

Prepared by:
William E. Barfield, Esquire
Higley & Barfield, P A.
Post Office Box 151629
Altamonte Springs, FL 32715-1629

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Return to
Dwight I. Cool, Esquire
Zimmerman, Kiser & Sutcliffe, P A.
Post Office Box 3000
Orlando, Florida 32802-3000
File #8272-50

**DECLARATION OF COVENANTS AND RESTRICTIONS
FOR ASHLEY PARK AT HARMONY HOMEOWNERS ASSOCIATION**

This DECLARATION OF COVENANTS AND RESTRICTIONS ("Declaration"), is made and entered into this 1st day of December, 2005, by D.R. Horton, Inc., a Delaware corporation ("Declarant"), located at 5850 T.G. Lee Boulevard, Suite 600, Orlando, Florida 32822.

WHEREAS, Declarant is the owner of certain real property in the County of Osceola, State of Florida, which is commonly known as the proposed Birchwood PUD – Harmony Neighborhood A-1 and will be known as the Ashley Park subdivision (hereinafter referred to as the "Subdivision"), and which is more particularly described as follows, to-wit:

See Exhibit "A" attached hereto and by this reference incorporated herein.

WHEREAS, the Declarant desires to develop the real property described above by creating thereon predominantly a residential community of single-family attached townhomes, Common Area, as hereafter defined, to include common facilities for the benefit of said community; and

WHEREAS, the Declarant desires to provide for the preservation of the values and amenities of such real property, and for the maintenance of such Common Area and to this end, desires to subject the properties to the covenants, restrictions, easements, and conditions hereinafter set forth, each and all of which is and are for the benefit of such real property as hereinafter defined, and each subsequent owner of any part thereof; and

WHEREAS, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in the Subdivision, as hereinafter defined, to create an agency to which should be delegated and assigned the powers of maintaining and administering the common facilities and areas, and administering and enforcing the covenants and restrictions contained in this Declaration, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, the Declarant has or will incorporate under the laws of the State of Florida, as a corporation not-for-profit, Ashley Park at Harmony Homeowners Association, Inc., the purpose of which will be to exercise the aforesaid functions; and

WHEREAS, the Subdivision is encumbered by the Harmony Residential Properties Declaration of Covenants, Conditions and Restrictions (the "Master Declaration") as recorded in O.R. Book 2125, Page 2093 of the Public Records of Osceola County, Florida which is administered by the Harmony Residential Owners Association, Inc. (the "Master Association"), a Florida corporation not-for-profit, its successors and assigns; and

WHEREAS, the Master Association is and shall be superior in all respects to the Sub-Association (as defined herein) and the Owner's property within the Subdivision will be subject to the Master Declaration and Master Association and shall be obligated to pay all assessments and/or fines imposed or levied by the Master Association, which Master Association assessments and/or fines shall be separate, apart and in addition to any assessments and/or fines imposed or levied by the Sub-Association or CDD (as hereinafter defined)

NOW, THEREFORE, Declarant hereby declares that the Subdivision shall be held, sold and conveyed subject to the following covenants, restrictions, easements, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Subdivision and being binding on all parties having any right, title or interest in the Subdivision or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Section 1. "Board of Directors" shall mean the body responsible for administration of the Sub-Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Florida corporate law.

Section 2. "CDD" The Harmony Community Development District. **THE CDD IS A SPECIAL PURPOSE GOVERNMENTAL ENTITY CREATED PURSUANT TO FLORIDA STATUTE CHAPTER 190, HAVING ASSESSMENT AND LIEN RIGHTS OVER ALL TRACTS, LOTS AND UNITS LOCATED WITHIN HARMONY AND THE POWER TO ADOPT ORDINANCES, RULES AND REGULATIONS THAT GOVERN THE OWNERS, PROPERTY AND HARMONY. CDD ASSESSMENTS WILL BE PAYABLE BY EACH OWNER AND ARE SEPARATE FROM AND IN ADDITION TO ASSESSMENTS IMPOSED BY THE SUB-ASSOCIATION HEREUNDER. CDD IS INDEPENDENT FROM THE SUB-ASSOCIATION AND THE MASTER ASSOCIATION, AND DECLARANT DOES NOT CONTROL OR PARTICIPATE IN THE OPERATION OF THE CDD. CDD ASSESSMENTS MAY BE USED, IN PART, FOR THE OPERATION AND MAINTENANCE OF THE STORM WATER DRAINAGE SYSTEM SERVING HARMONY, A SUBSTANTIAL PORTION OF WHICH IS LOCATED WITHIN THE GOLF COURSE PROPERTY OR THE SUBDIVISION. CDD AMENITIES MAY INCLUDE, BUT SHALL NOT BE LIMITED TO OWNERSHIP OF ALL ALLEYS AND ALL PROPERTIES THAT LIE BETWEEN LOT BOUNDARIES, THE CURBS OF ANY PUBLIC STREET, INCLUDING, BUT NOT LIMITED TO SIDEWALKS LOCATED THEREON.**

Section 3. “CDD Amenities” shall mean all recreational facilities, parks, roads, alleys, street lighting, sidewalks, easements, drainage systems, water and sewer systems, utilities and all other infrastructure, improvements and property, real and personal, owned by the CDD and available for the use and enjoyment of the owners and occupants of units within Harmony, whether by contract between the Sub-Association, the Master Association and the CDD or by legal right arising from laws governing the CDD.

Section 4. “Clustering Building or Building” shall mean and refer to the structure comprised of a group of townhome dwellings which are attached to each other and share common walls, roofs, etc.

Section 5. “Common Expenses” shall mean and refer to the actual and estimated expenditures, including reasonable reserves for maintenance, operation, or other services required or authorized to be performed by the Sub-Association with respect to Common Property, open space, surface water management systems, water management tracts, or public areas, all as may be found to be reasonably necessary by the Sub-Association pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Sub-Association.

Section 6. “Common Property or Common Areas” shall mean and refer to all real and personal property from time to time intended to be owned, operated, and maintained by the Sub-Association, and devoted to the use and enjoyment of all members of the Sub-Association, all at common expense. Common Property shall include, but not be limited to, easement areas which are held by the Sub-Association.

Section 7. “Community Wide Standard” shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout Harmony, which shall not be lower than the standards, if any, established by the Master Developer or jointly established by the boards of the Master Association and the Harmony Commercial Owners Association, Inc., a Florida corporation not-for-profit (the “Master Commercial Association”), for all of the properties within Harmony. Such standard is expected to evolve over time to particular property, as determined by the board of directors of the Master Association, the Master Developer and the Harmony Design Committee established pursuant to the Master Declaration.

Section 8. “County” shall mean and refer to Osceola County, Florida, as governed through its Board of County Commissioners. To the extent that any portion or all of the Subdivision shall be annexed into a municipality, the term “County” as applied to lands within said annexing municipality shall refer to the annexing municipality

Section 9. “Declarant and Developer” shall mean and refer to D.R. Horton, Inc., a Delaware corporation, its successors and such of its assigns as to which the rights of Declarant/Developer hereunder are specifically assigned, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development. Declarant/Developer may assign all or a portion of such rights in connection with appropriate portions of the Subdivision. In the event of a partial assignment, the assignee shall not be deemed

the Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

Section 10. "Declaration" shall mean and refer to this instrument, this Declaration of Covenants and Restrictions, all as amended from time to time.

Section 11. "FHA" shall mean and refer to the Federal Housing Administration, an agency of the government of the United States of America.

Section 12. "Harmony" shall mean all property which is now or hereinafter made subject to the Master Declaration or the Harmony Nonresidential Properties Declaration of Covenants, Conditions and Restrictions recorded or to be recorded in the Public Records of Osceola County, Florida.

Section 13. "Limited Common Property" shall mean and refer to all real and personal property from time to time intended to be owned, operated, and maintained by the Sub-Association, and devoted exclusively for the use and enjoyment of a Cluster Building.

Section 14. "Lot" shall mean and refer to any numbered dwelling, unit, site or plot of land shown on the recorded Plat, with the exception of the Common Area. The word Lot shall include both the platted site or plot of land, and the Unit located thereon when same has been constructed.

Section 15. "Master Association" shall mean and refer to the Harmony Residential Owners Association, Inc., a Florida not-for-profit corporation, its successors and assigns, who shall be responsible for administering the Master Declaration which duties and obligations shall include, but are not limited to, the imposition and levy of assessments and/or fines that are separate, apart and in addition to any and all assessments and or fines imposed or levied by the Sub-Association or CDD. The Master Association shall be superior in all respects to the Sub-Association, shall have a separate board of directors whose membership shall be comprised of all of the owners within Harmony or their designated representatives.

Section 16. "Master Declarant or Master Developer" shall mean and refer to Birchwood Acres Limited Partnership, LLLP, a Florida limited liability limited partnership, or any successor, successor-in-title, or assigns who is assigned any of the rights, duties, responsibilities and obligations of Birchwood Acres Limited Partnership, LLLP, as declarant or the Master Declaration pursuant to a recorded instrument executed by the immediate preceding successor, successor-in-title, or assign to those rights, duties, responsibilities and obligations, but only to the extent of such assignment

Section 17. "Master Declaration" shall mean and refer to the Harmony Residential Properties Declaration of Covenants, Conditions and Restrictions recorded in O.R. Book 2125, Page 2093 of the Public Records of Osceola County, Florida as amended from time to time in accordance with the provisions thereof.

Section 18. "Member" shall mean and refer to a member of the Sub-Association, that is, an Owner of a Lot which is subject to assessment by the Sub-Association.

Section 19. “Operation, Operate or Operated” when used in conjunction with the Stormwater Management System means and refers to the repair, management, improvement, inspection, maintenance, deactivation, construction, renovation, operation, insurance, and replacement of, as well as the disconnection from or connection to, the Stormwater Management System.

Section 20. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Subdivision, but excluding those having such interest merely as a security for the performance of an obligation.

Section 21. “Plans” means and refers to drainage and stormwater management plans, together with any attachments thereto and drainage calculations, for the Subdivision on file with the County or the water management district, if any.

Section 22. “Plat” shall mean and refer to the plat of the proposed Birchwood PUD – Harmony Neighborhood A-1 Subdivision as recorded in the Public Records of Osceola County, Florida.

Section 23. “Surface Water or Stormwater Management System” means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, over drainage, environmental degradation, and water pollution or otherwise affect the quality of discharges from the system, as permitted pursuant to chapters 40c-4, 40C-40, or 40C-42, F.A.C. The Surface Water or Stormwater Management System constitutes Common Property owned and maintained by the Sub-Association.

Section 24. “Sub-Association” shall mean and refer to the Ashley Park at Harmony Homeowners Association, Inc., a Florida corporation not-for-profit, which is (or is to be) incorporated, its successors and assigns. Attached hereto and made a part hereof by this reference as Exhibits “B” and “C” is a copy of the Articles of Incorporation and Bylaws, respectively, for the Sub-Association

Section 25. “Subdivision” shall mean and refer to that real property depicted upon the Plat of Birchwood PUD – Harmony Neighborhood A-1 as shown thereon, and such additions thereto as may hereafter be brought within the jurisdiction of the Sub-Association.

Section 26. “Unit” shall mean and refer to the individual residence constructed on a Lot.

Section 27. “Unit Dwelling” shall mean and refer to any individual townhome building constructed on each lot, or any extension of said structure, including garages, driveways, porches, etc.

Section 28. “VA” shall mean and refer to the Veterans Administration, an agency of the government of the United States of America.

Section 29. “Water Management District” shall mean and refer to the South Florida Water Management District, an agency or subdivision of the State of Florida.

ARTICLE II
PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Property Subject to this Declaration. The property described in Exhibit “A” (the “Property”) is and shall be improved, transferred and occupied subject to this Declaration.

