetual easement over, upon and under the Common Areas and the unimproved portions of the Lots for the installation, operation, maintenance, repair, replacement, alteration and expansion of Community Systems and other utilities.

Section 5. Irrigation System Easements. The Association is hereby granted an easement over and under each Lot for the purpose of the operation, maintenance, repair and replacement of a common landscaping irrigation system serving The Properties. Concurrently, the Association shall have the duty to operate and maintain such irrigation system, the easement rights and physical installations described herein being deemed Common Areas hereunder. No Owner or Member's Permittees shall take any action (including, without limitation, planting of additional landscaping material) which damages or unreasonably interferes with the operation of the common irrigation system and each Owner shall take due care when performing landscape and lawn maintenance to avoid damage to sprinkler heads and other components of the common irrigation system.

Section 6. Public Easements. Fire, police, health and sanitation, park maintenance and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas in the performance of their respective duties.

Section 7. Ownership. The Common Areas are hereby dedicated non-exclusively to the joint and several use, in common, of the Developer and the Owners of all Lots that may from time to time constitute part of The Properties and all Member's Permittees and the Developer's tenants, guests and invitees, all as provided and regulated herein or otherwise by the Association. The Common Areas (or appropriate portions thereof) shall, upon the later of completion of the improvements thereon or the date when the last Lot within The Properties has been conveyed to a purchaser (or at any time and from time to time sooner at the sole election of the Developer), be conveyed by quit claim deed to the Association, which shall be deemed to have automatically accepted such conveyance. Beginning from the date this Declaration is recorded, the Association shall be responsible for the maintenance, insurance and administration of such Common Areas (whether or not then conveyed or to be conveyed to the Association), all of which shall be performed in a continuous and satisfactory manner without cost to

the general taxpayers of Broward County. It is intended that any and all real estate taxes assessed against that portion of the Common Areas owned or to be owned by the Association shall be (or have been, because the purchase prices of the Lots and Units have already taken into account their proportionate shares of the values of the Common Area), proportionally assessed against and payable as part of the taxes of the applicable Lots within The Properties. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Areas, the Association shall be responsible for the payment (subject to protest or appeal before or after payment) of the same, including taxes on any improvements and any personal property located thereon, which taxes accrue from and after the date these covenants are recorded, and such taxes shall be prorated between Developer and the Association as of the date of such recordation.

Developer and its affiliates shall have the right from time to time to enter upon the Common Areas and other portions of The Properties (including, without limitation, Lots and Units) for the purpose of the installation, construction, reconstruction, repair, replacement, operation, expansion and/or alteration of any improvements or facilities on the Common Areas or elsewhere on The Properties that Developer and its affiliates or designee elect to effect, and to use, without charge, the Common Areas and other portions of The Properties for sales, displays and signs or for any other purpose during the period of construction and sale of any portion thereof or of other portions of adjacent or nearby communities. Without limiting the generality of the foregoing, the Developer and its affiliates shall have the specific right to maintain upon any portion of The Properties sales, administrative, construction or other offices and appropriate exclusive and non-exclusive easements of access and use are expressly reserved unto the Developer and its affiliates, and its and their successors, assigns, employees and contractors, for this purpose. Any obligation (which shall not be deemed to be created hereby) to complete portions of the Common Areas shall, at all times, be subject and subordinate to these rights and easements and to the above-referenced activities. Accordingly, the Developer shall not be liable for delays in such completion to the extent resulting from the need to finish the above-referenced activities prior to such completion.

Section 8. Community Systems. Developer shall have the right, but not the obligation, to convey, transfer, sell or assign all or any portion of the Community Systems located within The Properties, or all or any portion of the rights, duties or obligations with respect thereto to the Association or any other person or entity (including an Owner, as to any portion of a Community System located on/in his Lot/Unit). Without limiting the generality of Article I, Section (d) hereof, if and when any of the aforesaid entities receives such a conveyance, sale, transfer or assignment, such entity shall automatically be deemed vested with such rights of Developer with regard thereto as are assigned by Developer in connection therewith; provided, however, that if the Association is the applicable entity, then any Community Systems or

portions thereof shall be deemed Common Areas hereunder and the Association's rights, duties and obligations with respect thereto shall be the same as those applicable to other Common Areas unless otherwise provided by Developer. Any conveyance, transfer, sale or assignment made by Developer pursuant to this Section (i) may be made with or without consideration, (ii) shall not require the consent or approval of the Association or any Owner and (iii) if made to the Association, shall be deemed to have been automatically accepted (with all rights, duties, obligations and liabilities with respect thereto being deemed to have been automatically assumed).

In recognition of the intended increased effectiveness and potentially decreased installation and maintenance costs and user fees arising from the connection of all Units in The Properties to the applicable Community Systems, each Owner and occupant of a Unit shall by virtue of the acceptance of the deed or other right of occupancy thereof, be deemed to have consented to and ratified any and all agreements to which the Association is a party which is based upon (in terms of pricing structure or otherwise) a requirement that all Units be so connected. The foregoing shall not, however, prohibit the Association from making exceptions to any such 100% use requirement in its reasonable discretion.

WITH RESPECT TO COMMUNITY SYSTEMS, ALL PERSONS ARE REFERRED TO ARTICLE XIV, SECTION 10 HEREOF, WHICH SHALL AT ALL TIMES APPLY TO THIS SECTION.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation for Assessments; Assessment Rates. Except as provided elsewhere herein, the Developer (and each party joining in any supplemental declaration), for all Lots within The Properties, hereby covenants and agrees, and each Owner of any Lot by acceptance of a deed therefor or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to pay to the Association annual assessments and charges for the operation of, and for payment of expenses allocated or assessed to or through, the Association, the maintenance, management, operation and insurance of the Common Areas and any applicable Community Systems as provided elsewhere herein, including such reasonable reserves as the Association may deem necessary, capital improvement assessments, as provided in Section 4 hereof, special assessments as provided in Section 3 hereof and all other charges and assessments hereinafter referred to or lawfully imposed by or on the Association, all such assessments to be fixed, established and collected from time to time as herein provided. In addition, special assessments may be levied against particular Owners and Lots for fines, expenses incurred against particular Lots and/or Owners to the exclusion of others and other charges against specific Lots or Owners as contemplated in this Declaration. The annual, special and other assessments, together

with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due and all subsequent Owners until paid, except as provided in Section 8 of this Article.

In light of the fact that the Association may provide different levels of service, or incur Common Area and other expenses fairly allocable, to same Lots/Units to the exclusion of others, the Board of Directors shall have the authority to set different rates of assessments for different Lots, provided that Lots which are determined by the Board to be similarly situated shall be assessed at an equal rate. The foregoing shall not, however, prohibit the Board from levying assessments on all Lots at the same rate.

Section 2. Purpose of Assessments. The regular assessments levied by the Association shall be used exclusively for the purposes expressed in Section 1 of this Article.

Section 3. Special Assessments. In addition to the regular and capital improvement assessments which are or may be levied hereunder, the Association (through the Board of Directors) shall have the right to levy special assessments against an Owner(s) to the exclusion of other Owners for (i) the repair or replacement of damage to any portion of the Common Areas (including, without limitation, improvements and landscaping thereon) caused by the misuse, negligence or other action or inaction of an Owner or his Member's Permittee(s), (ii) the costs of exterior maintenance work on attached Units per Article VI of this Declaration or (iii) the costs of remedial work performed by the Association in accordance with Article VI (together with any surcharges collectible thereunder). Any such special assessment shall be subject to all of the applicable provisions of this Article including, without limitation, lien filing and foreclosure procedures and late charges and interest. Any special assessment levied hereunder shall be due within the time specified by the Board of Directors in the action imposing such assessment.

Section 4. Capital Improvements. Funds which, in the aggregate, exceed the lesser of \$25,000 or 10% of the total amount of the current operating budget of the Association in any one fiscal year which are necessary for the addition of capital improvements (as distinguished from repairs and maintenance) relating to the Common Areas under the jurisdiction of the Association and which have not previously been collected as reserves or are not otherwise available to the Association (other than by borrowing) shall be levied by the Association as assessments only upon approval of a majority of the Board of Directors of the Association and upon approval by two-thirds (2/3) favorable vote of the Members

of the Association voting at a meeting or by ballot as may be provided in the By-Laws of the Association.

Section 5. Date of Commencement of Annual Assessments;
Due Dates. The annual regular assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of such year. Each subsequent annual assessment shall be imposed for the year beginning January 1 and ending December 31.

The annual assessments shall be payable in advance in monthly installments, or in annual, semi- or quarter-annual installments if so determined by the Board of Directors of the Association (absent which determination they shall be payable quarterly).

The assessment amount (and applicable installments) may be changed at any time by said Board from that originally stipulated or from any other assessment that is in the future adopted. The original assessment for any year shall be levied for the calendar year (to be reconsidered and amended, if necessary, no more than twice each year), but the amount of any revised assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar year.

The due date of any special assessment or capital improvement assessment shall be fixed in the Board resolution authorizing such assessment.

Section 6. Duties of the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against the Lots subject to the Association's jurisdiction for each assessment period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Lots and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner.

Written notice of the assessment shall thereupon be sent to every Owner subject thereto twenty (20) days prior to payment of the first installment thereof, except as to special assessments. In the event no such notice of the assessments for a new assessment period is given, the amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein.

Subject to other provisions hereof, the Association shall upon demand at any time furnish to any Owner liable for an assessment a certificate in writing signed by an officer of the Association, setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment of any assessment to the Association therein stated to have been paid.

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

Section 7. Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Association. If the assessments (or installments) provided for herein are not paid on the date(s) when due (being the date(s) specified herein or pursuant hereto), then such assessments (or installments) shall become delinquent and shall, together with late charges, interest and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Lot which shall bind such property in the hands of the then Owner, his heirs, personal representatives, successors and assigns. Except as provided in Section 8 of this Article to the contrary, the personal obligation of the then Owner to pay such assessment shall pass to his successors in title and recourse may be had against either or both.

If any installment of an assessment is not paid within fifteen (15) days after the due date, at the option of the Association, a late charge not greater than the amount of such unpaid installment may be imposed (provided that only one late charge may be imposed on any one unpaid installment and if such installment is not paid thereafter, it and the late charge shall accrue interest as provided herein but shall not be subject to additional late charges; provided further, however, that each other installment thereafter coming due shall be subject to one late charge each as aforesaid) or the next twelve (12) months' worth of installments may be accelerated and become immediately due and payable in full and all such sums shall bear interest from the dates when due until paid at the highest lawful rate (or, if there is no highest lawful rate, 18% per annum) and the Association may bring an action at law against the Owner(s) personally obligated to pay the same, may record a claim of lien (as evidence of its lien rights as hereinabove provided for) against the Lot on which the assessments and late charges are unpaid, may foreclose the lien against the Lot on which the assessments and late charges are unpaid, or may pursue one or more of such remedies at the same time or successively, and attorneys' fees and costs actually incurred in preparing and filing the claim of lien and the complaint, if any, and prosecuting same, in such action shall be added to the amount of such assessments, late charges and interest, and in the event a judgment is obtained, such judgment shall include all such sums as above provided and attorneys' fees actually incurred together with the costs of the action, through all applicable appellate levels.

In the case of an acceleration of the next twelve (12) months' of installments, each installment so accelerated shall be deemed, initially, equal to the amount of the then most current delinquent installment, provided that if any such installment so accelerated would have been greater in amount by reason of a subsequent increase in the applicable budget, the Owner of the Lot whose

installments were so accelerated shall continue to be liable for the balance due by reason of such increase and special assessments against such Lot shall be levied by the Association for such purpose.

In addition to the rights of collection of assessments stated in this Section, any and all persons acquiring title to or an interest in a Lot as to which the assessment is delinquent, including without limitation persons acquiring title by operation of law and by judicial sales, shall not be entitled to the occupancy of such Lot or the enjoyment of the Common Areas until such time as all unpaid and delinquent assessments due and owing from the selling Owner have been fully paid; provided, however, that the provisions of this sentence shall not be applicable to the mortgagees and purchasers contemplated by Section 8 of this Article.

All assessments, late charges, interest, penalties, fines, attorney's fees and other sums provided for herein shall accrue to the benefit of the Association.

Section 8. Subordination of the Lien. The lien of the assessments provided for in this Article shall be subordinate to real property tax liens and the lien of any first mortgage (recorded prior to recordation by the Association of a claim of lien) held by an institutional mortgage lender or otherwise held or insured by FNMA/FHLMC, FHA or VA and which is now or hereafter placed upon any property subject to assessment and then to the lien for assessments levied pursuant to the Master Declaration; provided, however, that any such mortgage lender when in possession or any receiver, and in the event of a foreclosure, any purchaser at a foreclosure sale, and any such mortgage lender acquiring a deed in lieu of foreclosure, and all persons claiming by, through or under such purchaser or mortgage lender, shall hold title subject to the liability and lien of any assessment coming due after such foreclosure (or conveyance in lieu of foreclosure). Any unpaid assessment which cannot be collected as a lien against any Lot by reason of the provisions of this Section shall be deemed to be an assessment divided equally among, payable by and a lien against all Lots subject to assessment by the Association, including the Lots as to which the foreclosure (or conveyance in lieu of foreclosure) took place. No mortgagee shall be required to collect assessments.

