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This Instrument Prepared By
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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
LAKE JAMES**

THIS IS A DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS, made this 29th day of March, 2005, by STEPHENSON LAND COMPANY, INC., a Florida corporation ("Declarant") for itself and its successors, grantees, and assigns.

RECITALS

WHEREAS, Declarant owns certain real property located in Polk County, Florida, and intends to create thereon a development of single-family homes and other common facilities and amenities to be known as Lake James, and may be sometimes herein referred to as the Development;

WHEREAS, the real property which is intended to be developed as Lake James (the "Land") is described in **Exhibit "A"** attached to this Declaration;

WHEREAS, to preserve, protect and enhance the values of the Land and amenities in the Development, and the general health, safety and welfare of the residents, and to provide for certain maintenance, Declarant deems it desirable to subject the Development to certain protective covenants, conditions, and restrictions;

WHEREAS, to provide a means for meeting the purpose and intents herein set forth, Lake James Homeowners Association, Inc., a Florida not for profit corporation (the "Association") has been incorporated; and

WHEREAS, Declarant shall, in its sole and absolute discretion, from time to time, convey, lease or grant a license or other use right to any portion of the Land within or other property outside of the Development by deed, easement, or otherwise to the Association (which shall accept such conveyance, license or grant) for the purpose of maintenance, landscaping, drainage, recreation or other purposes for the use and benefit of the members and their families, tenants and guests.

NOW, THEREFORE, the Declarant, hereby declares that the Land described in Exhibit "A" attached hereto, as such description may be amended from time to time, is and shall be owned, used, sold, conveyed, encumbered, demised and occupied subject to the provisions of this Declaration, which shall run with the Land and be binding on all parties having any right, title or interest in the Land or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner (defined hereinafter) thereof. Declarant may include additional property by amending Exhibit "A" from time to time, provided such is consented to or joined into by the Declarant and all persons having a record ownership interest in the property being added. Nothing herein contained, and no violation of these covenants, conditions and restrictions shall invalidate or impair the lien of any mortgage or deed of trust given. It is the intent of Declarant that the substantive contract rights created hereunder shall not be retroactively affected by any local, state, or federal legislation enacted subsequent to the recording of this Declaration.

ARTICLE I **DEFINITIONS**

The following definitions shall apply to the terms used in this Declaration and its recorded exhibits.

1.1 "Annual Assessment" means the annual assessment for the maintenance, repair and expenses of the Common Areas, including, but not limited to, the entry gates, walls, fences, Clubhouse and pool.

1.2 "Architectural Review Committee" means the Architectural Review Committee as established and empowered in Article VI of this Declaration ("ARC").

1.3 "Assessment" or "Assessments" means an amount assessed against the members, including without limitation Annual Assessments, Special Assessments and Monthly Maintenance Assessments, as authorized by Article IX of this Declaration for payment of the expenses of the Association.

1.4 "Association" means Lake James Homeowners Association, Inc., a Florida not for profit corporation, which has its principal place of business in Polk County, Florida, and its successors and assigns.

1.5 "Board of Directors" means the Board of Directors of the Association.

1.6 "Clubhouse" means the clubhouse built by the Developer to be rented to and then conveyed to the Association.

1.7 "Common Areas" means any and all real property and improvements thereon owned by, leased to, or dedicated to the Association for the use and benefit of the members.

1.8 "Conservation Area" means the wetland preserve areas within the Development so designated on the plat for the Development.

1.9 **"County"** means Polk County, Florida.

1.10 **"Declarant"** means Stephenson Land Company, Inc.

1.11 **"Developer"** means Stephenson Land Company, Inc., or any other developer to which the Declarant specifically assigns all or a portion of the rights it may have under this Declaration to develop part or all of the Lake James. The Declarant is initially the Developer.

1.12 **"Development"** means all real property comprising Lake James now or in the future.

1.13 **"Family"** means one (1) adult natural person occupying a Living Unit (defined hereinafter) meeting the requirements set forth in Article XV and, that person's spouse, if any.

1.14 **"Governing Documents"** means this Declaration, and the Articles of Incorporation, and Bylaws of the Association. In the event of a conflict in the interpretation of the Governing Documents, they shall be applied in the order of priority as listed above.

1.15 **"Guest"** means any person who is physically present in, or occupies a Living Unit (defined hereinafter) on a temporary basis at the invitation of the Owner or other legally permitted occupant, without the payment of consideration.

1.16 **"Mortgagee"** means a mortgagee having a mortgage lien upon a Lot or Living Unit (defined hereinafter).

1.17 **"Land"** means the land described in Exhibit "A" to this Declaration, as it may be amended from time to time.

1.18 **"Lease"** when used in connection with a Living Unit, means the grant by the Owner of the Unit of a temporary right of use of the Unit for valuable consideration.

1.19 **"Living Unit" or "Unit"** means any residential structure constructed on a Lot within the Development and intended for occupancy by one (1) family.

1.20 **"Lot"** means one (1) or more of the platted portions of land into which the Development has been subdivided, upon each of which a single Living Unit has been or is intended to be constructed. Unless the context clearly requires a different interpretation, the term "Lot" shall be interpreted as if it were followed by the words "and the Living Unit constructed thereon."

1.21 **"Member"** means any or all of those persons who are entitled to membership in the Association, as provided in the Governing Documents.

1.22 “Semi Annual Maintenance” means the maintenance and repair of the lawns, shrubs, and irrigation systems for each Lot.

1.23 “Semi Annual Maintenance Assessment” means the semi-annual assessment for the maintenance and repair of the lawns, including cutting, spraying and irrigating, shrubs and irrigation systems, and other landscaping as provided in Article IX hereof, and street lighting until such time as the Development becomes a street lighting district.

1.24 “Occupy” when used in connection with a Living Unit, means the act of being physically present in the Unit on two (2) or more consecutive days, including staying overnight. An “Occupant” is one who occupies a Living Unit.

1.25 “Owner” means the record owner of legal title to any Lot or Living Unit.

1.26 “SWFWMD” means the South West Florida Water Management District.

1.27 “Structure” means something built or constructed, including but not limited to all Living Units, swimming pools, spas, fences, play equipment, and storage sheds.

1.28 “Tract” means any and all platted portions of the Development other than Lots.

1.29 “Surface Water Management System” means without limitation, all inlets, ditches, swales, culverts, water control structures, retention and detention areas, ponds, lakes, flood plain compensation areas, wetlands and any associated buffer areas, and wetland mitigation areas, all as permitted by SWFWMD.

1.30 “Turnover Date” means the time at which any of the events set forth in Section 4.1 (B) of this Declaration shall first occur.

1.31 “Voting Interests” means the arrangement established in the Bylaws of the Association by which Members are entitled to vote in the affairs of the Association.

ARTICLE II **DEVELOPMENT PLAN**

The Development objective is the construction and development of single family dwelling units to be developed in phases. Notwithstanding the foregoing, the Declarant has the right, but not the obligation in its sole and unbridled discretion, to further expand the Development by adding additional land, units, or lots, or recreational amenities or memberships.

ARTICLE III **ASSOCIATION'S PURPOSES AND POWERS**

One purpose of the Association is to hold title to, operate and maintain the Common Areas, if any of Lake James, any clubhouses, recreation facilities, private roadways, if any, the

Surface Water Management System and retention areas. The Association's primary purpose is to enforce restrictive covenants applicable to the Development, operate and maintain the Common Areas, and to take such other action as the Association is authorized or required to take with regard to the Development.

3.1 Common Areas. The Association shall lease the Clubhouse as part of the Common Areas, and operate and maintain it and all other Common Areas, and, if and when decided by the Developer, hold record title to the Common Areas. The Board of Directors may promulgate reasonable rules and regulations regarding the use of the Common Areas consistent with the Governing Documents. The Common Areas shall be available to all members and their invitees, guests, family members and tenants, subject to the rules and the Governing Documents. The costs of leasing, operating, maintaining, repairing, insuring and protecting the Common Areas and the facilities located thereon or connected therewith shall be assessed equally against all Lots and Living Units.

3.2 Manager. The Association may contract, employ and pay for the services of an entity or person to assist in managing its affairs and carrying out its responsibilities, and may employ other personnel as the Association shall determine to be necessary or desirable.

3.3 Personal Property. The Association may acquire and hold tangible and intangible personal property and may dispose of the same by sale or otherwise.

3.4 Insurance. The Association at all times shall procure and maintain adequate policies of public liability and other insurance as it deems advisable or necessary and as required in Article XI below. The Association additionally shall cause all persons with access to Association funds to be insured or bonded with adequate fidelity insurance or bonds.

3.5 Express and Implied Powers. The Association may exercise any rights, power or privilege given to it expressly by the Governing Documents or by the law in effect at the time this Declaration is recorded, and every other right, power or privilege reasonably inferable therefrom.

3.6 Acts of the Association. Unless the approval or affirmative vote of the Members is specifically made necessary by some provision of applicable law or the Governing Documents, all approvals or actions permitted or required to be given or taken by the Association may be given or taken by its Board of Directors, without a vote of the Members. The officers and Board of Directors of the Association have a fiduciary relationship to the Members. A Member does not have the authority to act for the Association by reason of being a Member.

3.7 Member Approval of Certain Litigation. Notwithstanding any other provisions of the Governing Documents, the Board of Directors shall be required to obtain the prior approval of at least a majority of the members of the Association prior to the payment of, or contracting for the payment of, legal fees to any person engaged by the Association for the purpose of commencing any lawsuit, other than for the following purposes:

- (A) the collection of assessments;
- (B) the collection of other charges which Members are obligated to pay;
- (C) the enforcement of the Governing Documents;
- (D) in an emergency, when waiting to obtain the approval of the Members creates a substantial risk of irreparable injury to the Association or its Members;
- (E) filing a compulsory counterclaim; or

3.8 Conveyance of Common Areas. The Developer agrees to convey the Common Areas, except the Clubhouse to the Association during the construction of the Development, and at such time as the Developer is not a member of the Board of Directors of the Association, the Developer will convey the Clubhouse to the Association. The Clubhouse, as well as the other Common Areas, shall be conveyed in their "as is" condition at the time of such conveyance and upon such conveyance, the Association must accept the conveyance.

3.9 Articles of Incorporation. The Articles of Incorporation of the Association are attached as **Exhibit "B."**

3.10 Bylaws. The Bylaws of the Association shall be the Bylaws attached as **Exhibit "C,"** as they may be amended from time to time.

3.11 Official Records. The official records of the Association shall be maintained within the State of Florida and must be open to inspection and available for photocopying by Members or their authorized agents at reasonable times and places within ten (10) business days after receipt by the Association of a written request for access. The requirement may be complied with by having a copy of the official records available for inspection or copying within the Development. The Association may adopt reasonable written rules governing the frequency, time, location, notice, and manner of inspection, and may impose fees to cover the costs of providing copies of the official records, including without limitation, the costs of copying. The Association shall maintain an adequate number of copies of the recorded Governing Documents, to ensure their availability to Members and prospective members, and may charge its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them.

ARTICLE IV **ASSOCIATION MEMBERSHIP VOTING RIGHTS**

Every Owner of record legal title to a Lot or Living Unit within the Development shall be a Member of the Association as further defined in Section 4.1 below. The Declarant shall hold Declarant membership as provided for in Section 4.1(B) below. Membership is appurtenant to,

and may not be separated from ownership of a Lot or Living Unit. The rights, powers, duties and privileges of Members shall be as set forth in this Declaration, and in the Articles of Incorporation and Bylaws of the Association.

4.1 Classes of Membership. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The Association will initially have two (2) classes of voting membership, as follows:

- (A) Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as the Owners of each Lot shall determine, but in no event shall more than one (1) vote be cast with respect to any Lot. Any Member who is delinquent in the payment of any charges duly levied by the Association against the Lot shall not be entitled to vote until all such charges together with any penalties as the Board of Directors of the Association may impose have been paid. Class A Members shall be obligated to timely pay all charges and annual dues in the amount established by the Board of Directors. A Membership shall not be transferable other than through the sale, lease or conveyance of the record legal title to the Lot or Living Unit to which it is appurtenant.
- (B) Class B Members shall consist of the Declarant and its successors and assigns and shall be entitled to five (5) votes for each Lot owned. The Class B Membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever shall first occur ("Turnover Date"):
 - (i) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or
 - (ii) on December 31, 2014; or
 - (iii) when Declarant, in its sole and absolute discretion, so determines.

All of the Declarant's other rights-and privileges as the Declarant, as set forth elsewhere in this Declaration or in the Bylaws, shall continue as long as the Declarant holds any property within the Development for sale in the ordinary course of business. If the Declarant conveys undeveloped property within the Development to a successor developer, the Declarant may assign its Declarant membership and/or some or all of its voting rights and privileges to the successor developer.

4.2 Association Rights and Easements. Members in good standing have the non-exclusive right to use the Common Areas, if any, subject to:

- (A) The right of the Association, by and through its Board of Directors, to adopt the annual budget and to determine the annual assessments to be paid by Members;
- (B) The right of the Association, by and through its Board of Directors, to charge any admission, use, or other fees for any Common Areas, if any, as the Board may deem appropriate. The fees may be higher for non-owners than for Owners;
- (C) The right of the Association, by and through its Board of Directors, to suspend a Member's right to use Common Areas, if any, for the period during which any assessment or charge against the member's Lot or Living Unit remains unpaid and past due;
- (D) The right of the Association, by and through its Board of Directors, to dedicate or transfer all or any part of the Common Areas, if any, to any governmental agency, public authority, or utility;
- (E) The right of the Association, by and through its Board of Directors, to grant easements over, across or through the Common Areas, if any;
- (F) The right of the Association, by and through its Board of Directors, to open the Common Areas, if any, for use by non-members of the Association, or non-owners;
- (G) The right of the Association, by and through its Board of Directors, with the prior assent of a majority of the voting interests, to borrow money for the purpose of improving the Common Areas, if any, and in aid thereof, to mortgage Common Areas, if any;
- (H) The provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association; and any rules and regulations governing use and enjoyment of the Common Areas, if any, adopted by the Association;

So long as there is a Declarant Member, any and all rights of Members, and any all restrictions, limitations, conditions and rules and regulations that a Member shall be subject to, shall not be amended without the written consent of the Declarant.

4.3 Delegation of Use Rights In Common Areas. Guests accompanied by a Member shall have the right to use the Common Areas, if any, but only to the extent provided in the government documents and subject to the conditions, limitations and restrictions as may be stated therein or the rules of the Association. The Association shall have the right to reasonably restrict use by the Guests of a Member if such Member abuses the privileges of using the Common Areas. A fee may be imposed for such usage delegation, not necessarily limited by or

related to the cost of processing the delegation. Each Member shall be financially and legally responsible to the Association for the actions and debts of any person to whom the Member has delegated his right to use the Common Areas, if any. The Member may not delegate the obligation to pay Association assessments. Upon the lease of a Lot or Living Unit to which a membership is appurtenant, the lessor may retain the right to use the membership, in which case the tenant shall have no such rights. If a Member delegates his privileges to a tenant residing in his Living Unit, the member shall not be entitled to use the facilities during the period of the delegation.