Section 2. Additional Property. Declarant shall have the right, but not the obligation, to bring within the scheme of this Declaration, as additional property, additional lands within the vicinity of the Property subject to this Declaration, at any time within ten (10) years from the date this Declaration is recorded, without the consent of the Members of the Sub-Association or any mortgagee or other lienholder on any Lot, so long as Developer is a Class A or B member of the Sub-Association. Notwithstanding the foregoing, in no event shall any additional property be subject to this Declaration until such property is specifically incorporated into the scheme of this development as provided in Section 3 below. In the event additional phases of the development may become Common Property, said Common Property will, at that time, be owned and maintained by the Sub-Association.

Section 3. Method of Annexation. Additions authorized under this Article shall be made by recording a supplemental Declaration, extending the scheme of this Declaration, which shall state that it is being made pursuant to the terms of this Declaration for the purpose of annexing property to the scheme of this Declaration and extending the jurisdiction of the Sub-Association to the additional property. Said supplemental declaration may contain such terms and provisions not inconsistent with this Declaration, as may be desirable to reflect the different character, if any, of the real property being annexed or the various housing or community style characteristics and development approaches being implemented. Upon the recording of any supplemental declaration, the Owners shall also have the right and non-exclusive easement to the use and enjoyment in and to the Common Properties, if any, and an obligation to contribute to the cost of operating, maintaining and insuring the additional Common Properties. Any supplemental declaration recorded in accordance with the terms hereof shall be conclusive in favor of all persons who rely thereon in good faith. From and after recording of any supplemental declaration, the additional property described herein shall be subject to the provisions of this Declaration and to the jurisdiction of the Sub-Association.

Section 4. CDD. **THE PROPERTY DESCRIBED IN EXHIBIT “A” IS PART OF THE HARMONY COMMUNITY DEVELOPMENT DISTRICT (“CDD”). CDD IS A SPECIAL PURPOSE GOVERNMENTAL ENTITY CREATED PURSUANT TO FLORIDA STATUTE CHAPTER 190, HAVING ASSESSMENT AND LIEN RIGHTS OVER ALL TRACTS, LOTS AND UNITS LOCATED WITHIN HARMONY AND THE POWER TO ADOPT ORDINANCES, RULES AND REGULATIONS THAT GOVERN THE OWNERS, TRACTS, LOTS, UNITS AND HARMONY. CDD ASSESSMENTS WILL BE PAYABLE BY EACH OWNER AND ARE SEPARATE FROM AND IN ADDITION TO ASSESSMENTS IMPOSED BY THE SUB-ASSOCIATION HEREUNDER OR BY THE MASTER**

ASSOCIATION. THE CDD IS INDEPENDENT FROM THE SUB-ASSOCIATION AND THE MASTER ASSOCIATION AND THE DECLARANT DOES NOT CONTROL OR PARTICIPATE IN THE OPERATION OF THE CDD. CDD ASSESSMENTS MAY BE USED, IN PART, FOR THE OPERATION AND MAINTENANCE OF THE STORM WATER DRAINAGE SYSTEM SERVING HARMONY, A SUBSTANTIAL PORTION OF WHICH IS LOCATED WITHIN THE GOLF COURSE PROPERTY AND THE SUBDIVISION. THE CDD AMENITIES MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, OWNERSHIP OF ALL ALLEYS AND ALL PROPERTY THAT LIES BETWEEN LOT BOUNDARIES AND THE CURBS OF ANY PUBLIC STREETS, INCLUDING, BUT NOT LIMITED TO, THE SIDEWALKS LOCATED THEREON AS DEPICTED WITHIN THE PLAT OR AS OTHERWISE CONVEYED TO THE CDD BY SPECIAL WARRANTY OR A QUIT-CLAIM DEED.

ARTICLE III
PROPERTY RIGHTS

Section 1. Owners' Easements and Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions;

- a. the right of the Sub-Association to charge reasonable admission and other fees for the use of any recreational or stormwater management facility situated upon the Common Area;
- b. the right of the Sub-Association to levy assessments against each Lot for the purpose of maintaining the Common Area in accordance with the restrictions on the recorded Plat and this Declaration;
- c. if and as permitted by applicable Florida law, the right of the Sub-Association to suspend the voting rights and right to use of any recreational facility within the Common Property by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations;
- d. the right of the Sub-Association to dedicate or transfer, subject to this Declaration, all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members; and
- e. the right of the Sub-Association to adopt at any time and from time to time and enforce Rules and Regulations, including the right to fine members as hereinafter provided. Any rule and/or regulation so adopted shall apply until rescinded or modified as if originally set forth at length in this Declaration.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, Owner's right of enjoyment to the Common Area and facilities to the members of Owner's family, Owner's authorized tenants, or contract purchasers who reside on the Property.

Section 3. Construction and Sales. There is hereby reserved to the Declarant, its designees, and such of its successors and assigns who have been expressly assigned the rights set forth in this section, including, without limitation, its sales agents and representatives, and prospective purchasers of Lots, easements over the Common Area for construction, utility lines, display, maintenance and exhibit purposes in connection with the erection of improvements and sale of Lots within the Subdivision; provided, however, that such use shall terminate upon the sale of all Lots; provided further, that no such use by the Declarant and others shall otherwise restrict the Owners in the reasonable use and enjoyment of the Common Area.

Section 4. Utility Easements. Use of the Common Area for utilities, as well as use of other utility easements as shown on the Plat, shall be in accordance with the applicable provisions of this Declaration. The Declarant and its affiliates and its and their designees shall have a perpetual easement over, upon and under the Common Area for the installation and maintenance of community and/or cable TV and security and other communication lines, equipment and materials and other similar underground television, radio and security cables (and all future technological advances not now known) for the service to the Lots and other portions of the Subdivision.

Section 5. Other Easements. Easements are reserved over each Lot and the Common Area in favor of each other Lot and the Common Area in order to permit drainage and run-off from one Lot (and its improvements) to another Lot or Lots or to the Common Area or from the Common Area to any Lot or Lots. Easements are reserved over the Common Area in favor of each Lot and Lot Owner, his tenants, invitees, and agent for the purpose of ingress and egress to any Lot, and any encumbrance of the Common Area be subject the foregoing easement rights.

Section 6. Ownership and Use of Common Area. The Common Area is hereby dedicated to the Sub-Association and to the nonexclusive joint and several use, in common, of the Declarant and the Owners of all Lots that may from time to time constitute part of the Subdivision and the Declarants' and such Owners' tenants, guests and invitees. Beginning from the date this Declaration is recorded, the Sub-Association shall be responsible for the maintenance of such Common Area. It is intended that all real estate taxes assessed against the Common Area shall be proportionally assessed against and payable as part of the taxes of the applicable Lots within the Subdivision. However, in the event that, notwithstanding the foregoing, any such taxes are assessed directly against the Common Area, the Sub-Association shall be responsible for the payment of the same, including taxes on any improvements and any personal property located thereon, which taxes accrue from and after the date this Declaration is recorded, and such taxes shall be prorated between Declarant and the Sub-Association as of the date of such recordation. Declarant and its affiliates shall have the right from time to time to enter upon the Common Area and other portions of the Subdivision for the purpose of construction, reconstruction, repair, replacement and/or alteration of any improvements or facilities on the Common Area and other portions of the Subdivision for sales, displays and signs or for any other purpose during the period of construction and sale of any portion of the Subdivision. Without limiting the generality of the foregoing, the Declarant and its affiliates and assigns shall have the specific right to maintain upon any portion of the Subdivision sales, administrative, construction and/or offices without charge, and appropriate easements of access and use are expressly reserved unto the Declarant and its affiliates, and its and their successors, assigns, employees and contractors, for this purpose. Any obligation to complete portions of the Common

Area shall, at all times, be subject and subordinate to these rights and easements and to the above-referenced activities. Accordingly, the Declarant shall not be liable for delays in such completion to the extent resulting from the above-referenced activities.

Section 7. Maintenance of Common Areas, Surface Water or Stormwater Management System. The Sub-Association shall at all times maintain in good Operation and replace, as often necessary, the Stormwater Management System, all such work to be done as specified in this Declaration or in the Plans. Maintenance of any lighting/electrical fixtures which are integral parts of the Stormwater Management System shall include and extend to payment for all electricity consumed in the operation thereof. All work pursuant to this Declaration or the Plans and all expenses incurred hereunder shall be paid for by the Sub-Association, although the Sub-Association may recoup such costs and expenses as a part of assessments or other charges (either general or special) against individual Lots. No Lot Owner may waive or otherwise escape liability for assessments by non-use of the Common Area or abandonment of the right to use the Common Area.

Section 7.1 The Sub-Association shall be responsible for the maintenance, operation and repair of the Surface Water or Stormwater Management System. Maintenance of the Surface Water or Stormwater Management System(s) shall mean the exercise of practices which allow the systems the provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the South Florida Water Management District. The Sub-Association shall be responsible for such maintenance and operation. Any repair or reconstruction of the Surface Water or Stormwater Management System shall be as permitted or, if modified, as approved by the South Florida Water Management District.

Section 8. Operation of the Stormwater or Surface Water Management System. The Common Area, upon which the Stormwater or Surface Water Management System is situated, shall be open spaces without any structures being permitted therein, except for structures which are a part of the Stormwater Management System. The Stormwater Management System shall be operated all in accordance with the standards, conditions, and requirements set forth on the Plans and the permit issued by South Florida Water Management District which standards, conditions, and requirements shall constitute minimum standards for the operation of the Stormwater Management System. At all times the Stormwater Management System shall be maintained in such a condition so that the Stormwater Management System equals or exceeds the design performance standards as shown in the drainage calculations on the approved plans and the permit issued by the South Florida Water Management District.

Section 9. Stormwater Management System. If the Sub-Association has failed to maintain in good operation, the Stormwater Management System or failed to do so in compliance with the Plans or as otherwise required herein, the County and/or the CDD may but shall not be obligated to, after giving the Sub-Association thirty (30) days written notice sent to the Sub-Association's last known respective registered agents, Operate that portion of the Stormwater Management System in need of said operation. Said determination by the County or the CDD to operate temporarily or permanently, any part or all of the Stormwater Management System shall be optional with the County and the CDD, and the County and the CDD shall be under no obligation to, either temporarily or permanently, operate the Stormwater Management System. All costs and

expenses of the County or CDD resulting from any operation of the County or CDD of the Stormwater Management System shall be chargeable to and assessed by the County or CDD to the Sub-Association; provided, that in the event the County or CDD chooses to operate the Stormwater Management System in accordance herewith, the Sub-Association shall have thirty (30) days in which to pay the County's or CDD's assessment expenses and costs after the Sub-Association receives a bill therefore from the County or CDD. If the Sub-Association shall fail to pay to the County or CDD, as applicable, within said thirty (30) day period for the cost of providing said services, the County and CDD have, and are hereby granted, a lien for the costs of said services. Said lien shall include interest to be assessed at a rate of eighteen percent (18%) per annum and may include the costs and reasonable attorneys' fees for collection of the assessments and foreclosure of the said lien. The total cost of such services shall be pro-rated (based on a fraction, the numerator of which shall be the number 1, representing the Lot to be assessed and the denominator of which shall be the total number of Lots as depicted on the Plat) among all the Lots and shall constitute a lien against each Lot, for its pro-rata share, as the County or CDD shall deem appropriate. Further, to assist in collection of the costs for such services. The County and CDD shall have the power of lien and assessment to the same extent as the Sub-Association as set forth in Article V of this Declaration. All such liens shall be subordinate to first mortgages upon the Lots.

Section 10. (Intentionally Omitted)

Section 11. Declarant's Easement Notwithstanding the easement granted to the Sub-Association, Declarant hereby reserves to itself, its successors and assigns, and such other persons as Declarant may from time to time designate in writing, a perpetual, privilege and right in and to, over, under, on, and across the Common Property for ingress and egress as required by its officers, directors, employees, agents, independent contractors, invitees and designees; provided, however, that such access and use does not unnecessarily interfere with the reasonable use and enjoyment of these properties and the facilities by the Sub-Association and Owners. Declarant reserves the right to impose further restrictions and to grant or dedicate additional easements and rights of way on any of the properties owned by Declarant. The easements granted by Declarant shall not structurally weaken any improvement or unreasonably interfere with the enjoyment of the properties. Declarant reserves for itself, its successors and assigns, an exclusive easement for the installation and maintenance of security and television cables and wire within the rights of way, Common Property and easement areas referred to hereinabove.