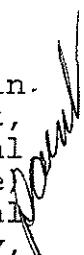
Section 9. Developer's Assessments. Notwithstanding anything herein to the contrary, Developer shall have the option, in its sole discretion, to (i) pay assessments on the Lots owned by it, (ii) pay assessments only on certain designated Lots (e.g., those under construction or those containing a Unit for which a certificate of occupancy has been issued) or (iii) not pay assessments on any Lots and in lieu thereof fund any resulting deficit in the Association's operating expenses not produced by assessments receivable from Owners other than Developer and any other income receivable by the Association. The deficit to be paid under option (iii), above, shall be the difference between (a) actual operating expenses of the Association (exclusive of capital improvement costs and reserves) and (b) the sum of all monies

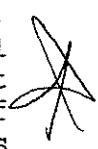
receivable by the Association (including, without limitation, assessments, interest, late charges, fines and incidental income) and any surplus carried forward from the preceding year(s). Developer may from time to time change the option under which Developer is making payments to the Association by written notice to such effect to the Association. If Developer at any time elects option (ii), above, it shall not be deemed to have necessarily elected option (i) or (iii) as to the Lots which are not designated under option (ii). When all Lots within The Properties are sold and conveyed to purchasers, neither the Developer nor its affiliates shall have further liability of any kind to the Association for the payment of assessments, deficits or contributions.

Section 10. Association Funds. The portion of all regular assessments collected by the Association for reserves for future expenses, and the entire amount of all special and capital assessments, shall be held by the Association and may be invested in interest bearing accounts or in certificates of deposit or other like instruments or accounts available at banks or savings and loan institutions, the deposits of which are insured by an agency of the United States.

ARTICLE VI

MAINTENANCE OF UNITS AND LOTS

Section 1. Exteriors of Units. Each Owner shall maintain all structures (including the Unit) located on his Lot in a neat, orderly and attractive manner and consistent with the general appearance of The Properties. The minimum (though not sole standard for the foregoing shall be consistency with the general appearance of The Properties (particularly, but not exclusively, any adjoining Units) as initially constructed and otherwise improved by Developer or by any other builders who build in accordance with plans approved by Developer (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness, in the judgment of the Architectural Control Board. Each Owner shall repaint or restrain, as appropriate, the exterior portions of his Unit (with the same colors as initially used on the Unit) as often as is necessary to comply with the foregoing standards. 

Section 2. Lots. Each Owner shall maintain the trees, shrubbery, grass and other landscaping on his Lot in a neat, orderly and attractive manner and consistent with the general appearance of The Properties as a whole. The minimum (though not sole) standard for the foregoing shall be the general appearance of The Properties as initially landscaped by Developer or builders (such standard being subject to being raised by virtue of the natural and orderly growth and maturation of applicable landscaping, as properly trimmed and maintained). The foregoing maintenance obligations shall also apply to the land up to the centerline of any unimproved road right of way which a Lot abuts, unless the Association assumes such maintenance responsibilities. 

In addition to the foregoing, each Owner shall maintain the portions of the road rights of way (which may be Common Area tracts) adjacent to the Owner's Lot from the boundary line of such lot adjacent to the right of way to the edge of the road pavement including, without limitation, sidewalks, landscaping and lawns.

Section 3. Attached Units. It is specifically stipulated that in order to comply with the foregoing maintenance standards, owners of Units attached to one another shall be required to take such steps in cooperation with one another as are necessary to ensure the quality and consistence of their respective Units as a group including, without limitation the roofs and vertical surfaces thereof. While the Association may (but shall not be required to) take steps to facilitate such cooperative efforts by, for example, arranging for group or "bulk" contracts for cleaning, painting, restoration or other services to be performed on attached Units as a group, and while the Association shall have the right to perform exterior maintenance on attached Units itself (using reserves and/or special assessments to pay the costs of doing so) the ultimate responsibility for compliance with this Article shall remain with the Owners of the Units. Roofs

Section 4. Remedies for Noncompliance. In the event of the failure of an Owner to maintain his Unit or Lot in accordance with this Article, the Association shall have the right, upon five (5) days' prior written notice to the Owner at the address last appearing in the records of the Association, to enter upon the Owner's Lot and perform such work as is necessary to bring the Lot or Unit, as applicable, into compliance with the standards set forth in this Article. Such work may include, but shall not necessarily be limited to, the cutting/trimming of grass, trees and shrubs; the removal (by spraying or otherwise) of weeds and other vegetation; the resodding or replanting of grass, trees or shrubs; the repainting or restaining of exterior surfaces of a Unit; the repair of walls, fences, roofs, doors, windows and other portions of a Unit or other structures on a Lot; and such other remedial work as is judged necessary by the applicable entity. The remedies provided for herein shall be cumulative with all other remedies available under this Declaration (including, without limitation, the imposition of fines or special assessments or the filing of legal or equitable actions).

Section 5. Costs of Remedial Work; Surcharges. In the event that the Association performs any remedial work on a Unit or Lot pursuant to this Article, the costs and expenses thereof shall be deemed a special assessment under Article V, Section 3 of this Declaration and may be immediately imposed by the Board of Directors. In order to discourage Owners from abandoning certain duties hereunder for the purpose of forcing one of the aforesaid entities to assume same, and, additionally, to reimburse same for administrative expenses incurred, the applicable entity may impose a surcharge of not more than thirty-five percent (35%) of the cost of the applicable remedial work, such surcharge to be a part of the aforesaid special assessment. No bids need be obtained for any of the work performed pursuant to this Article and the person(s) or

company performing such work may be selected by the applicable entity in its sole discretion.

Section 6. Right of Entry. There is hereby created an easement in favor of the Association and its applicable designees over each Lot for the purpose of entering onto such Lot in the performance of the work herein described, provided that the notice requirements of this Article are complied with and any such entry is during reasonable hours.

Section 7. Limited Exemption. To the extent that a Unit on a Lot is under construction by the Developer or a builder bound to comply with construction-related requirements or restrictions imposed by the Developer, the provisions of this Article shall not apply to such Lot until such time as the construction of the Unit is completed as evidenced by the issuance of a certificate of occupancy therefor.

ARTICLE VII

CERTAIN USE RESTRICTIONS

Section 1. Applicability. The provisions of this Article VII shall be applicable to all of The Properties but shall not be applicable to the Developer or any of its designees or Lots or other property owned by the Developer or its designees.

Section 2. Land Use and Building Type. No Lot shall be used except for residential purposes. No building constructed on a Lot shall be used except for residential purposes, or as a related garage, if applicable. No building shall be erected, altered, placed or permitted to remain on any Lot other than one Unit. Temporary uses by Developer and its affiliates for model homes, sales displays, parking lots, sales offices and other offices, or any one or combination of such uses, shall be permitted until permanent cessation of such uses takes place. No changes may be made in buildings erected by the Developer or its affiliates or independent homebuilders (except if such changes are made by the Developer or such a homebuilder) without the consent of the Architectural Control Board.

Section 3. Opening Blank Walls; Removing Fences. Without limiting the generality of Section 11 of this Article, no Owner shall make or permit any opening to be made in any blank wall (except as such opening is initially installed) or masonry wall or fence. Further, no such building wall or masonry wall or fence shall be demolished or removed without the prior written consent of Developer (so long as it owns any portion of The Properties) and the Architectural Control Board.

Section 4. Easements. Easements for installation and maintenance of utilities and Community Systems are reserved as shown on the recorded plats covering The Properties and as provided herein. The area of each Lot covered by an easement and all

improvements in the area shall be maintained continuously by the Owner of the Lot, except for installations for which a public authority or utility company is responsible. The appropriate water and sewer authority, electric utility company, telephone company, the Association, and the Developer and its affiliates, and their respective successors and assigns, shall have a perpetual easement for the installation and maintenance, all underground, of water lines, sanitary sewers, storm drains, and electric, telephone and Community System lines, cables and conduits, under and through the utility easements as shown on the plats.

Section 5. Nuisances. Nothing shall be done or maintained on any Lot which may be or become an annoyance or nuisance to the neighborhood. Any activity on a Lot which interferes with television, cable or radio reception on another Lot shall be deemed a nuisance and a prohibited activity. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors, which shall render a decision in writing, which decision shall be dispositive of such dispute or question. ALL PERSONS ARE REFERRED TO ARTICLE XIV, SECTION 11 HEREOF WITH RESPECT TO CERTAIN ACTIVITIES OF DEVELOPER.

Section 6. Temporary Structures; Gas Tanks; Other Outdoor Equipment. Except as may be approved or used by the Developer during construction and/or sales periods, no structure of a temporary character, or trailer, mobile home or recreational vehicle, shall be permitted on any Lots within The Properties at any time or used at any time as a residence, either temporarily or permanently. No gas tank, gas container or gas cylinder shall be permitted to be placed on or about the outside of any Unit or on or about any ancillary building, except for one (1) gas cylinder (not to exceed 20 lbs. capacity) connected to a barbecue grill and such other tank designed and used for household purposes as shall be approved by the Architectural Control Board described in Section 11, below. Any outdoor equipment such as, but not limited to, pool pumps and water softening devices shall be completely screened from the view of anyone not standing on the Lot by the use of landscaping or other means (in any event, as approved by the Architectural Control Board); provided, however, that the use of such screening shall not obviate the requirement that the installation of any such equipment nevertheless be approved by the Architectural Control Board.

Section 7. Signs. No sign of any kind shall be displayed to the public view on any Lot except for signs used by the Developer and its affiliates and agents and independent builders (to the extent such signs are approved by the Developer) during the development, construction and sale of The Properties.

Section 8. Oil and Mining Operation. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in The Properties, nor on dedicated areas, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in The Properties. No derrick or other structure designed for use in boring for oil or

natural gas shall be erected, maintained or permitted, a portion of the land subject to these restrictions. ALL PERMITTED ACTIVITIES REFERRED TO ARTICLE XIV, SECTION 11 WITH RESPECT TO ACTIVITIES OF DEVELOPER.

Section 9. Pets, Livestock and Poultry. No animals, reptiles, wildlife, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose, and provided that they do not become a nuisance or annoyance to any neighbor by reason of barking or otherwise. No dogs or other pets shall be permitted to have excretions on any Common Areas, except areas designated by the Association, if any, and Owners shall be responsible to clean-up any such excretions. For purposes hereof, "household pets" shall mean dogs, cats and other animals expressly permitted by the Association, if any. ALL PETS SHALL BE KEPT ON A LEASH WHEN NOT IN THE APPLICABLE UNIT OR A FENCED-IN YARD, IF ANY. Pets shall also be subject to all applicable rules and regulations. Nothing contained herein shall prohibit the keeping of fish or domestic (household-type) birds, as long as the latter are kept indoors and do not become a source of annoyance to neighbors.

Section 10. Visibility at Intersections. No obstruction to visibility at street intersections or Common Area intersections shall be permitted; provided that the Association shall not be liable in any manner to any person or entity, including Owners and Members Permittees, for any damages, injuries or deaths arising from any violation of this Section.

Section 11. Architectural Control. No building, wall, fence or other structure or improvement of any nature (including, but not limited to, pools, screen enclosures, patios (or patio extensions), hedges, other landscaping, exterior paint or finish, play structures, awnings, shutters, hurricane protection, basketball hoops, decorative plaques or accessories, birdhouses, other pet houses, swales, asphaltting, sidewalk/driveway surfaces or treatments or other improvements or changes of any kind, even if not permanently affixed to the land or to other improvements) shall be erected, placed or altered on any Lot until the construction plans and specifications and a plan showing the location of the structure and landscaping or of the materials as may be required by the Architectural Control Board (which shall be a committee appointed by the Board of Directors of the Association, absent such appointment the Board to serve in such capacity) have been approved, if at all, in writing by the Architectural Control Board and all necessary governmental permits are obtained. **Conversions of garages to living space or other uses are hereby prohibited, even though same are not readily apparent from the exteriors of applicable Units.** Each building, wall, fence or other structure or improvement of any nature, together with landscaping, shall be erected, placed or altered upon the premises only in accordance with the plans and specifications and plot plan so approved and applicable governmental permits and requirements. Refusal of approval of plans, specifications and plot plans, or any of them,

may be based on any ground, including purely aesthetic grounds, which in the sole and uncontrolled discretion of said Architectural Control Board seem sufficient. Any change in the exterior appearance of any building, wall, fence or other structure or improvements, and any change in the appearance of the landscaping, shall be deemed an alteration requiring approval. The Architectural Control Board shall have the power to promulgate such rules and regulations as it deems necessary to carry out the provisions and intent of this paragraph. A majority of the Board may take any action the Board is empowered to take, may designate a representative to act for the Board and may employ personnel and consultants to act for it. In the event of death, disability or resignation of any member of the Board, the remaining members shall have full authority to designate a successor. The members of the Board shall not be entitled to any compensation for services performed pursuant to this covenant, unless engaged by the Association in a professional capacity. The Architectural Control Board shall act on submissions to it within forty-five (45) days after receipt of the same (and all further documentation required) or else the request shall be deemed approved.