4.4 Separation of Ownership. The Ownership of a Lot, and the Ownership of the Living Unit constructed thereon, may not be separated or separately conveyed, nor may any person who does not own record legal title to at least one (1) Lot or Living Unit hold membership in the Association.

ARTICLE V

GENERAL COVENANTS AND USE RESTRICTIONS

The Development shall be used for a single family development.

5.1 Subdivision and Regulation of Land. No Lot or Living Unit may be divided or subdivided without the express written consent of the Declarant. No Owner shall initiate, undertake or attempt to inaugurate or implement any variation from, modification to, or amendment of the Development, land development regulation, development orders or development permits applicable to the Development, or to any Lot without the prior written approval of Declarant.

5.2 Surface Water Management System, Lakes, and Water Retention Ponds. The Association shall be responsible for maintenance of all the Surface Water Management System, including the ditches, canals, lakes, and water retention ponds in the Common Areas in the Development.

- (A) No structure of any kind (including docks) shall be constructed or erected in or on, nor shall an owner in any way change, alter, impede, revise or otherwise interfere with the flow or volume of water in any portion of any water management area including, but not limited to, lakes, ponds, swales, drainage ways, or wet retention ponds or areas intended for the accumulation of runoff waters, without the specific written permission of the Association and the Declarant if the Declarant shall still own any Lots, and such permission shall be in the sole exclusive discretion of the Association and the Declarant if the Declarant shall still own any Lots.
- (B) No Owner or other person shall unreasonably deny or prevent access to water management areas for maintenance, repair or landscaping purposes by Declarant, the Association, or any appropriate governmental agency that may reasonably

require access. Nonexclusive easements therefor are hereby specifically reserved and created.

- (C) No Lot or Common Area shall be increased in size by filling in any lake, pond or other water retention or drainage areas which it abuts. No person other than Declarant shall fill, dike, block, divert or change the established water retention and drainage areas that have been or may be created. No person other than the Declarant may draw water for irrigation or other purposes from any lake, pond or other water management area, nor is any boating, swimming, or wading in such areas allowed.
- (D) The Surface Water Management System and the Conservation Areas will be the ultimate responsibility of the Association. NO PERSON OTHER THAN THE ASSOCIATION AND DECLARANT, IF THE DECLARANT SHALL STILL OWN A Lot, MAY REMOVE NATIVE VEGETATION THAT MAY BECOME ESTABLISHED WITHIN THE CONSERVATION AREAS. "REMOVAL" INCLUDES DREDGING, APPLICATION OF HERBICIDE, PULLING AND CUTTING.
- (E) Nothing in this Section shall be construed to allow any person to construct any new water management facility, or to alter the Surface Water Management System or Conservation Areas, without first obtaining the necessary permits from all governmental agencies having jurisdiction, including SWFWMD.

LOTS MAY CONTAIN OR ABUT CONSERVATION AREAS, WHICH ARE PROTECTED UNDER APPLICABLE ENVIRONMENTAL PERMITS. THESE AREAS MAY NOT BE ALTERED FROM THEIR PRESENT CONDITIONS EXCEPT IN ACCORDANCE WITH THE RESTORATION PROGRAM INCLUDED IN THE ENVIRONMENTAL PERMIT OR GOVERNMENTAL REGULATIONS, OR TO REMOVE EXOTIC OR NUISANCE VEGETATION.

5.3 Conservation Areas. The Association shall be responsible for the maintenance and regulatory compliance of any Conservation Areas in the Development, regardless of where located, in accordance with rules, regulations and permitting requirements set forth by the County and other permitting agencies, including SWFWMD. No person shall undertake or perform any activity in Conservation Areas described in the approved permits or Plats of the Development, or remove native vegetation that becomes established within the Conservation Areas. Prohibited activities within Conservation Areas include the removal of native vegetation, excavation, placement or dumping of soil, trash or land clearing debris, and construction or maintenance of any building, Unit or other structure. "Removal of native vegetation" includes dredging, application of herbicides, and cutting.

5.4 Open Space. Any land subjected to this Declaration and designated as open space, landscape buffer, preserve area, Conservation Area or words of similar import on any plat,

declaration of covenants and restrictions, site plan, permit or other document shall be preserved and maintained by the owner of such land as open space. If such land or an easement over such land has been conveyed or dedicated to the Association, the Association shall preserve and maintain such land. No development may occur on such land except structures or improvements which promote the use and enjoyment of the land for open space purposes.

5.5 Lawns, Landscaping, Irrigation Systems. Except for areas covered by structures, walkways or paved parking facilities, all lawns, shrubs and irrigation of the Lots and Common Areas, Conservation Areas, buffer zones, open space or similar areas, shall be maintained by the Association and paid by the Annual Assessment and Monthly Maintenance Assessment described in Article IX hereof. All lawns and landscaping shall be completed at the time of completion of the structures as evidenced by the issuance of a Certificate of Occupancy by the appropriate governmental agency at Owner's cost. Each Lot shall have installed at Owner's Cost, an automatic sprinkler system approved by Developer. The Owner shall be responsible for installing and maintaining all landscaping and irrigation timers on the Owner's Lot, including repairing damages caused by Owner or the Owner's guests, vendors or invitees. (the timer shall be mounted outside each Unit in a water-proof enclosure) piping, switching devices and heads. The Developer, until the Developer owns no Lots in the Development, and the Association thereafter, shall have the right, at its sole discretion, to adopt a schedule of irrigation times and duration of irrigation, subject to the direction of SWFWMD or other regulatory bodies.

Each Owner shall connect the Owner's irrigation system to the Polk County reuse system approved for and constructed for the Development. such Owner's irrigation system shall contain a timer as described above, and the timer shall be calibrated to the time requirements set by the Southwest Florida Water Management District. THE OWNER ACKNOWLEDGES THE REUSE WATER IS PROVIDED BY THE COUNTY AND THE COUNTY HAS THE RIGHT AT ANY TIME TO SHUT OFF OR CURTAIL IN FULL OR IN PART THE AVAILABILITY OF REUSE WATER FOR IRRIGATION AND THE OWNER FURTHER ACKNOWLEDGES THAT THE DEVELOPER AND THE ASSOCIATION SHALL HAVE NO LIABILITY OR RESPONSIBILITY FOR ANY LOSS OR DAMAGE TO THE OWNER'S PROPERTY AND IMPROVEMENTS THEREON, IN THE EVENT THE COUNTY SHUTS OFF OR CURTAILS THE FLOW OF WATER TO THE DEVELOPMENT'S IRRIGATION SYSTEM. THE OWNER ACKNOWLEDGES THAT THE COUNTY MAY OR MAY NOT NOTIFY THE ASSOCIATION OF ANY SHUT OFF OR CURTAILMENT OF THE REUSE WATER AND NEITHER THE ASSOCIATION NOR THE DEVELOPER HAVE ANY OBLIGATION TO NOTIFY OWNERS OF SUCH SHUT OFF OR CURTAILMENT, UNLESS THE ASSOCIATION OR THE DEVELOPER RECEIVES WRITTEN NOTICE FROM THE COUNTY OF SUCH SHUT OFF OR CURTAILMENT.

The cost of the reuse water is to be billed to the Owner monthly by the County. Upon receipt of the bill from the County, the Owner must send the bill to the Association, and the Association will pay the bill for the reuse water used in the irrigation of the Owner's property. The cost of the reuse water used for the irrigation of the Lots shall be a cost of the Association and included in the assessments against each Lot after completion of the Improvements on the Lot.

In the event the reuse water is shut off or curtailed, then the Owner shall be responsible for irrigating the Owner's Lot in compliance with any applicable federal, state and local statutes, rules or regulations.

The Owners shall neither alter, modify or otherwise change the landscaping approved by Declarant or Association after the Declarant has no more Lots, nor cover any landscaped area with gravel, stone or other type pavement to replace any landscaping; provided, however, Owners may plant perennial flowers within the landscaped areas.

5.6 Maintenance of Roads. The roads of the Development shall be private roads and be maintained by the Association, the cost of which shall be included in the Assessments.

5.7 Maintenance of Premises. All lawns, landscaping and sprinkler systems and all structures, improvements and appurtenances shall at all times be kept in safe and attractive condition, and all structures shall be maintained in a finished, painted and attractive condition.

5.8 Sidewalks. Declarant may construct sidewalks in various locations within the Development for pedestrian traffic and usage in its sole and absolute discretion.

5.9 Litter. In order to preserve the beauty of the Development no garbage, trash, refuse or rubbish shall be deposited, dumped or kept within the Development except in closed containers, dumpsters or other garbage collection facilities deemed suitable by the Declarant, or in proper-sized, closed plastic bags for curbside pickup as required. All containers, dumpsters and other garbage collection facilities shall be screened from view, kept in a clean condition, and without noxious or offensive odors emanating.

5.10 Walls, Fences, Hedges, etc. No wall, fence, hedge, or other divider shall be constructed on any Lot, except an Owner may construct an invisible pet fence around the Owner's Lot, which must be approved by the Association. In the event the Owner constructs or has a swimming pool, the Owner shall screen the pool, in that no fences are allowed on the Lot. The Owner shall be solely responsible for any damage or interference with the irrigation systems on such Owner's Lot.

5.11 Residential Lots. No structure shall be erected, altered, placed, or permitted to remain on any Lot, other than one single family dwelling unit not to exceed thirty-five (35) feet in height, nor contain less than 1,400 square feet of living area, or, in the case of a two-store dwelling unit, the living area on the ground floor shall not be less than 1,300 square feet with a total minimum living area of 1,800 square feet. For purposes of this paragraph, all square footage shall be measured by outside dimensions, exclusive of garage, screened or unscreened porches, patios, deckings, covered walkways, breezeways, and approaches. Each single family dwelling shall have an attached two-car garage.

5.12 Driveways and Parking Areas. Driveways and parking areas must be paved with concrete, paver blocks, or another hard surface approved by Declarant. Maintenance and repair of all roadways, and other paved parking facilities owned by the Association shall be the

responsibility of the Association. Driveways must be kept clean and free from excessive oil, rust or other unsightly stains.

5.13 Color. No exterior colors on any structure shall be permitted that, in the judgment of the Declarant or the Architectural Review Committee, if the Declarant no longer has any Lots in the Development, would be inharmonious, discordant or incongruous with the Development or the Association. The initial exterior color and design of structures shall be as approved by Declarant. No color change to a single family dwelling unit can be made without the approval of the Association and the Architectural Review Committee.

5.14 Underground Utilities. No lines or wires for communication or the transmission of current shall be constructed, or placed, or permitted to be placed within the Common Areas unless the same shall be protected cables; all such lines or wires which are not located in buildings shall be constructed or placed and maintained underground, unless otherwise approved in writing by Declarant. No water pipe, gas pipe, sewer pipe, drainage pipe or storage tank shall be installed or maintained above the surface of the ground, except hoses and movable pipes used for irrigation purposes.

5.15 Temporary Factory-Built or Existing Structures. No structure of any kind of what is commonly known as "factory-built", "modular", or "mobile home" type construction shall be erected on any Lot. No tent, trailer or temporary structure other than those used by Declarant for construction and sales activities shall be permitted unless its size, appearance and temporary location on the Lot have first been approved by the Declarant. At no time shall the Owner of a Lot permit a shed or storage building to be located on the Lot.

5.16 Antennas and Flagpoles. No outside television, radio, or other electronic towers, aerials, antennae, satellite dishes, or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, unless expressly approved in writing by the Declarant except that this prohibition shall not apply to those antennae specifically covered by the federal Telecommunications Act of 1996, as amended from time to time. The Developer, until it owns no Lot in the Development and then the Association, shall be empowered to adopt rules governing the types of antennae, restrictions relating to safety, location and maintenance of antennae. No tower type antenna is permissible. The Developer, until it owns no Lots in the Development and then the Association, may adopt and enforce reasonable rules limiting installation of permissible dishes or antennae to side or rear yard locations, not visible from the street or neighboring properties, and integrated with the Residence and surrounding landscape, to the extent that reception of an acceptable signal would not be unlawfully impaired by such rules. Antennae shall be installed in compliance with all federal, state and local laws and regulations, including zoning, land-use and building regulations. A portable flagpole attached to the Living Unit, for display of a flag may be permitted if its design and location are first approved by the Declarant.

5.17 Outdoor Equipment All garbage and trash containers, oil tanks, bottled gas tanks, swimming pool and spa equipment and housing and sprinkler pumps and other such

outdoor equipment must be underground, or placed in areas not readily visible from adjacent streets, or adequate landscaping must be used as screening around these facilities and maintained by the Owner or Association. In the event an Owner constructs a swimming pool, the pool shall have a screen enclosure around the pool in lieu of a fence, which is not permitted on the Lot. No above-ground pools shall be permitted.

5.18 Clothes Drying Area. No outdoor clothes drying area shall be permitted.

5.19 Lighting. All exterior lighting of structures or landscaping shall be accomplished in accordance with plans approved in writing by Declarant. Except as may be initially installed or approved by Declarant, no spotlights, floodlights or similar high intensity lighting shall be placed or utilized upon any Lot which in any way will allow light to be reflected on any other Lot or the improvements thereon, or upon any Common Areas or any part thereof, without the approval of the Association. Other types of low intensity-lighting, including normal and customary Christmas or other holiday decorations, which do not unreasonably disturb other Owners or occupants of the Development, shall be allowed.

5.20 Air Conditioners. Wall, or window air conditioning or heating units are not permitted.

5.21 Solar Collectors; Roof Vents. Solar collectors and other installations on the roofs of structures, shall not be permitted.

5.22 Signs. No signs, banners, billboards or advertisements of any kind, including without limitation, those of politicians, contractors or subcontractors, for-sale or for-rent signs shall be erected or displayed anywhere within the Development, including in windows and on motor vehicles, except that an Owner may display one sign for the sale of the Lot or Living Unit and such sign shall be limited in size to the size customarily used in the sale of residences. If any sign is erected in violation of this provision, the Declarant or Association shall have the right to enter the property on which the sign is located and remove it, as well as levy a fine of \$50.00 per day for each day's violation and suspend the violator's use privileges of the Common Areas, if any. Said action to enter one's property and remove the sign, if necessary, shall be deemed expressly permitted by the property Owner. The foregoing shall not apply to signs, banners, flags, billboards or advertisements used or erected by Declarant, nor to entry and directional signs installed by Declarant, and signs required by law.

5.23 Trucks, Commercial Vehicles, Recreational Vehicles, Motor Homes, Mobile Homes, Boats, Campers, Trailers and Other Vehicles.

- (A) No commercial vehicle of any kind shall be parked in the Development except for construction or service vehicles temporarily present on business, unless in an enclosed garage.