Section 12. Service Easement. Declarant hereby grants the delivery, pick up, and fire protection services, police, and other authorities of the law, United States Mail Carriers, representatives of electrical, telephone, cable television, and other utilities authorized by Declarant, its successors or assigns to service the Property, and to such other persons as Declarant from time to time may designate, the non-exclusive, perpetual right of ingress and egress, over and across the Common Property for the purpose of performing their authorized services and investigations.

Section 13. Right of Entry. The Sub-Association shall have the right, but not the obligation, to enter onto any Lot or Unit or to perform functions related to safety or security and to perform maintenance obligations of the Sub-Association or in the case of an emergency which right may be exercised by the Association's officers, agents, employees, managers, and all policeman,

fireman, and ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in emergency situations, entry shall only be during reasonable hours, and after notice to the Owner. This right of entry shall include the right of Sub-Association to enter to cure any condition which may increase the possibility of a fire or other hazard in the event an owner refuses to cure the condition upon written request by the Sub-Association.

Section 14. Easement for Encroachment. There shall be reciprocal pertinent easements of encroachment as between each Lot and Unit, and such portion or portions of the Common Property adjacent thereto, or as between adjacent Lots and/or properties, due to unintentional placement or setting, or shifting of the improvements constructed, reconstructed, or altered thereon, including, but not limited to, party walls (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along the line perpendicular of such boundary at such point; provided, however, in no event shall an easement for encroachment exist as such encroachment incur due to the willful and knowing conduct on the part of an Owner, tenant, or the Sub-Association.

Section 15. Easements for Encroachment upon Common Property. Each Unit shall have an easement for encroachment upon Common Property lying within five (5) feet of the adjacent Lot line to permit encroachment of eave overhangs, balconies, patios, equipment pads and equipment as may be necessary to service the easement. No Owner shall be entitled to expand the easement beyond such encroachments as are originally constructed by Declarant in construction of a Cluster Building.

Section 16. CDD Easement. The CDD is hereby granted an easement over, across and through all Common Property for purposes of permitting the CDD to access, enter upon and maintain the CDD property as well as to enter upon and maintain all swales and Stormwater Management Systems.

Section 17. Master Association Assessment. Each Owner shall be responsible for payment of all Master Association assessments and/or fines imposed or levied pursuant to the provisions of the Master Declaration. Such assessments and/or imposed or levied by the Master Association shall be separate, apart and in addition to any and all assessments and/or fines imposed or levied by the Sub-Association or the CDD.

Section 18. CDD Assessment. Each Owner shall be responsible for paying all CDD regular and special assessments as such assessments are imposed. Such assessments shall be separate, apart and in addition to any and all assessments imposed or levied by the Sub-Association or the Master Association.

Section 19. Dedication/Conveyance of the Pool and Cabana Area to the CDD. Notwithstanding anything contained in this Declaration to the contrary, Declarant reserves for itself, its successors and assigns, the right to dedicate, transfer or otherwise convey the pool and cabana area and surrounding property as depicted on the attached Exhibit "D", which is located or to be located within the boundary of the Property (collectively, the "Pool and Cabana Area") to the CDD. Such Pool and Cabana Area shall be dedicated, transferred or otherwise conveyed to the CDD at

such time as a certificate of occupancy is issued for the Pool and Cabana Area, for the purpose of having the CDD own, construct, operate, maintain, repair and replace (as applicable) the improvements within the Pool and Cabana Area, and the Pool and Cabana Area shall be deemed a CDD Amenity hereunder. Each Owner shall execute any easements, approvals and consents, if any, that may be necessary to facilitate the relationships between the CDD and Association contemplated hereunder. By acceptance of its deed of conveyance, each Owner appoints Declarant, its successors and assigns, as attorney-in-fact for the Owner to execute any and all such easements, approvals, consents and other instruments as may be necessary in the sole and absolute opinion of Declarant to fully implement the conveyance of the Pool and Cabana Area to the CDD and to permit and provide for the full use of the Pool and Cabana Area by those owners and occupants of units within Harmony who have a right to use and enjoy the Pool and Cabana Area. The foregoing appointment is a power coupled with an interest and shall be irrevocable. Upon such dedication or conveyance of the Pool and Cabana Area to the CDD all of the rights, interest, duties, responsibilities and obligations of the Sub-Association under this Declaration relating to the Pool and Cabana Area shall terminate and such rights, duties, responsibilities and obligations shall thereafter be undertaken and performed by the CDD.

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

MEMBERSHIP AND VOTING RIGHTS OF MEMBERS OF THE SUB-ASSOCIATION ARE SEPARATE, AND IN ADDITION TO MEMBERSHIP AND VOTING RIGHTS IN THE MASTER ASSOCIATION PURSUANT TO THE MASTER DECLARATION.

Section 1. Membership. Every Owner of a Lot which is subject to assessment by the Sub-Association shall be a Member of the Sub-Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment by the Sub-Association.

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

a. Class 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 they among themselves determine and in accordance with the Sub-Association's By-Laws, but in no event shall more than one (1) vote be cast with respect to any Lot.

b. Class B. The Class B member(s) shall be the Declarant, and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (1) When the number of Class A votes equals the number of Class B votes; or
- (2) On January 1, 2015.

ARTICLE V
COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned with the Subdivision, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Sub-Association annual assessments or charges, Cluster Building assessments, and special assessments for capital improvements, and comply with these covenants and restrictions wherein costs suffered by the Sub-Association to correct violations which may be assessed against particular Owners and Lots and payment of certain enforcement penalties as provided for in Article XIII, such assessments to be established and collected as hereinafter provided.

The annual and special assessments together with all other amounts owed to the Sub-Association, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person or persons who were the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, or unless the Sub-Association causes a lien to be recorded in the Public Records of the County.

Section 2. Purpose of Assessments. The Assessments levied by the Sub-Association shall be used exclusively for the purpose of implementing the corporate purposes and powers of the Sub-Association, for promoting the health, safety, welfare, and general aesthetics of the residents of the Subdivision, for the improvement and maintenance of the Common Area, for the improvement, maintenance, operation and management of the Stormwater Management System, including but not limited to, work within retention areas, drainage structures, and drainage easements, for the payment of operating expenses of the Sub-Association, for the payment of taxes and insurance on the Common Area and Stormwater Management System, for certain Lot maintenance as provided for in Article VI, for compliance with and enforcement of other covenants or restrictions as provided for in this Declaration, for capital improvements, for reserves (if any), for lawn maintenance, irrigation, painting of Buildings and repair and replacement of roofs on Cluster Buildings and for any other thing necessary or desirable, including but not limited to the cost associated with obtaining basic cable television services for the Subdivision in the judgment of the Sub-Association, to keep the Subdivision secure, clean, neat and attractive, or to preserve or enhance the value of the Subdivision, or to eliminate fire, health or safety hazards, or which in the judgment of the Sub-Association may be of general benefit to its Members.

Section 3. Annual Assessments. The Board of Directors of the Sub-Association shall create an Initial Budget which, when divided by the number of Lots within the Subdivision, shall constitute the maximum annual assessment.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner other than Declarant, the maximum annual assessment may be increased each year by not more than five percent (5%) above the maximum assessment for the previous year without a majority vote of the Board of Directors.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of the members of the Board of Directors of the Sub-Association.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Sub-Association may levy, in any assessment year, special assessments applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the consent of two-thirds (2/3) of members of the Board of Directors of the Sub-Association.

Section 5. Notice For Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be as set forth in the By-Laws of the Sub-Association.

Section 6. Uniform Rate of Assessment. Both annual assessments and special assessments for capital improvements must be fixed a uniform rate for all Lots, and may be collected in advance of a monthly, quarterly or annual basis, provided that the Declarant shall be exempt from the payment of the annual assessments upon unsold Lots owned by the Declarant for so long as Declarant shall obligate itself to pay all expenses incurred by the Sub-Association in excess of the amounts produced from such assessments.

Section 7. Custer Building Assessments. The Sub-Association may levy and collect assessments to pay for the repair, maintenance or replacement of Buildings or the limited common elements ("Building Assessments") against the Owners of Units within a Building. The Building Assessments shall include all costs incurred in maintaining the exterior, painting, replacement and repair of roofs or the repair and replacement of damage to Building not covered by a policy of insurance.

Section 8. Date of Commencement of Annual Assessments, Due Dates. The annual assessments provided for herein shall commence as to all Lots upon the recording of the Plat. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. The due dates shall be established by the Board of Directors of the Sub-Association. The Sub-Association shall, upon demand for and for a reasonable charge, furnish a certificate signed by an officer of the Sub-Association setting forth whether the assessments on a specified Lot have been paid. A properly

executed certificate of the Sub-Association as to the status of assessments on a Lot is binding upon the Sub-Association as of the date of its issuance.

Section 9. Effect of Nonpayment of Assessments; Remedies of the Sub-Association. Any assessment or installment thereof not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Sub-Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. Failure to pay an assessment shall not constitute a default under an FHA/VA insured or guaranteed loan.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage to an institutional lender (i.e., a bank, insurance company, or savings and loan association), or Federal Housing Administration or Veterans Administration insured, guaranteed, or owned mortgage. The sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien for such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. No mortgage shall be required to collect assessments.

Section 11. Subordination of Lien to Master Association. Pursuant to the Master Declaration the lien of any assessments provided herein shall be subordinate and inferior to any lien of the Master Association.

Section 12. Exempt Property. Property subject to this Declaration dedicated to, and accepted by, a governmental entity or the Sub-Association shall be exempt from the assessments created herein; provided, however, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 13. Trust Funds. The portion of all annual assessments collected by the Sub-Association for reserves for future expenses, and the entire amount of all special assessments for capital improvements, shall be held in trust by the Sub-Association for the Owners of all Lots, as their interests may appear, and may be invested in interest bearing accounts or in certificates of deposit or other like instruments or accounts available at banks or savings and loan institutions the deposits of which are insured by an agency of the United States.

Section 14. Class B Members Obligations for Assessment. Notwithstanding anything herein to the contrary, Lots owned by Class B Members shall be exempt from assessments. The Class B Members shall, however, pay to the Sub-Association all funds in addition to those collected from Class A Members, necessary to operate the Sub-Association in accordance with its approved operating budget.

Section 15. Working Capital Contribution. In addition to annual and special assessments, the first Owner acquiring title from Declarant to a lot shall pay to the Sub-Association a contribution to working capital in the amount of Five Hundred Fifty and No/100 Dollars (\$550.00). The working

capital contribution may be used by the Sub-Association for any purpose not expressly prohibited by these Declarations or Florida law.

Section 16. Master Association Assessment. Each Owner shall be responsible for payment of all Master Association assessments and/or fines imposed or levied pursuant to the provisions of the Master Declaration, which assessments and/or fines are separate, apart and in addition to any and all assessments and/or fines imposed or levied by the Sub-Association or the CDD.

Section 17. CDD Assessment. Each Owner shall be responsible for paying all CDD regular and special assessments as such assessments are imposed. Such CDD assessments shall be separate, apart and in addition to any and all assessments imposed or levied by the Sub-Association or the Master Association.

ARTICLE VI

A. BUILDING AND DWELLING MAINTENANCE.

Section 1. Owner Maintenance Responsibilities. Each Owner shall be responsible for the maintenance, repair and upkeep of his Lot, all landscaping thereon, the Unit and any other structures located thereon or within the Unit, except for the specific items which the Sub-Association is mandated to maintain as set forth in Section 2.