In the event that any new improvement or landscaping is added to a Unit/Lot, or any existing improvement on a Lot is altered, in violation of this Section, the Association shall have the right (and an easement and license) to enter upon the applicable Lot and remove or otherwise remedy the applicable violation after giving the Owner of the Lot at least ten (10) days' prior written notice of, and opportunity to cure, the violation in question. The costs of such remedial work and a surcharge of a minimum of \$25.00 (but in no event more than thirty-five percent (35%) of the aforesaid costs) shall be a special assessment against the Lot, which assessment shall be payable upon demand and secured by the lien for assessments provided for in this Declaration.

The approval of any proposed improvements or alterations by the Architectural Control Board shall not constitute a warranty or approval as to, and neither the Association nor any member or representative of the Architectural Control Board or the Board of Directors shall be liable for, the safety, soundness, workmanship, materials or usefulness for any purpose of any such improvement or alteration nor as to its compliance with governmental or industry codes or standards. By submitting a request for the approval of any improvement or alteration, the requesting Owner shall be deemed to have automatically agreed to hold harmless and indemnify the aforesaid members and representatives, and the Association generally, from and for any loss, claim or damages connected with the aforesaid aspects of the improvements or alterations.

The Architectural Control Board may, but shall not be required to, require that any request for its approval be accompanied by the written consent of the Owners of the Lots [up to five (5)] adjoining or nearby the Lot/Unit proposed to be altered as described in the request.

Without limiting the generality of Sections 1 and 26 hereof, the foregoing provisions shall not be applicable to the Developer or its affiliates or to independent builders meeting the requirements of Section 26 of this Article.

Section 12. Approval by Foundation. In addition to the foregoing approval, any Owner proposing to make any of the improvements, landscaping installation or alterations described in the foregoing Section shall also comply with the design review requirements set forth in the Foundation Covenants either prior to or after submittal of a request for approval to the Architectural Control Board, whichever is required by the Foundation.

Section 13. Commercial Vehicles, Trucks, Trailers, Campers and Boats. No trucks (other than those of a type, if any, expressly permitted by the Association) or commercial vehicles, or campers, mobile homes, motorhomes, house trailers or trailers of every other description, recreational vehicles, boats, boat trailers, horse trailers or vans, shall be permitted to be parked or to be stored at any place on The Properties, nor in dedicated areas, except in (i) enclosed garages and (ii) spaces for some or all of the above specifically designated by Developer or the Association, if any. For purposes of this Section, "commercial vehicles" shall mean those which are not designed and used for customary, personal/family purposes. The absence of commercial-type lettering or graphics on a vehicle shall not be dispositive as to whether it is a commercial vehicle. The prohibitions on parking contained in this Section shall not apply to temporary parking of trucks and commercial vehicles, such as for construction use or providing pick-up and delivery and other commercial services, nor to passenger-type vans with windows for personal use which are in acceptable condition in the sole opinion of the Board (which favorable opinion may be changed at any time), nor to any vehicles of the Developer or its affiliates.

All Owners and other occupants of Units are advised to consult with the Association prior to purchasing, or bringing onto The Properties, any type of vehicle other than a passenger car inasmuch as such other type of vehicle may not be permitted to be kept within The Properties.

Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein or in the rules and regulations now or hereafter adopted may be towed by the Association at the sole expense of the owner of such vehicle if such vehicle remains in violation for a period of 24 hours from the time a notice of violation is placed on the vehicle. The Association shall not be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. For purposes of this paragraph, "vehicle" shall also mean campers, mobile homes and trailers. An affidavit of the person posting the aforesaid notice

stating that it was properly posted shall be conclusive evidence of proper posting.

Section 14. Parking on Common Areas and Lots/Garages. No vehicles of any type shall be parked on any portion of the Common Areas (including roadways) or any portions of a Lot other than its driveway and garage.

All Owners and Members Permittees shall use at least one (1) space in their respective garages for the parking of a vehicle. In the event that such a party keeps a boat on a trailer in the party's garage, the other space shall still be used for vehicular parking. Garage doors shall be kept closed at all times except when in actual use and during reasonably limited periods when the garage is being cleaned or other activities are being conducted therefrom which reasonably require the doors to be left open.

Section 15. Garbage and Trash Disposal. No garbage, refuse, trash or rubbish (including materials for recycling) shall be deposited except as permitted by the Association. The requirements from time to time of the applicable governmental authority or other company or association for disposal or collection of waste shall be complied with. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Containers must be rigid plastic, no less than 20 gallons or more than 32 gallons in capacity, and well sealed. Such containers may not be placed out for collection sooner than 24 hours prior to scheduled collection and must be removed within 12 hours of collection. In the event the Association, in its sole discretion, provides depositories for recyclable materials, same shall be the only ones used on The Properties.

Section 16. Fences, Walls and Hedges. No fence, wall or other structure shall be erected on any Lot, except as originally installed by Developer or its affiliates or approved by the Architectural Control Board. Further, no hedge shall be planted except any approved by the Architectural Control Board and, where required, the Golf Course Operator. In considering any request for the approval of a hedge or other landscaping, the Architectural Control Board shall give due consideration to the possibility of same obstructing the view from any adjoining Lot or Common Area and may condition its approval on the hedge or other landscaping being kept to a specific height by the Association.

Section 17. No Drying. No clothing, laundry or wash shall be aired or dried on any portion of The Properties except on a portion of a Lot which is completely screened from the view of all persons other than those on the Lot itself.

Section 18. Lakefront Property. As to all portions of The Properties which have a boundary contiguous to any lake or other body of water, the following additional restrictions and requirements shall be applicable:

(a) No boathouse, dock, wharf or other structure of any kind shall be erected, placed, altered or maintained on the shores of the lake unless erected by the Developer or its affiliates, subject to any and all governmental approvals and permits that may be required.

(b) No boat, boat trailer or vehicular parking or use of lake slope or shore areas shall be permitted. No boats of any type shall be used on any lake.

(c) No solid or liquid waste, litter or other materials may be discharged into/onto or thrown into/onto any lake or other body of water or the banks thereof.

(d) Each applicable Owner shall maintain his Lot to the line of the water in the adjacent lake or other water body, as such line may change from time to time by virtue of changes in water levels.

(e) No landscaping (other than that initially installed or approved by the Developer), fences, structures or other improvements (regardless of whether or not same are permanently attached to the land or to other improvements) shall be placed within any lake maintenance or similar easements around lakes or other bodies of water.

WITH RESPECT TO WATER LEVELS AND QUALITY AND OTHER WATERBODY-RELATED MATTERS, ALL PERSONS ARE REFERRED TO ARTICLE XIV, SECTION 12 HEREOF.

Section 19. Unit Air Conditioners and Reflective Materials. No air conditioning units may be mounted through windows or walls. No building shall have any aluminum foil placed in any window or glass door or any reflective substance or other materials (except standard window treatments) placed on any glass, except such as may be approved by the Architectural Control Board for energy conservation purposes.

Section 20. Exterior Antennas. No exterior antennas, satellite dishes or similar equipment shall be permitted on any Lot or improvement thereon unless approved by the Architectural Control Board, except that Developer and its affiliates shall have the right to install and maintain community antenna, microwave antenna, dishes, satellite antenna and radio, television and security lines. *Jah*

Section 21. Renewable Resource Devices. Nothing in this Declaration shall be deemed to prohibit the installation of energy devices based on renewable resources (e.g., solar collector panels); provided, however, that same shall be installed only in accordance with the reasonable standards adopted from time to time by the Architectural Control Board. Such standards shall be reasonably calculated to maintain the aesthetic integrity of The Properties without making the cost of the aforesaid devices prohibitively expensive.

Section 22. Driveway and Sidewalk Surfaces. No Owner shall install on a Lot, and the Architectural Control Board shall not approve, any sidewalk or driveway which has a surface material and/or color which is different from the materials and colors originally used or approved by the Developer. Further, no Owner shall change any existing sidewalk or driveway in a manner inconsistent with this Section.

Section 23. Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Lot without the prior approval of the Architectural Control Board.

Section 24. Gatehouse Procedures; Roving Patrols. All Owners shall be responsible for complying with and ensuring that their Members' Permittees and invitees comply with, all procedures adopted for controlling access to and upon The Properties through the gatehouse serving The Properties as well as overall Common Area roadways and other portions of the Common Areas, as such procedures and restrictions are adopted and amended from time to time.

All Owners and other occupants of Units are advised that any gatehouse staff and system, as well as any roving patrol/ surveillance personnel, serving The Properties are not law enforcement officers and are not intended to supplant same, such persons being engaged, if at all, only for the purpose of monitoring access to The Properties and observing activities therein which are readily apparent by such persons.

Section 25. Variances. The Board of Directors of the Association shall have the right and power to grant variances from the provisions of this Article VII for good cause shown, as determined in the reasonable discretion of the Board. No variance granted as aforesaid shall alter, waive or impair the operation or effect of the provisions of this Article VII in any instance in which such variance is not granted.

Section 26. Independent Builders. Any builder of a Unit within The Properties shall be exempt from the provisions of this Article, as well as those of Article VI hereof, to the extent that the application of same would prevent or unreasonably interfere with the construction of a Unit in a lawful manner; provided, however, that such builder shall not be so exempt unless it is subject to (i) the design review provisions of the Master Declaration or (ii) similar restrictions imposed by the Developer. Notwithstanding the foregoing, each such builder shall keep its construction site in a neat, clean and orderly manner appropriate for such a site.

Section 27. Additional Rules and Regulations. Attached hereto as Schedule "A" are certain additional rules and regulations of the Association which are incorporated herein by this reference and which, as may the foregoing, may be modified, in whole or in

part, at any time by the Board without the necessity of recording an amendment hereto or thereto in the public records.

ARTICLE VIII

RESALE, LEASE AND OCCUPANCY RESTRICTIONS

Section 1. Estoppel Certificate. No Owner may sell or convey his interest in a Lot unless all sums due the Association are paid in full and an estoppel certificate in recordable form to such effect shall have been received by the Owner. If all such sums shall have been paid, the Association shall deliver such certificate within ten (10) days of a written request therefor. The Owner requesting the certificate may be required by the Association to pay to the Association a reasonable sum to cover the costs of examining records and preparing the certificate.

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

Section 2. Leases. No portion of a Lot and Unit (other than an entire Lot and Unit) may be rented. All leases shall be in writing and shall provide that the Association shall have the right to terminate the lease in the name of and as agent for the lessor upon default by tenant in observing any of the provisions of this Declaration, the Articles of Incorporation and By-Laws of the Association and its applicable rules and regulations or other applicable provisions of any agreement, document or instrument governing The Properties or administered by the Association. Leasing of Lots and Units shall also be subject to the prior written approval of the Association, which approval shall not be unreasonably withheld and which shall be deemed given if the Association does not deny approval within fifteen (15) days of its receipt of a request for approval together with a copy of the proposed lease and all supporting information reasonably requested by the Association. No lease shall be approved for a term less than one (1) year. ✓

Owners wishing to lease their Lots and Units shall be required to place in escrow with the Association a sum of up to \$1,000.00, which may be used by the Association to repair any damage to the Common Areas or other portions of The Properties resulting from acts or omissions of tenants (as determined in the sole discretion of the Association). The Association shall not be required to pay or remit any interest on any such escrowed funds. The Owner will be jointly and severally liable with the tenant to the Association for any amount in excess of such sum which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence of the tenant. Any balance remaining in the escrow account, less an administrative charge not to exceed \$50.00 and less any interest retained by the Association, shall be returned to the Owner within ninety (90) days after the tenant vacates the Unit. ✓

Section 3. Members' Permittees. No Lot or Unit occupied by any person other than the Owner(s) there applicable Members' Permittees and in no event other residence. For purposes of this Declaration, a Member's Permittee shall be the following persons and such persons' families, provided that the Owner or other permitted occupant must reside with his/her family: (i) an individual Owner(s), (ii) an officer, director, stockholder or employee of a corporate owner, (iii) a partner in or employee of a partnership owner, (iv) a fiduciary or beneficiary of an ownership in trust, or (v) occupants named or described in a lease or sublease, but only if approved in accordance with this Declaration. Under no circumstances may more than one family reside in a Unit at one time. In no event shall occupancy (except for temporary occupancy by guests) exceed two (2) persons per bedroom and one (1) person per den (as defined by the Association for the purpose of excluding from such definition living rooms, dining rooms, family rooms, country kitchens and the like). The Board of Director shall have the power to authorize occupancy of a Unit by persons in addition to those set forth above. The provisions of this Section shall not be applicable to Units used by the Developer for model apartments, sales offices, management services or otherwise.

As used herein, "family" or words of similar import shall be deemed to include a spouse, children, parents, brothers, sisters, grandchildren and other persons permanently cohabiting the Unit as or together with the Owner or permitted occupant thereof. As used herein, "guest" or words of similar import shall include only those persons who have a principal residence other than the Unit. Unless otherwise determined by the Board of Directors of the Association, a person(s) occupying a Unit for more than one (1) month shall not be deemed a guest but, rather, shall be deemed a lessee for purposes of this Declaration (regardless of whether a lease exists or rent is paid) and shall be subject to the provisions of this Declaration which apply to leases and lessees. The purpose of this paragraph is to prohibit the circumvention of the provisions and intent of this Article and the Board of Directors of the Association shall enforce, and the Owners comply with, same with due regard for such purpose.