- (B) No boats, boat or utility trailers, semi-tractor trailers, house trailers of any kind, campers (pop-ups or otherwise), mobile homes, motor homes, recreational vehicles, buses, truck campers, disabled vehicles, inoperative vehicles, unlicensed vehicles, or vehicles in disrepair or showing rust or needing paint; may be parked or kept in the Development unless kept fully enclosed inside a structure ("Restricted Vehicles"). For purposes of this paragraph only, an open carport shall not be deemed a structure. Campers, buses, motor homes, recreational vehicles, truck campers, and the like are permitted to be parked in the Development temporarily for loading and unloading purposes only and in no event shall any vehicle be parked in any street other than on a temporary basis. Vehicles that are not Restricted Vehicles may be parked in the driveway of a Living Unit but such practice is discouraged because of the resulting aesthetic diminution of the Development. Developer until it owns no Lots in the Development, and thereafter the Association, reserves the right to enact rules that would prohibit the parking of any vehicle in a Living Unit's driveway other than on a temporary basis. Motorcycles with appropriate noise arresting systems are allowed in the Development, however such motorcycles may be driven only for purposes of ingress and egress from outside the Development directly to the Living Unit and from the Living Unit to a location outside the Development. No work on any vehicle shall be permitted within the Development except in an enclosed structure.
- (C) No motor vehicle, including golf carts, shall be parked anywhere other than on paved or other areas designated for that purpose, or in garages. Parking on lawns or landscaped areas is prohibited.
- (D) No motor vehicle shall be used as a domicile or residence, either permanent or temporary.
- (E) All golf carts must be stored in the garage when not in use.
- (F) Paragraphs (A) through (D) shall not be deemed to prohibit any temporary facility permitted by Section 5.13 above.
- (G) Any vehicles parked in violation of this Section 5.21 shall be subject to being towed away at the owner's expense.

5.24 Living Units; Residential Use; Use of Sales Center and Clubhouse. Subject to the restrictions of Article XV, each Living Unit shall be used as a single family residence and for no other purpose. No business or commercial activity shall be conducted in or from any Living Unit, nor may the address or location of the Unit be publicly advertised as the location of any business or commercial activity. This restriction shall not be construed to prohibit any Owner from maintaining a personal or professional library, from keeping personal, business or professional records in his Living Unit, or from handling personal, business or professional telephone calls and written correspondence in and from his Living Unit. Such uses are expressly declared customarily incident to residential use. The Developer may, at its sole and absolute

discretion utilize any of its property, including any sales center, to conduct commercial activities of any kind in connection with the Development of the Land and sales of Lots and Living Units.

5.25 Pets and Animals. Not more than three (3) commonly accepted household pets such as a dog or cat, and reasonable numbers of tropical fish or caged birds may be kept in a Living Unit, subject to other reasonable regulation by the Association. All animals shall be leashed (if outdoors), or kept within the Living Unit and shall not be permitted to roam free. The Association may restrict the walking of pets in certain areas. Owners must clean up after their pets and dispose of any waste in an appropriate manner. Commercial activities involving pets, including without limitation, boarding, breeding, grooming or training, are not allowed. The ability to keep a pet is a privilege, not a right. If in the opinion of the Board, any pet becomes the source of unreasonable annoyance to others, or the Owner of the pet fails or refuses to comply with these restrictions, the Owner, upon written notice, may be required to remove the pet from the Development. Pets may not be left unattended or leashed in yards or garages or on porches or lanais, except an Owner shall have the right to install an invisible pet fence to secure the pets.

5.26 Mailboxes and Newspaper Boxes. The only mailboxes permitted within the Development shall be those mailboxes located at the Clubhouse. No newspaper boxes shall be permitted on a Lot at any time.

5.27 Nuisances / Violation of Law. Nothing may or shall be done which is, or may become, a source of unreasonable annoyance or nuisance to residents of the Development. Any question with regard to the interpretation of this Section shall be decided by the Declarant so long as it owns any property in the Development and thereafter by the Association whose decision shall be final. No Owner of a Living Unit may violate any local, state, or federal law or ordinances applicable to the Land.

5.28 Correction of Health and Safety Hazards. Any conditions of the physical property which are reasonably deemed by the Board of Directors to be an immediate hazard to the public health or safety may be corrected as an emergency matter by the Association and the cost thereof shall be charged to the responsible Owner or Association.

5.29 Approval Rights/Assignment. Subject to the immediately following sentence, the Declarant shall have all rights to approve or disapprove any construction, alteration or other aspect of the physical property in the Development. At such time as neither Declarant nor any subsequent developer hold any Lots or Living Units in the Development for sale in the ordinary course of business, or at such earlier time as Declarant may determine in its sole discretion, all rights of Declarant to approve or disapprove any construction, alteration or other aspect of the appearance of the physical property in the Development shall automatically devolve upon and be deemed assigned to the Association.

5.30 Declarant's Exculpation. The Declarant or any Developer may grant, withhold or deny its permission or approval in any instance where its permission or approval is permitted or required, without any liability of any nature or kind to any Owner or Association or any other person for any reason whatsoever, and any permission or approval granted shall be binding upon

all persons. The use restrictions of this Article V shall not apply to any property owned by a Developer prior to its conveyance to an Owner other than a Developer.

ARTICLE VI

ARCHITECTURAL AND AESTHETIC CONTROL

6.1 General. Except for the initial construction of Living Units, Common Area facilities, if any, and related improvements by the Developer and further subject to the provisions of Section 5.29, no building, structure or other improvement shall be erected or altered, nor shall any grading, excavation, landscaping, change of exterior color, or other work which in any way materially alters the exterior appearance of any structure, Lot, Living Unit, or Common Area be performed without the prior written approval of the Declarant, and ultimately the Association in accordance with Section 5.29 through the ARC. In obtaining said written approval, an Owner or any other person applying shall comply with all applicable requirements and procedures.

6.2 Architectural Review Committee. Subject to the provisions of Section 5.29, the architectural and aesthetic review and control functions of the Development shall be administered and performed by the ARC. The ARC shall consist of not less than three (3) individuals, who need not be members of the Association. The term of office, composition, compensation (if any), qualifications and meeting procedures of the ARC shall be as provided in the Bylaws.

6.3 Powers. Subject to the provisions of Section 5.29, the ARC shall have the power, subject to and limited by the guidelines of the approved regulatory permits, if any, of SWFWMD, the County or other regulatory authorities.

- (A) Propose the adoption, modification or amendment by the Board of Directors, of written design review guidelines which shall set forth such things as design requirements, landscape materials, construction standards and colors and materials which the ARC finds acceptable. Said Guidelines shall be consistent with provisions of this Declaration, and shall not be effective until adopted by at least a majority of the Board of Directors at a meeting duly called and noticed for such purpose.
- (B) Require submission to the ARC of complete plans and specifications for any building, structure, or other improvement proposed to be erected or altered, or any proposed grading, excavation, tree or other landscape material removal or installation, change of exterior color or other work which materially alters the exterior appearance of any structure, Lot or Common Area. The ARC may also require submission of samples of building materials or colors proposed for use on any Lot, and may require such additional information as may reasonably be necessary for the ARC to fully evaluate the proposed work;
- (C) Approve or disapprove the erection or alteration of any building, structure or other improvement; or any grading, excavation, landscaping, change of exterior color,

or other work which in any way materially alters the exterior appearance of any structure, Lot or Common Area. All decisions of the ARC shall be forwarded in writing to the Board. Any person aggrieved by a decision of the ARC shall have the right to make a written appeal to the Board within thirty (30) days after notification of the decision. The determination by the Board, upon prompt review of any such decision, shall, in all events, be final, and shall not be unreasonably delayed;

- (D) Adopt procedures and a schedule of reasonable fees for processing requests for ARC review. Fees, if any, shall be payable to the Association, in cash or check, at the time the request is submitted to the ARC; or
- (E) Adopt procedures for inspecting approved changes during and after construction, to ensure conformity with approved plans.

6.4 Enforcement. Any decisions of the ARC shall be enforced by the Association.

6.5 Declarant's Rights. Notwithstanding the foregoing, the Declarant shall have the right, so long as any Developer is offering any property in the Development for sale in the ordinary course of business, to appoint all of the members of the ARC, or such lesser number as it may choose. During this time, the Declarant shall also have the power, in its sole discretion to establish, amend, or revoke any and all design review guidelines.

ARTICLE VII **EASEMENTS**

In addition to the easements created elsewhere herein, and those already of public record at the time this Declaration is recorded, easements are hereby provided for:

7.1 Utilities, Services and Support. Each Lot, Living Unit, and the Common Areas, if any (except Conservation Areas) is and are hereby subjected to easements for private services, communications and telecommunications, and utilities purposes including but not limited to, fire, police protection, and emergency services, garbage and trash removal, potable and non-potable water, sewage, telephone, electric and gas service, yard maintenance, lake maintenance, and cable television. The utilities and governmental agencies having jurisdiction of the Development, and their employees and agents, shall have the right of access to any Lot, Living Unit, or Common Area in furtherance of such easements. The easement areas on any Lot, whether or not shown on any plat, shall at all times be properly maintained by the Owner, whether or not the utility or service company properly maintains the easement area.

- (A) There is hereby reserved, for the purpose of installing, operating and maintaining utility facilities, and for other purposes incidental to the development of the Development, those easements described herein and those shown upon the recorded plat and the plat notes of the Development, and there are also reserved

such easements and rights of way for any other purposes as Declarant in its sole discretion may in the future grant.

- (B) Declarant hereby reserves the right, and the power, during a period of fifteen (15) years from the date of recording this Declaration to declare, grant and record perpetual easements for drainage facilities, sanitary sewer lines, potable and irrigation water lines, storm sewers, gas and electric lines, telephone and other telecommunication lines, cable television lines, and such other service facilities as Declarant may deem necessary or desirable, along the various utility service routes through, in, over and under all Lots, provided such does not interfere with the construction of a Living Unit thereon, and Common Areas. The purpose, duration and scope of any such easement shall be set forth in an instrument of public record. Said easements and the rights granted shall not be inconsistent with the then existing improvements on the applicable portions of the Lot, Common Area, or materially change the rights of the Owners.

7.2 Construction and Maintenance. The Declarant (including its designees and contractors) shall have the right to enter any part of the Development and take any action reasonably necessary or convenient for the purpose of completing the construction or sales thereof and for maintenance purposes and the completion of warranty work, provided such activity does not unreasonably and materially interfere with the use or enjoyment of the Living Units or Lots by Owners.

ARTICLE VIII

COMMON AREAS; CONVEYANCE, USE AND MAINTENANCE.

8.1 Designation. Except for the Surface Water Management System, Declarant shall have the right, and the power, in its sole discretion, to determine which parts of the Development shall be Common Areas, if any, and to convey, lease or grant a license or other right to use real property within the Development, to the Association or Common Areas.

- (A) Any such conveyance, lease or grant of license or use right to the Association may be exclusive or non-exclusive, so that persons or entities other than the Association may or may not have a right, power, duty, or privilege with respect to all or any part of any real property so conveyed, leased, licensed or the use of which has been granted. The Association must accept from Declarant any such conveyance, lease, grant of license or grant of use right. The Association shall not accept, from any person other than Declarant, a conveyance, lease, grant or license or grant of use right except upon the prior written approval of the Declarant.
- (B) Prior to the conveyance of Common Areas, if any, by Declarant to the Association, the Association shall have the right to charge reasonable fees, rents, or other charges for the use of the property; however, rents, fees and other charges required to be paid to Declarant under leases, grants, licenses or contracts creating use rights to third parties shall continue to be paid.

The foregoing notwithstanding, the Association shall own and maintain the Surface Water Management System.

8.3 Conveyance and Use. Declarant will initially hold the legal title to the Common Areas, if any. Not later than sixty (60) days after the date when Members first elect a majority of the Board of Directors, the Declarant shall convey the Common Areas, if any, to the Association by special warranty deed and the Association shall accept such conveyance subject to taxes for the year of conveyance (if any) and to mortgages, restrictions, limitation, conditions, reservation and easements of record. The Declarant may, however, convey title at any earlier time the Declarant chooses in its sole discretion. Commencing with the date this Declaration is recorded in the Public Records of Polk County, the Association shall be responsible for the maintenance and administration of all areas and facilities designated by the Declarant or Developer as Common Areas, if any, and for the payment of any ad valorem taxes properly payable from and after the date of such recordation. Declarant shall have the right from time to time to enter upon the Common Areas, if any, during periods of construction upon adjacent property and for the purpose of construction of any facilities on the Common Areas that Declarant elects to build.

- (A) Any real property conveyed, leased, or the use of which has been granted by Declarant or any third party to the Association as Common Areas, is not and shall not be deemed dedicated for use by the general public but is, and shall be, deemed restricted for the common use and enjoyment of members and their guests, tenants and invitees.
- (B) Declarant may convey property to the Association in either an improved or an unimproved condition, with or without any specific restrictions on its use, and the Association must accept such property.

THE ASSOCIATION AND THE NON-DECLARANT MEMBERS ARE OBLIGATED TO ACCEPT THE COMMON AREAS, IF ANY, AND FACILITIES, IN THEIR "AS IS" CONDITION, WITHOUT RECOURSE, IF AND WHEN CONVEYED TO THE ASSOCIATION BY THE DECLARANT. THE DECLARANT AND ANY DEVELOPER MAKE NO REPRESENTATIONS, AND TO THE FULLEST EXTENT PERMITTED BY LAW DISCLAIM ALL WARRANTIES EXPRESS OR IMPLIED, IN LAW OR IN FACT, WITH RESPECT THERETO, INCLUDING WITHOUT LIMITATION, REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND REPRESENTATIONS OR WARRANTIES REGARDING THE CONSTRUCTION, DESIGN, ADEQUACY OF SIZE OR CAPACITY IN RELATION TO THE UTILIZATION, DATE OF COMPLETION OR THE FUTURE ECONOMIC PERFORMANCE OR OPERATIONS OF, OR THE MATERIALS, FURNITURE OR EQUIPMENT WHICH WILL BE USED IN, THE, COMMON AREAS AND FACILITIES. AT THE TIME OF CONVEYANCE, DECLARANT SHALL TRANSFER OR ASSIGN TO THE ASSOCIATION, WITHOUT RECOURSE, ALL EXISTING WARRANTIES IT RECEIVED FROM

MANUFACTURERS AND SUPPLIERS RELATING TO ANY OF THE FACILITIES WHICH ARE ASSIGNABLE.

8.3 Maintenance and Alteration. The Association is responsible for the maintenance, repair, replacement, insurance, protection and control of all Common Areas, if any, in accordance with applicable laws, and shall keep the same in good, safe clean, attractive and sanitary condition, and in good working order at all times.

8.4 Partition, Subdivision and Encumbrance. Except as hereinafter provided, after legal title to the Common Areas, if any, or any portion thereof becomes vested in the Association, the Common Areas shall not be abandoned, partitioned, subdivided, alienated, released, transferred, hypothecated, or otherwise encumbered, without first obtaining the approval of not less than a majority of the voting interests. The foregoing shall not be construed to limit the authority of the Declarant or the Association through its Board of Directors to grant such easements over, across and through the Common Areas, as may be necessary for the effective and efficient operation of the facilities or for the general benefit of the Members. Nothing herein shall be construed to prohibit judicial partition of any Lot, Unit, Tract or Parcel owned in co-tenancy.

8.5 Association's Rights and Powers. No Common Areas, if any, owned by the Association shall be used in violation of any rule or regulation or other requirement of the Association established pursuant to the provisions of this Declaration or the Bylaws.

