

Unit 101

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DECLARATION OF CONDOMINIUM
OF
VISTA LAGO VILLAS, A CONDOMINIUM
THE VILLAGES, FLORIDA

THE VILLAGES OF LAKE-SUMTER, INC., herein called "Developer", on behalf of itself and its successors, grantees, and assigns, hereby makes this Declaration of Condominium:

1. SUBMISSION TO CONDOMINIUM- The fee simple title to the lands located in Lake County, Florida, and described in attached *Exhibit "A"* are hereby submitted to the condominium form of ownership pursuant to Chapter 718 Florida Statutes hereinafter referred to as the "Condominium Act". A survey of said lands located in Lake County, Florida and described in *Exhibit "A"* is attached as *Exhibit "B"*.

2. NAME-PLAN OF DEVELOPMENT- Developer has constructed a total of 38 single family residential units and associated improvements designated "Vista Lago Villas", a Condominium.

3. NAME-ASSOCIATION- The name of the condominium association is "Vista Lago Villas Condominium Owners Association, Inc.". This Association is incorporated as a not for profit Florida corporation.

4. DEFINITIONS- The terms used herein will have the meanings stated in the Condominium Act and as follows, unless the context otherwise requires:

4.1. "Amenities Fee" - A monthly fee or charge payable by Unit Owner to the Developer or its designee for the benefit and use of the recreational facilities and other amenities of The Villages not constituting part of the Condominium Property.

4.2. "Assessment"- The share of the funds required for the payment of Common Expenses that is assessed against a Unit from time to time.

4.3. "Association"- Vista Lago Villas Condominium Owner's Association, Inc., the not-for-profit corporation responsible for the operation of the Condominium. The Articles of Incorporation of the Association are attached as *Exhibit "C"* and the Bylaws of the Association are attached as *Exhibit "D"*.

4.4. "Association Property"- All real or personal property owned or leased by the Association.

4.5. "Board of Directors" or "Directors" or "Board"- The board of directors responsible for the administration of the Association.

4.6. "Charge" or "Special Charge"- The obligation of a Unit Owner to pay or reimburse money to the Association that cannot be secured as an assessment pursuant to *F.S.* 718.116, but which will, if the charge is not paid, give rise to a cause of action against the Unit Owner pursuant to this declaration.

4.7. "Common Elements"- The portions of the property submitted to condominium ownership and maintenance which is not included in the Units, including:

4.7.1. Land,

4.7.2. All parts of improvements that are not included within the Units,

4.7.3. Easements,

4.7.4. Installations for the furnishing of services to more than one Unit or to the Common Elements, such as electricity, water, and sewer.

4.8. "Common Expenses"- All expenses and assessments properly incurred by the Association for the Condominium and such expenses as may be declared to be Common Expenses by this Declaration.

4.9. "Common Surplus"- The excess of all receipts of the Association above the Common Expenses.

4.10. "Condominium Documents"- This Declaration and the attached exhibits setting forth the nature of the property rights in the Condominium and the covenants running with the land that govern these rights. All the other Condominium documents will be subject to the provisions of the Declaration. The order of priority of the documents will be as follows: (1) Declaration of Condominium; (2) Association Articles of Incorporation; (3) Bylaws; and (4) Rules and Regulations.

4.11. "Condominium Parcel"- A Unit together with all rights of use of Limited Common Elements reserved for or abutting said Unit and the undivided share in the Common Elements that is appurtenant to the Unit.

4.12. "Condominium Property"- The real and personal property, both tangible and intangible, subject to condominium ownership, whether or not contiguous; all improvements thereon; and all easements and rights appurtenant thereto.

4.13. "Developer"- The Villages of Lake-Sumter, Inc., the company that has established this Condominium, and the successors and assigns of the company's development rights.

4.14. "Exhibits":

- A. Description of Condominium.
- B. Survey and Plot Plans of Condominium.

- C. Articles of Incorporation for Condominium Association.
- D. Bylaws for Condominium Association.
- E. Rules and Regulations.
- F. Description of Facilities available pursuant to the payment of the Amenity Fee.

4.15. "Family"- One natural person or a group of two or more natural persons, each of whom is related by blood, marriage, or adoption (exclusive of household servants); or not more than two adult persons not so related, and the children of either or both of them, who reside together as a single not-for-profit housekeeping unit.

4.16. "Guest"- Any person who is physically present in or occupies a Unit on a temporary basis at the invitation of the Unit Owner without the payment of consideration.

4.17. "Institutional First Mortgagee"- The mortgagee or its assignee of a first mortgage on a condominium parcel. The mortgagee may be a bank, a savings and loan association, a mortgage banker, a life insurance company, a real estate or mortgage investment trust, a pension or profit sharing trust, the Federal Housing Administration, the Department of Veterans Affairs, any agency of the United States of America, or the developer. The term also refers to any holder of a first mortgage against a condominium parcel which mortgage is guaranteed or insured, as evidenced by a recorded instrument, by the Federal Housing Administration, the Department of Veterans Affairs, any agency of the United States of America, or any other public or private corporation engaged in the business of guaranteeing or insuring residential first mortgage loans, and their successors and assigns.

4.18. "Lease"- The grant by a Unit Owner of a temporary right of use of the owner's Unit for a valuable consideration.

4.19. "Limited Common Element"- Those portions of the Common Elements that to the exclusion of the other Units are reserved for the use of a certain Unit or Units or abut and serve only one Unit .

4.20. "Occupy"- The act of being physically present in a Unit on two or more consecutive days, including staying overnight. An occupant is one who occupies a Unit.

4.21. "Operation"- The administration and management of the Condominium Property.

4.22. "Person"- An individual, corporation, trust, or other legal entity capable of holding title to real property.

4.23. "Singular, Plural, Gender"- Whenever the context permits, use of the plural includes the singular, use of the singular includes the plural, and use of any gender includes all genders.

4.24. "Unit"- A part of the Condominium Property that is subject to exclusive ownership as described in this declaration.

4.25. "Unit Number"- The letter, number, or combination thereof that is designated on the Condominium Plot Plan attached hereto as *Exhibit "B"* and used as identification of the Unit.

4.26. "Unit Owner"- The owner of record legal title of a Condominium Parcel.

4.27. "Voting Interest"- The voting rights distributed to the Association members pursuant to *F.S. 718.104(4)(j)* and Paragraph 5.3.3 of this Declaration.

5. CONDOMINIUM UNITS, BOUNDARIES, AND APPURTENANCES- Each Unit and its appurtenances constitute a separate parcel of real property that may be owned in fee simple. The Unit may be conveyed, transferred, and encumbered like any other parcel of real property, independently of all other parts of the Condominium Property, subject only to the provisions of the condominium documents and applicable laws.

5.1. BOUNDARIES- Each Unit will have boundaries as defined below. The boundaries may exist now or may be created by construction, settlement, or movement of the buildings; or by permissible repairs, reconstruction, or alterations.

5.1.1. HORIZONTAL BOUNDARIES- The upper and lower boundaries of the Units will be:

5.1.1.1. UPPER BOUNDARY- The plane of the underside of the finished and undecorated ceiling of the top floor of the Unit, extended to meet the perimeter boundaries.

5.1.1.2. LOWER BOUNDARY- The plane of the upperside of the finished and undecorated surface of the floor of the bottom floor of the Unit, extended to meet the perimeter boundaries.

5.1.2. PERIMETER BOUNDARIES- The perimeter boundaries will be both the finished and undecorated interior surfaces of the perimeter walls of the Unit as shown on the Condominium Plot Plan, and the planes of the interior surfaces of the Unit's windows, doors, garage doors, and other openings that abut the exterior of the building or Common Elements, including limited Common Elements.

5.2. EXCLUSIVE USE- Each Unit Owner will have the exclusive use of such owner's Unit.

5.3. OWNERSHIP- The ownership of each Unit will carry with it, as appropriate, and whether or not separately described, all of the rights, title, and interest of a Unit Owner in the Condominium Property which will include, but not be limited to:

5.3.1. COMMON ELEMENT, COMMON SURPLUS AND LIABILITY FOR COMMON EXPENSES- An undivided one thirty-eighth (1/38) share of ownership of the Common Elements, Common Surplus and liability for common expenses.

5.3.2. LIMITED COMMON ELEMENTS- Those Common Elements abutting a single Unit or reserved for the exclusive use of a designated Unit. Such elements include driveways, patios, balconies, mechanical rooms serving only one Unit, and all items set forth in Paragraph 6. that are exterior to a Unit and are expressly required to be maintained by the Unit Owner.

5.3.3. ASSOCIATION MEMBERSHIP- Membership in the Association and voting rights.

5.3.3.1 MEMBERSHIP IN THE ASSOCIATION- Membership in the Association is automatic with Unit ownership and is non-divisible and non-severable from Unit ownership.