ARTICLE IX

ENFORCEMENT

Section 1. Compliance by Owners. Every Owner and Member's Permittee shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by the Board of Directors of the Association.

Section 2. Enforcement. Failure of an Owner or his Member's Permittee to comply with such restrictions, covenants or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for

damages, injunctive relief, or any combination thereof. The Association shall have the right to suspend the rights of use of Common Areas (except for legal access) of defaulting Owners. The offending Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs.

Section 3. Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon an Owner for failure of an Owner or his Member's Permittees to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to:

(a) Notice: The Association shall notify the Owner of the alleged infraction or infractions. Included in the notice shall be the date and time of a special meeting of the Board of Directors at which time the Owner shall present reasons why a fine(s) should not be imposed. At least six (6) days' notice of such meeting shall be given.

(b) Hearing: The alleged non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why a fine(s) should not be imposed. A written decision of the Board of Directors shall be submitted to the Owner by not later than twenty-one (21) days after the Board of Director's meeting. The Owner shall have a right to be represented by counsel and to cross-examine witnesses.

(c) Amounts: The Board of Directors (if its or such panel's findings are made against the Owner) may impose special assessments against the Lot owned by the Owner as follows:

(1) First non-compliance or violation: a fine not in excess of One Hundred Dollars (\$100.00).

(2) Second non-compliance or violation: a fine not in excess of Five Hundred Dollars (\$500.00).

(3) Third and subsequent non-compliance, or a violation or violations which are of a continuing nature after notice thereof (even if in the first instance): a fine not in excess of One Thousand Dollars (\$1,000.00).

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

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

(f) Application of Proceeds: All monies received from fines shall be allocated as directed by the Board of Directors.

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

ARTICLE X

RELATIONSHIP BETWEEN FOUNDATION AND ASSOCIATION

Section 1. Preamble. In order to ensure the orderly development, operation and maintenance of The Properties as an integrated part of Weston this Article has been promulgated for the purposes of (1) giving the Foundation and the Association certain powers to effectuate such goal, (2) providing for intended (but not guaranteed) economies of scale and (3) establishing the framework of the mechanism through which the foregoing may be accomplished.

Section 2. Cumulative Effect; Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Foundation Covenants; provided, however, that in the event of conflict between or among such covenants, restrictions and provisions, or any Articles of Incorporation, By-Laws, rules and regulations, policies or practices adopted or carried out pursuant thereto, those of this Declaration shall be subject and subordinate to those of the Foundation Covenants. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Foundation and the Association (as provided in Article VI, Section 8 hereof).

Section 3. Architectural Control, Maintenance and Use Restrictions. Initially, all architectural control/development review functions related to The Properties shall be performed by the Foundation and the Association in the manner provided in their respective covenants or declarations. The Association shall perform any architectural control/development review functions delegated to it by the Foundation for such time and to such extent as the Foundation deems appropriate.

The Foundation and the Association shall each enforce the maintenance and use requirements and restrictions contained in their respective covenants/declarations, provided that (i) in the event of conflict between or among such requirements and restrictions, the more stringent ones shall control and (ii) in the event that the Association fails to enforce its own requirements and restrictions when it is required to do so, the Foundation may

enforce same and may allocate the costs of so doing to the Maintenance Association.

As used in this Section, the terms Foundation and Association shall be deemed to refer to their respective development review or architectural control boards, where appropriate. In the event of a conflict between an architectural control/development review action (i.e., an approval or disapproval) of the Foundation and that of the Association, the action of the Foundation shall be final and shall control.

Section 4. Collection of Assessments. The Foundation shall, initially, act as collection agent for the Association as to all assessments payable to same by the Members thereof. The Foundation will remit the assessments so collected to the respective payees pursuant to such procedures as may be adopted by the Foundation.

In the event that the assessments payable to the Foundation and the Association are received in a lump sum and such sum is less than sufficient to pay all three entities, the amount collected shall be applied first to the assessments of the Foundation and only then to those of the Association (with the Foundation to be paid in full before the Association is paid). All capital improvement assessments, special assessments, fines, interest, late charges, recovered costs of collection and other extraordinary impositions shall be remitted to the respective entity imposing same separate and apart from the priorities established above.

The Association shall notify the Foundation, by written notice given at least thirty (30) days in advance, of any changes in the amounts of the assessments due them or the frequency at which they are to be collected. Further, the Association shall provide to the Foundation a roster of the names and addresses of the Members of the Maintenance Association and shall update same as often as necessary. The aforesaid notice period shall also apply to capital improvement assessments, but may be as short as five (5) days before the next-due regular assessment installment in the case of special assessments, fines and similar impositions on fewer than all Members.

The Foundation shall have the power, but shall not be required, to record liens or take any other actions with regard to delinquencies in assessments payable to the Association. In the event that the Foundation does so, then all rights of enforcement provided in Article V hereof shall be deemed to have automatically vested in the Foundation, but all costs and expenses of exercising such rights shall nevertheless be paid by the Association (which shall be entitled to receive payment of any such costs and expenses which are ultimately recovered).

The Foundation may change, from time to time by sixty (60) days' prior written notice to the Association, the procedures set forth in this Section 4 in whole or in part. Such change may include, without limitation, the delegation by the Foundation of all or some of the collection functions provided for herein to the

Association (to which delegation the Maintenance Association and its Members shall be deemed to have automatically agreed).

All fidelity bonds and insurance maintained by the Association shall reflect any duties delegated to it pursuant hereto and the amounts to be received and disbursed by it pursuant to such delegation and shall name the Foundation as an obligee/insured party for so long as the Foundation's assessments are being collected and remitted by the Maintenance Association.

The Association may delegate any duties delegated to it pursuant hereto to a management company approved by the Foundation, provided that (1) the Association shall remain ultimately liable hereunder, (2) the management company, as well as the Association, shall comply with the requirements of the foregoing paragraph and (3) the Foundation's approval of the management company may be withdrawn, with or without cause, at any time upon thirty (30) days' prior written notice. Any management agreement or similar contract entered into by the Association shall be subject to the provisions of this Article and shall not require the Association to pay fees for the performance of duties which would otherwise be delegated to the company in connection with this Article if such duties are performed by the Foundation as provided above.

In the event of any change in assessment collection procedures elected to be made by the Foundation, the relative priorities of assessment remittances and liens (i.e., the Foundation first, the Association second shall nevertheless still remain in effect, as shall the Foundation's ability to modify or revoke its election from time to time.

Section 5. Delegation of Other Duties. The Foundation shall have the right to delegate to the Association on an exclusive or non-exclusive basis, such additional duties not specifically described in this Article as the Foundation shall deem appropriate. Such delegation shall be made by written notice to the Association which shall be effective no earlier than thirty (30) days from the date it is given. Any delegation made pursuant hereto may be modified or revoked by the Foundation at any time.

Section 6. Acceptance of Delegated Duties. Whenever the Foundation delegates any duty to the Association pursuant to Sections 3, 4 or 5 hereunder, the Association shall be deemed to have automatically accepted same and to have agreed to indemnify, defend and hold harmless the Foundation for all liabilities, losses, damages and expenses (including attorneys' fees actually incurred and court costs, through all appellate levels) arising from or connected with the Association's performance, non-performance or negligent performance thereof.

Section 7. Expense Allocations; Certain Services. The Foundation may, by written notice given to the Association at least thirty (30) days prior to the end of the Association's fiscal year, allocate and assess to the Association a share of the expenses incurred by the Foundation which are reasonably allocable to The

Properties or the Association, whereupon such expenses shall thereafter be deemed common expenses payable by assessments of the Lots/Owners as provided in Article V of this Declaration. By way of example only, the Foundation could so allocate the share of the costs of maintaining patrol services or street lighting and other facilities for The Villages of San Sebastian attributable to The Properties (based, for instance, on the number of Lots or linear feet of roadways adjacent to The Properties) whereupon such allocated share would become common expenses of the Owners and a sum payable by the Association.

In the event of the failure of the Association to budget or assess its Members for, or to pay, expenses allocated as aforesaid, the Foundation shall be entitled to pursue all available remedies afforded same under this Declaration and the Foundation Covenants or, without waiving the right to do the foregoing, specially assess all Owners/Lots for the sums due.

While the Foundation may contract for the provision of certain services to all Units in Weston and collect some or all of the costs of same as part of the Foundation's assessments, notwithstanding any such arrangement or any marketing or information literature to the contrary, certain Units may not receive such services (and shall therefore not be assessed for same). Accordingly, no such contractual arrangement or literature shall constitute an obligation on the part of the Foundation or the Developer to provide such services.

Section 8. Conflict; Amendment. In the event of conflict between this Article X and any of the other covenants, restrictions or provisions of this Declaration or the Articles of Incorporation, By-Laws or rules and regulations of the Association, the provisions of this Article shall supersede and control. Except as to amendments made by the Developer, no amendment to this Article or this Declaration generally which affects the rights, privileges or protections afforded the Foundation hereunder shall be effective without the express written consent of the Foundation, whose determination as to whether such amendment has the aforesaid effect shall be final and conclusive.

ARTICLE XI

DAMAGE OR DESTRUCTION TO COMMON AREAS

Damage to or destruction of all or any portion of the Common Areas shall be handled in the following manner, notwithstanding any provision in this Declaration to the contrary:

- (a) In the event of damage to or destruction of the Common Areas, if the insurance proceeds are sufficient to effect total restoration, then the Association shall cause

such portions of the Common Areas to be repaired and reconstructed substantially as it previously existed.

(b) If the insurance proceeds are within Five Hundred Thousand Dollars (\$500,000.00) or less of being sufficient to effect total restoration of the Common Areas, then the Association shall cause such portions of the Common Areas to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a capital improvement assessment against each of the Owners in equal shares in accordance with the provisions of Article V, of this Declaration.

(c) If the insurance proceeds are insufficient by more than Five Hundred Thousand Dollars (\$500,000.00) to effect total restoration of the Common Areas, then by written consent or vote of a majority of each class of the Members, they shall determine, subject to Article XIII hereof, whether (1) to rebuild and restore the Common Areas in substantially the same manner as they existed prior to damage and to raise the necessary funds over the insurance proceeds by levying capital improvement assessments against all Members, (2) to rebuild and restore in a way which is less expensive than replacing the Common Areas in substantially the same manner as they existed prior to being damaged, or (3) subject to the approval of the Board, to not rebuild and to retain the available insurance proceeds. Anything to the contrary herein notwithstanding, no decision not to rebuild or to rebuild in a manner which would result in a change in the Common Areas shall be effective without the written approval of the Board, which can require rebuilding as it deems appropriate.

(d) Each Member shall be liable to the Association for any damage to the Common Areas not fully covered by collected insurance which may be sustained by reason of the negligence or willful misconduct of any Member or his Member's Permittees. Notwithstanding the foregoing, the Association reserves the right to charge such Member an assessment equal to the increase, if any, in the insurance premium directly attributable to the damage caused by such Member. In the case of joint ownership of a Unit, the liability of such Member shall be joint and several. The cost of correcting such damage shall be an assessment against the Member and may be collected as provided herein for the collection of assessments.

ARTICLE XII

INSURANCE

Section 1. Common Areas. The Association shall keep all improvements, facilities and fixtures located within the Common Areas insured against loss or damage by fire or other casualty for

the full insurable replacement value thereof (with reasonable deductibles and normal exclusions for land, foundations, excavation costs and similar matters), and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property, whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Common Areas shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the assessments made by the Association.

To the extent obtainable at reasonable rates, the insurance policy(ies) maintained by the Association shall contain provisions, or be accompanied by endorsements, for: agreed amount and inflation guard, demolition costs, contingent liability from operation of building laws and increased costs of construction.

All insurance policies shall contain standard mortgagee clauses, if applicable.

The Association shall also maintain flood insurance in an amount equal to the lesser of 100% of the replacement costs of all insurable improvements (if any) within the Common Areas or the maximum amount of coverage available under the National Flood Insurance Program.

Section 2. Replacement or Repair of Property. In the event of damage to or destruction of any portion of the Common Areas, the Association shall repair or replace the same from the insurance proceeds available, subject to the provisions of Article XI of this Declaration.

Section 3. Waiver of Subrogation. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Members, Developer and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.

Section 4. Liability and Other Insurance. The Association shall have the power to and shall obtain comprehensive public liability insurance, including medical payments and malicious mischief, with coverage of at least \$1,000,000.00 (if available at reasonable rates and upon reasonable terms) for any single occurrence, insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction, including, if obtainable, a cross liability endorsement insuring each Member

against liability to each other Member and to the Association and vice versa and coverage for legal liability resulting from lawsuits related to employment contracts shall also be maintained. The Association may also obtain Worker's Compensation insurance and other liability insurance as it may deem desirable, insuring each Member and the Association and its Board of Directors and officers, from liability in connection with the Common Areas, the premiums for which shall be Common Expenses and included in the assessments made against the Members. The Association may also obtain such other insurance as the Board deems appropriate. All insurance policies shall be reviewed at least annually by the Board of Directors and the limits increased in its discretion.