8.6 Expansion or Modification of Common Areas. Additions or modifications to the Common Areas, if any, may be made if not inconsistent with the development of the Land and any amendments thereto. Neither the Declarant nor any Developer shall be obligated, however, to make any additions or modifications. The Declarant further reserves the right to change the configuration or legal description of the Common Areas due to changes in development plans.

ARTICLE IX
ASSESSMENTS.

9.1 Creation of Lien.

- (A) Each Owner, by acceptance of a deed to a Lot or Living Unit, covenants and agrees to pay to the Association (i) Annual Assessments, Special Assessments, and (iii) Semi Annual Maintenance Assessments.
- (B) Each Owner covenants and agrees, by acceptance of a deed to a Lot or Living Unit, that liens may be placed against the Owner's Lot or Living Unit for non-payment of any assessment.
- (C) Except as otherwise provided in Section 13.2 below as to certain mortgagees, and except as provided in Section 9.2 below, as to the Declarant and Developer, no

Owner may avoid or escape liability for the assessments or charges provided for herein by non-use or abandonment of his Lot or Living Unit, or the Common Areas, or otherwise.

- (D) Assessments shall be fixed, levied, established and collected as provided herein, and in the Bylaws.
- (E) The Owner of each Lot or Living Unit, regardless of how title was acquired, is liable for all assessments coming due while he is the Owner. Multiple Owners are jointly and severally liable. Except as provided in Section 13.2 below, whenever title to a Lot or Living Unit is transferred for any reason, the new Owner is jointly and severally liable with the previous Owner for all assessments unpaid at the time of the transfer, regardless of when incurred, without prejudice to any right the new Owner may have to recover from the previous Owner any amounts paid by the new Owner.
- (F) No land shall be subject to assessment by the Association if it is a Common Area, or it is owned by or dedicated to the County or other governmental agency, and used for a public purpose. Only Lots and Living Units shall be subject to assessment.

9.2 Declarant's Assessments. The assessment and lien provisions of this Article IX shall not apply to any Lot or Living Unit owned by Declarant or by any Developer succeeding to all or a portion of Declarant's rights herein, whether by assignment, in reorganization, or by other arrangement. Should Declarant's lender, its successors or assigns, acquire title to any Lot or Living Unit owned by Declarant, as a result of a foreclosure or deed in lieu of foreclosure, the assessment and lien provisions of this Article IX shall apply commencing on the date the lender acquires title by foreclosure, deed in lieu of foreclosure or otherwise. The obligation and covenant to pay assessments as provided in this Article IX shall, however, apply to a Living Unit or Lot owned by the Declarant or a Developer upon the occurrence of any one of the following events:

- (A) Conveyance of the Lot or Living Unit to an Owner other than a Developer; or
- (B) Construction of a Living Unit has been completed, a certificate of occupancy or the equivalent approval by an appropriate local governmental agency has been issued, and the Living Unit is occupied and used as a residence; or
- (C) Declarant executes and records a written instrument subjecting a Lot or Living Unit to the assessment and lien provisions of this Article IX.

Until the Turnover Date, the Declarant covenants to subsidize the general operating expenses of the Association, by contributing the difference, if any, between net operating expenses and all income of the Association including but not limited to assessment income from members other than the Declarant, interest income and income from ancillary operations. Declarant, however,

shall not be obligated to contribute to or pay for funding any reserves for capital expenditures or deferred maintenance, capital improvement fund, or special assessment. Declarant's rights and obligations hereunder may be assigned to a Developer. During the period of Declarant control, in return for subsidizing the general operating expenses of the Association, any net operating profit made by the Association, will revert back to the Declarant to offset existing and future capital improvements, operating expenses, support costs, and start-up costs. Net operating profit shall mean the amount by which income from all sources of the Association exceeds operating costs and expenses, but excluding depreciation expense and amortization expense.

9.3 Purposes of Assessments:

- (A) To promote the recreation, health, safety, and welfare of the Owners and residents of the Development;
- (B) For the improvement, maintenance, protection and operation of the Association and Common Areas, if any, the Association equipment and facilities, and the Surface Water Management System, if necessary; and to establish and maintain adequate repair and replacement reserves;
- (C) To pay the operating expenses of the Association;
- (D) To pay for the cost of the maintenance of each Lot, including maintaining and repairing the yard and shrubbery, irrigation system, including timer, roads, Clubhouse, and Common Areas;
- (E) For such other purposes and use as are authorized by the Governing Documents as amended from time to time.

9.4 Imposition of Annual Assessments. Upon the closing of the initial sale of each Lot or Living Unit to a purchaser other than Declarant or a Developer, and on the first day of each fiscal year thereafter, an annual assessment shall be assessed against each Lot or Living Unit. The annual assessment for the year in which the initial sale occurred shall be prorated to the actual date of closing.

9.5 Amount of Annual Assessments. The amount of the Annual Assessment based on the annual budget shall be the same for each Lot or Living Unit subject to assessment except that until the Turnover Date the Developer shall not be required to pay any assessment so long as the Developer pays any shortfall in Association operating expenses in accordance with Section 9.2. The initial Annual Assessment per Lot for Association expenses shall be \$250.00 per year to be paid each year in advance. The Annual Assessment is intended to cover the maintenance and repair of the Common Areas. In addition, the Association shall include in the Annual Assessment an amount necessary to pay any projected non-payment of the Annual Assessments and in the event such Annual Assessments are recovered by the Association, such recovered amounts shall become part of the annual budget of the Association.

9.6 Special Assessments. Any special assessments levied by the Association's Board of Directors shall be assessed equally against all Lots and Living Units, unless the assessment or portion thereof is intended specifically for the direct benefit of one or more classes of members, in which case it shall be assessed against only the classes of members directly benefitted. Under no circumstances will the Declarant or any Developer have any obligation to pay special assessments.

9.7 Amount of Semi Annual Assessment. The amount of the Semi Annual Assessment based on the annual budget shall be the same for each Lot or Living Unit subject to assessment except that until the turn over date the Developer shall not be required to pay any assessment as long as the Developer pays any shortfall of any operating expenses of the matters to be covered by the Semi Annual Assessment set forth in Section 9.2. The initial Semi Annual Assessment for each Lot shall be \$140.00 per month to be paid in semi-annual installments in advance. The Semi Annual Assessment is intended to pay for the matters as set forth in paragraph 1.23 hereof. In addition, the Association shall include in the Semi Annual Assessment an amount necessary to pay any projected nonpayment of Semi Annual Assessments, and in the event such Semi Annual Assessment is recovered by the Association, such recovered amount shall become part of the annual budget of the Association.

9.8 Semi-Annual Maintenance Assessment. The amount of the Semi-Annual Maintenance Assessment shall be the same for each Lot or Living Unit and shall be in an amount set from time to time by the Developer until such time as the Developer or any subsequent developer no longer holds any Lots or Living Units in the Development, at which time the Association shall set the Semi Annual Maintenance Assessment. Notwithstanding the foregoing, the Semi Annual Maintenance Assessment per Lot shall be the cost paid by the Developer or the Association, as the case may be, for the Semi Annual Maintenance of each Lot for such Semi Annual Maintenance paid to or contracted with a third party to perform such Semi Annual Maintenance as set forth in this Declaration. In the event the price of the Semi Annual Maintenance paid is increased or decreased, then the amount of the Semi Annual Maintenance Assessment shall be adjusted accordingly. In addition, the Developer or the Association, after the time in which the Developer no longer owns any Lots or Living Units in the Development, shall also be entitled to an administrative fee to be assessed against each Lot as part of the Semi Annual Maintenance Assessment to cover the cost of collecting, accounting for and paying the monthly, quarterly or annual maintenance contracts to third parties.

9.8 Charges. Other than the Semi Annual Maintenance Assessment and Annual Assessments, any charge by the Association authorized by law or by the Governing Documents to be imposed on less than all of the Lots or Living Units shall not be deemed an assessment. Payment of any assessment may be enforced as provided in Sections 9.9 and 9.10 below.

9.9 Lien. The Association has a lien on each Lot and Living Unit for any unpaid Assessments and charges, together with interest, late payment penalties and reasonable attorneys' fees incurred by the Association in enforcing this lien. The lien relates back to the date of recording this Declaration in the Public Records of Polk County, Florida; and is perfected by recording a Claim of Lien in the public records of Polk County, which Claim of Lien shall state

the legal description of the property encumbered thereby, the name of the record owner, the amounts then due and the dates when due. The Claim of Lien must be signed and acknowledged by an officer or agent of the Association. The lien shall continue in effect until all sums secured by said lien have been fully paid, and the lien satisfied or discharged. The Claim of Lien shall secure all unpaid assessments and charges, interest, costs and attorneys' fees which are due and which may accrue or come due after the recording of the Claim of Lien and up to the issuance of a clerk's deed. Upon full payment, the person making payment is entitled to a satisfaction of the lien.

9.10 Foreclosure of Lien. The Association's lien may be foreclosed by the procedures and in the manner provided by Florida Law, as it may be amended from time to time. The Association may also bring an action at law against any Owner liable for unpaid charges or assessments. If final judgment is obtained, it shall include interest on the assessment as above provided and a reasonable attorneys fee to be fixed by the Court, together with the costs of the action, and the prevailing party shall be entitled to recover reasonable attorneys' fees in connection with any appeal of such action.

9.12 Subordination of Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage on a Lot or Living Unit. Sale or transfer of any Lot or Living Unit shall not affect the assessment lien. However, the sale or transfer of any Lot or Living Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the assessment lien by such sale or transfer as to the first mortgage. No sale or transfer shall relieve such Lot or Living Unit from liability for any assessments thereafter becoming due or from the lien thereof.

9.13 Ownership. Assessments and charges collected by or on behalf of the Association become Association property; no Owner has the right to claim, assign or transfer any interest therein except as an appurtenance to his Lot or Living Unit. No Owner has the right to withdraw or receive distribution of his share of the common surplus (including reserves), except as otherwise provided by law.

ARTICLE X

COVENANT AND RULE ENFORCEMENT: DISPUTE RESOLUTION

The Association has the power to enforce all covenants, conditions, restrictions, rules and agreements applicable to any real property within Development, and is further empowered to promulgate and enforce administrative rules and regulations governing the use of the Common Areas, if the Association owns any Common Areas.

10.1 Owner and Member Compliance. The protective covenants, conditions, restrictions and other provisions of the Governing Documents and the rules promulgated by the Association, if any, shall apply to all Owners, as well as to any other person occupying any Living Unit. Failure of an Owner to notify any person of the existence of the rules, or the covenants, conditions restrictions, and other provisions of the Governing Documents shall not in any way act to limit or divest the Declarant, a Developer, or the Association of the power to

enforce these provisions. Each Owner shall be responsible for any and all violations by his tenants' licensees, invitees or guests, and by the guests' licensees and invitees of his -tenants, at any time.

10.2 Litigation. Subject to the provisions of the Declarations above, each Member and the Member's tenants, guests, and invitees, and the Association, are governed by and must comply with Chapter 617, Florida Statutes, the Governing Documents and rules of the Association. Enforcement action for damages or injunctive relief, or both, on account of any alleged violation of the Governing Documents and Association rules may be brought by the Declarant, any Owner, or the Association against:

- (A) the Association;
- (B) a Member;
- (C) any occupant of a Living Unit;
- (D) any Director or Officer of the Association who willfully and knowingly fails to comply with these provisions;
- (E) any tenants, guests or invitees occupying a parcel or using the Common Areas, if any; and

10.3 Damages and Attorneys' Fees. Damages shall not be conclusively deemed adequate relief for any breach or violation of the Governing Documents or the rules. Any person or entity entitled to enforce any provision thereof shall be entitled to relief by way of injunction, as well as any other available relief either at law or in equity. The prevailing party in a proceeding to enforce any provision of the Governing Documents or rules, or to enjoin violation or breach of any provision hereof, or recover damages on account of such breach against any person shall be entitled to recover reasonable attorneys' fees and court costs (including those resulting from appellate proceedings).

10.4 Non-Liability of Declarant. The Declarant shall not be liable or responsible for any violation of the Governing Documents or rules by any person other than itself, and its officers, agents and employees.

10.5 Fines.

- (A) In addition to the means of enforcement provided elsewhere herein, the Association shall have the right to assess fines against a unit, a Living Unit Owner, or his guests, relatives or lessees in the event of a violation of the provisions of the Declaration, the Articles of Incorporation, these Bylaws, and Rules and Regulations of the Association regarding the use of units, common elements, or Association property. Each such violator and the Unit Owner shall be given written notice of the alleged violation and the opportunity for a hearing

before the Board of Directors with at least fourteen (14) days notice. Said notice shall include a statement of the date, time and place of the hearing; a statement of the provisions of the Declaration, Articles of Incorporation, Bylaws or Rules which have been allegedly violated and a short and plain statement of the matters asserted by the Association. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. The amount of such fine shall not exceed One Hundred and No/100 Dollars (\$100.00) per occurrence, or the maximum permissible by law, and each reoccurrence of the alleged violation for each day during which such violation continues shall be deemed a separate offense and may result in additional fines, without requirement of a separate hearing, such not to exceed the maximum permissible by law. The payment of fines shall be the ultimate responsibility of the Unit Owner, even when the violations for which fines have been levied arise out of the conduct of family members, guests or tenants. Any action to collect a duly levied fine shall entitle the prevailing party to an award of all costs and reasonable attorney's fees.

- (B) Collection of fines. A fine shall be treated as a special charge due to the Association ten (10) days after written notice from the Association to the Owner of the imposition of the fine. If not paid by the due date the fine shall accrue interest at the highest rate allowed by law, and may itself be the subject of a late payment fee.
- (C) Application. All monies received from fines shall become part of the common surplus.
- (D) Nonexclusive remedy. Fines shall not be construed to be an exclusive remedy; and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any fine paid by the offending Owner shall be deducted from or offset against any damages that the Association may otherwise be entitled to recover at law from such Owner.

10.6 Suspension of Use Rights. To the extent lawful, the Board of Directors may suspend the right of any Owner, or his guests, tenants, or family member, to use Common Areas, if any, during any period of time the Owner shall have failed to pay any fine levied, or for a reasonable time as punishment for one or more infractions of Association rules and regulations by the Owner, his family, guests or tenants. No such suspension shall affect the Owner's right of access to his unit.

- (A) A suspension may not be imposed without notice of at least fourteen (14) days to the person sought to be suspended and an opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not officers, Directors, or employees of the Association; or the spouse, parent, child, brother or sister of an officer, Director, or employee. If the committee, by

majority vote, which may be by secret ballot, does not approve a proposed suspension, it may not be imposed.

- (B) The requirements of the previous paragraph do not apply to the imposition of suspensions or fines upon any Member because of the failure of the Member to pay assessments or other charges when due if such action is authorized by the Governing Documents.
- (C) Suspension of common area use rights shall not impair the right of an Owner or tenant of a parcel to have vehicular and pedestrian ingress, to and egress from the parcel, including, but not limited to, the right to park.

ARTICLE XI

INSURANCE: RECONSTRUCTION AFTER CASUALTY.