5.3.3.2 VOTING RIGHTS- Each Unit shall be represented by one non-divisible vote in all matters upon which Association members vote pursuant to the Declaration, the Association Bylaws, or the Association Articles of Incorporation.

5.4. EASEMENTS- The following easements are created by and granted, as designated, from the Developer to: Unit Owners; the Association and its employees, agents, and

hired contractors; utility companies; Unit Owners' families in residence, guests, and invitees; and governmental and emergency services.

5.4.1. EASEMENT FOR AIR SPACE- An exclusive easement for use of the air space occupied by the Unit as it exists at any particular time and as the Unit may be lawfully altered or reconstructed from time to time. The easement will be terminated automatically in any air space that is vacated from time to time.

5.4.2. INGRESS AND EGRESS- Nonexclusive easements over the Common Elements for ingress and egress to Units and public rights-of-way.

5.4.3. MAINTENANCE, REPAIR, AND REPLACEMENT- Easements through the Units, Limited Common Elements and Common Elements for maintenance, repair, and replacement.

5.4.4. UTILITIES- Nonexclusive easements through the Common Elements and Units for conduits, ducts, plumbing, and wiring, and other facilities for the furnishing of services and utilities to other Units, Limited Common Elements, Common Elements, and other utility customers, both existing and future.

5.4.5. PUBLIC SERVICES- Access to both the Condominium Property and the Units for lawfully performed emergency, regulatory, law enforcement, and other public services.

6. MAINTENANCE; LIMITATIONS ON ALTERNATIONS AND IMPROVEMENTS- The responsibility for protection, maintenance, repair, and replacement of the Condominium Property, and restrictions on its alteration and improvement, shall be as follows:

6.1. ASSOCIATION MAINTENANCE- The Association is responsible for the protection, maintenance, repair, and replacement of all Common Elements, Condominium Property, Limited Common Elements that are not required herein to be maintained by the Unit Owner, and all

areas and lands situated between Condominium Property and the curbs of adjacent rights-of-way. The cost of said protection, maintenance, repair, and replacement of all Common Elements and Association Property is a common expense. The Association's responsibilities include, without limitation:

- 6.1.1. Electrical wiring up to the circuit breaker panel in each Unit.
- 6.1.2. Water pipes, up to the individual Unit cut-off valve within the Unit.
- 6.1.3. Cable television lines up to the wall outlets in the Units.
- 6.1.4. Gas lines up to the individual Unit meter.
- 6.1.5. Sewer lines, up to the point where they enter the Unit.
- 6.1.6. All installations, fixtures, and equipment located within one Unit but

serving another Unit, or located outside the Unit, for the furnishing of utilities to more than one Unit or the Common Elements.

6.1.7. All exterior building walls, and gate and walls forming patios, including painting, waterproofing, and caulking.

6.1.8. All exterior lighting, light bulbs, and light fixtures.

The Association's responsibility does not include interior wall switches or receptacles, plumbing fixtures, or other electrical, plumbing, or mechanical installations located within a Unit and serving only that Unit. All incidental damage caused to a Unit or Limited Common Element by work performed or ordered to be performed by the Association shall be repaired promptly by and at the expense of the Association, which shall restore the property as nearly as practical to its condition before the damage, and the cost shall be a common expense, except the Association shall not be responsible for the damage to any alteration or addition to the Common Elements made by a Unit

Owner or his or her predecessor in title or for damage to paint, wallpaper, paneling, flooring, or carpet which, of necessity, must be cut or removed to gain access to work areas located behind it.

6.2. UNIT OWNER MAINTENANCE- Each Unit Owner is responsible, at the owner's expense, for all maintenance, repairs, and replacements of the owner's Unit and certain Limited Common Elements. The owner's responsibilities include, without limitation:

6.2.1. Maintenance, repair, and replacement of screens, windows, and window glass.

6.2.2. The main entrance door to the Unit, including its structure, interior and exterior surfaces.

6.2.3 The garage door to the Unit and its interior Surface.

6.2.4. All other doors within or affording access to the Unit.

6.2.5. The electrical, mechanical, and plumbing lines, pipes, fixtures, switches, valves, drains, and outlets (including connections) located partially or entirely within the Unit or Limited Common Element.

6.2.6. The circuit breaker panel and all electrical wiring going into the Unit from the panel.

6.2.7. Appliances, water heaters, smoke alarms, and vent fans.

6.2.8. All air conditioning and heating equipment, thermostats, ducts, and installations serving the Unit exclusively.

6.2.9. Carpeting and other floor coverings.

6.2.10. Door and window hardware and locks.

6.2.11. Shower pans.

6.2.12. The main water supply shut-off valve for the Unit.

6.2.13. Other facilities or fixtures that are located or contained entirely within the Unit or Limited Common Element and serve only that Unit.

6.3. ADDITIONAL UNIT OWNERS RESPONSIBILITIES.

6.3.1. BALCONIES, PATIOS, AND PORCHES- Where a Limited Common Element consists of a balcony, patio, or porch area, the Unit Owner who has the right of exclusive use of the area shall be responsible for the day-to-day cleaning and care of the walls, floor, and ceiling bounding said area; all landscaping contained within said area, if any; all fixed glass and sliding glass doors in portions of the entranceway to said area, if any; and the wiring, electrical outlet(s), and fixture(s) thereon, if any, and the replacement of light bulbs. The Association is responsible for the maintenance, repair, painting, and replacement of all exterior walls of the building; all walls, ceilings, and floors bounding all Limited Common Elements; and the concrete slabs with all such costs to the Association being Common Expenses. Other than the United States Flag, respectfully displayed, the Unit Owner shall not hang, attach, place upon, or suspend anything from any walls which are the maintenance responsibility of the Association. The maintenance, repair, replacement, and insurance of approved carpeting, covering, or enclosure shall be the responsibility of the Unit Owner.

6.3.2. INTERIOR DECORATING- Each Unit Owner is responsible for all decorating within the owner's Unit, including painting, wallpapering, paneling, floor covering, draperies, window shades, curtains, lamps and other light fixtures, and other furnishings and interior decorating.

6.3.3. FLOORING- The structural integrity of balconies and terraces constructed of steel reinforced concrete is affected adversely by water intrusion and rusting aggravated by the water retention qualities of indoor-outdoor carpet, river rock, and unglazed

ceramic tile and its grout. For this reason, no indoor-outdoor carpet or river rock may be used on balconies and terraces, and all tile and its bedding and grout must be of such materials and so applied as to be waterproof. Any flooring installed on the balconies or terraces of a Unit shall be installed so as to ensure proper drainage.

6.3.4. WINDOW COVERINGS- The covering and appearance of the windows and doors, whether by draperies, shades, reflective film, or other items which are visible from the exterior of the Unit, whether installed within or outside of the Unit, shall be subject to the rules and regulations of the Association.

6.3.5. MODIFICATIONS AND ALTERATIONS OR NEGLECT- If a Unit Owner makes any modifications, installations, or additions to the Unit, Limited Common Elements, or the Common Elements or neglects to maintain, repair, and replace as required by this section 6, the Unit Owner, and the owner's successors in title, shall be financially responsible for:

6.3.5.1. Insurance, maintenance, repair, and replacement of the modifications, installations, or additions;

6.3.5.2. The costs of repairing any damage to the Limited Common Elements, Common Elements, or other Units resulting from the existence of such modifications, installations, or additions; and

6.3.5.3. The costs of removing and replacing or reinstalling such modifications if their removal by the Association becomes necessary in order to maintain, repair, replace, or protect other parts of the Condominium Property for which the Association is responsible.

6.3.6. USE OF LICENSED AND INSURED CONTRACTORS- Whenever a Unit Owner contracts for maintenance, repair, replacement, alteration, addition, or improvement of any portion of the Unit, Limited Common Elements, or Common Elements, whether with or

without Association approval, such owner shall be deemed to have warranted to the Association and its members that Unit Owner's contractor(s) are properly licensed and fully insured, and that the owner will be financially responsible for any resulting damage to persons or property not paid by the contractor's insurance.

6.4. APPLIANCE MAINTENANCE CONTRACTS- If there shall become available to the Association a program of contract maintenance for water heaters serving individual Units, and/or air conditioning compressors and related equipment and fixtures serving individual Units, which the Association determines is to the benefit of the owners to consider, then on agreement by a majority of the voting interests of the Association, in person or by proxy, the Association may enter into such contractual undertakings. The expenses of such contractual undertakings to the Association shall be Common Expenses. All maintenance, repairs, and replacements not covered by the contracts shall be the responsibility of the Unit Owner or the Association as dictated herein.

6.5. PEST CONTROL- The Association may supply pest control services for the inside of each Unit, with the cost thereof being part of the Common Expenses. An owner has the option to decline such service unless the Association determines that service is necessary for the protection of the balance of the Condominium, in which event the owner thereof either must permit the Association's pest control company to enter the Unit or must employ a licensed pest control company to enter the owner's Unit on a regular basis to perform pest control services, and must furnish written evidence thereof to the Association. The cost of pest control provided by the Association is a common expense, so the election of an owner not to use the service will not reduce the owner's assessments.