Section 2. Sub-Association Maintenance Responsibilities. In addition to the Common Areas and Common Property, which shall be maintained, repaired, and up-kept in accordance with the Community Wide Standard, the Sub-Association shall only be responsible for the maintenance, repair and upkeep of the following located upon a Lot:

A. Roofs. The Sub-Association shall maintain, repair, and replace the roofs on each Cluster Building in accordance with the Community Wide Standard, and the cost thereof shall be a common expense of the Sub-Association. The term "roof" as used herein shall include shingles and all underlying structures creating the roof (trusses, etc.).

B. Exterior. The Sub-Association shall repaint, repair and replace when necessary, in accordance with the Community Wide Standard, the exterior of all Cluster Buildings and the cost thereof shall be a common expense of the Sub-Association.

C. Lawn Maintenance and Irrigation. The Sub-Association shall perform all lawn, landscaping and irrigation maintenance around the Cluster Building including mowing, weeding, edging, blowing, pruning and fertilizing (collectively, "Lawn Maintenance") and the cost thereof shall be a common expense of the Sub-Association. Such Lawn Maintenance shall be preformed in accordance with the Community Wide Standard.

D. Termite Bonds. The Sub-Association shall maintain all termite bonds for the Cluster Buildings.

B. PARTY WALLS.

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Units and Cluster Buildings upon the properties and placed on the subdividing line between the Lots, shall constitute a "Party Wall", and, to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire of Other Casualty. If a party wall is destroyed or damaged by fire or other casualty and it is not covered by insurance, any Owner who has used the wall may restore it; and, if the other Owners thereafter make use of the wall, they shall contribute to the cost of the restoration thereof in proportion to their use without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule or law.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Easement for Encroachment. There shall be reciprocal perpetual easements of encroachment between each adjacent Lot or Unit due to the unintentional placement, settling, or shifting of Party Walls constructed, reconstructed, or altered thereon to a distance of three feet (3') as measured from any part on the common boundary along a line perpendicular of such boundary at such point.

Section 7. Easement for Lateral Support. There shall be reciprocal perpetual easements of lateral support between each adjacent Lot or Unit upon the structural components, including the Party Walls for lateral support of each Unit. No Owner shall demolish, modify, or interfere with a Party Wall so as to diminish or in any way alter the lateral support which such Party Wall affords any Unit.

C. RIGHTS OF THE SUB-ASSOCIATION.

Section 1. In the event an Owner of any Lot in the Subdivision shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Sub-Association, after approval by two-thirds (2/3) vote of the Board of Directors and thirty (30) days' prior written notice to the Owner at the last address in the Sub-Associations records for said Owner, such notice informing the Owner that unless certain specified repairs or maintenance are

made within a thirty (30) day period the Board of Directors shall cause such necessary repairs or maintenance to be accomplished and charge same to the Owner, shall, upon the failure of the Owner to act within said period of time, have a right, through its agents and employees, to enter upon said Lot and to repair, clear, trim, maintain and restore such Lot and the exterior of the Buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessments to which such Lot is subject. In no event shall the Sub-Association or any of its agents be liable for trespass in causing necessary repairs or maintenance to be accomplished pursuant to this Article.

D. Casualty Loss to Structures.

1. The Sub-Association shall be responsible for the repair and reconstruction of any Building damaged or destroyed as a result of fire, wind, water, earth quake, sink hole, vandalism or other casualty. The Sub-Association shall maintain a policy or policies of property insurance insuring the structures of any Buildings for their full insurable value. The insurance shall not cover contents, furnishings or fixtures of Owner to the respective Units, and shall not cover damages for loss of use of the Unit.

2. In the event a Building is damaged or destroyed, the Sub-Association shall, with reasonable diligence, cause the affected Building to be repaired and replaced. The Sub-Association shall receive any insurance benefit paid as a result of any casualty as trustee for the benefits of the Owners within the affected Buildings, and shall use such benefits for the purposes for which they were paid.

3. The Unit Owners within any affected Building shall be responsible for reimbursing the Sub-Association for any expenses which the Sub-Association incurs in repairing or replacing any damage to any Building which is not covered by any policy of insurance whether as a result of deductibles or exclusions. The Sub-Association shall be entitled to levy and collect Cluster Building assessments for all amounts due from the Owners of Units within affected Buildings. Such assessments shall be paid within thirty (30) days they imposed, and shall accrue interest at the rate of eighteen percent (18%) per annum from and after their due date. The Sub-Association shall be entitled to impose a lien upon any Unit for all unpaid Building Assessments.

4. Sub-Association shall not be liable to any Owner for any damages, losses or claims for personal injury or property damage including, but not limited to, loss of personal property, fixtures, and loss of use of any Unit, arising out of damage or destruction of a building or any repair or replacement thereof. Owners shall be solely responsible for insuring the contents of their Units as well as any loss of use of any Unit or items not covered by the Sub-Association's insurance, whether as a result of deductibles or exclusions.

ARTICLE VII
MASTER ASSOCIATION AND DECLARATION

Section 1. **IN ADDITION TO AND SEPARATE FROM THIS DECLARATION, THE SUBDIVISION IS ENCUMBERED BY AND IS SUBJECT TO THE MASTER**

DECLARATION AND EACH OWNER IS RESPONSIBLE FOR ADHERING TO THE MASTER DECLARATION, THE BYLAWS AND ALL RULES AND REGULATIONS PROMULGATED BY THE MASTER ASSOCIATION. EACH OWNER SHALL BE RESPONSIBLE FOR PAYING ALL REGULAR AND SPECIAL ASSESSMENTS DULY IMPOSED OR LEVIED BY THE MASTER ASSOCIATION IN ACCORDANCE WITH THE PROVISIONS OF THE MASTER DECLARATION. IN THE EVENT THERE IS ANY CONFLICT BETWEEN THIS DECLARATION OR ANY RULES AND REGULATIONS IMPOSED BY THE SUB-ASSOCIATION AND THE MASTER DECLARATION OR ANY RULES AND REGULATIONS IMPOSED BY THE MASTER ASSOCIATION, THE OWNERS WILL BE REQUIRED TO COMPLY WITH THE MORE STRINGENT OR RESTRICTIVE REQUIREMENT. THIS DECLARATION AND ALL RULES AND REGULATIONS IMPOSED BY THE SUB-ASSOCIATION SHALL AT ALL TIMES BE JUNIOR, INFERIOR AND SUBORDINATE TO THE MASTER DECLARATION AND THE RULES AND REGULATIONS IMPOSED BY THE MASTER ASSOCIATION, HOWEVER NOTHING HEREIN SHALL BE CONSTRUED TO PROHIBIT EITHER THIS DECLARATION OR THE SUB-ASSOCIATION FROM IMPOSING MORE STRINGENT OR RESTRICTIVE COVENANTS, CONDITIONS, RESTRICTIONS, RULES OR REGULATIONS.

Section 2. Until such time as the Master Declarant turns over the Master Association to the members pursuant to the provisions of the Master Declaration, the Master Declarant shall be entitled to appoint one (1) director to the Board of Directors of the Sub-Association and shall further be entitled to attend all meetings of the Sub-Association and the Board of Directors of the Sub-Association. The Sub-Association shall notify the Master Declarant in writing of all meetings of the Board of Directors within the time constraints contemplated for giving notice of such meetings to Members by the By-laws of the Sub-Association.

Section 3. The Master Association, through its board of directors, shall have the right, authority and power to veto any action taken or contemplated to be taken by the Sub-Association, which the board of directors of the Master Association determines to be adverse to the interests of the Master Association or the members of the Master Association or inconsistent with the Community-Wide Standard. The Master Association, through its board of directors, shall have the right, authority and power to require specific action to be taken by the Sub-Association in connection with any of the Sub-Association's obligations and responsibilities, hereunder or otherwise. Without limiting the generality of the foregoing, the Master Association may (a) require specific maintenance or repairs or aesthetic changes to be effectuated by the Sub-Association, and (b) require that the Sub-Association include certain items within the budget for the Sub-Association and that specific expenditures be made by the Sub-Association.

A. Any action required by the Master Association in a written notice pursuant to the foregoing paragraph shall be taken within the timeframe set by the Master Association in such written notice. If the Sub-Association fails to comply with the requirements set forth in such written notice, the Master Association shall have the right to effect such action on behalf of the Sub-Association.

B. To cover any of the Master Association's administrative expenses in connection with the foregoing and to discourage failure to comply with the requirements of the Master Association, the Sub-Association shall assess the Units subject to the jurisdiction of the Sub-Association for their pro rata share of any expenses incurred by the Master Association in taking such action in the manner provided for levying special assessments under the Master Declaration. Such assessments may be collected as a special assessment and shall be subject to all lien rights of the Master Association as provided in the Master Declaration.

ARTICLE VIII SPECIFIC RESTRICTIONS

IN ADDITION TO THE SPECIFIC RESTRICTIONS SET FORTH HEREIN, THE OWNERS SHALL ADHERE TO THE RESTRICTIONS CONTAINED IN THE MASTER DECLARATION AND ANY AND ALL RULES AND REGULATIONS PROMULGATED BY THE MASTER ASSOCIATION PURSUANT TO THE PROVISIONS OF THE MASTER DECLARATION. IN THE EVENT OF ANY INCONSISTENCY OR CONFLICT BETWEEN ANY OF THE SPECIFIC RESTRICTIONS SET FORTH IN THIS DECLARATION AND THE RULES AND REGULATIONS OF THE MASTER DECLARATION OR IMPOSED BY THE MASTER ASSOCIATION THE MORE STRINGENT SHALL CONTROL.

Section 1. Condition of Building and Grounds. It shall be the responsibility of each Owner to prevent the occurrence of any ~~unclean~~, unsightly or unkempt condition of Buildings or grounds on his Lot which shall ~~tend to~~ substantially decrease the beauty of the Subdivision as a whole or the specific Lot.

Section 2. Clothes Hanging and Drying. All outdoor clothes hanging and drying activities shall be done in a manner so as not to be visible from any front street or side street or any adjacent or abutting property and are hereby restricted to the areas between the rear Lot line and the rear yard line and, in the cases of Lots bordering a side street, to that portion of the aforescribed area which is not between the side street and the side Lot line. All clothes poles shall be capable of being lifted and removed by one (1) person in one (1) minute's time and shall be removed by the Owner when not in actual use for clothes drying purposes

Section 3. Window Air Conditioning Units. No window or through-the-wall air conditioning units shall be permitted. No Building or Unit shall have any aluminum foil or other reflective material in any window or glass door.

Section 4. Vehicles and Repair. There shall be no major repair performed on any motor vehicle on or adjacent to any Lot in the Subdivision. All vehicles shall have current license plates. Moreover, no stripped, unsightly, offensive, wrecked, junked, or dismantled vehicles or portions thereof, shall be parked, stored or located upon any Lot at any time. No portion of the Common Area may be used for parking of such inoperative vehicles.

Section 5. Storage of Construction Materials. No lumber, brick, stone, cinder block, concrete or any other building materials, scaffolding, mechanical devices or any other thing used for building purposes shall be stored on any Lot, except for purposes of construction on such Lot, and shall not be stored for longer than that length of time reasonably necessary for the construction in which same is to be used.

Section 6. Vegetable Gardens. No vegetable gardens shall be permitted.

Section 7. Building Requirements. Only single family attached homes shall be constructed in the Subdivision. No Unit shall be constructed of such dimensions that the living area (which excludes garage, patios or other appurtenances which are not customarily considered to be "living area") is less than one thousand (1000) square feet.

Section 8. Fences. No fences shall be erected on any Lot.

Section 9. Ramps. No skateboard or bicycle ramp or similar structure shall be used, permitted or maintained on any Lot or the Common Property.

Section 10. Swimming Pools. No swimming pool may be constructed on any Lot, except the pool located within or to be constructed within the Pool and Cabana Area.