11.1 Duty to Insure and to Reconstruct or Clean Up. Each Owner shall at all times maintain adequate property insurance on the Living Units and structures containing Living Units, and all other insurable improvements, in amounts equal to the replacement cost thereof. If any Living Unit or other improvements located on any Lot or the Common Area is destroyed or damaged as a result of fire, windstorm, flood, tornado, hurricane or other casualty, the Owner shall:

- (A) Cause repair or replacement to be commenced within six (6) months after the date such damage or destruction occurred, and complete the repair or replacement within six (6) months thereafter. All such repairs or replacements must be approved in writing by the ARC. Unless changes are approved by the ARC, the Owner must restore the damaged property to substantially the same configuration as existed before the casualty, and structurally and architecturally compatible with any adjoining improvements which share a party wall; or
- (B) Promptly cause all debris, damaged improvements, and their unsightly materials to be removed from the site.

11.2 Failure to Comply. If any Owner fails to comply with Section 11.1 above within the time periods provided, the Association shall be deemed to have been granted the right by the Owner to either commence and complete the repairs sufficient to substantially restore the improvements to their original conditions, according to the plans and specifications of the original improvements; or to remove the damaged improvements completely. If the Association exercises the rights afforded to it by this Section, the Owner shall be deemed to have assigned to the Association any right he or it may have to insurance proceeds that may be available because of the damage or destruction. The Association shall have the right to recover from the Owner any costs not paid by insurance, and shall have a lien on the Lot or Living Unit to secure payment

11.3 Flood Insurance. The Association may, in the discretion of the Board, maintain flood insurance to cover buildings and any other property, if it owns any which it currently does

not, in designated hazard areas, if any, up to the full insurable value or maximum coverage available.

11.4 Property Insurance. The Association shall maintain replacement cost property insurance coverage on all structures, improvements, and fixtures which are part of the Common Areas owned by the Association, if any.

11.5 Liability Insurance. The Association shall maintain adequate public liability insurance coverage for all Common Areas owned by the Association, if any.

11.6 Bonding. The Association shall maintain adequate fidelity bond coverage for all individuals having control of or access to Association funds.

11.7 Association's Rights of Entry. For the purpose of performing the duties authorized by this Article XI, the Association, through its duly authorized agents and employees, shall have the right to enter upon any Living Unit or Lot at reasonable hours and perform such duties.

ARTICLE XII **RIGHTS OF DECLARANT AND DEVELOPERS**

In addition to those provided elsewhere in the Governing Documents, the Declarant and each Developer shall have the following rights and privileges:

12.1 Sales Activity. While one or more Lots or Living Units are for sale in the ordinary course of business, the Declarant and the Developer shall have the right to use those Lots or Living Units and the Common Areas (including, but not limited to, all recreational facilities) to establish, modify, maintain and utilize, as it and they deem appropriate, model Living Units, sales offices, or other offices for use in selling or providing warranty services to any part of the Development including temporary trailers or other structures used for sales marketing, or construction purposes. No Owner may interfere with, or do anything detrimental to, the Declarant's sales efforts. Without limiting the generality of the foregoing, the Declarant and its designees may show model Living Units or the Common Areas to prospective purchasers or tenants, advertise, erect signs, conduct promotional activities and special events, and take all other action helpful for sales, leases and promotion of the Development.

12.2 Assignment of Rights to Successor Developer. Except as otherwise specifically provided herein, Declarant reserves the right and the power to delegate or assign, either exclusively or non-exclusively, partially or completely, to any person or entity, any or all of its development rights, powers, duties, privileges created in or provided for by this Declaration. Such assignment shall not in any way lessen the Declarant's rights with respect to property not subject to such assignment.

12.3 Use of Common Areas. The Developer has the right and authority, as long as that Developer owns any Lot or Living Unit, to use the Common Areas, if any, without charge for a

sales office, for promotional activities, and other special events whether private or open to the public, to promote the Development and to assist in its overall marketing effort.

12.4 Security Non-Liability of Declarant and Association.

ALL PERSONS USING OR OCCUPYING ANY PORTION OF THE DEVELOPMENT ARE RESPONSIBLE FOR THEIR OWN SECURITY AND THE SECURITY OF THEIR OWN PROPERTY.

NEITHER THE ASSOCIATION, THE DECLARANT, OR THE DEVELOPER TRACT ARE INSURERS OR GUARANTORS OF SECURITY FOR PERSONS OR PROPERTY WITHIN THE DEVELOPMENT.

NEITHER THE ASSOCIATION, THE DECLARANT, OR THE DEVELOPER SHALL BE LIABLE IN ANY WAY ON ACCOUNT OF LOSS, DAMAGE OR INJURY RESULTING FROM ANY CRIMINAL ACTIVITY OCCURRING IN THE DEVELOPMENT. THE DECLARANT AND DEVELOPER MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION SYSTEM AND/OR BURGLAR ALARM SYSTEMS, OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE DEVELOPMENT.

12.5 Miscellaneous.

- (A) Declarant shall have the right and the power to regulate and control the external design and appearance of all Common Areas, if any, in such a manner as to:
 - (1) Promote a quality environment which will preserve the value of the Lots and Living Units; and
 - (2) Foster the attractiveness and functional utility of the Development as a place to live and play, including a harmonious relationship among structure, vegetation and topography.
- (B) Any use of Common Areas, if any, other than the uses intended pursuant to this Declaration shall be subject to the prior written approval of the Declarant so long as it owns-any land in the Development which it holds for the purpose of development.
- (C) The Declarant has the right to replat unsold portions of the Land without the joinder or consent of any Owner.

- (D) The Developer has the right to receive a refund of any and all deposits or other payments made to utility companies or governmental authorities which are refunded in the course of development, even if such refunds occur after the sale of the last Lot or Living Unit in the Development to an Owner other than the Developer.

12.6 Additions or Withdrawals of Property. Declarant has the right and the power, but neither the duty nor the obligation, to record instruments bringing additional lands within the Development and subjecting those lands to the protective covenants, conditions, restrictions or provisions provided for in this Declaration. The Declarant also reserves the right in its sole discretion to withdraw property from submission to this Declaration, except that the Declarant shall not be permitted to withdraw any property after it has been conveyed to an Owner other than the Declarant, without the joinder of the Owner.

12.7 Management Contracts. Declarant shall have the right and the power to enter into professional management contracts on behalf of the Association before the Turnover Date.

12.8 Appointment of Directors. As further provided in the Bylaws, the Developer shall have the right to appoint all of the Directors of the Association until the Turnover Date, and shall have the right to appoint at least one Director until the time specified in the Bylaws.

12.9 Declarant's Inaction. Neither the execution and recordation of this Declaration, nor the creation of any Association or other entity, nor the recordation of any other instrument subjecting any land in the Development to protective covenants, conditions or restrictions or other provisions, shall obligate or require:

- (A) Declarant to grant any right, power, duty or privilege of any nature or kind to the Association or to any other entity; or
- (B) Declarant, the Association or any other entity, to perform any act permitted by this Declaration or by any other recorded instrument, or to enforce any covenant, condition, restriction or other provision hereof or thereof, or to do anything which it does not, in its sole discretion, elect to do.

12.10 Rules and Procedures for Entry. The Developer may for so long as it owns Lots in the Development set entry rules and procedures for entrance into the Development in its sole and absolute discretion, including without limitation, limiting or refusing entry to salesmen, vendors, or realtors not approved by Developer.

ARTICLE XIII **RIGHTS OF MORTGAGEES**

13.1 Notice of Casualty or Condemnation. In the event of condemnation, eminent domain proceedings, or very substantial damage to, or destruction of any significant portion of

the Common Areas, if any, the record holder of any first mortgage on the Common Areas who has requested such notice in writing, shall be entitled to written notice.

13.2 Mortgage Foreclosure. Except as otherwise provided by Florida law as amended from time to time, if a Mortgagee acquires title to a Lot or Living Unit as a result of foreclosure of the mortgage, or as the result of a deed given in lieu of foreclosure, such mortgagee shall not be liable for the Association assessments or charges attributable to the Lot or Living Unit or chargeable to the former Owner, which came due prior to the Mortgagee's acquisition of title. Any unpaid assessments or charges for which such acquirer is exempt from liability becomes an expense collectible from all Owners, prorata, including such acquirer and his successors and assigns. No Owner or acquirer of title to a Lot or Living Unit by foreclosure (or by a deed in lieu of foreclosure) may, during the period of his, her or its ownership, be excused from the payment of any assessments or charges coming due during the period of such ownership.

13.3 Rights to Inspect Documents and Books. The Association shall make available to Mortgagees requesting same the current Governing Documents of the Association and financial statements of the Association. "Available" shall mean ready for inspection, upon written request, during normal business hours, or under other reasonable circumstances. Photocopies shall be at the expense of the mortgagee requesting same.

13.4 Financial Statement. Any Mortgagee is entitled, upon written request, to a copy of the financial statements of the Association for the immediately preceding fiscal year.

13.5 Lender's Notices. Upon written request to the Association, any Mortgagee shall be entitled to timely written notice of:

- (A) Any delinquency of more than sixty (60) days in the payment of assessments or charges owed by the Owner of any Lot or Living Unit on which it holds a mortgage.
- (B) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association. An increase in coverage, or a change of insurer does not require notice under this Paragraph.
- (C) Any proposed action that requires the consent of a specified percentage of mortgage holders.

ARTICLE XIV **DURATION OF COVENANTS; AMENDMENT**

14.1 Duration of Covenants. The covenants, conditions, easements and restrictions in this Declaration shall run with and bind the Land, and shall inure to the benefit of and be enforceable by the Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, for an initial period to expire on the twentieth (20) anniversary of the date of recording this Declaration in the Public Records of Polk County,

Florida. Upon the expiration of said initial period, this Declaration shall be automatically renewed and extended for an unlimited number of successive ten (10) year periods, until terminated as provided below.

14.2 Termination. This Declaration may be terminated at any time after the initial period if not less than eighty percent (80%) of the voting interests of all classes of the members of the Association vote in favor of terminating this Declaration. Written notice of any meeting at which a proposal to terminate this Declaration is to be considered, setting forth the fact that such proposal will be considered, shall be given at least forty-five (45) days in advance of said meeting. If the Members vote to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination so adopted, the date of the meeting of the Association at which the resolution was adopted, the date that notice of the meeting was given, the total number of votes cast in favor of the resolution, and the total number of votes cast against the resolution. The certificate shall be recorded in the public records of Polk County, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. The termination shall be effective on the date the Certificate is recorded in the public records.

14.3 Amendments. Subject to the provisions hereof, this Declaration may be amended at any time. Except as otherwise specifically provided, amendments to this Declaration may be proposed by the Board of Directors or by written petition of at least one-fourth (1/4) of the voting interests.

14.4 Procedure. Upon any amendment or amendments to this Declaration being proposed as provided above, the proposed amendment or amendments shall be submitted to a vote of the Members not later than the next annual meeting for which proper notice can be given.

14.5 Vote Required. Except as otherwise provided by law, or by specific provision of this Declaration, a proposed amendment to this Declaration shall be adopted if it is approved at an annual or special meeting called for that purpose by at least two-thirds (2/3) of the voting interests of each class of Members present and voting, provided that notice of the text of each proposed amendment was sent to the Members with notice of the meeting.

14.6 Certificate; Recording. A copy of each adopted amendment shall be attached to a certificate that the amendment was duly adopted as an amendment to the Declaration, which certificate shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of the County. The certificate must set forth the location in the public records of Polk County where this Declaration was originally recorded.

14.7 Provision. Regardless of any other provision in this Declaration, no amendment of the Governing Documents by any person, and no termination or amendment of this Declaration, can be effective to change the Association's responsibilities for the Stormwater Management System. Any proposed amendment which would affect the Stormwater Management System, or the Conservation Areas, must be submitted to the SWFWMD for a

determination of whether the amendment necessitates a modification of the surface water management permit.

14.8 Exceptions. Whether in this Declaration the consent, approval, or affirmative vote of two-thirds (2/3) or more of the voting interests of the members is required to authorize or take a particular action, the language requiring the particular number of consents, approvals, or votes may not be amended except by the same vote required to authorize or take the action. This provision does not apply to amendments by the Declarant or a Developer.

14.9 Amendment of Provision Relating to Developer. As long as a Developer holds any Lot or Living Unit for sale in the ordinary course of business, no amendments shall have the effect of changing any provision relating specifically to the Declarant or a Developer without their written consent.

14.10 Amendment by Declarant. Notwithstanding the foregoing and in addition to any other right of amendment or modification provided for in this Declaration, Declarant may, in its sole discretion, by an instrument filed of record, unilaterally modify, enlarge, amend, waive, or add to the covenants', conditions, restrictions and other provisions of this Declaration, and any recorded exhibit hereto. This right shall expire at such time as no Developer holds any property for sale in the ordinary course of business within the Development.

14.11 Limitations. No amendment to any of the Governing Documents shall be effective to change any Member's voting rights as set forth in the Bylaws, or the provisions of this Declaration, unless all Members affected first consent in writing to said amendment.

ARTICLE XV

HOUSING FOR OLDER PERSONS - 55 YEARS OF AGE OR OLDER DEVELOPMENT

15.1 Purpose of Development. The Development is intended to and operated for the purpose of providing housing for and occupancy by older persons. "Older person" means a person 55 years of age or older.

15.2 Development Requirements. The Development shall comply with and satisfy the following factors and requirements: (i) at least eighty percent (80%) of the occupied Living Units shall be occupied by at least one (1) person who is 55 years of age or older; (ii) the Development shall publish and adhere to policies and procedures that demonstrate the intent to operate the Development for occupancy by persons 55 years of age or older; and (iii) the Development shall comply with rules issued by the Secretary of the United States Department of Housing and Urban Development for verification of occupancy., including verification by reliable surveys and affidavits.

15.3 Development Filing Requirement The Development shall register with the Florida Commission on Human Relations ("Commission") and shall submit a letter to the Commission pursuant to the requirements in Florida Statutes, Section 760.29(4)(c), as amended

from time to time. By filing with the Commission, it is being certified that the Development has satisfied the requirements for the exemption from the prohibition against familial status discrimination.

15.4 Age Verification. For admission to the Development as a resident, at least one (1) person 55 years of age or older must occupy each Living Unit, and all other residents occupying a Living Unit must be 40 years of age or older. Upon application for residency, any one or more of the following documents are considered reliable documentation of the age of the applicants: (i) Driver's license; (ii) Birth certificate; (iii) Passport; (iv) Immigration card; (v) Military identification; (vi) Any other state, local, national, or international official documents containing a birth date of comparable reliability; or (vii) A certification in a lease, application, affidavit, or other document signed by any member of the Living Unit age 40 or older asserting that at least one (1) person in the Living Unit is 55 years of age or older. Any one or more of the foregoing forms of identification and age verification, shall be considered as adequate for verification of age, provided that it contains specific information about current age or date of birth.

15.5 Age Verification Policies and Procedures. The Developer, or the Board of Directors of the Association after the Developer owns no Lots in the Development, shall establish and maintain appropriate policies and procedures to require that applicants and occupants comply with the age verification procedures as set forth in the Governing Documents. If the occupants of a particular Living Unit refuse to comply with the age verification procedures, the Developer or the Board of Directors and the Development may, if it has sufficient evidence, consider the Living Unit to be occupied by at least one (1) person 55 years of age or older. Such evidence may include: (i) Government records or documents, such as a local household census; (ii) Prior forms or applications; or (iii) A statement from an individual who has personal knowledge of the age of the occupants. The individual's statement must set forth the basis for such knowledge and be signed under the penalty of perjury.