6.6. EXTERIOR GLASS AND LIGHTS- Light bulbs in fixtures on balconies and terraces facing or visible from other Units, Limited Common Elements, or Common Elements must be yellow "bug light" bulbs not to exceed 60 watts.

6.7. OWNER ALTERATION OF COMMON ELEMENTS RESTRICTED- No Unit Owner may make any alterations, add to, or remove any part of the portions of the improvements that are to be maintained by the Association without the prior written approval of the Board of Directors. The Board has the authority to approve, disapprove, or require modifications to the proposed work. The Board's decision will be final. The Owner must obtain all necessary approvals and permits from applicable government entities. The Association may require approval from engineers or other professionals as a prerequisite. The entire expense must be borne by the Unit Owner, including any subsequent maintenance and restoration. No Unit Owner will do any work that would jeopardize the safety or soundness of the building or impair any easements. Such Board-approved work is declared not to constitute material alterations or substantial additions to the Common Elements.

7. COMMON ELEMENTS.

7.1. SHARE OF- The Common Elements will be owned by the Unit Owners with each Unit Owner owning a one thirty-eighth (1/38) interest. Such undivided shares are stated as fractions and are based equally on the number of Units in the Condominium.

7.2. USE- Each Unit Owner and the Association will be entitled to use the Common Elements in accordance with the purposes for which the elements are intended; however, no such use may hinder or encroach upon the lawful rights of other Unit Owners.

7.3. MATERIAL ALTERATIONS AND ADDITIONS- Except for changes made by a Unit Owner with Association approval as provided in Paragraph 6.7. above, or by the Board of

Directors alone for the integrity of the Condominium Property, material alteration of or substantial additions to the Common Elements or to Association Property, including the purchase, acquisition, sale, conveyance, or mortgaging of such property, may be effectuated only by vote of 67% of the voting interests of the Association at a meeting called for that purpose. The Board of Directors, without any vote of the membership, is authorized to lease or grant easements or licenses for the use of the Common Elements or Association Property to Unit Owners or other persons if, in the judgment of the Board, the use will benefit the members of the Association, even when the lease, easement, or license would result in a material alteration or substantial addition to the Common Elements or Association Property. The Association may charge for the use.

8. **FISCAL MANAGEMENT-** The fiscal management of the Condominium, including budget, fiscal year, charges, assessments, and collection of assessments, shall be as set forth herein and in the Bylaws.

9. **ADMINISTRATION-** The administration of the Condominium shall be by the Board of Directors and its powers and duties shall be as set forth herein and in the Articles of Incorporation and the Bylaws.

10. **INSURANCE-** In order to adequately protect the Unit Owners, the Association, and all parts of the Condominium Property and Association Property that are required to be insured by the Association, insurance shall be carried and kept in force at all times in accordance with the following provisions:

10.1. **DUTY AND AUTHORITY TO OBTAIN-** The Board of Directors shall use its best efforts to obtain and maintain adequate insurance. In all insurance purchased by the Association, the name of the insured shall be the Association and the Unit Owners and their mortgagees (without naming them), as their interests shall appear, and the policy shall provide for

the issuance of certificates of insurance and mortgagee endorsements to any or all of the holders of institutional first mortgages.

10.2. BASIC INSURANCE- The Board of Directors will procure insurance covering the building and improvements as well as all insurable Association Property, in an amount determined annually by the Board. Pursuant to F.S. 718.111(11)(b), the word "building" does not include floor coverings, wall coverings, or ceiling coverings, nor electrical fixtures, appliances, air conditioning or heating components, water heaters, built-in cabinets, counter tops, or window treatments located within a Unit or Limited Common Element. Such insurance shall afford the following protection:

10.2.1. PROPERTY- The policy must include extended coverage (including windstorm), and replacement cost coverage for loss or damage by fire, vandalism and malicious mischief, and other hazards covered by the standard "All Risk" property contract.

10.2.2. FLOOD- The policy must include up to the replacement cost for each building and insurable improvements, as available.

10.2.3. LIABILITY- The policy must include premises and operations liability endorsements for bodily injury and property damage in such limits of protection and with such coverage as required by the Board of Directors of the Association, with cross-liability endorsements to cover liabilities of the Unit Owners as a group to a Unit Owner.

10.2.4. WORKER'S COMPENSATION- The Association shall maintain workers' compensation insurance to meet the requirements of law.

10.2.5. FIDELITY BONDING- The Association shall obtain and maintain insurance or fidelity bonding for all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the

custody of the Association or its management agent at any one time. The term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.

10.2.6. DIRECTORS AND OFFICERS LIABILITY INSURANCE-

The Association shall obtain and maintain adequate Directors and officers liability insurance using the broad form of policy coverage for all Directors and officers and, if available, for committee members of the Association.

10.2.7. OPTIONAL COVERAGE- The Association may purchase and

carry such other insurance coverage as the Board of Directors may determine from time to time to be in the best interests of the Association and Unit Owners.

10.3. DESCRIPTION OF COVERAGE- A detailed summary of the coverage included in the master policies shall be available for inspection by Unit Owners on request.

10.4. WAIVER OF SUBROGATION- The Board of Directors shall endeavor to obtain, if available and where applicable, insurance policies which provide that the insurer waives its rights to subrogation as to any claim against Unit Owners, the Association, or their respective servants, agents, or guests.

10.5. SHARES OF INSURANCE PROCEEDS- All proceeds of insurance policies purchased by the Association shall be payable to the Association. The duty of the Association shall be to receive such proceeds and hold and disburse them for the purposes stated herein in the following shares:

10.5.1. COMMON ELEMENTS- Proceeds on account of damage to Common Elements shall be held in as many undivided shares as there are Units, the shares of each Unit Owner being the same as Owner's share in the Common Elements.

10.5.2. UNITS- Proceeds on account of damage to Units shall be held in as many undivided shares as there are damaged Units, the share of each owner being in proportion to the cost of restoring the damage suffered by each such Unit.

10.5.3. MORTGAGEES- If a mortgagee endorsement has been issued as to a Unit, the shares of the mortgagee and the Unit Owner shall be as their interests may appear. In no event shall any mortgagee have the right to demand application of insurance proceeds to any mortgage or mortgages that it may hold against Units except to the extent that insurance proceeds exceed the actual costs of repair or restoration of the damaged improvements, and no mortgagee shall have any right to participate in determining whether improvements will be restored after casualty. The Association shall pay all policy deductible amounts on Association policies.

10.6. DISTRIBUTION OF INSURANCE PROCEEDS- Proceeds of insurance policies received by the Association shall be distributed for the benefit of the Unit Owners in the following manner:

10.6.1. COST OF RECONSTRUCTION OR REPAIR- If the damage for which the proceeds are paid is to be repaired or reconstructed by the Association, the proceeds shall first be paid to defray the costs thereof. Any proceeds remaining after defraying costs shall be retained by the Association.

10.6.2. FAILURE TO RECONSTRUCT OR REPAIR- If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds after expenses shall be distributed to the beneficial

owners. The remittances to Unit Owners and their mortgagees shall be payable jointly to them. This is a covenant for the benefit of mortgagees and may be enforced by them.

10.7. ASSOCIATION AS AGENT- The Association is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association.

11. RECONSTRUCTION OR REPAIR AFTER CASUALTY- If any part of the Condominium Property is damaged by casualty, whether and how it shall be reconstructed or repaired shall be determined as described herein.

11.1. DAMAGE TO UNITS- Where loss or damage is only to those parts of a Unit for which the responsibility of maintenance and repair is that of the Unit Owner, any Association insurance proceeds on account of the damage, less the deductible, shall be distributed to such contractors, suppliers, and personnel for work done, materials supplied, or services required for reconstruction or repair. Payments shall be in such amounts and at such times as the Unit Owners may direct. The owners of damaged Units shall be responsible for reconstruction and repair and shall bear the cost thereof, if any, in excess of the insurance proceeds.

11.2. DAMAGE TO COMMON ELEMENTS- LESS THAN "VERY SUBSTANTIAL"- Where loss or damage occurs to the Common Elements, but the loss is less than "very substantial", as hereinafter defined, it shall be mandatory for the Association to repair, restore, or rebuild the damage caused by the loss, and the following procedures shall apply:

11.2.1. ESTIMATES- The Board of Directors of the Association shall promptly obtain reliable and detailed estimates of the cost of reconstruction and repair, and shall negotiate and contract for the work.

11.2.2. INSURANCE INSUFFICIENT- If the net proceeds of insurance plus available reserves are insufficient to pay for the cost of reconstruction and repair of the Common Elements, the Association shall promptly, on determination of the deficiency, levy a special assessment against all Unit Owners. Such special assessments need not be approved by the Unit Owners. The special assessments shall be added to the proceeds available for reconstruction and repair of the property.