The Board may also obtain such errors and omissions insurance, indemnity bonds, fidelity bonds and other insurance as it deems advisable, insuring the Board or any management company engaged by the Association against any liability for any act or omission in carrying out their obligations hereunder, or resulting from their membership on the Board or any committee thereof. At a minimum, however, there shall be blanket fidelity bonding of anyone (compensated or not) who handles or is responsible for funds held or administered by the Association, with the Association to be an obligee thereunder. Such bonding shall cover the maximum funds to be in the hands of the Association or management company during the time the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of three (3) months' of regular assessments, plus all reserve funds.

ARTICLE XIII

MORTGAGEE PROTECTION

The following provisions included herein hereto (and to the extent these provisions conflict with any other provisions of the Declaration, these provisions shall control):

(a) The Association shall be required to make available to all Owners and Mortgagees, and to insurers and guarantors of any first Mortgage, for inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of this Declaration (with all amendments) and the Articles, By-Laws and rules and regulations and the books and records of the Association. Furthermore, such persons shall be entitled, upon written request, to (i) receive a copy of the Association's financial statement for the immediately preceding fiscal year, (ii) receive notices of and attend the Association meetings, (iii) receive notice from the Association of an alleged default by an Owner in the performance of such Owner's obligations under this Declaration, the Articles of Incorporation or the By-Laws of the Association, which default is not cured within thirty (30) days after the Association learns of such default, and (iv) receive notice of any substantial damage or loss to the Common Areas.

(b) Any holder, insurer or guarantor of a Mortgage on a Unit shall have, if first requested in writing, the right to timely written notice of (i) any condemnation or casualty loss affecting a material portion of the Common Areas, (ii) a sixty (60) day delinquency in the payment of the Assessments on a mortgaged Lot, (iii) the occurrence of a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (iv) any proposed action which requires the consent of a specified number of Mortgage holders.

(c) Unless at least 66-2/3% of first Mortgagees (based upon one vote for each Mortgage owned), and the Members holding at least two-thirds (2/3rds) of the votes entitled to be cast by them, have given their prior written approval, neither the Association nor the Owners shall:

(1) by act or omission seek to sell or transfer the Common Areas and any improvements thereon which are owned by the Association (the granting of easements for utilities or for other such purposes consistent with the intended use of such property by the Association or the Declarant or the transfer of the Common Areas to another similar association of the Owners in accordance with the Articles of Incorporation of the Association or dedication of such property to the public shall not be deemed a transfer within the meaning of this clause);

(2) change the basic methods of determining the obligations, assessments, dues or other charges which may be levied against a Lot, except as provided herein with respect to future Lots;

(3) by act or omission, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of The Properties;

(4) fail to maintain fire and extended insurance on insurable portions of the Common Areas as provided herein; or

(5) use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of the improvements.

(d) As long as FHA or VA holds or insures a mortgage on any Lot or owns a Lot, then any addition to the Properties per Article II, any dedication of the Common Areas per Article IV and any amendment to this Declaration shall require the approval of whichever entity (or both) qualifies as aforesaid as long as the Class B Membership in the Association exists.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind The Properties, and shall inure to the benefit of and be enforceable by the Association, the Architectural Control Board, the Developer (at all times) and the Owner of any Lot or other land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of ninety-nine (99) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each unless an instrument signed by the then Owners of 75% of all the Lots subject hereto and of 100% of the mortgagees thereof has been recorded, agreeing to revoke said covenants and restrictions; provided, however, that no such agreement to revoke shall be effective unless made and recorded three (3) years in advance of the effective date of such revocation, and unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any signatures being obtained.

Section 2. Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be accomplished by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Lots to enforce any lien created by these covenants; and failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 4. Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

Section 5. Amendment. The covenants, restrictions, easements, charges and liens of this Declaration may be amended, changed, deleted or added to at any time and from time to time upon the execution and recordation of an instrument executed by the Developer alone, for so long as it or its affiliates holds title to any Lot affected by this Declaration; or alternatively by approval at a meeting of Owners holding not less than 66 2/3% vote of the entire membership in the Association (as opposed to only those Members represented at a meeting of the Association), provided, that so long as the Developer or its affiliates is the Owner of any

Lot affected by this Declaration, the Developer's consent must be obtained if such amendment, in the sole opinion of the Developer, affects its interest. The foregoing sentence and the provisions of this Section reserving amendment powers in the Developer may not be amended.

Section 6. Effective Date. This Declaration shall become effective upon its recordation in the Broward County Public Records.

Section 7. Conflict. This Declaration shall take precedence over conflicting provisions in Schedule "A" hereto and in the Articles of Incorporation and By-Laws of the Association and said Articles shall take precedence over the By-Laws.

Section 8. Standards for Consent, Approval, Completion, Other Action and Interpretation. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Developer or its affiliates, the Association or the Architectural Control Board, such consent, approval or action may be withheld in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed or substantially completed by the Developer or its affiliates or the Association shall be deemed so completed or substantially completed when such matters have been completed or substantially completed in the reasonable opinion of the Developer or Association, as appropriate. This Declaration shall be interpreted by the Board of Directors and an opinion of counsel to the Association or the counsel having drafted this Declaration rendered in good faith that a particular interpretation is not unreasonable shall conclusively establish the validity of such interpretation.

Section 9. Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners designate hereby the Developer and the Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later creating such easement as it was intended to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

Section 10. Notices and Disclaimers as to Community Systems. Developer, the Association, or their successors, assigns or franchisees and any applicable cable telecommunications system

operator (an "Operator"), may enter into contracts for the provision of security services through any Community Systems. DEVELOPER, THE ASSOCIATION, OPERATORS AND THEIR FRANCHISEES, AND ANY OPERATOR, DO NOT GUARANTEE OR WARRANT, EXPRESSLY OR IMPLIEDLY, THE MERCHANTABILITY OR FITNESS FOR USE OF ANY SUCH SECURITY SYSTEM OR SERVICES, OR THAT ANY SYSTEM OR SERVICES WILL PREVENT INTRUSIONS, FIRES OR OTHER OCCURRENCES, OR THE CONSEQUENCES OF SUCH OCCURRENCES, REGARDLESS OF WHETHER OR NOT THE SYSTEM OR SERVICES ARE DESIGNED TO MONITOR SAME; AND EVERY OWNER OR OCCUPANT OF PROPERTY SERVICED BY THE COMMUNITY SYSTEMS ACKNOWLEDGES THAT DEVELOPER, THE ASSOCIATION OR ANY SUCCESSOR, ASSIGN OR FRANCHISEE OF THE DEVELOPER OR ANY OF THE OTHER AFORESAID ENTITIES AND ANY OPERATOR, ARE NOT INSURERS OF THE OWNER OR OCCUPANT'S PROPERTY OR OF THE PROPERTY OF OTHERS LOCATED ON THE PREMISES AND WILL NOT BE RESPONSIBLE OR LIABLE FOR LOSSES, INJURIES OR DEATHS RESULTING FROM SUCH OCCURRENCES. It is extremely difficult and impractical to determine the actual damages, if any, which may proximately result from a failure on the part of a security service provider to perform any of its obligations with respect to security services and, therefore, every owner or occupant of property receiving security services through the Community Systems agrees that Developer, the Association or any successor, assign or franchisee thereof and any Operator assumes no liability for loss or damage to property or for personal injury or death to persons due to any reason, including, without limitation, failure in transmission of an alarm, interruption of security service or failure to respond to an alarm because of (a) any failure of the Owner's security system, (b) any defective or damaged equipment, device, line or circuit, (c) negligence, active or otherwise, of the security service provider or its officers, agents or employees, or (d) fire, flood, riot, war, act of God or other similar causes which are beyond the control of the security service provider. Every owner or occupant of property obtaining security services through the Community Systems further agrees for himself, his grantees, tenants, guests, invitees, licensees, and family members that if any loss or damage should result from a failure of performance or operation, or from defective performance or operation, or from improper installation, monitoring or servicing of the system, or from negligence, active or otherwise, of the security service provider or its officers, agents, or employees, the liability, if any, of Developer, the Association, any franchisee of the foregoing and the Operator or their successors or assigns, for loss, damage, injury or death sustained shall be limited to a sum not exceeding Two Hundred Fifty and No/100 (\$250.00) U.S. Dollars, which limitation shall apply irrespective of the cause or origin of the loss or damage and notwithstanding that the loss or damage results directly or indirectly from negligent performance, active or otherwise, or non-performance by an officer, agent or employee of Developer, the Foundation, the Association or any franchisee, successor or assign of any of same or any Operator. Further, in no event will Developer, the Association, any Operator or any of their franchisees, successors or assigns, be liable for consequential damages, wrongful death, personal injury or commercial loss.

In recognition of the fact that interruptions in cable television and other Community Systems services will occur from time to time, no person or entity described above shall in any manner be liable, and no user of any Community System shall be entitled to any refund, rebate, discount or offset in applicable fees, for any interruption in Community Systems services, regardless of whether or not same is caused by reasons within the control of the then-provider(s) of such services.

Section 11. Blasting and Other Activities. ALL OWNERS, OCCUPANTS AND USERS OF THE PROPERTIES ARE HEREBY PLACED ON NOTICE THAT DEVELOPER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES WILL BE, FROM TIME TO TIME, CONDUCTING BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE PROPERTIES. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE PROPERTIES, 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 THE PROPERTIES 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, (iv) ANY PURCHASE OR USE OF ANY PORTION OF THE PROPERTIES HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (v) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DEVELOPER TO SELL, CONVEY, LEASE AND/OR ALLOW THE USE OF THE APPLICABLE PORTION OF THE PROPERTIES.

Section 12. Notices and Disclaimers as to Water Bodies. NEITHER DEVELOPER, THE ASSOCIATION, THE GOLF COURSE OPERATOR NOR ANY OF THEIR OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN THE PROPERTIES, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK.

ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTIES LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID WATER BODIES SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF THE DEED TO OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES

FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES.

ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY HABITAT OR ENTER INTO WATER BODIES WITHIN OR NEARBY THE PROPERTIES AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

Section 13. Certain Reserved Rights of Developer with Respect to Community Systems. Without limiting the generality of any other applicable provisions of this Declaration, and without such provisions limiting the generality hereof, Developer hereby reserves and retains to itself:

(a) the title to any Community Systems and a perpetual easement for the placement and location thereof;

(b) the right to connect, from time to time, the Community Systems to such receiving or intermediary transmission source(s) as Developer may in its sole discretion deem appropriate including, without limitation, companies licensed to provide CATV service in Broward County, Florida, for which service Developer shall have the right to charge any users a reasonable fee (which shall not exceed any maximum allowable charge provided for in the Ordinances of Broward County); and

(c) the right to offer from time to time monitoring/alarm services through the Community Systems.

Neither the Association nor any officer, director, employee, committee member or agent (including management company) thereof shall be liable for any damage to property, personal injury or death arising from or connected with any act or omission of any of the foregoing during the course of performing any duty or exercising any right privilege (including, without limitation, performing maintenance work which is the duty of the Association or exercising any remedial maintenance or alteration rights under this Declaration) required or authorized to be done by the Association, or any of the other aforesaid parties, under this Declaration or otherwise as required or permitted by law.

Section 14. Covenants Running With The Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitations) of Section 1 hereof, it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants and restrictions shall run with the land and with title to the properties. Without limiting the generality of Section 4 hereof, if any provision or application of this Declaration would prevent this Declaration from running with the land as aforesaid, such provision and/or application shall be judicially modified, if at all possible, to come as close as possible to the intent of such provision or application and then be enforced in a manner which

will allow these covenants and restrictions to so run with the land; but if such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the parties (that these covenants and restrictions run with the land as aforesaid) be achieved.

ARTICLE XV

DISCLAIMER OF LIABILITY OF ASSOCIATION

NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE ASSOCIATION SHALL NOT 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 THE PROPERTIES INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

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

(b) THE ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF FLORIDA, BROWARD COUNTY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES; AND

(c) ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE 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 HIS LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTIES (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE ASSOCIATION HAS BEEN DISCLAIMED IN THIS ARTICLE.

AS USED IN THIS ARTICLE, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE

AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF THE DEVELOPER AND THE GOLF COURSE OPERATOR AND ALL PARTIES RELATED THERETO, ALL OF WHICH SHALL BE FULLY PROTECTED HEREBY.

ARTICLE XVI

PARTY WALLS

Each wall and fence, if any, built as part of the original construction of the Units or Lots within The Properties and placed on the dividing line between the Lots thereof and acting as a commonly shared wall or fence shall constitute a party wall, and each Owner shall own that portion of the interior or exterior wall and fence which stands on his own Lot, with a cross-easement of support in the other portion. If a wall or fence separating two (2) Units or Lots, and extensions of such wall or fence, shall lie entirely within the boundaries of one Lot, such wall or fence, together with its extensions, shall also be a party wall and the Owner of the adjacent Lot shall have perpetual easement to maintain the encroachment.

Easements are reserved in favor in all Lots over all other Lots and the Common Areas for overhangs or other encroachments resulting from original construction and reconstruction.