15.6 Exceptions to Age Restriction. The Developer, or the Board of Directors of the Association after the Developer owns no lots in the Development, may make exceptions in its sole and absolute discretion and allow the residence of persons in the Development who do not satisfy the age restrictions so long as the Development complies with the requirements to qualify as housing for older persons as set forth in Section 16.3, including without limitation, that at least eighty percent (80%) of the Living Units are occupied by at least one (1) person 55 years of age or older.

15.7 Occupancy Requirement. The Development shall be deemed to satisfy the occupancy requirement even though the following conditions exist: (i) There are unoccupied Living Units, provided that at least eighty percent (80%) of the occupied Living Units are occupied by at least one (1) person 55 years of age or older; (ii) There are Living Units occupied by employees of the Development (and family members residing in the same Living Unit) who are under 55 years of age, provided the employees perform substantial duties related to the management or maintenance of the Development; or (iii) There are Living Units occupied by persons who are necessary to provide a reasonable accommodation to disabled residents as required and who are under the age of 55.

15.8 Policies and Procedures. The Developer, and the Board of Directors of the Association after the Developer owns no Lots in the Development, shall publish and adhere to policies and procedures that demonstrate the intent of the Development to operate as housing for persons 55 years of age or older. The policies and procedures may include, without limitation, the following: (i) Advertising, marketing, and promotion of the Development; (ii) Lease restrictions; (iii) Written rules, regulations, or other restrictions, including this Declaration; (iv) The maintenance and consistent application of relevant procedures; and (v) Public posting in Common Areas, if any, of statements describing the Development as housing for persons 55 years of age or older.

15.9 Verification of Occupancy. The Developer, and the Board of Directors of the Association, after the Developer owns no Lots in the Development, shall develop procedures for routinely determining the occupancy of each Living Unit, including the identification of whether at least one occupant of each Living Unit is 55 years of age or older. These procedures may be part of the normal purchasing arrangement. The documents as set forth in Section 16.5 shall be considered reliable documentation of the age of the applicants. The Development procedures shall provide for regular updates, through surveys or other means, of the initial information supplied by the occupants of the Development. Said updates shall take place at least once every two (2) years, and the survey may include information regarding whether any Living Units are occupied by persons described in the provisions designated as (ii) and (iii) of Section 15.7. Surveys and verification procedures which comply with statutory requirements and regulations including those of the United States Housing and Urban Development, shall be admissible in administrative and judicial proceedings for the purpose of verifying occupancy. A summary of occupancy surveys shall be available for inspection upon reasonable notice and request by any person.

15.10 Conveyance or Transfer of Living Unit. If an Owner desires to convey their Living Unit, said Owner shall comply with the provisions of this Declaration and the Governing Documents and shall convey the Living Unit in accordance with the intent and purpose of the Development, to at least one (1) person who is 55 years of age or older, and all other prospective purchasers who will occupy the Living Unit shall be 40 years of age or older, unless otherwise permitted by law. Notwithstanding the foregoing, if a Living Unit is transferred via inheritance or otherwise to a person under 55 years of age, including without limitation, a child or surviving spouse, said person shall be entitled to occupy the Living Unit for as long as they choose to do so, so long as at least eighty percent (80%) of the occupied Living Units in the Development are occupied by at least one (1) person 55 years of age or older. However, if a person acquires a Living Unit, in the manner discussed in the preceding sentence, and at some point in time chooses to convey the Living Unit, the Living Unit shall be conveyed to at least one (1) person 55 years of age or older, and all other persons who will occupy the Living Unit shall be 40 years of age or older.

ARTICLE XVI

COMPLIANCE WITH SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT SURFACE DRAINAGE REQUIREMENTS INCLUDING

RESTRICTIONS, ENFORCEMENT RIGHTS AND ASSESSMENTS
FOR MONITORING AND MAINTENANCE

16.1 Compliance with SWFWMD Rules. It shall be the responsibility of each Owner, at the time of construction of a building, residence or other structure, to comply with the construction plans approved and on file with the Southwest Florida Water Management District as part of the surface water management system for development of the Subdivision.

16.2 Use of Easements. No permanent building, residence or structure of any kind shall be constructed by any owner within that portion of any unit designated on the plat for the Property as a drainage easement.

16.3 Prohibited Activity. No construction activities may be conducted relative to any portion of the surface water management system facilities. Prohibited activities include, but are not limited to: digging or excavations; depositing fill, debris or any other material or item; constructing or altering any water control structure; or any other construction to modify the surface water management system facilities. If the Property includes a wetland mitigation area, as defined by the Southwest Florida Water Management District, or a wet detention pond, no vegetation in these areas shall be removed, cut, trimmed, or sprayed with herbicide without specific written approval from the District. Construction and maintenance activities which are consistent with the design and permit conditions approved by the District in the Environmental Resource Permit may be conducted without specific written approval from the District.

16.4 Enforcement. The Southwest Florida Management District shall have the right to take enforcement measures, including a civil action for injunction and/or penalties, against the Association to compel it to correct any outstanding problems with the surface water management system facilities.

16.5 Monitoring of Wetlands. If the subdivision has on site wetland mitigation which requires ongoing monitoring and maintenance in accordance with the rules and regulations of the Southwest Florida Water Management District, the Association shall allocate sufficient funds in its budget for monitoring and maintenance of the wetland mitigation area(s) each year until the Southwest Florida Water Management District determines that the area(s) is successful in accordance with the Environmental Resource Permit.

16.6 Termination of Association. If the Association ceases to exist, all of the Owners shall be jointly and severally responsible for operation and maintenance of the surface water management system facilities in accordance with the requirements of the Environmental Resource Permit, unless and until an alternate entity acceptable to the Southwest Florida Water Management District assumes responsibility for the operation and maintenance for the surface water management system facilities in accordance with the requirements of the Environmental Resource Permit.

ARTICLE XVII

GENERAL AND PROCEDURAL PROVISIONS

17.1 Other Documents. Declarant and the Association shall have such rights, powers, duties, and privileges as are set forth in the Governing Documents, this Declaration and its provisions shall prevail in all events of conflict.

17.2 Severability. If any covenant, condition, restriction or other provision of this Declaration is held to be invalid in whole or in part by any court of competent jurisdiction, the holding shall in no way affect the validity of the remaining provisions of this Declaration, all of which shall remain in full force and effect.

17.3 Merger or Consolidation of Associations. Upon a merger or consolidation of the Association with another corporation as provided by law, the Association's rights, obligations and property may, by operation of law, be transferred to another surviving or consolidated association alternatively, remain the rights, obligations and property of the Association as the surviving corporation. The surviving or consolidated corporation may administer this Declaration within the existing property together with the covenants and restrictions established upon any other property, as one common scheme.

17.4 Dissolution. If the Association is dissolved other than by a merger or consolidation as provided for above, each Lot or Living Unit shall continue to be subject to the assessments provided for in Article IX, and each Owner shall continue to be personally obligated to Declarant or the successor or assigns of the Association (as the case may be) for such assessment to the extent that such assessments are required to enable Declarant or any such successor or assigns acquiring any real property previously owned by the Association to properly maintain, operate and preserve it.

17.5 Gender: Number. Wherever in this Declaration the context so requires, the singular number shall include the plural, and the converse; and the use of any one gender shall be deemed to include both genders.

17.6 Notices.

- (A) To Declarant. Notices to Declarant as may be required herein shall be in writing and delivered or mailed to Declarant at its principal place of business as shown by the records of the Secretary of State, or at any other location designated by Declarant.
- (B) To the Association. Notices to the Association shall be in writing and delivered or mailed to the Association at its principal place of business as shown by the records of the Secretary of State of Florida, or at any other location designated by the Association.

- (C) To Owners. Notices to any Owner as may be required herein shall be in writing and shall be delivered or mailed to the Owner at his last known address, or at the address shown on the deed recorded in the public records of Polk County.

17.7 Construction. The provisions of this Declaration shall be liberally interpreted and construed in favor of the Developer to provide maximum flexibility consistent with the general development plan and the purposes set forth herein. In no event shall any ambiguity in this document be interpreted against the Developer based upon the fact that the Developer prepared this document. Any ambiguity shall be interpreted in such a fashion as to further the intent of the Developer.


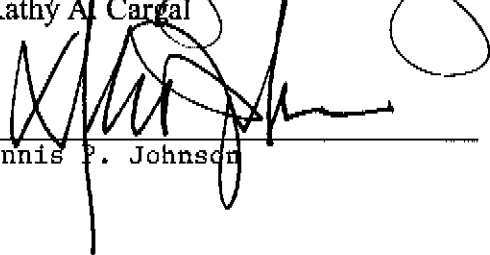
17.8 Captions, Headings and Titles. Captions, headings, capitalization of certain words, and titles inserted throughout the Governing Documents are for convenience only, and in no way shall such captions, headings or titles define, limit, or in any way affect the subject matter, content or interpretation of the terms and provisions of the Governing Documents.

17.9 Interpretation. The Declarant, until the Turnover Date and the Board of Directors of the Association thereafter shall be responsible for interpreting the provisions of the Governing Documents. Their interpretation shall be binding upon all parties unless wholly unreasonable. A written opinion rendered by Association legal counsel that an interpretation adopted by the Board is not wholly unreasonable shall conclusively establish the validity of such interpretation.

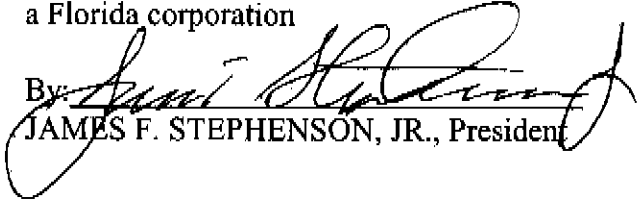
17.10 Applicable Statutes. The validity, application, and construction of this Declaration and its exhibits shall be governed by the Laws of Florida, as they exist on the date of recording this Declaration.

Rights Limited to Express Terms of Governing Documents. Every Member of the Association acknowledges that his or her rights, duties or obligations are limited to the express terms of this Declaration, the Articles of Incorporation, and the Bylaws ("Governing Documents"). Every prospective member should make his decision to purchase within the Development based upon these representations as set out in the Governing Documents which contain the entire understanding of the parties and no prior or present agreements or representations shall be binding upon the Declarant unless included in the Governing Documents.

IN WITNESS WHEREOF, the undersigned has executed this instrument on the day first above written or typed.


Kathy A. Cargal

Dennis P. Johnson

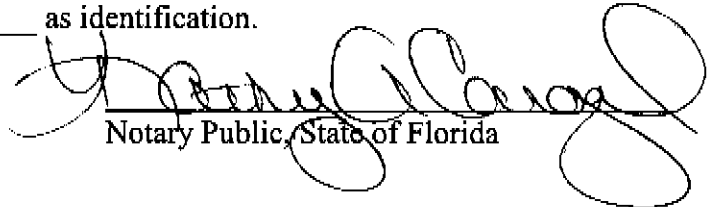
STEPHENSON LAND COMPANY, INC.
a Florida corporation

By 
JAMES F. STEPHENSON, JR., President

STATE OF FLORIDA
COUNTY OF POLK

The foregoing instrument was executed before me this 21 day of March, 2005, by JAMES F. STEPHENSON, JR., as President of STEPHENSON LAND COMPANY, INC., a Florida corporation, for and on behalf of the corporation, who ☒ is personally known to me or who ☐ produced _____ as identification.

(Seal)


Notary Public, State of Florida

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Kathy A. Cargal
MY COMMISSION # DD179804 EXPIRES
April 30, 2007
BONDED THRU TROY FAIN INSURANCE, INC.

EXHIBIT "A"

Lake James Phase One, according to the plat thereof recorded in Plat Book 129, page 41, public records of Polk County, Florida

ARTICLES OF INCORPORATION
OF
LAKE JAMES HOMEOWNERS ASSOCIATION, INC.
(A Corporation Not for Profit)

The undersigned hereby adopts the following Articles of Incorporation for the purpose of forming a corporation not for profit under the laws of the State of Florida:

Article I
Name

The name of the corporation is Lake James Homeowners Association, Inc. (hereinafter referred to as "Association").

Article II
Purposes

The Association does not contemplate pecuniary gain or profit to its members and is deemed a corporation not for profit. The Association will make no distributions of income to its members of Directors, unless it is dissolved pursuant to Florida law.

Each parcel in each Phase of the property located in Polk County, Florida described in attached Exhibit "A" will be subjected to covenants, conditions and restrictions on each deed as conveyed. Once those conveyances are recorded in the Public Records of Polk County, Florida, the terms defined therein are incorporated herein by reference and made a part hereof. Said Covenants, among other things, establishes and designates that said lands shall be known as "Lake James". This Association is organized for the general purpose of functioning as the property owners association of Lake James and serving as the instrumentality of the property owners of Lake James for the purpose of controlling and regulating the activities within and the development and for the maintenance of Lake James. The specific purposes for which this Association is formed include, but are not limited to, the following:

- A. To provide for the promotion, construction, regulation, maintenance and preservation of Lake James.
- B. To provide for the regulation, maintenance and control of the parking areas, landscaping and other common facilities and properties within Lake James.
- C. To acquire, hold, convey and otherwise deal with real and/or personal property in its capacity as a property owners association.

EXHIBIT "B"

D. To exercise all powers and discharge all responsibilities granted to it as a corporation under the laws of the State of Florida, its By-Laws, these Articles of Incorporation, and the Covenants for Lake James.

E. To otherwise engage in any lawful activities for the benefit, use, convenience, and enjoyment of its members as it may deem proper.

Article III
Principal Place of Business

The principal place of business of the Association shall be at 4317 Pinfish Lane, Palmetto, Florida 34221, or at such other place within the State as the Board of Directors shall by appropriate action hereafter from time to time determine.