11.2.3. "VERY SUBSTANTIAL" DAMAGE- As used in this Declaration, the term "very substantial" damage shall mean loss or damage whereby three fourths or more of the total Units are rendered uninhabitable. Should such "very substantial" damage occur, then:

11.2.3.1. OWNERS' MEETING- A meeting of the Association shall be called by the Board of Directors to be held within a reasonable time after the casualty. A determination by the Board of Directors as to what is a reasonable time shall be conclusive. The purpose of the meeting shall be to determine the wishes of the membership with reference to reconstruction or termination of the Condominium, subject to the following:

11.2.3.1.1. INSURANCE SUFFICIENT- If the insurance proceeds and reserves available for reconstruction and repair are sufficient to cover the cost thereof, so that no special assessment is required, the Condominium Property shall be reconstructed or repaired unless the then applicable zoning or other regulatory laws will not allow reconstruction of the same number and general type of Units, in which case the Condominium shall be terminated pursuant to Paragraph 16.2.

11.2.3.1.2. INSURANCE INSUFFICIENT- If the insurance proceeds and reserves available for reconstruction and repair are not sufficient to cover

the cost thereof so that a special assessment will be required, then unless at least 67% of the voting interests of the Association vote in favor of such special assessment and against termination of the Condominium, it shall be terminated pursuant to Paragraph 16.2. If 67% of the voting interests of the Association approve the special assessment, the Association, through its Board, shall levy such assessment and shall proceed to negotiate and contract for such reconstruction and repairs. The special assessment shall be added to the proceeds of insurance and reserves available for reconstruction and repair of the property.

11.2.4. DISPUTES- If any dispute shall arise as to whether "very substantial" damage has occurred, a determination by the Board of Directors shall be binding on all Unit Owners.

11.3: APPLICATION OF INSURANCE PROCEEDS- It shall be presumed that the first monies disbursed for reconstruction and repair shall be from the insurance proceeds and they shall first be applied to reconstruction of the Common Elements and Association Property and then to the Units; if there is a balance in the funds held by the Association after the payment of all costs of reconstruction and repair, such balance shall be retained by the Association. However, if special assessments were made pursuant to Paragraph 11.2.3.1.2. hereof, then all or a part of the remaining money shall be returned to the Unit Owners paying said assessments pro rata, according to the amount each paid, up to the full amount each paid, and then to the Association.

11.4. EQUITABLE RELIEF- In the event of substantial damage to the Condominium Property, and if the property is not reconstructed or repaired within a reasonable period of time, any Unit Owner may petition a court for equitable relief, which may include a termination of the Condominium and a partition. For the purposes of this provision, it shall be conclusively presumed that reconstruction or repair has occurred within a reasonable period of time

if substantial work is commenced within such time following the damage or destruction as is determined by the Board of Directors to be reasonable and the work proceeds without intentional and unwarranted delay to completion.

11.5. PLANS AND SPECIFICATIONS- Any reconstruction or repairs must be substantially in accordance with the plans and specifications for the original buildings, or in lieu thereof, according to plans and specifications approved by the Board of Directors and by the owners of 67% of the voting interests of the Association.

12. USE RESTRICTIONS- The use of the property of the Condominium shall be in accordance with the rules and regulations attached hereto and incorporated herein as *Exhibit "E"* and the following provisions:

12.1. LAWFUL USE- All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies that require maintenance, modification, or repair on Condominium Property shall be the same as the responsibility for the repair and maintenance of the property as expressed earlier in this Declaration.

12.2. RULES AND REGULATIONS- The rules and regulations attached hereto as *Exhibit "E"* and made a part hereof by reference concerning the use of the Condominium Property including the Units may be amended from time to time by the Board of Directors. Copies of the regulations and amendments shall be furnished by the Association to all Unit Owners. No new or amended regulation may be enforced prior to distribution to the owners. Changes in the rules and regulations must be recorded in the public records.

12.3. USE AND OCCUPANCY OF THE UNITS AND RESTRICTIONS UPON THE COMMON ELEMENTS- All units within the Condominium shall be used for residential purposes only and shall be subject to the following Specific Use restrictions:

12.3.1. The Condominium Property is intended for residential use only, no commercial, professional or similar non-residential activity requiring either maintaining an inventory or customer/client visits may be conducted in a Unit upon the Condominium Property. The Association reserves the right to prohibit or control all peddling, soliciting, selling, delivery and vehicular traffic within the Condominium Property.

12.3.2. A sign showing the Unit Owner's name will be permitted in accordance with specifications to be set forth by the Association. No other signs or advertisements will be permitted on or about the Units, Limited Common Elements, or Common Elements without the express written consent of the Association. Lawn ornaments are prohibited.

12.3.3. Aerials, satellite reception dishes, and antennas of any kind are prohibited to the extent allowed by law.

12.3.4. No fence, barrier, wall or structure of any kind or nature shall be placed on the Condominium Property without prior written approval of the Association. Permission must be secured from the Association prior to the planting or removal of any trees or other shrubs which may affect the rights of adjacent Unit Owners. No tree with a trunk four (4) inches or more in diameter shall be removed or effectively removed through excessive injury without first obtaining permission from the Association.

12.3.5. Each Unit Owner shall use his Unit in such a manner as to allow his neighbors to enjoy the use of their property. Radios, record players, television, voices and other sounds are to be kept on a moderate level from 10:00 PM to one (1) hour before daylight.

12.3.6. Birds, fish, dogs and cats shall be permitted, with a maximum of two (2) pets per Unit. Each Owner shall be personally responsible for any damage caused to the Common Element by any such pet and shall be responsible to immediately remove and dispose of any excrement of such pet and shall be responsible to keep such pet on a leash. No other animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Unit, Limited Common Element, or Common Elements.

12.3.7. Disposal of garbage and trash will be only by use of receptacles approved by the Association. Specifically, all garbage will be contained in plastic bags prescribed by Association and kept within the Unit Owner's garage until placed curbside no earlier than the day before scheduled pick-up. In the alternative, the Association shall have the right to require that garbage be placed in a dumpster and not placed curbside. In either event, all garbage must be contained in fully closed and sealed plastic bags prescribed by the Association. Garbage and trash collection service shall be provided by Developer or a carrier selected by the Developer, and charges paid separately by each Owner. Owner agrees that garbage and trash service shall commence on the closing date the Owner purchases Owner's Unit. Owner acknowledges that garbage and trash services is provided, and the fee for such service is payable, on a year-round basis regardless of use or occupancy.

12.3.8. The Condominium Property is an adult community designed to provide housing for persons 55 years of age or older. All Units that are occupied must be occupied by at least one person who is at least fifty-five (55) years of age. No person under nineteen (19) years of age may be a permanent resident of a home, except that persons below the age of nineteen (19) years may be permitted to visit and temporarily reside for periods not exceeding thirty (30) days in total in any calendar year period. The Association in its sole discretion shall have the

right to establish hardship exceptions to permit individuals between the ages of nineteen (19) and fifty-five (55) to permanently reside in a home even though there is not a permanent resident in the home who is fifty-five (55) years of age or over, providing that said exceptions shall not be permitted in situations where the granting of a hardship exception would result in less than 80% of the Units in the Condominium Property having less than one resident fifty-five (55) years of age or older, it being the intent that at least 80% of the Units shall at all times have at least one resident fifty-five (55) years of age or older. The Association shall establish rules, regulations policies and procedures for the purpose of assuring that the foregoing required percentages of adult occupancy are maintained at all times. The Association or its designee shall have the sole and absolute authority to deny occupancy of a home by any person(s) who would thereby create a violation of the aforesaid percentages of adult occupancy. Permanent occupancy or residency may be further defined in the Rules and Regulations of the Condominium Property as may be promulgated by the Association or its designee from time to time. All residents shall certify from time to time as requested by the Developer, the names and dates of birth of all occupants of a home.

12.3.9. The hanging of clothes or clotheslines or poles is prohibited.

12.3.10. No outbuilding, tent, shack, garage, trailer, shed, utility building or temporary building of any kind shall be erected, except temporarily only for construction purposes.

12.3.11. The Association reserves the right to establish such other reasonable rules and regulations covering the utilization of the Units by the Owner(s) in order to maintain the aesthetic qualities of the Condominium, all of which apply equally to all of the parties in the Condominium and the rules and regulations shall take affect within five (5) days from the sending of a notice to an Owner(s).

12.3.12. Passenger vehicles, mini-trucks, vans, and motorcycles (used for personal transportation and not commercially) that do not exceed ¾ ton may be parked in the areas provided for that purpose with each parking area serving exclusively the unit which it abuts. Commercial vehicles, trucks, campers, motor homes, trailers, boats, and boat trailers are prohibited. Vehicle maintenance is not permitted on the Condominium Property. All vehicles must be currently licensed and no inoperable or unsightly vehicles may be kept on Condominium Property. The Developer is exempt from this regulation for vehicles engaged in any activity relating to construction, maintenance, or marketing of units, as are commercial vehicles used by vendors of the Association while engaged in work at the Condominium.