Section 11. Utility Easements. Easements for installation and maintenance of utilities and cable television (if any) are reserved as shown on the Plat. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or cable television or which may impede the flow of water through drainage channels in the easements except as a part of the Stormwater Management System. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utilities company is responsible.

Section 12. Easements for Access and Drainage. Easement for maintenance and operation of Surface Water or Stormwater Management Systems are reserved as show on the Plat. The Association shall have a perpetual access over all such easement areas of the Surface Water or Stormwater Management System for access to operate, maintain or repair the system. The Association shall have the right to enter upon any portion of any lot which is a part of the Surface Water or Stormwater Management System, at a reasonable time and in a reasonable manner, to operate, maintain or repair the Surface Water or Stormwater Management System as required by the South Florida Water Management District permit. Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire Surface Water or Stormwater Management System. No person shall alter the drainage flow of the Surface Water or Stormwater Management System, including buffer areas or swales, without the prior written approval of the South Florida Water Management District. Nothing contained herein shall operate to create an easement other than those depicted on the Plat.

Section 13 Land Use and Building Type. No building constructed on a Lot (except for model lots) shall be used except for residential purposes.

THE OPERATION OF A CONDOMINIUM, COOPERATIVE, VACATION CLUB, TIMESHARING, FRACTION-SHARING OR SIMILAR PROGRAM WHEREBY THE RIGHT TO EXCLUSIVE USE OF THE UNIT ROTATES AMONG PARTICIPANTS IN THE PROGRAM ON A FIXED OR FLOATING TIME SCHEDULE OVER A PERIOD OF YEARS SHALL BE PROHIBITED. FURTHER, AN OWNER SHALL ONLY BE ENTITLED TO ENTER INTO RENTAL AGREEMENT IN ACCORDANCE WITH THE PROVISIONS OF THE MASTER DECLARATION.

Temporary uses by Declarant and its affiliates for model homes, sales displays, parking lots, sales offices and other offices, or any one or combination of such uses, shall be subject to approval and permitting by the County, and shall be otherwise permitted until permanent cessation of such uses takes place. In addition to the requirements of the Master Declaration, no changes may be made in buildings erected by the Declarant or its affiliates (except if such changes are made by the Declarant) without approval and permit issued by the County. If the real property upon which the said building(s) proposed to be changed has been annexed into a municipality, then approval and a permit must be obtained from the annexing municipality instead of the County.

Section 14 Condition and Construction. All Lots, whether occupied or unoccupied, and any buildings, structures or improvements thereon, shall at all times be maintained in such a manner as to prevent their becoming unsightly by reason of unattractive growth on such Lot or the accumulation of rubbish or debris thereof. Every building, structure or other improvement, the construction of which is begun on any Lot, shall be diligently and continuously prosecuted after the beginning of such construction or placement until the same shall be fully completed, except to the extent prevented by strikes, lockouts, boycotts, the elements, war, inability to obtain materials, acts of God, or similar causes.

Section 15 General. Nothing contained in this Declaration shall be interpreted or construed to prevent Declarant, its successors or assigns or its or their contractors, or subcontractors, from doing or performing on all or any part of the Lots or properties owned or controlled by Declarant, or its successors or assigns, whatever they determine to be reasonably necessary or advisable in connect with the completion of the development, including without limitation:

- a. erecting, constructing, and maintaining thereon, such structures as may be reasonably necessary for the conduct of Declarant's business of completing the development and establishing the Subdivision as a residential community and disposing of the same by sale, lease or otherwise; or
- b. conducting thereon its business of completing the development and establishing the Subdivision as a residential community and disposing of the properties by sale, lease or otherwise; or

c. maintaining such sign or signs thereon as may be reasonably necessary in connection with the sale, lease, or other transfer of the Lots.

Section 16 Insurance. Nothing in this Declaration shall be construed to permit, and no person other than the Owner of a Lot, or the mortgagee where permitted by the mortgage, shall have the right to place hazard or liability insurance for that Lot.

Section 17. Mailboxes. Mailboxes shall be installed by Declarant and thereafter maintained and replaced by the Association. All mailboxes and posts shall be uniform in design, components, and construction and shall be in conformance with the requirements of the Master Declaration, including but not limited to compliance with the Harmony Code and architectural approval. Owners shall not be entitled to install any mailbox on any Lot.

Section 18. Security Bars. No security bar system may be installed on any window or door of any Unit within the Property.

ARTICLE IX
SPECIAL RESTRICTIONS
AFFECTING COMMON AREA

Section 1. General Intent. It shall be the intent and purpose of this Declaration and these restrictions and covenants to maintain and enhance the Common Area. It shall be the further intent and purpose of the Declaration and these restrictions and covenants to protect any natural streams and water supplies, to maintain and enhance the conservation of natural and scenic resources, to promote the conservation of soils, wildlife, game and migratory birds.

Section 2. Buildings. It is expressly understood and agreed that no building, tent, trailer or other structure, either temporary or permanent, except as noted elsewhere herein, shall be erected or caused to be placed on any lands shown and set aside on the Plat as a Common Area; and likewise, no building, tent, trailer or other structure, either temporary or permanent, except as noted elsewhere herein, shall be erected or caused to be placed on any lands shown and set aside on the Plat as Common Area.

Section 3. Trash. No dumping of trash, garbage, sewage, sawdust or any unsightly or offensive materials shall be placed upon the Common Area, except as is temporary and incidental to the bona fide improvement of the area in a manner consistent with its classification as a Common Area.

Section 4. Control of Pets. Authorized pets shall only be walked or taken upon those portions of the Common Area designed by the Sub-Association from time to time for such purposes, and such pets shall be on a leash under Owner control. In no event shall said pets be allowed to be walked or taken on or about any conservation area, as such is defined by Declarant, the Master Association or Master Declarant, contained within the Subdivision.

Section 5. Access to Restricted Common Area. Owners, their families and guests shall not enter into any restricted common area dedicated for conservation purposes ("Restricted Common Area"), except and unless a trail, path, or boardwalk has been constructed by the Declarant, or the Sub-Association as provided for above, in which case any person entering into a Restricted Common Area shall remain on such trail, path, or boardwalk and shall not disturb or disrupt the natural vegetation or wildlife. The foregoing shall not obligate the Declarant, or the Sub-Association to construct any trail, path, or boardwalk or similar feature upon the Restricted Common Area. Further, no such trail, path, or boardwalk shall be created, unless first approved and permitted by the County.

ARTICLE X
GENERAL PROVISIONS

Section 1. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions hereof, which shall remain in full force and effect.

Section 2. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

Section 3. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been sent when mailed, postage prepaid, to the last known address of the person or persons who appear as the Owner of the Lot on the records of the Sub-Association at the time of such mailing.

Section 4. Subdivision of Lots. No Lot shall be subdivided or boundaries changed. The Declarant reserves the right to replat any Lots in the Subdivision prior to their sale, without the necessity of the joinder or approval of the Sub-Association, its Members or other Owners of Lots in the Subdivision.

Section 5. Rules and Regulations. The Sub-Association may publish unrecorded Rules and Regulations from time to time that shall be applicable to the Subdivision but which shall not be applicable to the Declarant or its affiliates, agents or employees and contractors (except in such contractor's capacity as Owners) nor to institutional first mortgagees, nor to property while owned by either the Declarant or its affiliates or such mortgagees. Such Rules and Regulations shall apply to all other Owners and occupants. The Board of Directors shall be permitted to grant relief to one or more Owners from specific Rules and Regulations upon written request therefore and good cause shown in the sole opinion of the Board.

Section 6. Easements. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

Section 7. Covenants Running With the Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitations) hereof, it is the

intention of the Declarant as fee simple owner of the Subdivision, and all other fee simple owners of portions of Subdivision who have joined in the execution of this Declaration, that this Declaration shall constitute covenants running with the land and with title to the Subdivision or any part thereof, or as equitable servitudes upon the land, as the case may be.

Section 8. Dissolution of Sub-Association. In the event of a permanent dissolution of the Sub-Association, the fee simple owners of Lots in the Subdivision shall immediately thereupon hold title to the Common Areas, excluding the Storm Water or Surface Water Management System, as tenants in common and shall collectively provide for the continued maintenance and upkeep thereof in a manner or under a procedure acceptable to the County. Prior to dissolution, the Sub-Association shall convey to the County the Common Property comprising of the Storm Water or Surface Water Management System. In no event shall the County be obligated to accept any dedication offered to it by the Sub-Association or the fee simple owners of the Subdivision pursuant to this Section, but the County may in its sole and absolute discretion accept such a dedication, and any such acceptance must be made by resolution adopted by the County Commission. In the event the County rejects the transfer of the Storm Water or Surface Water Management System, said system shall be dedicated to a non-profit corporation similar to the Sub-Association. Any successor to the Sub-Association, including the fee simple owners of Lots shall pursuant to this Declaration provide for the continued maintenance and upkeep of the Stormwater Management System, if any, and the Common Area.

Section 9. Swale Maintenance (if applicable). In the event the Developer has constructed a drainage swale upon any Lot for the purpose of managing and containing the flow of excess surface water ("Drainage Swale(s)"), if any, found upon such Lot from time to time, the Lot Owner, shall be responsible for the maintenance, operation and repair of the Drainage Swale(s) on the Lot. Maintenance, operation and repair shall mean the exercise of practices, such as mowing and erosion repair, which allow the Drainage Swale(s) to provide drainage, water storage, conveyance or other stormwater management capabilities as permitted by the South Florida Water Management District. Filling, excavation, construction of fences or otherwise obstructing the surface water flow in the Drainage Swale(s) is prohibited. No alteration of the Drainage Swale(s) may be authorized and any damage to any Drainage Swale(s), whether caused by natural or human-induced phenomena, shall be repaired and the Drainage Swale(s) returned to its former condition as soon as possible by the Owner(s) of the Lot(s) upon which the Drainage Swale(s) is located.

Section 10. Cable Television. The Sub-Association shall enter into an agreement with a cable television service provider to provide basic cable television services to each Lot. The assessments contemplated by Article V include the cost incurred by the Sub-Association to provide cable service to each Lot regardless of whether any improvements have been constructed on any Lot. No Lot Owner may waive or otherwise escape liability for assessments by non-use of the cable service or abandonment of the right to use the cable service.

Section 11. Construction. In the event of any conflict between the provisions of this Declaration, the Master Declaration or any rules or regulations passed by the Master Association, the more stringent shall control.

ARTICLE XI
ESTOPPEL CERTIFICATE

If all sums due to the Sub-Association shall have been paid, the Sub-Association shall deliver an estoppel certificate within ten (10) days of a written request therefore. The Owner requesting the certificate shall pay to the Sub-Association a reasonable sum to cover the costs of examining records and preparing the certificate.

ARTICLE XII
ENFORCEMENT

Section 1. Compliance by Owners. Every Owner shall comply with the restrictions and covenants set forth herein any and all Rules and Regulations which from time to time may be adopted by the Board of Directors of the Sub-Association without the necessity of being recorded in the public records.

Section 2. Enforcement. The Sub-Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Sub-Association or by any Owner to enforce any covenant or restriction herein contained shall in no way be deemed a waiver of the right to do so thereafter. If and as permitted by applicable Florida law, the Sub-Association shall have the right to suspend voting rights and use of Common Area (except for legal access) of defaulting Owners. The offending Lot Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs.

Section 2.1. The South Florida Water Manager District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation and repair of the Surface Water or Storm Water Management System.