Article IV
Powers

The powers of the Association shall include and be governed by the following provisions:

A. The Association shall have all the powers of a corporation, not for profit, provided by law and not in conflict with the terms of these Articles of Incorporation, the By-Laws of the Association and, in addition, all powers set forth in the conveyances of individual large parcels. It shall further have all of the powers and duties reasonably necessary to operate pursuant to its purposes, as they may be amended from time to time, including, but not limited to, the following:

1. To fix, levy, collect, and enforce assessments (whether they be annual or special), to defray the costs, expenses and losses of its operation and to ensure compliance with its rules and regulations.
2. To acquire liens against all Lot owners for assessments.
3. To subordinate, in its sole discretion, any liens acquired by the Association.
4. To use the proceeds of assessments in the exercise of its powers and duties.
5. To acquire personal and real property (by purchase or otherwise), and to hold, maintain, repair, operate, lease, sell or otherwise dispose of any properties it may acquire.
6. To construct and maintain improvements on its property and to reconstruct improvements after casualty.
7. To borrow money and to mortgage, pledge, or otherwise hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

8. To purchase insurance for its properties and insurance for the protection of the Association, its Officers, Directors, and its members.
9. To make and amend reasonable rules and regulations, and to grant exceptions thereto, respecting the construction of improvements, and maintenance and use of the properties of its members.
10. To enforce any regulations, restrictions or limitations imposed by deed, plat, site plan, or otherwise on the land within Lake James.
11. To enforce by legal means the rights of the Association and the provisions of these Articles, the By-Laws of the Association, the deed restrictions for Lake James, and all rules and regulations for the construction, maintenance, and use of the properties of the members.
12. To manage, operate and maintain any of the Association properties, to contract for the management, operation and maintenance of any such properties and to thereby delegate powers and duties of the Association.
13. To employ personnel to perform the services required to carry out the purposes of this Association.
14. To participate in mergers or consolidations with other non-profit corporations organized for similar purposes and to annex additional properties to the properties subject to the jurisdiction of this Association.
15. All funds, except such portions thereof as are expended for the expense of the Association, shall be held in trust for the members' respective interests in accordance with the provisions of these Articles of Incorporation and the By-Laws of the Association.
16. The power to meet the requirements of subsection 2.6.2.2.4(h) the basis of review of the Environmental Resource Permit Information Manual of the Florida Department of Environmental Protection as promulgated by the Florida Administrative Code.

Article V
Members

A. Members of the Association shall be the record owners of title of the Lots located in Lake James and each member shall be either a Class A member or a Class B member, as more particularly defined in Article VI hereof.

B. Each record owner of a Lot in Lake James shall be a member and have voting rights in the Association, membership to appurtenant to and inseparable from, membership of the lot and member of the Association.

C. Change of membership shall be established by recording in the Public Records of Polk County, Florida, a deed or other instrument establishing record fee title to a Lot or by assignment of the contract to purchase the Lot and by the delivery to the Association of a copy of such instrument. The owner designed by such instrument or certificate thus becomes a member of the Association and the membership of the prior owner shall be terminated. In the event that a certified copy of said instrument or such certificate is not delivered to the Association, said owner shall become a member, but shall not be entitled to voting privileges. The foregoing shall not, however, limit this Association's powers or privileges.

D. The interest of a member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the real property.

E. Membership shall be compulsory and shall continue until such time as the member transfers or conveys of record his interest upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the interests upon which membership is based.

F. If ownership of a Lot is vested in more than one person, then all of the persons so owning the interest shall be members. However, the number of votes cast by such members shall be determined by the provisions of Article VI below.

G. Notwithstanding the provisions hereof, no person or entity who holds an interest upon which membership is based only as security for performance of an obligation shall become a member of the Association.

Article VI Voting

The Association shall have two classes of voting membership.

Class A. Class A members shall be all Owners in all the phases of Lake James, with the exception of the Developer, and shall be entitled to one vote for each Lot owned. When more than one person holds an undivided interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the Owners of each Lot shall determine, but in no event shall more than one vote be cast with respect to any Lot. In the event ownership of a Lot is divided, no vote shall be cast with respect to such Lot.

Class B. The Class B members shall consist of the Developer and his successors and shall be entitled to five (5) votes for each Lot owned in all phases of the Development. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (a) when the total votes outstanding the Class A membership equal the total votes outstanding in the Class B membership, or
- (b) on December 31, 2014, or
- (c) when Developer, in his sole discretion, so determines.

The Owners of Lots located within additional lands made subject to this Association, and the Lots in such additional lands, shall be considered in determining the ratios set forth above. In the event that the Class B membership shall cease pursuant to paragraph B above, and thereafter additional lands are added to the Development, said Class B membership may, at the option of the Developer, be revived, and the Class B membership shall again have all the rights conferred herein.

Article VII Directors

A. The affairs of the Association shall be managed by a Board of Directors consisting of the number of Directors determined by the By-Laws of the Association, but said board shall consist of not less than three (3) Directors.

B. Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws of the Association.

C. The powers and duties of the Directors shall be designated in the By-Laws of the Association.

D. The first election by the Directors by members shall occur no later than thirty (30) days after first Lot has been conveyed. Directors named in the Articles shall serve until the first election of Directors by the members, and any vacancies in their number occurring before the first election shall be filled by the Declarant. Prior to the first election of the Board of Directors by the members, Directors need not be members of the Association. Subsequent thereto, however, Directors must be members of the Association.

E. The names and addresses of the members of the first Board of Directors who will hold office until their successors are elected to have qualified, or until removed, are as follows:

Article VIII
Officers

The affairs of the Association shall be administered by a president, Vice President, Secretary and a Treasurer. The duties and authority of said officers shall be designated in the By-Laws of the Association. Said officers shall be elected by the Board of Directors at its first meeting following the first annual meeting of the members of the Association and shall serve at the pleasure of the Board of Directors. The names and addresses of the Officers who shall serve until their successors are designated are as follows:

President/Secretary/Treasurer	James F. Stephenson, Jr. Post Office Box 1660 Palmetto, Florida 34220
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Article IX
Indemnification

Every Director and Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including legal fees and costs reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party in which he may become involved by reason of his being or having been a Director or Officer, whether or not he is a Director or Officer at the time such expenses are incurred, except when the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement, indemnification shall apply only in the event that the Board of Directors approves such settlement and reimbursement as being in the best interests of the Association.

Article X
Bylaws

The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded by the Board of Directors prior to the first meeting of the members. Subsequent to the first meeting of the members, the By-Laws may be altered, amended or added to at any duly called meeting of the members, provided:

- A. Notice of the meeting shall contain a statement of the proposed amendment.
- B. The amendment shall be altered by the majority vote of the members voting at such meeting.

Article XI
Amendment

Amendments to these Articles of Incorporation may be proposed and adopted in the following manner:

A. A resolution for the adoption of a proposed amendment may be either by fifty percent (50%) of the Board of Directors or by ten percent (10%) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering a resolution for adoption of a proposed amendment may cast their votes for such proposal in writing, provided such votes are delivered to the Secretary of the Association at or prior to the meeting.

B. Notice of the subject matter or proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

C. Proposed amendments may be passed at the meeting at which they are to be considered as follows:

1. For so long as there are Class B members, amendments may only be made by approval of not less than two-thirds (2/3) of the votes of the Lot Owners .

2. In the event there are no Class B members, then amendments may be made as follows:

a) By approval of not less than fifty-one percent (51%) of the Board of Directors and by not less than fifty-one percent (51%) of the votes of the members voting at the meeting; or

b) By approval of not less than two-thirds (2/3) of the votes of the Lot Owners.

D. However, no amendment shall make any changes in the qualifications for membership nor the voting rights of members without unanimous written consent or the vote of all members, except in the case of an amendment passed prior to the first election of Directors by members.

E. A copy of each amendment shall be certified by the Secretary of State, State of Florida, and shall be recorded in the Public Records of Polk County, Florida.

F. Annexation of additional properties, mergers, consolidations, mortgaging of a common area, dissolution and amendment of these Articles, requires prior approval of HUD/VA so long as there is a Class "B" membership

Article XII
Prohibition Against Issuance of Stock
and Distribution of Income

This Association shall never have nor issue any share of stock, nor shall this Association distribute any part of the income of this Association, if any, to its members, Directors or Officers.

Nothing herein, however, shall be construed to prohibit the payment by the Association of compensation in a reasonable amount to the members, Directors or Officers for services rendered, nor shall anything herein be construed to prohibit the Association from making any payments or distributions to members of benefits, monies or properties permitted by statute.

Article XIII
Contractual Powers

In the absence of fraud, no contract or other transaction between this Association and any other person, firm, association, corporation or partnership shall be affected or invalidated by the fact that any Director or Officer of this Association is pecuniarily or otherwise interest in, or is a director, officer or member of any such other firm, association, corporation or partnership, or is partly or is pecuniarily or otherwise interested in such contract or other transactions, or in any way connected with any person, firm, association, corporation or partnership, pecuniarily or otherwise interested therein. Any Director may vote and be counted in determining the existence of a quorum at any meeting of the Board of Directors of this Association for the purpose of authorizing such contract or transaction with like force and effect as if he were not so interested, or were not a director, member or officer of such other firm, association, corporation or partnership.

Article XIV
Term

The term of this Association shall be perpetual.

Article XV
Subscribers

The name and address of the subscriber of these Articles of Incorporation are as follows:

James F. Stephenson, Jr. 4317 Pinfish Lane, Palmetto, Florida 34221

Article XVI
Initial Registered Agent

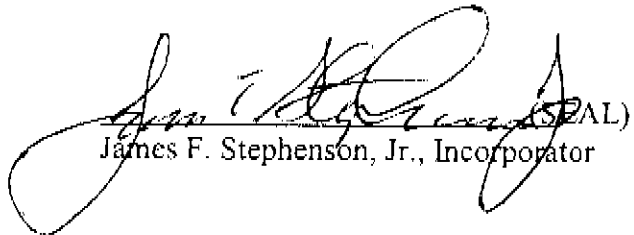
The name and address of the initial registered agent of the corporation is

Dennis P. Johnson, 225 East Lemon Street, Suite 300, Lakeland, Florida 33801

Article XVII
Dissolution

If the Association is dissolved, the assets shall be dedicated to a public body, or conveyed to a nonprofit organization with similar purposes; provided, however, the control or right of access to the Property containing the Service Water Management System Facilities for Lake James shall be conveyed or dedicated to an appropriate governmental unit or public utility and if not accepted, then Service Water Management System Facilities shall be conveyed to a non-profit corporation similar to the Association.

IN WITNESS WHEREOF, the undersigned, JAMES F. STEPHENSON, JR., as incorporator, hereby executes these Articles of Incorporation this 24 day of MARCH, 2005.

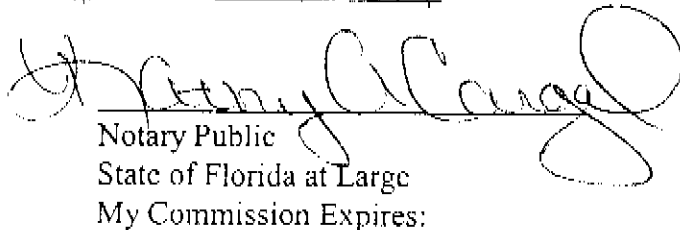

James F. Stephenson, Jr., Incorporator

STATE OF FLORIDA
COUNTY OF Polk

Before me, the undersigned authority, an officer duly authorized to administer oaths and take acknowledgments, personally appeared James F. Stephenson, Jr. who [☒] is personally known to me or who [☐] has produced _____ as identification.

WITNESS my hand and official seal this 24 day of MARCH, 2005.

(NOTARIAL SEAL)


Notary Public
State of Florida at Large
My Commission Expires:



Kathy A. Cargal
MY COMMISSION # DD179804 EXPIRES
April 30, 2007
BONDED THROUGH TROY FAIN INSURANCE, INC.

To: The Department of State
Tallahassee, Florida 32304

**CERTIFICATE DESIGNATING PLACE OF BUSINESS OR DOMICILE
FOR THE SERVICE OF PROCESS WITHIN FLORIDA
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED**

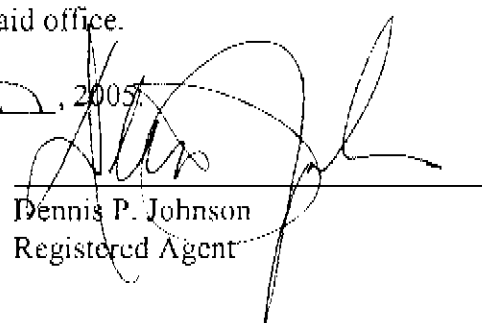
In pursuance of Chapter 48.091, Florida Statutes, the following is submitted in compliance with said Act:

Lake James Homeowners Association, Inc., a corporation not for profit, desiring or organized under the laws of the State of Florida, with its principal office as indicated in the Articles of Incorporation in the County of Manatee, State of Florida, has named Dennis P. Johnson, located at 225 East Lemon Street, Suite 300, Lakeland, Florida 33801, as its agent to accept service of process within Florida.

ACKNOWLEDGMENT:

Having been named to accept service of process of the above named corporation at the place designated in this Certificate, I hereby accept to act in its capacity and agree to comply with the provision of said Act relative to keeping open said office.

DATED this 28 day of March, 2005



Dennis P. Johnson
Registered Agent

**BYLAWS
OF
LAKE JAMES HOMEOWNERS ASSOCIATION, INC.
(A Corporation Not For Profit)**

ARTICLE I - NAME AND LOCATION

The name of the corporation is LAKE JAMES HOMEOWNERS ASSOCIATION, INC. Meetings of members and directors may be held at such places within Polk County, Florida, as may be designated by the Board of Directors. If no place is designated, the meeting shall be at the offices of the Association.

ARTICLE II - DEFINITIONS

Section 1. "Association" shall mean and refer to the corporation, its successors and assigns.

Section 2. "Common Area" shall mean all real property owned or leased by the Association for the common use and enjoyment of the Owners, including Recreational Facilities within the plat of Lake James and all replats thereof.

Section 3. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Subdivision.

Section 4. "Developer" shall mean Stephenson Land Company, Inc.

Section 5. "Lot" shall mean and refer to any unit of land with a designated Lot number as shown on the recorded subdivision plat and any replats of the properties thereof, excluding the Common Areas.

Section 6. "Maintenance" shall mean the exercise of reasonable care to keep the exterior of the Units, Recreational Facilities, roads, landscaping, lighting, and other related

EXHIBIT "C"

improvements and fixtures in a condition comparable to their original condition, normal wear and tear excepted.

Section 7. "Member" shall mean the record owners of title of the Lots in the Subdivision, as provided in the Articles of Incorporation and Declaration of Covenants and Restrictions.

Section 8. "Owner" shall mean the record Owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Subdivision, including contract sellers, but excluding those holding title merely as security for the performance of an obligation but only the Owner shall only have one vote per Lot. Every "Owner" shall be a "Member."

Section 9. "Recreational Facility" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Recreational Facility shall be a passive recreational area and shall be as designated on the plat for that Subdivision.

Section 10. "Subdivision" shall mean the real property described in the plat of Lake James, all replats thereof, and such additions thereto as may be brought within the jurisdiction of the Association pursuant to the provisions of the Declaration.

Section 11. "Unit" shall mean the completed residential dwelling constructed on the Lot.

ARTICLE III - MEETING OF MEMBERS

Section 1. Annual Meetings. Subject to the Developer's initial control as expressed in the Declaration of Covenants and Restrictions, the first annual meeting of members shall be held within one (1) year from the date of incorporation of the Association. Subsequent annual meetings of members shall be held on the same day of the same months of each year thereafter.

if the day for the annual meeting of members is a legal holiday, the meeting will be held on the next following day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of members may be called at any time by the President or by the Board of Directors, or after control has been turned over to the Lot Owners, may also be called on written request of one-fourth (1/4) of the members entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of members after control has been turned over to the Lot Owners shall be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10), but not more than thirty (30) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association for the purpose of receiving such notice. Such notice shall specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Class of Members. The Association shall have two (2) classes of voting membership.