12.3.13. To maintain harmony of exterior appearance, no one will make any changes to, place anything on, affix anything to, or exhibit anything, except for a United States Flag respectfully displayed, from any part of the Condominium Property that is visible from the exterior of a building, Limited Common Elements, or Common Elements without the prior written consent of the Directors. All curtains, shades, drapes, and blinds will be white or off-white in color or lined with material of these colors. Balcony tile and floor covering colors must be approved by the Board of Directors.

12.3.14. Nothing will be done or kept in any Unit or in the Common Elements that will increase the rate of insurance on the building or contents of the building without the prior written consent of the Directors. No Owner will permit anything to be done or kept in the Owner's Unit or in the Common Elements that will result in the cancellation of insurance on the building or the contents of the building, or that would be in violation of any law or building code.

12.3.15. Individual mailboxes may not be located upon a Unit. All mailboxes for the Units are located together approximately one hundred feet from the Condominium

Property in the adjacent public right of way. These mailboxes are provided by the U.S. Postal Service at no cost to Owner, however, those boxes shall be housed by Developer at a one time lifetime charge to Owner of \$100.00 per box. If title to a Unit is transferred, a new charge shall be made to the new Owner. The mailbox fee may be increased in the same percentages and manner as increases in Amenities Fee.

12.4. ACCESS TO UNITS- The Association has an irrevocable right of access to the Units during reasonable hours when necessary for the purpose of maintenance, repair, and replacement of the Common Elements or of any portion of a Unit to be maintained by the Association pursuant to this Declaration or for making emergency repairs that are necessary to prevent damage to the Common Elements or to another Unit or Units. The owner of a Unit has a right of access to any adjoining Unit as and if it is reasonably necessary in order to maintain, repair, or replace parts of the owner's Unit. The right of access to a Unit shall be exercised after reasonable notice to the Unit Owner, unless such notice is not possible or practical under the circumstances, and with due respect for the occupants' rights to privacy and freedom from unreasonable annoyance, with reasonable precautions to protect the personal property within the Unit. The Association requires and shall retain a passkey to all Units. No Unit Owner shall install or alter any lock that prevents access while the Unit is unoccupied without providing the Association with a key.

12.5. PARKING- Each Unit shall always have the exclusive use of the parking spaces within the Units garages, together with the adjoining paved driveway area.

12.6. PARKING SPACES-EXCLUSIVE USE- The exclusive right to use a Limited Common Element is an appurtenance to the Unit said Limited Common Element abuts or to which it is designated or reserved. If, after all of the Units have been sold, the exclusive use of any assignable Limited Common Element was not, for any reason, assigned to the use of a specific Unit

or Units by the Developer, the Association may do so. The right of exclusive use of each Limited Common Element passes with the Unit it abuts or to which it is reserved, whether or not separately described, and cannot be separated from it.

12.7. EXCLUSIVE USE - COMMON FACILITIES- The Association may lease to Unit Owners for appropriate temporary periods of time those portions of the Common Elements rationally appropriate and desirable for exclusive use (for example, but not by way of limitation social rooms and card rooms).

12.8. NUISANCES PROHIBITED- No person shall engage in any practice, exhibit any behavior, nor permit any condition to exist that will constitute a nuisance or become a reasonable source of annoyance or disturbance to any occupant of the Condominium.

13. LEASE, CONVEYANCE, DISPOSITION- The purpose and object of this paragraph is to maintain a quiet, tranquil, non-transient, and single-family oriented atmosphere with the residents living in compatible coexistence with other financially responsible persons who are of like mind and acceptable both in character and comportment. This objective is considered to be both important and justified because of the necessity of sharing facilities and because of the large personal financial investment of each owner. Therefore, the lease, conveyance, disposal, and financing of the Units by owners (subject to the exceptions provided in Paragraph 18.1) shall be subject to the following provisions:

13.1. ASSOCIATION APPROVAL REQUIRED- Except for Developer sales, no Unit Owner may sell, lease, give, or otherwise transfer ownership of a Unit or any interest therein in any manner without the prior written approval of the Association. The approval shall be a written instrument in recordable form (except for leases) which shall include, without limitation, the nature of the transfer (sale, lease, etc.), the parties to the transaction (sellers, purchasers, etc.), the Unit

Number, the name of the Condominium, and the Official Record Book (O. R. Book) and Page numbers in which this Declaration was originally recorded. For all Unit transfers of title other than from the Developer, the approval must be recorded simultaneously in the Lake County, Florida Public Records with the deed or other instrument transferring title to the Unit.

13.1.1. DEVISE OR INHERITANCE- If any Unit Owner shall acquire title by devise or inheritance or in any other manner not heretofore considered, the continuance of ownership shall be subject to the approval of the Association. Such Unit Owner shall give the Association notice of the title acquisition together with such additional information concerning the Unit Owner as the Association may reasonably require, together with a copy of the instrument evidencing the owner's title, and if such notice is not given, the Association, at any time after receiving knowledge of such transfer, may approve or disapprove the transfer of ownership.

13.1.2. LEASES- Approvals of leases need not be recorded. Only entire Units may be leased. All leases must provide, and if they do not, shall be deemed to provide, the agreement of the lessee(s) to abide by all of the covenants and restrictions and Rules and Regulations of the Condominium and Association documents and that a violation of any said documents is a material breach of the lease and is grounds for damages, termination, and eviction, and that the lessee and the Unit Owner agree that the Association may proceed directly against such lessee(s) and that the lessee(s) shall be responsible for the Association's costs and expenses, including attorneys' fees, at all trial and appellate levels. If such costs and fees are not immediately paid by the lessee(s), the Unit Owner shall pay them and such funds shall be secured as a charge. Each Unit Owner irrevocably appoints the Association as owner's agent, authorized to bring actions in Unit Owner's name and at Unit Owner's expense including injunction, damages, termination, and

eviction. The rules and regulations must be provided to the lessee(s) by or on the behalf of the Unit Owner at or before the commencement of the lease term.

13.1.3. MULTIPLE OWNERS- Consistent with Paragraph 13 above, de facto time sharing of Units is not permitted and approval will not be given for the sale of a Unit or an interest in a Unit to multiple persons (e.g., siblings or business associates), who may intend that they and their families would split occupancy of the Unit into different time periods during the year.

13.2. APPROVAL PROCEDURE- The approval of the Association shall be obtained as follows:

13.2.1. WRITTEN NOTICE- Not later than fifteen (15) days before the transfer of ownership occurs, or the first day of occupancy under a lease, legal written notice shall be given the Association by the owner of their intention to sell or transfer interest in any fashion. The notice shall include the name and address of the proposed acquirer and a correct and complete copy of the proposed documents to be executed to effectuate the transaction. The Association may require such other and further information as it deems reasonably necessary and may impose a transfer fee not to exceed \$100 or as permitted by law from time to time.

13.2.2. ASSOCIATION'S OPTIONS- The Association must, within 15 days after receipt of all the information required above, either approve the transfer, disapprove it for cause, or, except in the case of disapproval for cause, on the written demand of the owner, furnish an alternate purchaser it approves or the Association may itself elect to purchase, and the owner must sell to such alternate or to the Association on the same terms set forth in the proposal given the Association or the owner may withdraw the proposed sale. In exercising its power of disapproval the Association must act in a manner that is neither arbitrary nor unlawfully discriminatory and withhold approval only for a reason or reasons rationally related to the protection,

preservation, and proper operation of the Condominium and the purposes as set forth at the beginning of this Paragraph 13. If the Association fails or refuses within the allotted time to notify the Unit Owner of either approval or disapproval in writing, or if it fails to provide an alternate purchaser or make an election to purchase the Unit itself when required to do so, then the Association shall conclusively be presumed to have approved the transaction, and the Association shall, on demand, provide a recordable certificate of approval.

13.2.3. CLOSING DATE- The sale shall be closed within 60 days after an alternate purchaser has been furnished or the Association has elected to purchase.

13.2.4. NOTICE OF DISAPPROVAL- If the Association disapproves the proposed transaction (subject to the qualifications contained in Paragraph 13.2.2.), notice of disapproval shall promptly be sent in writing to the owner or interest holder, and the transaction shall not be made. The Association need not approve any sale, transfer, or lease until such time as all unpaid assessments and all court costs and attorneys' fees (if any) incurred by the Association and due and owing for the Unit have been paid.

13.3. JUDICIAL SALES- Judicial sales are exempt from this section.

13.4. UNAPPROVED TRANSACTIONS- Any transaction that is not approved pursuant to the terms of this Declaration shall be void unless subsequently approved by the Association.