Anything to the contrary herein notwithstanding, where adjacent Units share only a portion of a wall (e.g., where a one-story Unit abuts a two-story Unit), only that portion of the wall actually shared by both Units shall be deemed a party wall. That portion of the wall lying above the one-story Unit and used exclusively as a wall for the second floor of the abutting two-story Unit shall not be deemed a party wall, but shall be maintained and repaired exclusively by the Owner of the two-story Unit even if lying in whole or in part on the abutting Lot on which the one-story Unit is constructed and over the roof and other portions of such abutting one-story Unit to permit the upper portion of the wall of the two-story Unit to be maintained and repaired by the Owners of the Lot on which such two-story Unit is constructed.

The costs of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall.

If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore same, but shall not construct or extend same to any greater dimension than that existing prior to such fire or other casualty, without the prior written consent of the adjacent Lot Owner. The extension of a party wall used by only a two-story Unit abutting a one-story Unit shall be promptly and diligently repaired and/or replaced by the Owner of the two-story Unit at his sole cost and expense, even if lying in whole or in part on the abutting Lot. No part of any

addition to the dimensions of said party wall or of any extension thereof already built that may be made by any of said Owners, or by those claiming under any of them, respectively, shall be placed upon the Lot of the other Owner, without the written consent of the latter first obtained, except in the case of the aforesaid wall of a two-story Unit. If the other Owner thereafter makes use of the party wall, he shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such 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 any other provision of this Section, any Owner who, by his negligent or willful act, causes that part of the party wall not previously exposed to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title. Upon a conveyance or other transfer of title, the liability hereunder of the prior Owner shall cease.

In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved. If a panel cannot be designated pursuant hereto, the matter shall be arbitrated pursuant to the rules of the American Arbitration Association, or its successors in functions, then obtaining. Any decision made pursuant to this Section shall be conclusive and may be entered in any court of competent jurisdiction in accordance with the Florida Arbitration Code.

EXECUTED as of the date first above written.

ARVIDA/JMB PARTNERS, a Florida
general partnership

BY: Arvida/JMB Managers, Inc.
a Delaware corporation and
general partner

By: _____
Name: _____
Vice President

[CORPORATE SEAL]

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 19__, by _____, as Vice President of Arvida/JMB Managers, Inc., a Delaware corporation and general partner of Arvida/JMB Partners, a Florida general partnership, on behalf of the corporation as general partner as aforesaid.

My Commission Expires:

NOTARY PUBLIC
State of Florida at Large

EXHIBIT "A"

Initial portions of the Common Areas

EXHIBIT "B"

Initial portion of The Properties

BY-LAWS OF
THE VILLAGES OF SAN SEBASTIAN MAINTENANCE
ASSOCIATION, INC.

A corporation not for profit organized
under the laws of the State of Florida

1. Identity. These are the By-Laws of THE VILLAGES OF SAN SEBASTIAN MAINTENANCE ASSOCIATION, INC. (the "Association"), a corporation not for profit incorporated under the laws of the State of Florida, and organized for the purpose of administering that certain DECLARATION OF COVENANTS FOR THE VILLAGES OF SAN SEBASTIAN (the "Declaration") as well as the properties made subject thereto ("The Properties").
 - 1.1 Principal Office. The principal office of the Association shall be as provided in its Articles of Incorporation, or at such other place as may be subsequently designated by the Board of Directors. All books and records of the Association shall be kept at its principal office or in the office of any manager engaged by the Association.
 - 1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.
 - 1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.
2. Definitions. For convenience, these By-Laws shall be referred to as the "By-Laws" and the Articles of Incorporation of the Association as the "Articles". The other terms used in these By-Laws shall have the same definitions and meanings as those set forth in the Declaration, unless herein provided to the contrary or unless the context otherwise requires.
3. Members.
 - 3.1 Annual Meeting. The annual Members' meeting shall be held on the date, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors and to transact any other business authorized to be transacted

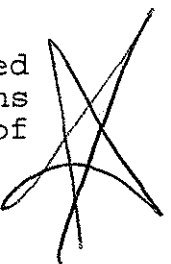
by the Members, or as stated in the notice of the meeting sent to Members in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of November following the year in which the Declaration is recorded.

- 3.2 Special Meetings. Special Members' meetings shall be held at such places as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary upon receipt of a written request from a majority of the Members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting.
- 3.3 Notice of Meeting; Waiver of Notice. Notice of a meeting of Members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. The notice of the annual meeting shall be sent by mail or hand delivery to each Member, unless the Member waives in writing the right to receive notice of the annual meeting by mail. The delivery or mailing shall be to the address of the Member as it appears on the roster of Members. The posting and mailing of the notice shall be effected not less than fourteen (14) days, nor more than sixty (60) days, prior to the date of the meeting.

Notice of specific meetings may be waived before or after the meeting and the attendance of any Member (or person authorized to vote for such Member) shall constitute such Member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the express purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting is not lawfully called.

An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this Section. No other proof of notice of a meeting shall be required.

- 3.4 Quorum. A quorum at Members' meetings shall be attained by the presence, either in person or by proxy, of persons entitled to cast in excess of 33 1/3% of the votes of Members in the Association.



3.5 Voting.

- (a) Number of Votes. In any meeting of Members, the Members shall be entitled to cast one vote for each Lot owned. The vote of a Lot shall not be divisible.
- (b) Majority Vote. The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum shall have been attained shall be binding upon all Members for all purposes, except where otherwise provided by law, the Declaration, the Articles or these By-Laws. As used in these By-Laws, the Articles or the Declaration, the term "majority of the Members" shall mean a majority of the votes of Members and not a majority of the Members themselves and shall further mean more than 50% of the then total authorized votes present in person or by proxy and voting at any meeting of the Members at which a quorum shall have been attained. Similarly, if some greater percentage of Members is required herein or in the Declaration or Articles, it shall mean such greater percentage of the votes of Members and not of the Members themselves.
- (c) Voting Member. If a Lot is owned by one person, his right to vote shall be established by the roster of Members. If a Lot is owned by more than one person, those persons (including husbands and wives) shall decide among themselves as to who shall cast the vote of the Lot. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Lot shall be presumed to have the authority to do so unless the President or the Board of Directors is otherwise notified. If a Lot is owned by a corporation, partnership, trust or other entity, the person entitled to cast the vote for the Lot shall be designated by a certificate signed by a person entitled to execute a conveyance of the entity's property and filed with the Secretary of the Association. Such person need not be a Member. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Lot concerned. A certificate designating the person entitled to cast the vote for a Lot may be revoked by any record Member of an undivided interest in the Lot. If a certificate designating the person entitled to cast the vote for a Lot for which such certificate is required is not on file or has been

revoked, the vote attributable to such Lot shall not be considered in determining whether a quorum is present, nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed.

- 3.6 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawful adjourned meetings thereof. Every proxy shall be revocable at any time at the pleasure of the person executing it. A proxy must be in writing, signed by the person authorized to cast the vote for the Lot (as above described), name the person(s) voting by proxy and the person authorized to vote for such person(s) and filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Each limited proxy shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast.
- 3.7 Adjourned Meetings. If any proposed meeting cannot be organized because a quorum has not been attained, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.
- 3.8 Order of Business. If a quorum has been attained, the order of business at annual Members' meetings, and, if applicable, at other Members' meetings, shall be:
- (a) Call to order by President;
 - (b) Appointment by the President of a chairman of the meeting (who need not be a Member or a director);
 - (c) Proof of notice of the meeting or waiver of notice;
 - (d) Reading of minutes;
 - (e) Reports of officers;
 - (f) Reports of committees;

- (g) Appointment of inspectors of election;
- (h) Election of Directors;
- (i) Unfinished business;
- (j) New business;
- (k) Adjournment.

Such order may be waived in whole or in part by direction of the chairman.

3.9 Minutes of Meeting. The minutes of all meetings of Members shall be kept in a book available for inspection by Members or their authorized representatives and Board Members at any reasonable time.

3.10 Action Without A Meeting. Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of Members, or any action which may be taken at any annual or special meeting of such Members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the Members (or persons authorized to cast the vote of any such Members as elsewhere herein set forth) having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of Members at which a quorum of Members (or authorized persons) entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization by written consent, notice must be given to Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

4. Directors.

4.1 Membership. The affairs of the Association shall be governed by a Board of not less than three (3) but no more than seven (7) Directors, the exact number to be determined in the first instance in the Articles, and, thereafter, by the Board of Directors.

4.2 Vacancies and Removal.

- (a) Except as to vacancies resulting from removal of Directors by Members, vacancies in the Board of Directors occurring between annual meetings of Members shall be filled by the remaining Directors,

provided that all vacancies in directorships to which Directors were appointed by the Developer shall be filled by the Developer without the necessity of any meeting.

- (b) Any Director elected by the Members other than the Developer may be removed by concurrence of a majority of the votes of the Members at a special meeting of Members called for that purpose or by written agreement signed by a majority of the Owners of all Lots. The vacancy in the Board of Directors so created shall be filled by the Members at the same meeting, or by the Board of Directors, in the case of removal by a written agreement unless said agreement also designates a new Director to take the place of the one removed.
- (c) Anything to the contrary herein notwithstanding, until a majority of the Directors are elected by the Members other than the Developer, neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Developer, shall be subject to removal by Members other than the Developer. The first Directors and Developer-appointed Directors replacing them may be removed and replaced by the Developer without the necessity of any meeting.
- (d) If a vacancy on the Board of Directors results in the inability to obtain a quorum of Directors in accordance with these By-Laws, any Member may apply to the Circuit Court for the jurisdiction in which The Properties exist for the appointment of a receiver to manage the affairs of the Association. At least thirty (30) days prior to applying to the Circuit Court, the applying Member shall mail to the Association a notice describing the intended action and giving the Association an opportunity to fill the vacancy(ies) in accordance with these By-Laws. If, during such time, the Association fails to fill the vacancy(ies), the Member may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs and attorneys' fees. The receiver shall have all powers and duties of a duly constituted Board of Directors, and shall serve until the Association fills the vacancy(ies) on the Board sufficient to constitute a quorum in accordance with these By-Laws.

4.3 Term. Except as provided herein to the contrary, the term of each Director's service shall extend until the

next annual meeting of the Members and his successor is duly elected and has taken office until he resigns or is removed in the manner provided.

- 4.4 Organizational Meeting. The organizational meeting of the newly-elected or appointed Directors shall be held within ten (10) days of their election or appointment at the same place and time as shall be fixed by the Directors at the meeting at which they were elected or appointed, and no further notice to the Board of the organizational meeting shall be necessary.
- 4.5 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least two (2) days prior to the meeting.
- 4.6 Special Meetings. Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request of one-third (1/3) of the Directors. Notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than two (2) days prior to the meeting.
- 4.7 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, except when his attendance is for the express purpose of objecting, at the beginning of the meeting, to the transaction of business because the meeting is not lawfully called.
- 4.8 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is specifically required by the Declaration, the Articles or these By-Laws.
- 4.9 Adjourned Meetings. If, at any proposed meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present, provided

notice of such newly scheduled meeting is given as required hereunder. At any newly scheduled meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

4.10 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting, but such joinder shall not allow the applicable Director to be counted as being present for purposes of quorum.

4.11 Presiding Officer. The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other person to preside).

4.12 Order of Business. If a quorum has been attained, the order of business at Directors' meetings shall be:

- (a) Proof of due notice of meeting;
- (b) Reading and disposal or any unapproved minutes;
- (c) Reports of officers and committees;
- (d) Election of officers;
- (e) Unfinished business;
- (f) New business;
- (g) Adjournment.

Such order may be waived in whole or in part by direction of the presiding officer.

4.13 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by Members, or their authorized representatives, and Board Members at any reasonable time.

4.14 Executive Committee; Other Committees. The Board of Directors may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more Members of the Board of Directors. Such Executive Committee shall have and may exercise all of the powers of the Board of Directors in management of the business and affairs of the Association during the period between the meetings of the Board of Directors insofar as may be

permitted by law, except that the Executive Cc shall not have the power (a) to determine the l assessments required for the affairs of the Assoc (b) to adopt or amend any rules and regulations c the details of the operation and use of The Prop or (c) to exercise any of the powers set forth in paragraphs (f) and (o) of Section 5 below.

The Board may by resolution also create other committees and appoint persons to such committees and invest in such committees such powers and responsibilities as the Board shall deem advisable.

5. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these By-Laws may not be delegated to the Board of Directors by the Members. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining the Common Areas.
- (b) Determining the expenses required for the operation of the Common Areas and the Association.
- (c) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Areas and the Association.
- (d) Adopting and amending rules and regulations concerning the details of the operation and use of The Properties.
- (e) Maintaining bank accounts on behalf of the Association and designating the signatories required therefor.
- (f) Purchasing, leasing or otherwise acquiring Lots or other property in the name of the Association, or its designee.
- (g) Purchasing Lots at foreclosure or other judicial sales, in the name of the Association or its designee.
- (h) Selling, leasing, mortgaging or otherwise dealing with Lots acquired, and subleasing Lots leased, by the Association, or its designee.