(a) Class A Members: Class A members shall be all Owners in all the phases of Lake James, with the exception of the Developer, and shall be entitled to one vote for each Lot owned. When more than one person holds an undivided interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as the Owners of each Lot shall determine, but in no event shall more than one vote be cast with respect to any Lot. In the event ownership of a Lot is divided, no vote shall be cast with respect to such Lot.

(b) Class B Members: The Class B members shall consist of the Developer and his successors and shall be entitled to five (5) votes for each Lot owned in all phases of the

Development. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

- (i) when the total votes outstanding the Class A membership equal the total votes outstanding in the Class B membership, or
- (ii) on December 31, 2014, or
- (iii) when Developer, in his sole discretion, so determines.

The Owners of Lots located within additional lands made subject to this Association, and the Lots in such additional lands, shall be considered in determining the ratios set forth above. In the event that the Class B membership shall cease pursuant to paragraph B above, and thereafter additional lands are added to the Development, said Class B membership may, at the option of the Developer, be revived, and the Class B membership shall again have all the rights conferred herein.

Section 5. Majority Vote. Except where otherwise required under the provisions of the Articles of Incorporation, these Bylaws, the Declaration or where the same may otherwise be required by law, the affirmative vote of a majority of the votes at any duly called membership meeting at which a quorum is present shall be binding upon the members.

Section 6. Quorum. The presence at the meeting, in person or by proxy, of members entitled to cast a majority of the votes of the membership shall constitute a quorum for authorization of any action, except as may otherwise be provided in the Declaration, the Articles of Incorporation, or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Minutes. Minutes of all meetings of the Lot Owners and the Board of Directors shall be kept in a business-like manner and be available for inspection by the Owners and Board members at all reasonable times. Minutes shall be retained for a period of not less than seven (7) years.

Section 8. Proxies. At all meetings of members who are Lot Owners, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Proxies shall be revocable, and the proxy of any Owner shall automatically terminate on conveyance by him of his Lot. When more than one person holds an interest in a given Lot, all such persons shall be members and the vote for such Lot shall be exercised as they may determine among themselves and a written certificate shall be filed with the Association designating the person who shall vote on such Lot.

Section 9. Informal Action by Members or Declarant. Any action which may be required or permitted by the Association may be taken without a meeting if a consent in writing, setting forth the action taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof (or the Declarant initially).

ARTICLE IV - BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors, who shall be members of the Association, which shall initially have three (3) directors until such time as control has been turned over to the Lot Owners as provided in the Articles of Incorporation, and at such time the number of directors shall be increased to five (5) and at the first annual meeting following the date in which the Developer has turned over control to the Lot Owners, the members of the Association shall elect the members of the Board of Directors by a plurality of the votes cast at such election.

Section 2. Term of Office. At the first annual meeting after control has been turned over to the Lot Owners, the members shall elect two (2) directors for a term of one (1) year, two (2) directors for a term of two (2) years, and one (1) director for a term of three (3) years. All directors shall serve terms of three (3) years as the successor directors are elected at the annual meetings, at each annual meeting thereafter, the members shall elect replacements for the directors whose terms are expiring.

Section 3. Removal. After the initial period of control by the Developer, any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the even of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Assessments. The Board of Directors shall determine the amounts of the normal and special assessments. Assessments shall be assessed equally against all Lots within Lake James, except undeveloped lots as provided for in the Declaration of Covenants and Restrictions.

ARTICLE V - ELECTION AND NOMINATION OF BOARD OF DIRECTORS

Section 1. Nomination. After the initial period of control by the Developer, nomination for election to the Board of Directors shall be by nominating committee. However,

nominations may also be made from the floor at any annual meeting of members. The nominating committee shall consist of a chairman who shall be a member of the Board of Directors and two or more members of the Association. The committee shall be appointed by the Board of Directors prior to each annual meeting to serve from the close of such meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event shall it nominate less than the number of vacancies to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI - BOARD OF DIRECTORS - MEETINGS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. In the event the regular date of a meeting falls on a legal holiday, such meeting shall be held at the same time on the next following day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of directors present

at a duly held meeting in which a quorum is present shall constitute the act or decision of the Board.

Section 4. Action Without a Meeting. The directors shall have the right to take any action without holding a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 5. Presiding Officer. The presiding officer at Board meetings shall be the President. In the absence of the presiding officer, the directors present shall designate any one of their number to preside.

ARTICLE VII - BOARD OF DIRECTORS - POWERS AND DUTIES

Section 1. Powers. All of the powers of the Association shall be exercised by the Board of Directors, and the Board may delegate such of those powers as it deems appropriate. The powers of the directors shall be exercised in accordance with the provisions of the Articles of Incorporation and these Bylaws and shall include, but not be limited to, the power to:

- (a) Fix the annual and special assessments;
- (b) Collect the annual and special assessments from members to defray the costs of operating, maintaining and improving the exteriors of the Units, the Common Area and properties under its control as provided herein;
- (c) Use the proceeds of all assessments collected in the exercise of its powers and duties;
- (d) Maintain, repair, replace and operate the property under its control;
- (e) Reconstruct improvements after casualty and further improve the property under its control;

(f) Make and amend regulations with respect to the use of the property under its control;

(g) Enforce by legal means the provisions of the Articles of Incorporation, these Bylaws, and any rules and regulations promulgated by the Board and covenants and the land use restrictions applicable to lands under Association control;

(h) Enter into management agreements and contracts for the maintenance and care of Association property and exteriors of the Units;

(i) Pay taxes and assessments which are liens against any property of the Association;

(j) Purchase and carry casualty and liability insurance on the property of the Association and the exteriors of the Units;

(k) Pay the cost of any power, water, sewer and other utility services rendered to the Association;

(l) Retain and hire such employees as may be necessary or appropriate to administer and carry out the services required for the proper administration of the Association and to pay all salaries therefor;

(m) To contract debts, borrow money, execute notes or other evidence of indebtedness, execute mortgages or other instruments to secure the payment of Association indebtedness and to transfer Association property;

(n) Adopt and publish rules and regulations governing the use of the Common Areas and facilities including the personal conduct of the members and their guests thereon; and to establish penalties for such infractions of such rules and regulations;

(o) Suspend the voting rights and right to use of the Recreational Facilities of any member during any period in which such member is in default in payment of any assessment

levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed thirty (30) days for infraction of published rules and regulations;

(p) Exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the Association and not specifically reserved to the membership by the Declaration, Articles of Incorporation, or by other provisions of these Bylaws;

(q) Declare the office of a member of the Board of Directors to be vacant in the event that such member is absent from three (3) consecutive regular meetings of the Board of Directors; and

(r) Employ a manager, independent contractors, and such other employees as they may deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Supervise all officers, agents, and employees of the Association and to see to it that their duties are properly performed;

(b) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date, or to bring an action at law against the Owner personally obligated to pay the same; and

(4) Collect normal and special assessments from members to defray the costs of operating, maintaining and improving the Common Area and properties under its control, as provided herein;

(c) Issue, or cause an appropriate officer to issue, on demand by any person, a certificate setting forth whether or not any assessment has been paid. A statement in a certificate to the effect that an assessment has been paid shall constitute conclusive evidence of such payment. The Board may impose a reasonable charge for the issuance of these certificates;

(d) Maintain, repair, replace and operate the property under its control;

(e) Reconstruct improvements after casualty and further improve the property under its control;

(f) Make and amend regulations with respect to the use of the property under its control;

(g) Enforce by legal means the provisions of the Articles of Incorporation, these Bylaws, and any rules and regulations promulgated by the Board and the land use restrictions applicable to lands under Association control;

(h) Enter into management agreements and contracts for the maintenance and care of Association property;

(i) Pay taxes and assessments which are liens against any property of the Association;

(j) Pay the cost of any power, water, sewer and other utility services rendered to the Association;

(k) Retain and hire such employees as may be necessary or appropriate to administer and carry out the services required for the proper administration of the Association and to pay all salaries therefor;

(l) To contract debts, borrow money, execute notes or other evidence of indebtedness, execute mortgages or other instruments to secure the payment of Association indebtedness and to transfer Association property;

(m) Designate depositories for Association funds, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Association and cause such persons to be bonded, as it may deem appropriate;

(n) Exercise their powers and duties in good faith, with a view toward the best interests of the Association and its members;

(o) The Board may by resolution appoint such committees as it deems appropriate to carry out its purposes, but any such committees shall exercise only those powers delegated to them by the Board. The Board may adopt and publish rules and regulations governing the use of the Common Area and other properties owned or operated by the Association, and the personal conduct of the members and their tenants or guests thereon;

(p) Procure and maintain adequate liability and hazard insurance on all property owned by the Association;

(q) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(r) Provide the services authorized in the Declaration; and

(s) Exercise their powers and duties in good faith with a view toward the best interests of the Association and its members.

ARTICLE VIII - OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President and Vice-President, Secretary, treasurer, and such other officers as the Board may create from time to time and each officer must be a member of the Board of Directors.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of members.

Section 3. Term. The officers of the Association shall be elected annually by the Board. Each shall hold office for a term of one (1) year unless he shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs in the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office by the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment of the Board. The officer appointed to such vacancy shall serve for the unexpired term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other instruments, and shall cosign all checks and promissory notes.

(b) Vice-President. The Vice-President shall act in the place of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it to all papers so requiring; serve notice of meetings of the Board and of members; keep appropriate current records showing the members of the Association together with their addresses; and perform such other duties as may be required by the Board or by law.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all funds of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; and shall keep proper books of account.

ARTICLE IX - COMMITTEES

The Director shall appoint an architectural committee (which shall initially consist of the incorporators), as provided in the Declaration, and a nominating committee as provided in Article V of these Bylaws. In addition, the Board of Directors may appoint such other committees as it may deem appropriate in the performance of its duties.

ARTICLE X - ASSESSMENTS

Section 1. Determination of Assessments. The Board shall establish the normal assessments and the special assessments for the Lots in the manner provided for in the Articles of Incorporation and Declaration of Covenants and Restrictions. Where there are multiple Owners of any one Lot, the assessments shall be the joint and several obligation of all of the Owners.

Section 2. Payment. Assessments shall be payable on the date and in the manner established and set forth in the Declaration of Covenants and Restrictions.

Section 3. Records. The Association shall maintain an assessment roll and shall maintain such accounts and records as are necessary and prudent in accordance with good business standards, including a record of all receipts and expenditures, an account for each Lot Owner reflecting the name and address of the Owner, the amount of each assessment, the dates when assessments become due, amounts paid and the balance due or surplus.

Section 4. Annual Report. At each annual meeting of the Association, the President or the directors shall submit a report to the Association of the operations conducted during the preceding year, together with a report of the general financial condition of the Association. The Board of Directors shall adopt a budget for each calendar year and the same shall contain estimates of costs for performing the various matters and functions of the Association to be performed during that budget year. Copies of the proposed budget and assessments shall be mailed to each Lot Owner not less than fifteen (15) days prior to the annual meeting.

ARTICLE XI - BOOKS AND RECORDS; INSPECTION

After the initial period of control by the Developer, the books, records, and papers of the Association shall be subject to inspection by any member during ordinary business hours. The Declaration, Articles of Incorporation, and Bylaws of the Association shall be available for

inspection by any member at the principal office of the Association, where copies shall be made available for sale at a reasonable price.

ARTICLE XII - CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Lake James Homeowners Association, Inc.

ARTICLE XIII - FISCAL YEAR

The fiscal year of the Association shall be the calendar year, except that the first fiscal period shall begin on the date of incorporation and shall end on December of the year of incorporation.

ARTICLE XIV - DUES AND DEFAULT

Section 1. Dues and Assessments. The Board of Directors, in accordance with the provisions of the Declaration of Covenants and Restrictions, the Articles of Incorporation of the corporation, and these Bylaws, shall determine the dues, charges, fees or assessments to be paid by the members. Said dues, charges, fees and assessments are to be levied in an amount and manner so as to provide the Association with sufficient funds to meet the obligations of the Association and furnish the facilities and services to the Owners which the Association is obligated to furnish, all on a nonprofit basis and each Owner to bear only its pro-rata share of same, as provided in the Declaration. The services and facilities that the Association is to furnish for the benefit of the Owners, in addition to those services and facilities hereinafter added by vote of the members and subject to subsequent deletion of services or facilities pursuant to vote of the members, shall be those authorized by the Declaration.

Section 2. Default. When any member shall be in default of the fees due, charges or assessments levied pursuant to Section 1 of this Article, they shall be subject to the liability for

collection of same provided under the Declaration of Covenants and Restrictions of Lake James, together with all costs of collection, including a reasonable attorney's fee.

ARTICLE XV - AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

(a) Amendment to these Bylaws may be proposed by the Board by a vote of fifty percent (50%) of the Board, or upon vote of members representing ten percent (10%) of the members of the Association. Directors and members not present in person or by proxy at the meeting considering a resolution for adaptations of a proposed amendment may count their votes for such proposal in writing, provided such votes are delivered to the Association at a or prior to the meeting;

(b) Upon any amendment or amendments to these Bylaws being proposed by said Board or members, such proposed amendment, or amendments shall be transmitted to the President of the Association, who shall call a special joint meeting of the members of the Board and the membership for a date not sooner than thirty (30) days nor later than seventy (70) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written notice of such meeting in the same manner as the notice of the call of a special meeting of the members, as set forth above.

(c) In order for such amendment or amendments to become effective, the same shall be approved by an affirmative vote of a majority of the Board of Directors and Lot Owners entitled to vote.

(d) At any meeting held to consider such amendment or amendments to the Bylaws, the written vote of any member of the Association shall be recognized if such member is not in

attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

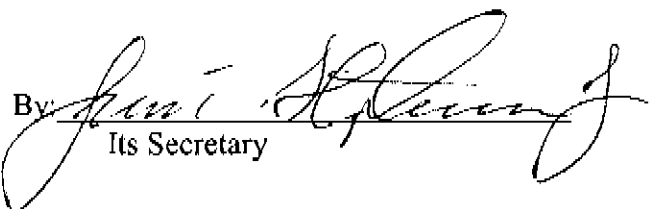
(e) Notwithstanding the foregoing provisions of this Article, no amendment to these Bylaws may be adopted or become effective prior to the termination of the Association membership of the Developer without the prior written consent of the Developer.

ARTICLE XVI - CONFLICTS

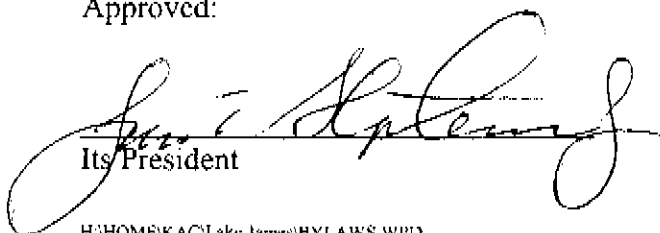
In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration of Covenants and Restrictions and these Bylaws, the Declaration of Covenants and Restrictions shall control.

The foregoing were adopted, as the Bylaws of LAKE JAMES HOMEOWNERS ASSOCIATION, INC., a corporation not for profit, under the laws of the State of Florida, at the first meeting of the Board of Directors on March 29, 2005.

LAKE JAMES
HOMEOWNERS ASSOCIATION, INC.

By: 
Its Secretary

Approved:


Its President

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