14. COMPLIANCE AND DEFAULT- Each Unit Owner, tenant, and other invitee shall be governed by, and shall comply with, the provisions of the Condominium Act as amended from time to time, this Declaration, including its exhibits, the Association Articles of Incorporation, and the Association Bylaws.

14.1. REMEDIES- Failure to comply shall be grounds for relief, which relief may include, but shall not be limited to, an action to recover damages, or injunctive relief, or both. Actions may be maintained by the Association or by any Unit Owner.

14.2. COSTS AND FEES- In any such proceeding, including appeals, the prevailing party shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees.

14.3. OWNER INQUIRES- When a Unit Owner files a written inquiry by certified mail with the Board of Directors, the Board shall respond in writing to the Unit Owner within 30 days of receipt of the inquiry. The Board's response shall either (a) give a substantive response, (b) notify the inquirer that a legal opinion has been requested, or (c) notify the inquirer that advice has been requested from the Division of Land Sales, Condominiums, and Mobile Homes. If advice has been requested from the Division of Land Sales, Condominiums, and Mobile Homes, the Board shall provide a written substantive response to the inquirer within 10 days of receipt of the advice. If a legal opinion is requested, the Board shall provide a written substantive response to the inquirer within 60 days of receipt of the inquiry. The failure to provide a substantive response as set forth above precludes the Association from recovering attorneys' fees and costs in any subsequent litigation, administrative proceedings, or arbitration arising out of the complaint. If unresolved, a dispute, as defined in *F.S. 718.1255(1)*, must be arbitrated in mandatory nonbinding arbitration proceedings prior to commencement of litigation. The Board of Directors may adopt reasonable rules and regulations governing the frequency and manner of responding to Unit Owner inquiries, including a limit of one Unit Owner inquiry in any 30-day period.

14.4. NO WAIVER OF RIGHTS- The failure of the Association or any owner to enforce any covenant, restriction, or other provision of the condominium documents shall not constitute a waiver of the right to do so thereafter as to subsequent or other instances.

15. **AMENDMENTS-** Amendments to any of the condominium documents shall be in accordance with the following:

15.1. **REQUIREMENTS-** An amendment may be proposed either by the Board of Directors or by 25% of the voting interests of the Association, and may be considered at any meeting of the owners, regular or special, of which due notice has been given according to the Bylaws, which notice includes notice of the substance of the proposed amendment. Passage shall be evidenced by a certificate executed in recordable form signed by the President or Vice-President of the Association that it has been enacted by the affirmative vote of the required percentage of the voting interests present at the meeting and the separate written joinder of Developer and mortgagees, where required, and shall include the recording date (identifying the location of the Declaration as originally recorded) and which shall become effective when recorded in the public records.

15.2. **CORRECTORY AMENDMENT -** If it appears that through a drafters error in the Declaration that the Common Elements, Common Expenses, or Common Surplus has been stated or distributed improperly, an amendment to the Declaration correcting that error may be approved by the Board of Directors.

15.3. **REGULAR AMENDMENTS -** Amendments, except for those permitting timeshare estates to be created in a Unit, may be enacted by a favorable vote of the owners of 67% of the voting interests in the Association. Amendments permitting timeshare estates to be created in a Unit may be enacted by a favorable vote of all Unit Owners and all owners and holders of liens on any Units.

15.4. **MERGER AMENDMENT-** In the event that this Condominium should desire to merge with one or more other Condominiums it may do so on the affirmative vote of 75% of the voting interests in this Condominium and the approval of all record owners of liens.

15.5 DEVELOPER AMENDMENTS- Until relinquishment of control of the Association by Developer (turnover) and except as otherwise provided by law in *F.S.* 718.110(2) and 718.110(4), the Developer specifically reserves the right, without the joinder of any person, to make such amendments to the Declaration and its exhibits, or to the plan of development, as may be required by any lender or governmental authority, or as may be, in developer's judgment, necessary or desirable. This paragraph shall take precedence over any other provision of the Declaration or its exhibits.

15.6. MORTGAGEE APPROVAL- Amendments materially affecting the rights or interests of mortgagees must have the approval of the holders of Institutional First Mortgages of record representing 51% of the Units subject to such mortgages who have requested that the Association notify them of any proposed action specified in this paragraph. Such approval of the holders of Institutional First Mortgages shall not be unreasonably withheld. Implied approval shall be assumed when such holder fails to respond to any written request for approval within 30 days after the mortgage holder receives proper notice of the proposal, provided the notice was delivered certified or registered mail with a "Return Receipt" requested. In the event that mortgagee consent is provided other than by properly recorded joinder, such consent shall be evidenced by affidavit of the Association and recorded in the Public Records of Lake County, Florida. A change to any of the following shall be considered as material:

- Any change in the proportion or percentage by which the owner of the Unit shares the Common Expenses and owns the Common Surplus
- Reallocation of interests or use rights in the Common Elements
- Redefinition of any Unit boundaries
- Convertibility of Units into Common Elements or vice versa
- Expansion or contraction of the Condominium

15.7. DEVELOPER'S RIGHTS- No amendment to this Declaration or any of the Condominium documents shall change the rights and privileges of the Developer without the Developer's written approval as long as the Developer holds any Units for sale in the ordinary course of business.

15.8. WRITTEN AGREEMENTS- Any approval of Unit Owners on any matter called for by this Declaration, its exhibits, or any statute to be taken at a meeting of Unit Owners is hereby expressly allowed to be taken instead by written agreement, without a meeting (which agreement may be in counterparts), subject to *F.S. 718.112(2)(d)4* and *F.S. 617.0701*.

15.9. AMENDMENTS REQUIRING DEVELOPER APPROVAL- In addition to the preceding requirements, Developer must join and execute a certificate or document which proposes to alter, amend, or change in any way paragraph 4. and any subparagraphs thereto, paragraph 6. and any subparagraphs thereto, paragraph 7.2., paragraph 7.3., paragraph 11 and any subparagraphs thereto, paragraph 12. and any subparagraphs thereto, paragraph 15. and any subparagraphs thereto, paragraph 16 and any subparagraphs thereto, or paragraph 26. and any subparagraphs thereto to of this Declaration. Should Developer not join and execute a certificate or other document which proposes to alter, amend, or change any of the above referenced paragraphs, then said certificate or document is ineffective and the proposed changes are not binding or enforceable.

16. TERMINATION- Except for termination in connection with a merger of this Condominium with another, as provided for in Paragraph 15.4. above, the termination of the Condominium shall be carried out in accordance with the following:

16.1. BY AGREEMENT- The Condominium may be caused to be terminated at any time by written agreement of the owners of at least three fourths of the Units, and of the holders of institutional first mortgages as provided for in Paragraph 15.6. above.

16.2. WITHOUT AGREEMENT, ON ACCOUNT OF VERY SUBSTANTIAL DAMAGE- If the Condominium suffers "very substantial damage" to the extent defined above in Paragraph 11.2.3., and it is not decided as therein provided that the Condominium will be reconstructed or repaired, the condominium form of ownership of the property in this Condominium will be terminated.

16.3. PROCESS OF TERMINATION- Termination of the Condominium occurs when a Certificate of Termination meeting the requirements of this paragraph is recorded in the Public Records of Lake County, Florida.

16.3.1. The termination of the Condominium by either of the foregoing methods shall be evidenced by a Certificate of Termination, executed by the President or Vice-President with the formalities of a deed, and certifying as to the facts effecting the termination. The Certificate also shall include the name and address of a Florida financial institution with trust powers or a licensed Florida attorney who is designated by the Association to act as Termination Trustee, and shall be signed by the Trustee indicating willingness to serve in that capacity.

16.3.2. The recording of that Certificate of Termination automatically divests the Association of title to all Association Property, and divests all Unit Owners of legal title to their respective Condominium Parcels, and vests legal title in the Termination Trustee named in the Certificate of Termination, to all real and personal property that was formerly the Condominium Property or Association Property, without need for further conveyance. Beneficial title to the former Condominium and Association Property shall be transferred to the former Unit Owners as tenants

in common, in the same undivided shares as each owner previously owned in the Common Elements, without further conveyance. Each lien encumbering a Condominium parcel shall be automatically transferred to the equitable interest in the former Condominium Property and Association Property attributable to the Unit encumbered by the lien, with the same priority.

16.4. WINDING UP OF ASSOCIATION AFFAIRS- The termination of the Condominium does not, by itself, terminate the Association. The former Unit Owners and their successors and assigns shall continue to be members of the Association, and the members of the Board of Directors and the officers of the Association shall continue to have the powers granted in this Declaration, and in the Articles of Incorporation and Bylaws, to the extent necessary to, and for the sole purpose of, winding up the affairs of the Association in accordance with this paragraph.