- (i) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Lots or other property.
- (j) Obtaining and reviewing insurance for The Properties and the Association.
- (k) Making repairs, additions and improvements to, or alterations of, The Properties, and repairs to and restoration of The Properties in accordance with the provisions of the Declaration after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.
- (l) Enforcing obligations of the Members, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of The Properties and the Association.
- (m) Levying fines against appropriate Owners for violations of the Declaration or of the rules and regulations established by the Association to govern the conduct of such Owners and others.
- (n) Purchasing or leasing Lots for use by resident superintendents and other similar persons.
- (o) Borrowing money when required in connection with the operation, care, upkeep and maintenance of the Common Areas or the acquisition of property, and granting mortgages on and/or security interests in Association owned property; provided, however, that the consent of the Owners of at least two-thirds (2/3rds) of the Lots represented at a meeting at which a quorum has been attained in accordance with the provisions of these By-Laws shall be required for the borrowing of any sum which would cause the total outstanding indebtedness of the Association to exceed \$10,000.00. If any sum borrowed pursuant to the authority contained in this subparagraph (o) is not repaid by the Association, an Owner who pays to the creditor such portion thereof as his interest in his Common Areas bears to the interest of all the Unit Members in the Common Areas shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against, or which will affect, such Member's Lot; provided always, however, the Association shall take no action authorized in this paragraph without

the prior written consent of the Developer as the Developer owns any Lot.

- (p) Contracting with a duly licensed manager for management and maintenance of The Properties and the Association and authorizing a management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Areas, Lots and Units with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the Declaration, the Articles and these By-Laws including, but not limited to, the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (q) At its discretion, authorizing Owners or other persons to use portions of the Common Areas for private parties and gatherings and imposing reasonable charges for such private use.
- (r) Exercising (i) all powers specifically set forth in the Declaration, the Articles and these By-Laws (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not for profit.
- (s) Contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.
- (t) Fulfilling all of the duties of a member of the Foundation.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, a Vice-President, a Treasurer and a Secretary (none of whom other than the President need be Directors), all of whom shall be elected by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such

other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association.

- 6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association.
- 6.3 Vice-President. The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an association and as may be required by the Directors or the President.
- 6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the Members. He shall attend to the giving of all notices to the Members and Directors and other notices required by law. He shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.
- 6.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. He shall submit a treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer and as may be required by the Directors or the President. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors.
- 6.6 Manager. Any of the foregoing functions of the Secretary or Treasurer may also be performed by a duly licensed manager engaged by the Association, provided that (i) the Secretary or Treasurer, as appropriate, shall oversee the performance of such functions and (ii) no manager may execute any documents as, or in the name of, the Secretary or Treasurer.

7. Compensation. Neither Directors nor officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, nor preclude contracting with a Director or officer for the management of The Properties or for any other service to be supplied by such Director or officer. Directors and officers shall be compensated for all actual and proper out of pocket expenses relating to the proper discharge of their respective duties.
8. Resignations. Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Lots owned by any Director or officer (other than appointees of the Developer or officers or directors who were not Owners) shall constitute a written resignation of such person.
9. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration and Articles shall be supplemented by the following provisions:
 - 9.1 Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association (which shall detail all accounts and items of expense the Board finds to be appropriate), determine the amount of assessments payable by the Owners to meet the expenses of the Association and allocate and assess such expenses among the Owners in accordance with the provisions of the Declaration. In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance.
 - 9.2 Assessments. Assessments against Lots for their share of the items of the budget shall be made for the applicable fiscal year annually at least twenty (20) days preceding the year for which the assessments are made. Such assessments shall be due in equal installments, payable in advance on the first day of each month (or each quarter at the election of the Board) of the year for which the assessments are made. If annual assessments are not made as required, assessments shall be presumed to have been made in the amount of the last prior assessments, and monthly (or quarterly) installments on such assessments shall be due upon each installment payment date until changed by amended assessments. In the event the annual assessments prove to be insufficient, the budget and assessments may be amended

at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which amended assessments are made shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended assessments, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended assessments shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.

- 9.3 Assessments for Emergencies. Assessments for expenses for emergencies that cannot be paid from the annual assessments shall be levied in accordance with the Declaration and shall be due only after ten (10) days' notice is given to the Members concerned, and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments.
- 9.4 Depository. The depository of the Association shall be such bank or banks in the State of Florida as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors. All sums collected by the Association from assessments or otherwise may be commingled in a single fund or divided into more than one fund, as determined by a majority of the Board of Directors. In addition, a separate reserve account may be established for the Association in such a depository for monies specifically designated as reserves for capital expenditures and/or deferred maintenance.
- 9.5 Acceleration of Installments Upon Default. If a Member shall be in default in the payment of an installment of his assessments, the Board of Directors may accelerate the next twelve (12) months' of the assessments as provided in the Declaration.
- 9.6 Fidelity Bonds. Fidelity bonds may be obtained by the Association for all persons handling or responsible for Association funds in such amounts as shall be determined by a majority of the Board. The premiums on such bonds shall be paid by the Association as a common expense.
- 9.7 Accounting Records and Reports. The Association shall maintain accounting records in the State according to accounting practices normally used by similar associa-

tions. The records shall be open to inspection by Members or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually.

- 9.8 Application of Payment. All payments made by a Member shall be applied as provided in these By-Laws and in the Declaration or as otherwise determined by the Board.
10. Roster of Members. Each Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Members of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Members shall produce adequate evidence, as provided above, of their interest and shall waive in writing notice of such meeting.
11. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, the Articles or these By-Laws and subject to waiver in the discretion of the presiding officer if he determines that technical compliance with such Rules would interfere with the efficient conduct of a meeting or the will of its attendees.
12. Amendments. Except as in the Declaration provided otherwise, these By-Laws may be amended in the following manner:
- 12.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.
- 12.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1/3) of the Members of the Association. Directors and Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be by not less than a majority of the votes of all Members of the Association (as opposed to only those represented at a meeting at which a quorum has been attained) and by not less than 66-2/3% of the entire Board of Directors.
- 12.3 Proviso. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise

adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagees of Lots without the consent of said Developer and mortgagees in each instance. No amendment shall be made that is in conflict with the Articles or Declaration. For so long as there is a Class B Membership, FHA or VA (as long as it/they holds or insures a mortgage on a Lot or owns a Lot) may veto any amendment to these By-Laws. No amendment to this Section shall be valid.

13. Rules and Regulations. Attached to the Declaration as Schedule "A" are rules and regulations concerning the use of portions of The Properties. The Board of Directors may, from time to time, modify, amend or add to such rules and regulations, except that subsequent to the date control of the Board is turned over by the Developer to Members other than the Developer, Owners of a majority of the Lots may overrule the Board with respect to any such modifications, amendments or additions. Copies of such modified, amended or additional rules and regulations shall be furnished by the Board of Directors to each affected Member not less than thirty (30) days prior to the effective date thereof. At no time may any rule or regulation be adopted which would prejudice the rights reserved to the Developer.
14. Construction. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.
15. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.

The foregoing was adopted as the By-Laws of THE VILLAGES OF SAN SEBASTIAN MAINTENANCE ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, on the ____ day of _____, 19____.

Approved:

_____, President

_____, Secretary

c:\wp51\arv\wes\sanseb.by1
03/08/94

ARTICLES OF INCORPORATION

OF

THE VILLAGES OF SAN SEBASTIAN MAINTENANCE ASSOCIATION, INC.

The undersigned incorporator, desiring to form a corporation not for profit under Chapter 617, Florida Statutes, as amended, hereby adopts the following Articles of Incorporation:

ARTICLE I

NAME; PRIMARY ADDRESS

The name of the corporation shall be the THE VILLAGES OF SAN SEBASTIAN MAINTENANCE ASSOCIATION, INC., which is hereinafter referred to as "the Association". The primary address of the Association shall be 1200 Weston Road, Ft. Lauderdale, Florida 33326.

ARTICLE II

PURPOSES AND POWERS

The objects and purposes of the Association are those objects and purposes as are authorized by the Declaration of Covenants for The Villages of San Sebastian recorded (or to be recorded) in the Public Records of Broward, Florida, as hereafter amended and/or supplemented from time to time (the "Covenants"). The further objects and purposes of the Association are to preserve the values and amenities in The Properties and to maintain the Common Areas thereof for the benefit of the Members of the Association.

The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any Member or individual person, firm or corporation.

The Association shall have the power to contract for the management of the Association and to delegate to the party with whom such contract has been entered into (which may be an affiliate of the Developer) the powers and duties of the Association, except those which require specific approval of the Board of Directors or Members.

The Association shall have all of the common law and statutory powers of a corporation not for profit which are not in conflict with the terms of these Articles and the Covenants above identified. The Association shall also have all of the powers necessary to implement the purposes of the Association as set forth in the Covenants and to provide for the general health and welfare of its membership.

Definitions set forth in the Covenants are incorporated herein by this reference.

ARTICLE III

MEMBERS

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot shall be a Member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member.

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

Class A. Class A Members shall be all those Owners as defined in Section 1 with the exception of the Developer (as long as the Class B Membership shall exist, and thereafter, the Developer shall be a Class A Member to the extent it would otherwise qualify). Except as provided below, Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section 1. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but, subject only as provided in the following sentence, in no event shall more than one vote be cast with respect to any such Lot.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to one (1) vote, plus two (2) votes for each vote which the Class A Members are entitled to cast in the aggregate from time to time. The Class B Membership shall cease and convert to a Class A Membership upon the earliest at (i) seventy-five percent (75%) of the Lots within The Properties have been sold and conveyed by Developer (or its affiliates), (ii) March 4, 2010 or (iii) at any time prior thereto at the election of the Developer (whereupon the Class A Members shall be obligated to elect the Board and assume control of the Association).

Section 3. Meetings of Members. The By-Laws of the Association shall provide for an annual meeting of Members, and may make provisions for regular and special meetings of Members other than the annual meeting. A quorum for the transaction of business at any meeting of the Members shall exist if 33-1/3% of the total number of Members in good standing shall be present or represented by proxy at the meeting.

Section 4. General Matters. When reference is made herein, or in the Covenants, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the votes of Members and not of the Members themselves.

ARTICLE IV

CORPORATE EXISTENCE

The Association shall have perpetual existence; provided that if it is even dissolved, its assets shall be conveyed to another association or public agency having a similar purpose.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Management by Directors. The property, business and affairs of the Association shall be managed by a Board of Directors, which shall consist of not less than three (3) persons, but as many persons as the Board of Directors shall from time to time determine. A majority of the directors in office shall constitute a quorum for the transaction of business. The By-Laws shall provide for meetings of directors, including an annual meeting.

Section 2. Original Board of Directors. The names and addresses of the first Board of Directors of the Association, who shall hold office until the first annual meeting of Members and thereafter until qualified successors are duly elected and have taken office, shall be as follows:

<u>Name</u>	<u>Address</u>
David B. Meseroll, Jr.	1200 Weston Road Ft. Lauderdale, Florida 33326
Donald Mears	1200 Weston Road Ft. Lauderdale, Florida 33326
Tom Siegal	1200 Weston Road Ft. Lauderdale, Florida 33326

Section 3. Election of Members of Board of Directors. Except as otherwise provided herein and for the first Board of Directors and their Developer-appointed replacements, directors shall be elected by a plurality vote of the Members of the Association at the annual meeting of the membership as provided by the By-Laws of the Association, and the By-Laws may provide for the method of voting in the election and for removal from office of directors. All directors shall be members of the Association residing in The Properties or shall be authorized representatives, officers, or employees of corporate members of the Association, or designees of the Developer. Notwithstanding the foregoing, until such time as the Class B Membership in the Association terminates, the Developer shall have the right to appoint the Directors of the Association by written notice to such effect or by an announcement reflected in the minutes of the annual meeting of the Association.

Section 4. Duration of Office. Members elected to the Board of Directors shall hold office until the next succeeding annual meeting of Members, and thereafter until qualified successors are duly elected and have taken office.

Section 5. Vacancies. If a director elected by the general membership shall for any reason cease to be a director, the remaining directors so elected may elect a successor to fill the vacancy for the balance of the term.

ARTICLE VI

OFFICERS

Section 1. Officers Provided For. The Association shall have a President, a Vice President, a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

Section 2. Election and Appointment of Officers. The officers of the Association, in accordance with any applicable provision of the By-Laws, shall be elected by the Board of Directors for terms of one (1) year and thereafter until qualified successors are duly elected and have taken office. The By-Laws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies and for the duties of the officers. The President shall be a director; other officers may or may not be directors of the Association. If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers. If any office shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy.

Section 3. First Officers. The names and addresses of the first officers of the Association, who shall hold office until the first annual meeting of directors and thereafter until successors are duly elected and have taken office, shall be as follows:

<u>Name and Office</u>	<u>Address</u>
<u>President:</u>	
David B. Meseroll, Jr.	1200 Weston Road Ft. Lauderdale, Florida 33326
<u>Vice-President:</u>	
Donald Mears	1200 Weston Road Ft. Lauderdale, Florida 33326
<u>Secretary-Treasurer:</u>	
Tom Siegal	1200 Weston Road Ft. Lauderdale, Florida 33326

ARTICLE VII

BY-LAWS

The Board of Directors shall adopt By-Laws consistent with these Articles of Incorporation. Such By-Laws may be altered, amended or repealed in the manner set forth in the By-Laws.