Section 3. Fines and Penalties. In addition to all other remedies, fines may be imposed upon an Owner, voting rights of an Owner suspended and rights of the Owner and its guest to use of common areas, excluding those necessary for access, suspended for failure of an Owner, his family, guests, invitees or employees, to comply with this Declarations or any covenant, restriction, Rule or Regulation, provided the following are adhered to:

a. Notice. The Sub-Association shall notify the Owner of an alleged infraction or infractions. Included in the notice shall be the date and time of a special meeting of a committee appointed by the Board of Directors (herein, the "Committee") at which time the Owner shall present reasons why penalties should not be imposed. At least fourteen (14) days' notice of such meeting shall be given. The Committee shall consist of three (3) or more Member appointed by the Board of Directors of the Sub-Association. The members of the Committee shall be appointed by the Board of Directors of the Sub-Association, but shall not be Officers, Directors or employees of the Sub-Association and shall not be related by blood or marriage to any Director, Officer or employee. Fines and/or penalties may only be imposed by a majority vote of the Committee.

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

c. Penalties. The Committee may impose fines against the Lot owned by the Owner for an amount equal to \$100.00 per day for each day an Owner allows a violation to exist which fine shall not exceed \$5000.00 in the aggregate.

d. Payment of Penalties. Fines shall be paid not later than ten (10) days after notice of the imposition or assessment of the penalties. Once paid, all rights of the Owner and their guest shall be deemed reinstated.

e. Collection of Fines. Fines shall be treated as special assessments subject to the provisions for such assessments provided for in Article V as modified herein.

f. Application of Penalties. All monies received from fines shall be allocated as directed by the Board of Directors.

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

ARTICLE XIII
AMENDMENT TO DECLARATION

This Declaration and each of the covenants, easements and restrictions set forth herein may be modified or amended only in the following manner:

Section 1. Notice of the subject matter of a proposed amendment or modification shall be included in the notice of any meeting of the Members of the Sub-Association at which a proposed amendment is to be considered.

Section 2. An amendment may be proposed by the Board of Directors or by twenty-five percent (25%) of the voting Members of the Sub-Association. A resolution adopting a proposed amendment must bear the approval of not less than a majority of the Members of the Board of Directors and seventy-five percent (75%) of the votes eligible to be cast by Members of the Sub-Association. Directors of the Board of Directors of the Sub-Association and Members not present in person or by proxy at the meeting considering the amendment may express their approval or disapproval in writing, provided such approval or disapproval is delivered to the Secretary prior to the meeting.

Section 3. No amendment may be adopted which discriminates against any Lot Owner or against any Lot or class or group of Lots, unless the Lot Owners so affected consent thereto. No amendment shall change or alter any Lot or the share of the Common Elements appurtenant thereto, nor increase the Lot Owner's share of the Common Expense, unless the record Owner of the Lots concerned and all record holders of liens on such Lots shall join in the execution of the amendment. Nothing in this paragraph shall limit the Board of Directors in its power as delineated in these Declarations.

Section 4. A copy of each amendment, accompanied by adopted resolution, shall be attached to a certificate certifying that said amendment was duly adopted, which certificate shall be effective when said documents are so recorded. Likewise, any amendment accomplished by agreement of the required number of Members or, where required, by all Lot Owners and record owners of liens or mortgages, shall be effective when the agreement effecting such amendment is recorded among the Public Records of Osceola County, Florida.

Section 5. Notwithstanding anything hereinabove set forth in this Article, the Declarant reserves the right to amend, modify, alter or annul any of the covenants, conditions, restrictions or easements of this Declaration, until such time as ninety percent (90%) of the Lots have been sold and the ownership interests therein are actually conveyed to purchasers other than the Declarant.

Section 6. Each Lot Owner consents that this Declaration may be amended by Declarant so long as Declarant is a Class B member, to conform to the requirements of any institutional mortgagee and of any Federal agency (including such agencies as FNMA and GNMA) which insures or purchases mortgages.

Section 7. Any amendment to this Declaration which alter any provision relating to the Surface Water or Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the common areas, must have the prior approval of the South Florida Water Management District.

Section 8. Any amendment to this Declaration which may alter any provision relating to the Master Declarant or Master Association, or which would prejudice the Master Declarant or Master Association must have the prior written approval of the Master Declarant or Master Association, as applicable. Any amendment to this Declaration in violation hereof shall be automatically void and of no force or effect.

ARTICLE XIV DISCLAIMER OF LIABILITY OF SUB-ASSOCIATION

Notwithstanding anything contained herein or in the Articles of Incorporation, By-laws, any rules or regulations of the Sub-Association or any other document governing or binding the Sub-Association (collectively, the "Sub-Association Documents"), the Sub-Association shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety or welfare of any owner, occupant or user of any portion of the properties including, without limitation, residents

and their families, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing:

(a) It is the express intent of this Declaration and the Sub-Association Documents that the various provisions thereof which are enforceable by the Sub-Association and which govern or regulate the uses of the properties have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the properties and the value thereof;

(b) The Sub-Association is not empowered, and has not been created, to act as an entity which enforces or ensures the compliance with the laws of the United States, State of Florida, Osceola County and/or any other jurisdiction or the prevention of tortious activities; and

(c) The provisions of the Sub-Association Documents setting forth the uses of assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the uses of assessment funds and not as creating a duty of the Sub-Association to protect or further the health, safety or welfare of any person(s), even if assessment funds are chosen to be used for any such reason.

Each Owner (by virtue of his acceptance of title to his Lot) and each other person having an interest in or lien upon, or making a use of, any portion of the properties (by virtue of accepting such interest or lien or making such use) shall be bound by this Article and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Sub-Association arising from or connected with any matter for which the liability of the Sub-Association has been disclaimed in this Article.

As used in this Article, "Sub-Association" shall include within its meaning all of Sub-Associations' directors, officers, committee and board members, employees, agents, contractors (including management companies), subcontractors, successors and assigns. The provisions of this Article shall also inure to the benefit of Declarant, which shall be fully protected hereby.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Declaration has been signed by Declarant the date first set forth above.

WITNESSES:

"Declarant"

D.R. HORTON, INC., a Delaware corporation
5850 T.G. Lee Boulevard, Suite 600
Orlando, Florida 32822

Marianne Boggs

Print: MARIANNE BOGGS

Brandy Sue Murphy

Print: Brandy Sue Murphy

By: [Signature]

Printed Name: JEFFREY J. NEWTON

Title: ASSISTANT SECRETARY

STATE OF FLORIDA

COUNTY OF Orange ISS.

The foregoing instrument was acknowledged before me this 1st day of December, 2005 by Jeffrey J. Newton as Assistant Secretary of D.R. HORTON, INC., a Delaware corporation, on behalf of the Corporation, who is personally known to me or has produced _____ as identification.

(NOTARY SEAL)

[Signature]
Notary Public, State of Florida
Brandy Sue Murphy
Notary Name Printed
NOTARY PUBLIC
Commission No. DD103352



EXHIBIT A**LEGAL DESCRIPTION**

A PARCEL OF LAND LYING IN A PORTION OF SECTION 30, TOWNSHIP 26 SOUTH, RANGE 32 EAST, OSCEOLA COUNTY, FLORIDA. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commence at the Southeast Corner of GOLF COURSE TRACT 3, BIRCHWOOD GOLF COURSE, as filed and recorded in Plat Book 15, pages 139 thru 151 of the public records of Osceola County, Florida, thence N26°37'00"E, along the East line of said GOLF COURSE TRACT 3, a distance of 90.14 feet to the Point of Beginning; thence continue, N26°37'00"E, along the East line of said GOLF COURSE TRACT 3, a distance of 988.49 Feet to the point of curve of a non tangent curve to the right, of which the radius point lies S16°48'12"W, a radial distance of 780.77 Feet and having a chord bearing of S62°09'44"E, 298.88 Feet; thence southeasterly along the arc, through a central angle of 22°04'08", a distance of 300.73 Feet; thence S51°07'41"E, a distance of 91.64 Feet to a point of curve to the right having a radius of 965.00 Feet, a central angle of 08°07'35", and a chord bearing of S47°03'54"E, 136.75 Feet; thence southeasterly along the arc a distance of 136.87 Feet; thence S43°00'05"E, a distance of 277.26 Feet to the point of curve of a non tangent curve to the left, of which the radius point lies N47°02'01"E, a radial distance of 845.36 Feet and having a chord bearing of S46°46'35"E, 112.35 Feet; thence southeasterly along the arc, through a central angle of 07°37'13", a distance of 112.43 Feet; thence S41°12'35"W, a distance of 76.31 Feet to a point of curve to the left having a radius of 73.50 Feet, a central angle of 20°19'02", and a chord bearing of S31°03'04"W, 25.93 Feet; thence southwesterly along the arc a distance of 26.06 Feet; thence S20°53'33"W, a distance of 601.93 Feet to a point of curve to the left having a radius of 73.50 Feet, a central angle of 24°44'40", and a chord bearing of S08°31'13"W, 31.50 Feet; thence southerly along the arc a distance of 31.74 Feet; thence S03°51'07"E, a distance of 48.44 Feet; thence S22°54'23"W, a distance of 57.23 Feet; thence S67°05'08"E, a distance of 40.20 Feet; thence S22°54'52"W, a distance of 26.33 Feet; thence N60°13'23"W, a distance of 1,007.36 Feet to the POINT OF BEGINNING.

Containing 19.73 Acres, more or less.

Exhibit "B"

CL 2005269241

OR 2986/2521



FLORIDA DEPARTMENT OF STATE

Glenda E. Hood
Secretary of State

July 27, 2005

ASHLEY PARK-BIRCHWOOD PUD HOMEOWNERS ASSOCIATION, INC.
5850 T.G. LEE BLVD. SUITE 600
ORLANDO, FL 32822

The Articles of Incorporation for ASHLEY PARK-BIRCHWOOD PUD HOMEOWNERS ASSOCIATION, INC. were filed on July 26, 2005, and assigned document number N05000007621. Please refer to this number whenever corresponding with this office.

This document was electronically received and filed under FAX audit number H05000179554.

A corporation annual report/uniform business report will be due this office between January 1 and May 1 of the year following the calendar year of the file/effective date. A Federal Employer Identification (FEI) number will be required before this report can be filed. Please apply NOW with the Internal Revenue Service by calling 1-800-829-3676 and requesting form SS-4.

Please be aware if the corporate address changes, it is the responsibility of the corporation to notify this office.

Should you have any questions regarding corporations, please contact this office at the address given below.

Sincerely,
Suzanne Hawkes
Document Specialist
New Filings Section
Division of Corporations

Letter Number: 605A00048812

Division of Corporations - P.O. BOX 6327 -Tallahassee, Florida 32314

**ARTICLES OF INCORPORATION
OF
ASHLEY PARK-BIRCHWOOD PUD HOMEOWNERS ASSOCIATION, INC.**

In compliance with the requirements of Chapter 617, *Florida Statutes*, the undersigned, all of whom are residences of the State of Florida and all of whom are of full age, have this day voluntarily associated themselves together for the purposes of forming a corporation not for profit and do hereby certify:

**ARTICLE I
NAME**

The name of the corporation is **Ashley Park-Birchwood PUD Homeowners Association, Inc.**, hereinafter called the "Association."

**ARTICLE II
PRINCIPAL OFFICE**

The principal office of the Association is located at 5850 T.G. Lee Blvd., Suite 600, Orlando, Florida 32822.

**ARTICLE III
DEFINITIONS**

The following words shall have the definitions set forth below for purposes of these Articles:

3.1 "Articles" shall mean ~~these~~ **Articles of Incorporation.**

3.2 "Association" shall mean and refer to **Ashley Park-Birchwood PUD Homeowners Association, Inc.**, a Florida corporation not for profit, and its successors and assigns.

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

3.4 "Bylaws" shall mean the Bylaws of the Association.

3.5 "Common Expenses" shall mean the expenses and charges described in the Declaration incurred or to be incurred by the Association and assessed or to be assessed upon the Owners.

3.6 "Declarants" shall mean collectively Spano & Associates, Inc., a Florida corporation, its successors and assigns.

3.7 **“Declaration”** shall mean that certain Declaration of Covenants and Restrictions for **Ashley Park-Birchwood PUD – Harmony Neighborhood A-1** made by the Declarants to be recorded in the Public Records of Osceola County, Florida, as the same may be modified or amended from time to time.