16.5. TRUSTEE'S POWERS AND DUTIES- The Termination Trustee shall hold legal title to the property for the benefit of the former Unit Owners and their successors, assigns, heirs, devisees, mortgagees, and other lienholders, as their interests shall appear. If the former Unit Owners approve a sale of the property as provided in this paragraph, the Termination Trustee shall have the power and authority to convey title to the purchaser, and to distribute the proceeds in accordance with the provisions of this paragraph. The Termination Trustee may charge a reasonable fee for acting in such capacity, and such fee as well as all costs and expenses incurred by the Termination Trustee in the performance of its duties, shall be paid by the Association or taken from the proceeds of the sale of the former Condominium and Association Property, and shall constitute a lien on the property superior to any other lien. The Trustee shall be entitled to indemnification by the Association from any and all liabilities and costs incurred by virtue of acting as Termination Trustee unless such liabilities are the result of gross negligence or malfeasance. The Termination Trustee may rely on the written instructions and information provided to it by the officers, directors,

and agents of the Association, and shall not be required to inquire beyond such information and instructions.

16.6. PARTITION; SALE- Following termination, the former Condominium Property and Association Property may be partitioned and sold on the application of any Unit Owner. If following a termination at least 75% of the voting interests agree to accept an offer for the sale of the property, the Board of Directors shall notify the Termination Trustee, and the Trustee shall complete the transaction. In that event, any action for partition of the property shall be held in abeyance pending the sale, and on the consummation of the sale shall be discontinued by all parties thereto. If the Unit Owners have not authorized a sale of the former Condominium and Association Property within one year after the recording of the Certificate of Termination, the Trustee may proceed to sell the property without agreement by the Association or the former Unit Owners. The net proceeds of the sale of any of the property or assets of the Association shall be distributed by the Termination Trustee to the beneficial owners thereof, as their interests shall appear.

16.7. NEW CONDOMINIUM- The termination of the Condominium does not bar creation of another Condominium including all or any portion of the property.

16.8. PROVISIONS SURVIVE TERMINATION- The provisions of this Paragraph 16 are covenants running with the land, and shall survive the termination of the Condominium until all matters covered by those provisions have been completed. The Board of Directors shall continue to function in accordance with the Bylaws and Articles of Incorporation, and shall have the power to levy assessments to pay the costs and expenses of the Trustee and of maintaining the property until it is sold. The costs of termination, the fees and expenses of the Termination Trustee, as well as post-termination costs of maintaining the former Condominium Property, are Common Expenses, the payment of which shall be secured by a lien on the beneficial interest owned by each former Unit

Owner, which to the maximum extent permitted by law, shall be superior to, and take priority over, all other liens.

17. PROVISIONS PERTAINING TO THE DEVELOPER- As long as the Developer holds any Unit for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

17.1. Assessment of the Developer as a Unit Owner for capital improvements.

17.2. Any action by the Association that would be detrimental to the sale of Units or the completion of the project by the Developer, including such use of unsold Units and Common Elements and Association Property as may facilitate completion, sale, maintenance of a sales office, showing of the property, and display of signs. Notwithstanding, Developer shall pay common expenses incurred, during such period, which exceed regular periodic assessments against other Unit Owners.

17.3. Assessment of the Developer for those unsold Units owned by the Developer. The period during which this exception to assessments shall remain in effect shall terminate on the first day of the fourth calendar month following the month in which the first closing occurs of a purchase contract for a Unit.

18. RIGHTS OF MORTGAGEES.

18.1. PARTIAL EXCUSAL FROM PRIOR ASSESSMENTS- A first mortgagee who acquires title to a Unit by purchase at a foreclosure sale or by deed in lieu of foreclosure is liable for the unpaid assessments that became due prior to the mortgagee's receipt of the deed, but in no event shall the mortgagee be liable for more than six months of the Unit's unpaid Common Expenses or assessments accrued before the acquisition of the title to the Unit by the mortgagee or 1% of the original mortgage debt, whichever amount is less. This provision shall not apply unless the first

mortgagee joined the Association as a defendant in the foreclosure action. Such mortgagee may obtain title, own, occupy, lease, sell, or otherwise dispose of such Unit without the approval of the Association. This paragraph shall be deemed amended so as to remain in conformity with the provisions of *F.S. 718.116* as it is amended from time to time.

18.2. RIGHTS TO INFORMATION- On receipt by the Association from any institutional mortgagee, guarantor, or insurer of a copy of the mortgage held by such mortgagee, guarantor, or insurer on a Unit, together with a written request from such mortgagee or an insurer or guarantor of such mortgagee specifying the address to which the following items are to be sent, the Association shall timely send to such mortgagee, insurer, or guarantor the following, for which the Association may charge a reasonable fee:

18.2.1. FINANCIAL STATEMENTS- A copy of a financial statement of the Association for the immediately preceding fiscal year; and

18.2.2. INSURANCE CANCELLATION- Written notice of the cancellation or termination by the Association of any policies of insurance covering the Condominium or Association Property or any improvements thereon, or any fidelity bonds of the Association except when the reason for the termination or cancellation of the insurance policy or bond is to change insurance companies or because the policy or bond is not needed or is not available; and

18.2.3. DAMAGE TO CONDOMINIUM- Written notice of any damage or destruction to the improvements located on the Common Elements or Association Property that affects a material portion of the Common Elements or Association Property or the Unit securing its mortgage; and

18.2.4. EMINENT DOMAIN- Written notice of a condemnation or eminent domain proceeding affecting a material portion of the Condominium Property or the Unit securing its mortgage; and

18.2.5. DELINQUENT ASSESSMENTS- Written notice of failure by the owner of a Unit encumbered by a first mortgage held by such institutional mortgagee, guarantor, or insurer to pay any assessments when such failure or delinquency has continued for a period of 60 days or longer.

18.2.6. FAILURE TO NOTIFY- The failure of the Association to send any such notice to any such mortgagee, guarantor, or insurer shall have no effect on any meeting, action, or thing that was to have been the subject of such notice nor affect the validity thereof and shall not be the basis for liability on the part of the Association.

19. ENFORCEMENT OF ASSESSMENT LIENS- Liens for assessments may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property and the Association also may bring an action to recover a money judgment. After a judgment of foreclosure has been entered, the Unit Owner during occupancy, if so ordered by the Court, shall be required to pay a reasonable rental. If the Unit is rented or leased during the pendency of a foreclosure action, the Association shall be entitled to the appointment of a receiver to collect the rent. The Association shall have all the powers provided in *F.S. 718.116* and shall be entitled to collect interest at the highest lawful rate (currently 18% per annum) on unpaid assessments and reasonable attorneys' fees, including appeals, and costs incident to the collection of such assessment or enforcement of such lien, with or without suit.

19.1. CREATION AND ENFORCEMENT OF CHARGES- The Association shall have a cause of action against Unit Owners to secure payment to the Association by Unit Owners

of all Charges, Special Charges, costs, and expenses to the Association that cannot be secured as assessments, regular or special, under *F.S.* 718.116. The charge shall bear interest at the highest lawful rate, and shall carry with it costs and attorneys' fees, including appeals, incurred in collection.

20. ASSOCIATION AGREEMENTS- The Association is authorized to enter into agreements to acquire leaseholds, memberships, and other possessory or use interests in lands or facilities such as country clubs, golf courses, marinas, and other facilities. Such interests need not be contiguous to the lands of the Condominium if they are intended to provide enjoyment, recreation, or other use or benefit to the Unit Owners. The Association also is authorized to enter into agreements to acquire leaseholds, memberships, and other possessory or use interests in lands or facilities such as country clubs, golf courses, marinas, and other facilities. Such interests need not be contiguous to the lands of the Condominium if they are intended to provide enjoyment, recreation, or other use or benefit to the Unit Owners.

21. COMMON EXPENSES AND COMMON SURPLUS- Each Unit Owner's share of the Common Expenses and Common Surplus shall be one thirty-eighth (1/38) of the whole, based upon each Unit Owner's undivided share of the Common Elements.

22. CONDEMNATION:

22.1. "Deposit of Awards with Association"- The taking of all or any part of the Condominium Property by condemnation or eminent domain shall be deemed to be a casualty to the portion taken and the awards for that taking shall be deemed to be proceeds from insurance on account of the casualty. Even though the awards may be payable to Unit Owners, the Unit Owners shall deposit the awards with the Association; and if any fail to do so, a special charge shall be made against a defaulting Unit Owner in the amount of his award, or the amount of that award shall be set off against any sums payable to that owner.

22.2. DETERMINATION WHETHER TO CONTINUE CONDOMINIUM-

Whether the Condominium will be continued after condemnation will be determined in the manner provided in Paragraph 11 above for determining whether damaged property will be reconstructed and repaired after a casualty.