ARTICLE VIII

AMENDMENTS AND PRIORITIES

Section 1. Amendments to these Articles of Incorporation shall be proposed and approved by the Board of Directors and thereafter submitted to a meeting of the membership of the Association for adoption or rejection by affirmative vote of 66-2/3% of the Members, all in the manner provided in, and in accordance with the notice provisions of, Fla. Stat. 617.017.

Section 2. In case of any conflict between these Articles of Incorporation and the By-Laws, these Articles shall control; and in case of any conflict between these Articles of Incorporation and the Covenants, the Covenants shall control.

ARTICLE IX

INCORPORATOR

The name and address of the incorporator of this Corporation is:

Name

Address

ARTICLE X

INDEMNIFICATION

Section 1. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, employee, officer or agent of the Association, against all expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) it is determined by a court of competent jurisdiction, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or that he acted in a manner he believed to be not in or opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further determines specifically that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which he believed to be not in or opposed to the best interest of the Association, and with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful.

Section 2. To the extent that a director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 above or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually incurred by him in connection therewith.

Section 3. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of Members or otherwise, both as to action in his official capacity while holding such office or otherwise, and shall continue as to a person who has ceased to be director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 4. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

Section 5. The provisions of this Article X shall not be amended.

ARTICLE XI

REGISTERED AGENT

Until changed, David B. Meseroll, Jr., shall be the registered agent of the Association and the registered office shall be at 1200 Weston Road, Ft. Lauderdale, Florida 33326.

IN WITNESS WHEREOF, the aforesaid incorporator has hereunto set his hand this ____ day of _____, 199__.

STATE OF FLORIDA)
) SS:
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 199__, by _____ who is ☐ personally known to me or ☐ has produced _____ as identification and who did not take an oath.

NOTARY PUBLIC
State of Florida at Large

Name: _____

My Commission Expires: _____

CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE FOR THE
SERVICE OF PROCESS WITHIN THIS STATE, NAMING AGENT UPON WHOM
PROCESS MAY BE SERVED.

In compliance with the laws of Florida, the following is
submitted:

First -- That desiring to organize under the laws of the State
of Florida with its principal office, as indicated in the foregoing
articles of incorporation, in the County of Broward, State of
Florida, the corporation named in said articles has named David B.
Meseroll, Jr. located at 1200 Weston Road, Ft. Lauderdale, Florida
33326, as its statutory registered agent.

Having been named the statutory agent of the above corporation
at the place designated in this certificate, I hereby accept the
same and agree to act in this capacity, and agree to comply with
the provisions of Florida law relative to keeping the registered
office open.

Dated this ____ day of _____,
199_.

COMMON AREAS MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____, 19__, by and between THE VILLAGES OF SAN SEBASTIAN MAINTENANCE ASSOCIATION, INC., a Florida corporation not for profit, hereinafter called "Association", and ARVIDA MANAGEMENT LIMITED PARTNERSHIP, a Delaware limited partnership, its successors and assigns, hereinafter called "Management Firm".

W I T N E S S E T H:

WHEREAS, Management Firm is in the business of managing and maintaining common areas and recreational facilities; and

WHEREAS, Association is obligated to operate and maintain, for its Members' benefit, the Common Areas described in the Neighborhood Covenants for The Villages of San Sebastian recorded in the Public Records of Broward County, Florida (the "Covenants") (the definitions of which are incorporated herein by this reference) and is desirous of employing Management Firm for the purposes of performing such services; and

WHEREAS, Management Firm has agreed to provide such services to Association and its membership, all for the consideration, and upon the terms, provisions and conditions, hereinafter set forth; and

WHEREAS, authority is granted in the Covenants, Articles of Incorporation and/or By-Laws of Association to enter into contracts for management and maintenance;

NOW, THEREFORE, in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the mutual covenants and agreements hereinafter contained to be performed by each party in favor of the other, Association and Management Firm represent, warrant, covenant and agree as follows:

1. Association hereby employs Management Firm, and Management Firm hereby accepts such employment, for the consideration hereinafter recited, and for the time period and upon the terms, provisions and conditions hereinafter set forth.

2. The duties which the Management Firm assumes and agrees to perform for Association shall be the performance of such undertakings as are necessary to maintain and operate the Common Areas for the membership of Association, and to otherwise perform such of the obligations of the Association as may be lawfully delegated, and without limiting the generality of the foregoing, Management Firm shall provide consultation, advice, guidance, maintenance and managerial services necessary to do and accomplish the following:

A. To manage and maintain the Common Areas and other property owned by Association as established in the Covenants.

B. To collect and receive in the name of Association or as agent for Association all assessments and other charges which may be due from Association Members. Management Firm is hereby given the right to receipt for any and all assessments and charges and, in the event that the payment of any assessments or charges due to Association may be in default, to take such legal action as may be necessary to enforce any and all rights which Association may have against the Member, tenant or other party who is delinquent in the payment to Association. Management Firm shall further furnish Association at least once each quarter an itemized list of all delinquent accounts.

C. To take such action as may be necessary to comply promptly with any and all orders or requirements of any federal, state, county or municipal authority having jurisdiction; however, except in the event of emergencies, Management Firm shall not take any such action without notifying the Board of Directors of Association if time so permits, and Management Firm shall not take any action so long as Association is contesting, or has affirmed its intention to protest, any such order or requirements.

D. Where applicable, to make contracts for furnishing of water, electricity, gas, telephone, exterminating services, garbage disposal and such other services as Management Firm shall deem to be in the best interest of Association (including, without limitation, a subcontract of Management Firm's undertakings hereunder, in lieu of an assignment hereof, to an entity similar to Management Firm). Management Firm shall place orders for such equipment, tools, appliances, materials and supplies as are necessary in the opinion of Management Firm. Orders shall be made in the name of the Association or in the name of Management Firm as agent for Association.

E. To operate the Common Areas and to enforce rules and regulations relating to their use by the membership of Association.

F. To prepare an annual Budget not less than thirty (30) days before the beginning of each fiscal year, setting forth an itemized statement of anticipated receipts and disbursements for the forthcoming year, based upon the previous year's experience and taking into account the general condition of the Common Areas and the objectives for the ensuing year, and to submit to the Board of Directors of Association wage rate recommendations for the forthcoming year.

G. To select a certified public accountant and legal counsel for Association and to work in conjunction with such accountant and legal counsel to aid in the preparation of any and all forms, reports and returns required by law to be filed by Association with any governmental authority, provided, however, that this provision shall not suggest that any audit is required.

H. To at all times keep and maintain a separate set of books and records for Association, which records shall be subject to examination at all reasonable hours, and to prepare and render quarterly, semi-annual or annual statements of income and expense to the Board of Directors.

I. On behalf of Association, to enforce (where permitted by law) use restrictions that may from time to time exist as to Members of the Association.

J. To prepare disbursements of Association funds to pay (1) salaries and any other compensation due and payable to employees of Association, and (2) costs and expenses incurred in carrying out Management Firm's duties and responsibilities under this Agreement. All bank accounts maintained by Management Firm or Association shall be maintained in a bank whose deposits are insured by an agency of the federal government and shall be placed in accounts styled so as to indicate the custodial nature thereof, but all funds may be placed in interest bearing accounts or invested as Association shall direct.

3. Everything done by Management Firm in the way of management and maintenance under the provisions of this Agreement shall be done as agent for Association, and all obligations or expenses incurred in the performance of Management Firm's duties and obligations shall be for the account of, on behalf of and at the expense of Association. Management Firm shall not be obligated to make any advance to or for the account of Association or to pay any sum, except out of funds held or provided by Association or from its Members, nor shall Management Firm be obligated to incur any liability or obligation on account of Association without assurance that the necessary funds for the discharge thereof will be provided. Since Management Firm will be acting at all times for and on behalf of Association, it is understood and agreed that the public liability insurance carried and maintained by Association shall be extended to and shall cover Management Firm, its agents and employees, as well as Association, all at the expense of Association. Association agrees to indemnify and hold the Management Firm harmless from any and all liability for any injury, damage or accident to any Member of Association, a guest or invitee of any such Member, or to any third person and for property damage arising out of or in the course of the performance by Management Firm of its duties hereunder.

4. All of the foregoing management services to Association shall be rendered on a basis of "actual cost" and Association shall pay or reimburse Management Firm for all costs which may be incurred by Management Firm in providing services, materials and supplies to Association, and shall include the cost of all employees of Management Firm for the time spent directly upon performance of matters required by the terms of this Agreement, except that the Management Firm shall not be entitled to reimbursement for salaries of officers of Management Firm and general office overhead of Management Firm, as said items are actually

included within the fee hereinafter provided to be paid to Management Firm.

5. Management Firm, by the execution of this Agreement, assumes and undertakes to perform, carry out and administer all of the duties and responsibilities imposed upon Association as set forth in the Covenants, except those that cannot be lawfully delegated. Such assumption of obligations is limited, however, to operation, management and maintenance as agent, and does not require Management Firm to pay any of the costs and expenses which are the obligation of the Association, except as specifically in this Agreement assumed by Management Firm.

6. The parties recognize that Management Firm will be performing similar services for other associations in the Country Walk development (the "Development") and will be responsible for the management of other common areas. Accordingly, and notwithstanding anything contained herein to the contrary, such costs and expenses as are general to the Development may, within Management Firm's discretion, be averaged and charged on a weighted basis. Such weighing shall be determined by Management Firm taking into consideration the relative amount of property operated by the respective associations, the size and types of improvements thereon and the number and physical characteristics of dwelling units contained in such improvements. The basis for the foregoing provisions is that if Management Firm is not obligated to cost account with regard to each association's property, that will substantially decrease the cost of administration of all the properties being managed by Management Firm in the Development.

7. This Agreement shall be in full force and effect for a term beginning on the date hereof and ending one (1) year after the conveyance of the title to the last dwelling unit constructed in Waterford Landing by the participating builders therein, unless sooner terminated in accordance with Paragraph 8 hereof.

8. In the event that Association defaults by failing to make the payments required to be made hereunder, or by continuing to violate any law, ordinance or statute after notice from the appropriate governmental authority and after having failed to commence to resist or test such ordinance or statute by appropriate legal action, then, upon the giving of thirty (30) days' written notice by Management Firm, unless such default is cured within such 30-day period, or, if the default involves a violation of law, unless reasonable steps have been taken to comply with the provision, then the Management Firm shall have the right, upon the giving of fifteen (15) additional days' written notice, to cancel this Agreement, and this Agreement shall be cancelled on a date specified in such notice, which date shall be not less than fifteen (15) days after the giving of such notice. Anything to the contrary herein notwithstanding, this Agreement shall automatically terminate thirty (30) days after the Class B Membership of the Association is terminated and the Class A Members elect the Board of Directors of the Association as contemplated in the Covenants.

Because of the desire to maintain uniform standards of maintenance and enforcement throughout the Development, this Agreement cannot be cancelled by Association except for breach by Management Firm of its obligation to perform and then only if such breach is not cured within ninety (90) days of receipt of written notice thereof from Association, unless such cure would require additional time to effect, in which case the period within which such cure must be effected shall be extended appropriately. In the event of termination, the Management Firm shall be entitled to its pro rata fee and to reimbursement of all costs incurred or contracted for to the date of termination.

9. In addition to all actual costs which the Association shall pay the Management Firm for its services above set forth, and as and for a fixed fee for its services to be performed hereunder, the Association hereby agrees to pay Management Firm monthly in advance a sum of money calculated at the greater of (A) _____ percent (____%) of the operating maintenance budget of the Association per annum, payable in equal monthly installments during each year of this Agreement (which fee shall be recalculated on a quarterly basis and adjusted in accordance with variations in the Association's budget), or (B) _____ Dollars (\$____) per annum, payable in equal monthly installments during each year of this Agreement, for each Unit located in The Properties as defined in the Covenants commencing for each such Unit from the first day of the month in which its Certificate of Occupancy is issued, provided the fee specified in clause (B) above shall be subject to increase (but not subject to decrease) on an annual basis (at the sole option, from year to year, of the Management Firm) by the amount of the "fee adjustment", as defined and provided in this paragraph. The "fee adjustment" shall be computed by reference to the statistics published in the monthly labor review by the United States Department of Labor, Bureau of Labor Statistics, designated "Consumer Price Index", as specifically described below. The "fee adjustment" shall be computed by the following formula:

i = Consumer Price Index for the month of December 31, 19__.

I = Consumer Price Index for the month of December 31, 19__, and the month of December of each year thereafter.

$\frac{I - i}{i}$ X the above fee = "fee adjustment"

The appropriate annual "fee adjustment" shall be divided by 12 and the quotient shall be added to each monthly installment of net fees due for the year for which the calculation was made. If the Bureau of Labor Statistics shall change the method of determining the Consumer Price Index, the formula for determining "fee adjustment" shall be altered or amended, if possible, so as to continue the base period and base figure, but in the event it shall be impossible to do so, or in the event the Bureau of Labor Statistics shall cease to publish the said statistical information, and it is not available from any other source, public or private, acceptable