22.3. DISBURSEMENT OF FUNDS- If the Condominium is terminated after condemnation, the proceeds of all awards and special assessments will be deemed to be Condominium Property and shall be owned and distributed in the manner provided for insurance proceeds when the Condominium is terminated after a casualty. If the Condominium is not terminated after condemnation, the size of the Condominium will be reduced, the owners of condemned Units, if any, will be made whole, and any property damaged by the taking will be made usable in the manner provided below. Proceeds of awards and special charges shall be used for these purposes and shall be disbursed in the manner provided for disbursements of funds after a casualty.

22.4. ASSOCIATION AS AGENT- The Association is hereby irrevocably appointed as each Unit Owner's attorney-in-fact for purposes of negotiating or litigating with the condemning authority for the purpose of realizing just compensation for the taking.

22.5. UNITS REDUCED BUT TENANTABLE- If the taking reduces the size of a Unit and the remaining portion of the Unit can be made tenantable, the awards for the taking of a portion of that Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

22.5.1. RESTORATION OF UNIT- The Unit shall be made tenantable. If the cost of the restoration exceeds the amount of the award, the additional funds required shall be paid by the Unit Owner;

22.5.2. DISTRIBUTION OF SURPLUS- The balance of the award, if any, shall be distributed to the Unit Owner and to each mortgagee of the Unit, the remittance being made payable jointly to the Unit Owner and mortgagees.

22.6. UNIT MADE UNTENANTABLE- If the taking is of any entire Unit or so reduces the size of a Unit that it cannot be made tenantable, the award for the taking of the Unit shall be used for the following purposes in the order stated, and the following changes shall be effected in the Condominium:

22.6.1. ~~-----~~ PAYMENT OF AWARD- The fair market value of the Unit immediately prior to the taking, as determined by agreement between the Unit Owner and the Association or by arbitration in accordance with Paragraph 22.6.4., shall be paid to the Unit Owner and to each mortgagee of the Unit, the remittance being made payable jointly to the owner and the mortgagee(s);

22.6.2. ADDITION TO COMMON ELEMENTS- If possible and practical, the remaining portion of the Unit shall become a part of the Common Elements and shall be placed in condition for use by all Unit Owners in the manner approved by the Board of Directors;

22.6.3. ADJUSTMENT OF SHARES IN COMMON ELEMENTS- The shares in the Common Elements appurtenant to the Units that continue as part of the Condominium shall be adjusted to distribute the ownership of the Common Elements equally among the reduced number of Unit Owners.

22.6.4. ARBITRATION- If the fair market value of a Unit prior to the taking cannot be determined by agreement between the Unit Owner and the Association within 30 days after notice by either party, the value shall be determined by appraisal in accordance with the following. The Unit Owner, the first mortgagee, if any, and the Association shall each appoint one

M.A.I. appraiser, who shall appraise the Unit and shall determine the fair market value by computing the arithmetic average of their appraisals of the Unit. A judgment of specific performance on the value arrived at by the appraisers may be entered in any court of competent jurisdiction. The cost of appraisals shall be paid by the party selecting the appraiser.

22.7. TAKING OF COMMON ELEMENTS- Awards for the taking of Common Elements shall be used to make the remaining portion of the Common Elements usable in the manner approved by the Board of Directors. The balance of such awards, if any, shall be distributed to the Unit Owners in the shares in which they own the Common Elements after adjustment of these shares on account of the condemnation. If a Unit is mortgaged, the remittance shall be paid jointly to the owner and mortgagee(s) of the Unit.

22.8. AMENDMENT OF DECLARATION- Changes in the Units, in the Common Elements, and in the ownership of the Common Elements that are necessitated by condemnation shall be evidenced by an amendment of the Declaration of Condominium as ordered by a court or approved by a majority of Unit Owners (voting interests) of this Condominium, without the consent of any mortgagee being required for any such amendment.

23. VOTING- Each Unit shall have one full indivisible vote in all matters.

24. FUTURE DEVELOPMENT EASEMENTS- Developer, for itself and its successors and assigns, reserves easements over the Condominium Property as necessary to complete future development, if any, including construction access and utilities.

25. ASSOCIATION MANAGEMENT FEES. In addition to other fees described herein, the Association reserves the right to assess Unit Owners for any and all management fees and costs associated with the management of Condominium Property or any activities related thereto as well as all management fees and costs associated with Fiscal Management of the Association. Said

Management Fee shall be payable by Unit Owner in accordance with those provisions contained herein governing the payment of Assessments.

26. THE VILLAGES AMENITIES. Each Unit Owner hereby agrees to pay to Developer or its designee a monthly Amenities Fee against each Unit for the benefit and use of the recreational and other amenities of The Villages. Each Unit Owner together with Unit Owner's heirs, successors and assigns, agree to take title subject to and be bound by, and pay the charge set forth herein and acceptance of the deed shall further signify approval of said charge as being reasonable and fair, taking into consideration the nature of Developer's project, Developer's investment in the recreational area, and in view of all the other benefits to be derived by the Unit Owners as provided herein. A description of the facilities available pursuant to the payment of the Amenity Fee is included in the attached *Exhibit "F"* along with the description of the facilities' location, the number of people who will use the facilities, and each facilities ownership and maintenance arrangements.

26.1 INITIAL AMOUNT OF AMENITIES FEE. The initial monthly amount of the Unit Owner's Amenities Fee shall be as set forth in such Unit Owner's Deed. The Amenities Fee set forth is limited to the Unit Owner named therein.

26.2 SUBSEQUENT PURCHASERS OF THE UNIT. In the event the Unit Owner(s) transfers, assigns or in any way conveys their interest in and to the Unit, the new Unit Owner(s) shall be obligated to pay the prevalent Amenities Fee sum that is then in force and effect for new Owner(s) of units or lots in the most recent addition or Unit of The Villages.

26.3 ADJUSTMENTS IN THE AMENITIES FEE. The Amenity Fee on November 1, 2005 was \$119.00 per month. The amount of the Amenity Fee shall increase every third anniversary of this date by three percent (3.0%) of the Amenity Fee previously applicable to Unit Owners.

26.4 NATURE OF THE AMENITIES FEE. The monthly charges shall be paid to the Developer or its designate each month to insure the provision of the services being paid for. The monthly charges for services described in this section shall be due and payable to Developer and said charges once in effect will continue month to month whether or not said Unit is vacant.

26.5 AMENITIES FEE SECURED BY LIEN. Each Unit Owner does hereby give and grant unto Developer a continuing lien in the nature of a Mortgage upon the Lot of the Owner superior to all other liens and encumbrances, except any Institutional First Mortgage and Association Assessments. This lien shall secure the payment of all monies due Developer hereunder and may be foreclosed in a court of equity in the manner provided for the foreclosures of mortgages. In any such action or any other action to enforce the provision of this lien, including appeals, Developer shall be entitled to recover attorney's fees incurred by it, abstract bills and court costs.

26.6 NO OWNERSHIP OF AMENITIES FACILITIES. Purchasers of Units further agree, by the acceptance of their deeds and the payment of the purchase price therefor, acknowledge that the purchase price was solely for the purchase of their Unit or Units, and that the Unit Owners, their heirs, successors and assigns, do not have any right, title or claim or interest in and to the recreational, or security areas or facilities contained therein or appurtenant thereto, by reason of the purchase of their respective Unit, it being specifically agreed that Developer, its successors and assigns, is the sole and exclusive Owner of the areas and facilities, and the Amenities Fee is a fee for services and is in no way adjusted according to the cost of providing those services.

27. SEVERABILITY AND NONWAIVER- If any provision of this Declaration or its exhibits as now constituted or as later amended or any paragraph, sentence, clause, phrase, or word, or the application thereof in any circumstances, is held invalid, the validity of the remainder and of the application of any such provision, section, sentence, clause, phrase, or word in other

circumstances shall not be affected thereby. The failure of the Association in any instance to enforce any covenant or provision of this Declaration or any of the Condominium documents shall not constitute a waiver of its right to do so thereafter in other instances.

THIS DECLARATION OF CONDOMINIUM and exhibits hereto made and entered into this
27th day of January, 2006.

WITNESSES:

Print Name: Vicki C. Suber

Print Name: Karen Duncan

THE VILLAGES OF LAKE-SUMTER, INC.,
a Florida corporation

By: Martin L. Dzuro

Martin L. Dzuro, Vice President
1020 Lake Sumter Landing
The Villages, Florida 32162

STATE OF FLORIDA
COUNTY OF SUMTER

The foregoing instrument was acknowledged before me this 27th day of January, 2006, by
Martin L. Dzuro, as Vice President of and on behalf of THE VILLAGES OF LAKE-SUMTER,
INC., a Florida corporation, who is personally known to me.

Sworn to before me on Jan. 27, 2006.

Vicki C. Suber
NOTARY PUBLIC (signature)

Print Name _____

Commission Number _____

Commission Expires _____



Vicki C. Suber
Commission # DD493288
Expires September 22, 2007
Bonded Troy Fan - Insurance, Inc. 800-311-7018