3.8 **“Development”** shall mean and refer to the real property described in, and made subject to the Declaration.

3.9 **“Member”** shall mean the owner of lots which are the subject of the Covenants and Restrictions of the **Ashley Park-Birchwood PUD – Harmony Neighborhood A-1**.

3.10 **“Owner”** shall mean and refer to the record owner, whether one (1) or more persons or entities, of the fee simple title to any “Lot,” as defined in the Declaration, which is part of the Development.

Unless otherwise indicated, all capitalized forms herein shall have the meanings set forth in Article I of the Declaration.

ARTICLE IV
REGISTERED AGENT

William E. Barfield, whose address is 5850 T.G. Lee Blvd., Suite 600, Orlando, Florida 32822, is hereby appointed the initial Registered Agent of this Association.

ARTICLE V
PURPOSE AND POWERS OF THE ASSOCIATION

5.1 This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes of which it is formed are to provide for maintenance, preservation and architectural control of the Lots and Common Area within that certain tract of property described as follows:

SEE EXHIBIT “A” ATTACHED HERETO

The above described property is the same as the property referred to in the Declaration of Covenants, Conditions and Restrictions, recorded or to be recorded in the Public Records of Osceola County, Florida.

and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose to:

- (a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Public Records of Osceola County, Florida, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;
- (b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- (d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or unity for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;
- (f) operate, maintain and manage the surface water or stormwater management system(s) in a manner consistent with South Florida Water Management District **Permit No. 49-01058-P** requirements and applicable District rules, and shall assist in the enforcement of the restrictions and covenants contained therein.
- (g) levy and collect adequate assessments against members of the Association for the costs of maintenance and operation of the surface water or stormwater management system.

5.2 All assessments shall be used for those purposes permitted by the Declaration, and for the maintenance and repair of the surface water or stormwater management systems including, but not limited to, work within retention areas, drainage structures and drainage easements.

**ARTICLE VI
MEMBERSHIP**

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

**ARTICLE VII
VOTING RIGHTS**

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the number of Class A votes equal the number of Class B votes; or
- (b) on January 1, 2015.

**ARTICLE VIII
BOARD OF DIRECTOR**

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association, and the number of directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

- | | |
|---------------|--|
| Robert Beird | 5850 T.G. Lee Blvd., Suite 600
Orlando, Florida 32822 |
| Brandy Murphy | 5850 T.G. Lee Blvd., Suite 600
Orlando, Florida 32822 |
| Robert Lawson | 5850 T.G. Lee Blvd., Suite 600
Orlando, Florida 32822 |

At the first annual meeting the members shall elect three (3) directors for a term of one (1) year or until their successors are elected.

At each annual meeting thereafter, the members shall elect directors for a term of two (2) years each or until their successors are elected.

ARTICLE IX
OFFICERS

The affairs of the Association shall be administered by the officers designated in the Bylaws. The officers shall be elected by the Board of Directors at its first meeting following the annual meeting of the members of the Association, and they 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 by the Board of Directors are as follows:

Name and Office

Robert Beird, President	5850 T.G. Lee Blvd., Suite 600 Orlando, Florida 32822
Robert Lawson, Vice President/Treasurer	5850 T.G. Lee Blvd., Suite 600 Orlando, Florida 32822
Brandy Murphy, Secretary	5850 T.G. Lee Blvd., Suite 600 Orlando, Florida 32822

ARTICLE X
INDEMNIFICATION

10.1 Indemnification. Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding whether civil, criminal, administrative or investigative, or any settlement of any proceeding, or any appeal from such proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of any other corporation, or having served at the Association's request as a director or officer of any other corporation, whether or not he is a director or officer at the time such expenses are incurred, regardless of by whom the proceeding was brought, except in relation to matters as to which any such director or officer shall be adjudged liable for gross negligence or willful misconduct, provided that in the event of a settlement, the indemnification shall apply only when the Board of Directors of the Association approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

10.2 Expenses of Lawsuits. Expenses incurred in defending a suit or proceeding whether civil, criminal, administrative or investigative may be paid by the Association in advance of the final disposition of such action, suit or proceeding if authorized by all of the noninterested directors upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not to be indemnified by the Association as authorized by these Articles of Incorporation.

10.3 Insurance. The Association shall have the power to purchase at its expense and maintain insurance on behalf of any person who is or was a director or officer of the Association, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of these Articles.

ARTICLE XI AMENDMENTS

Amendments to these Articles of Incorporation shall be made in the following manner:

11.1 Resolution. The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members which may be either the annual or a special meeting.

11.2 Notice. Within the time and in the manner provided in the Bylaws for the giving of notice of meetings of members, written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member of record entitled to vote thereon. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

11.3 Vote. At such meeting, a vote of the Members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of two-thirds (2/3) of each class of Members entitled to vote thereon.

11.4 Multiple Amendments. Any number of amendments may be submitted to the Members and voted upon by them at one meeting.

11.5 Agreement. If two-thirds (2/3) of each class of Members entitled to vote, as provided above, sign a written statement manifesting their intention that an amendment to these Articles be adopted, then the amendment shall thereby be adopted as though subsections 11.1 through 11.3 had been satisfied.

11.6 Action Without Directors. The Members may amend these Articles without an act of the directors at a meeting for which notice of the changes to be made are given.

11.7 Limitations. No amendment shall make any changes in the qualifications for members nor the voting rights of Members without the unanimous approval in writing by all Members. No amendment shall be made that this is in conflict with the Declaration.

11.8 Filing. A copy of each amendment shall be certified by the Secretary of Statement, State of Florida, and be recorded in the Public Records of Osceola County, Florida.

11.9 Dissolution. In the event the Association is dissolved, the assets of the Association shall be dedicated to a public body or conveyed to a non-profit organization with a purpose similar to the Association.

11.10 FHA/VA Approval. As long as there is a Class B member, the following shall require approval of either the Federal Housing Administration or the Veterans Administration: Annexation of additional properties other than the Additional Property referred to in the Declaration, mortgaging of common areas, mergers, consolidations or dissolution of the Association or amendment of these Articles of Incorporation, other than amendments to correct ambiguities or scrivener's errors.

ARTICLE XII
EXISTENCE DURATION

The corporation shall commence upon filing these Articles of Incorporation with the Florida Secretary of State, Division of Corporations, and shall exist in perpetuity.

ARTICLE XIII
BYLAWS

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended, or rescinded in the manner provided by the Bylaws.

ARTICLE XIV
DISSOLUTION

14.1 The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association may be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

14.2 In the event of termination, dissolution or final liquidation of the Association, the responsibility for the operation and maintenance of the surface water or stormwater management system must be transferred to and accepted by an entity which would comply with Section 40C-42.027, F.A.C., and be approved by the South Florida Water Management District prior to such termination, dissolution or liquidation.

**ARTICLE XV
Mergers and Consolidations**

15.1 Subject to the provisions of the Declaration and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall required two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be mailed to all Members at least thirty (30) days in advance and shall set forth the purpose of the meeting.

**ARTICLE XVI
Incorporator**

The name and address of the Incorporator to these Articles of Incorporation is as follows:

<u>Name</u>	<u>Address</u>
William E. Barfield	5850 T.G. Lee Blvd., Suite 600 Orlando, FL 32822

**ARTICLE XVII
Non-Stock Corporation**

The Association is organized on a non-stock basis and shall not issue shares of stock evidencing membership in the Association.

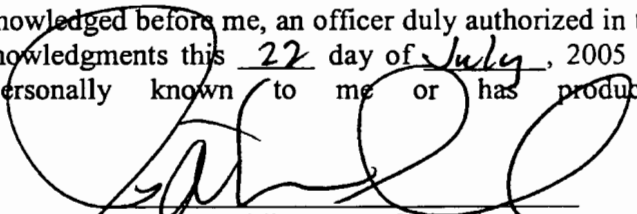
IN WITNESS WHEREOF, the undersigned Incorporator has caused these presents to be executed as of the 22 day of July, 2005.


WILLIAM E. BARFIELD

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me, an officer duly authorized in the State and County aforesaid, to take acknowledgments this 22 day of July, 2005 by William E. Barfield, who is personally known to me or has produced as identification.




Notary Public, State of Florida

**CERTIFICATE DESIGNATING REGISTERED
AGENT FOR SERVICE OF PROCESS**

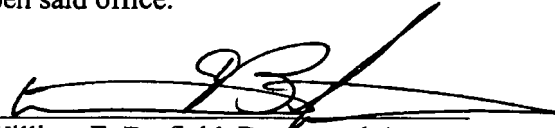
Pursuant to Chapters 48 and 617, *Florida Statutes*, the following is submitted in compliance with said Acts.

Ashley Park – Birchwood PUD Homeowners Association, Inc. desiring to organize as a corporation under the laws of the State of Florida, with its registered office at 5850 T.G. Lee Blvd., Suite 600, Orlando, Florida 32822 has named William E. Barfield, located at the above registered office, as its Registered Agent to accept service of process within this State.

ACKNOWLEDGMENT:

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

COPIED



William E. Barfield, Registered Agent

Dated: 07/22/05

Exhibit "A"
Legal Description of A-1

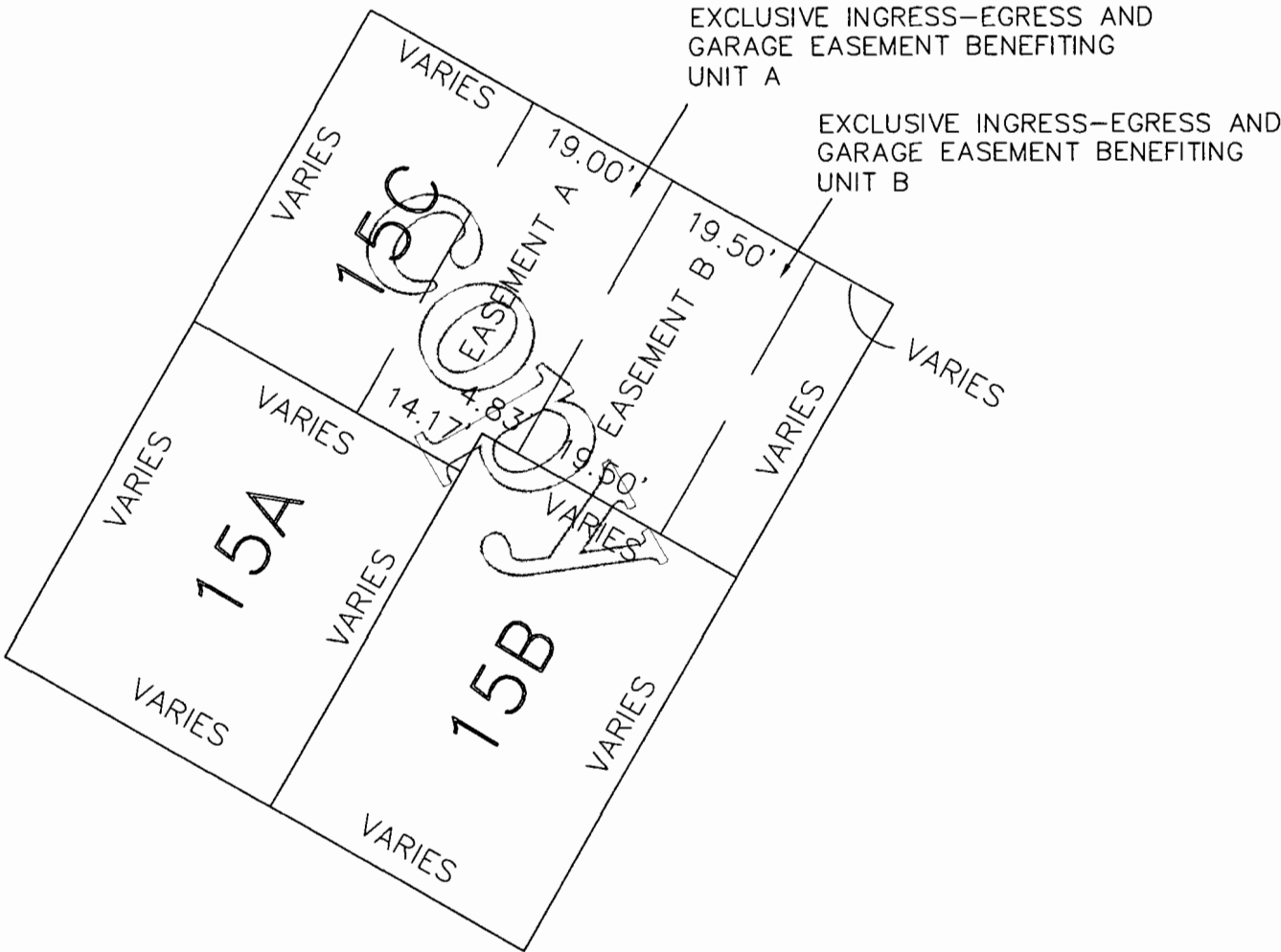
A PARCEL OF LAND LYING IN A PORTION OF SECTION 30, TOWNSHIP 26 SOUTH, RANGE 32 EAST, OSCEOLA COUNTY, FLORIDA. MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commence at the Southeast Corner of GOLF COURSE TRACT 3, BIRCHWOOD GOLF COURSE, as filed and recorded in Plat Book 15, pages 139 thru 151 of the public records of Osceola County, Florida, thence N26°37'00"E, along the East line of said GOLF COURSE TRACT 3, a distance of 90.14 feet to the Point of Beginning; thence continue, N26°37'00"E, along the East line of said GOLF COURSE TRACT 3, a distance of 988.49 Feet to the point of curve of a non tangent curve to the right, of which the radius point lies S 16°48'12"W, a radial distance of 780.77 Feet and having a chord bearing of S62°09'44"E, 298.88 Feet; thence southeasterly along the arc, through a central angle of 22°04'08", a distance of 300.73 Feet; thence S51°07'41"E, a distance of 91.64 Feet to a point of curve to the right having a radius of 965.00 Feet, a central angle of 08°07'35", and a chord bearing of S47°03'54"E, 136.75 Feet; thence southeasterly along the arc a distance of 136.87 Feet; thence S43°00'05"E, a distance of 277.26 Feet to the point of curve of a non tangent curve to the left, of which the radius point lies N47°02'01"E, a radial distance of 845.36 Feet and having a chord bearing of S46°46'35"E, 112.35 Feet; thence southeasterly along the arc, through a central angle of 07°37' 13", a distance of 112.43 Feet; thence S41°12'35"W, a distance of 76.31 Feet to a point of curve to the left having a radius of 73.50 Feet, a central angle of 20°19'02", and a chord bearing of S31 °03'04"W, 25.93 Feet; thence southwesterly along the arc a distance of 26.06 Feet; thence S20°53'33"W, a distance of 601.93 Feet to a point of curve to the left having a radius of 73.50 Feet, a central angle of 24°44'40", and a chord bearing of S08°31'13" W, 31.50 Feet; thence southerly along the arc a distance of 31.74 Feet; thence S03°51'07"E, a distance of 48.44 Feet; thence S22°54'23"W, a distance of 57.23 Feet; thence S67°05'08"E, a distance of 40.20 Feet; thence S22°54'52"W, a distance of 26.33 Feet; thence N60°13'23"W, a distance of 1,007.36 Feet to the POINT OF BEGINNING.

Containing 19.73 Acres, more or less.

EXHIBIT "D"

Access and Garage Easement



LOT TYPICAL DETAIL

NOT TO SCALE

**BYLAWS
OF
ASHLEY PARK AT HARMONY HOMEOWNERS ASSOCIATION, INC.**

1. Definitions. When used in these Bylaws, the terms defined in the Articles of Incorporation of **Ashley Park at Harmony Homeowners Association, Inc.** (the "Articles") shall have the same meanings as defined in the Articles.

2. Identity. These are the Bylaws of **Ashley Park at Harmony Homeowners Association, Inc.**, a corporation not for profit organized pursuant to Chapter 617, Florida Statutes ("the Association").

2.1 Office. The office of the Association shall be located at 5850 T.G. Lee Boulevard, Suite 600, Orlando, Florida 32822 or at such other place as may be designated from time to time by the Board of Directors.

2.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

2.3 Seal. The seal of the Association shall bear the name of the corporation, the word, "Florida", the words, "Corporation Not For Profit", and the year of incorporation.

3. Members.

3.1 Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

3.2 Class of Members. There shall be two classes of members.

3.2.1 Class A Members. Class A members shall be all Owners of Lots, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

3.2.2 Class B Members. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (a) When the number of Class A votes equals the number of Class B votes; or
- (b) On January 1, 2015.

4. Members' Meetings.

4.1 Annual Members' Meetings. The first annual meeting of the Members shall be held on the date, at the place and at the time as determined by the Board of Directors; provided, however, that said meeting shall be held, to the extent possible, within one (1) year from the date of incorporation of the Association. Thereafter, the annual meeting of the Association shall be held on the anniversary date of the first annual meeting; provided, however, that should the anniversary date fall on a legal holiday, than such annual meeting of the Members shall be held on the next day thereafter which is not a legal holiday. At each annual meeting there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of these Bylaws. At the first annual meeting, the Directors shall be elected to serve until the second annual meeting; and at the second annual meeting, Directors shall be elected for a term of one (1) year beginning with the second annual meeting. Unless a Director resigns before the expiration of his term of office, each Director shall hold his office until his successor has been elected and the first meeting involving such successor is held. The term of office of any Director elected to fill a vacancy created by the resignation of his predecessor shall be the balance of the unserved term of his predecessor. The Members may also transact such other business of the Association as may properly come before them.

4.2 Special Members' Meetings. Special meetings of the Members may be called by any one of the following persons or groups:

- (a) The Board of Directors;
- (b) The holders of not less than twenty-five percent (25%) of all of the votes entitled to be voted at the meeting; or
- (c) The Declarant.

4.3 Notice of All Meetings of Members. Written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered to each Member entitled to vote at such meeting not less than ten (10) or more than sixty (60) days before the date of the meeting, either personally or by first-class mail, by or at the direction of the President, Secretary, or the officer or persons calling the meeting. If the notice is mailed at least thirty (30) days before the date of the meeting, it may be done by a class of United States mail other than first class. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at its address as it appears on the books of the Association, with postage thereon prepaid.

4.4 Quorum. A quorum at Members' meetings shall consist of twenty percent (20%) of all votes in the Association, whether recognized in person or by proxy. If a quorum is present, the affirmative vote of a majority of votes represented at a meeting and entitled to vote on the subject matter shall constitute the acts of the Members, except when approval by a greater number of Members is required by the Declaration, these Bylaws or the Articles. When a specified item of business is required to be voted upon by a particular class of Members, a majority of the votes of such class of Members shall constitute a quorum for the transaction of such item of business by that class. After a quorum has been established at a Members' meeting, the subsequent withdrawal of Members so as to reduce the number of votes at the meeting

below the number required for a quorum shall not affect the validity of any action taken at the meeting or any adjournment thereof.

4.5 Proxies. Every Member entitled to vote at a meeting of members or to express consent of dissent without a meeting, or his duly authorized attorney-in-fact, may authorize another person or persons to act for him by proxy. Every proxy must be signed by the Member or his attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it.

4.6 Adjourned Meetings. When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and any business may be transacted at the adjourned meeting that might have been transacted on the original date of the meeting. If, however, after the adjournment the Board fixes a new record date for the adjournment meeting, a notice of the adjourned meeting shall be given in compliance with these Bylaws to each Member on the new record date entitled to vote at such meeting.

4.7 Minutes of Meetings. The Association shall maintain minutes of each meeting of the membership and the Board of Directors in a businesslike manner. The minutes shall be kept in a book available for inspection by Members or their authorized representatives at any reasonable time. The Association shall retain these minutes for a period of not less than seven (7) years.

5. Board of Directors

5.1 Number. The affairs of the Association shall be managed by a Board initially consisting of three (3) directors. ~~The number of members may be increased or decreased from time to time by amendment to these Bylaws; provided, however, the established number of Board members shall always be an odd number. In the event that the number of members of the Board of Directors is changed, such change in number shall be implemented in such a manner as to have as nearly equal in number as possible the number of directors whose terms expire in any given year. All directorships shall expire during any given three (3) year period.~~

5.2 Term of Office. As provided in the Articles, the Members shall elect the directors for terms of one (1) year each. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death.

5.3 Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event 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.

5.4 Directors' Fees. Directors shall serve without compensation or fees; provided, however, nothing herein shall be deemed to prevent reimbursement of out-of-pocket expenses approved by the Board and incurred on behalf of the Association.

5.5 Election. Election to the Board of Directors shall be by written ballot as hereinafter provided. At such election, the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled under the provisions of the Articles. The names receiving the largest number of votes for each vacancy shall be elected.

5.6 Nominations. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the standing committees of the Association.

5.7 Nominating Committee. 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 Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting.

5.8 Duties of Nominating Committee. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or other persons, as the Committee in its discretion shall determine. Separate nominations shall be made for each vacancy to be filled. Nominations shall be placed on a written ballot as provided in Section 5.9 and shall be made in advance of the time fixed in Section 5.9 for the mailing of such ballots to Members.

5.9 Ballots. All elections to the Board of Directors shall be made on written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for each such vacancy; and (c) contain a space for a write-in vote by the Members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the Members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the meeting at which the vote is to be taken).

5.10 Ballots. Each Member entitled to vote shall receive one ballot which shall indicate thereon the number of votes which may be cast by such Member. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the Members shall be advised that, because of the verification procedures of Section 5.11, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope shall be placed in another sealed envelope which shall bear on its face the name and signature of the Member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish such Member's right to cast the vote or votes presented in the "Ballot" or "Ballots" contained therein. The ballots shall be returned to the Secretary at the address of the Association.

5.11 Election Committee; Counting of Ballots. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the meeting at which the elections are to be held. On that day, the unopened external envelopes containing the "Ballot" envelopes shall be turned over to an Election Committee which shall consist of three (3) members appointed by the Board of Directors. The Election Committee shall then:

(a) establish that external envelopes were not previously opened or tampered with in any way; and

(b) open the external envelopes to establish that the number of envelopes therein marked "Ballot" corresponds to the number of ballots allowed to the Member or his proxy identified on the external envelope; and

(c) confirm that the signature of the Member or his proxy on the outside envelope appears genuine; and

(d) if, the vote is by proxy, determine that a proxy has been filed with the Secretary.

Such procedure shall be taken in such manner that the vote of any Member or his proxy shall not be disclosed to anyone.

The opened external envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Ballots shall be retained for such period of time after the election as shall be deemed prudent by the Board of Directors.

6. Meetings of Directors.

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at least semi-annually and may be held quarterly with notice of such place and hour as may be fixed from time to time by resolution of the Board. If the day for such regular meeting is a legal holiday, then the meeting shall be held at the same time on the next day that is not a legal holiday.

6.2 Special Meetings. Special meetings of the Directors may be called by the Chairman of the Board, by the President of the Association, or by any two (2) directors. Not less than two (2) days notice of the special meeting shall be given to each director personally or by first-class mail, telegram, or cablegram, which notice shall state the time, place and purpose of the meeting. Except in the case of any emergency, notice of such meetings shall be posted conspicuously on the properties forty-eight (48) hours in advance for the attention of Members. All special meetings of the Board of Directors shall be open to the Members.

6.3 Action Taken Without a Meeting. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or whatever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to the holdings of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association's records and made a part of the minutes of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

6.4 Defects in Notice, etc. Waived by Attendance. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened. Members of the Board of Directors may participate in a meeting of such Board by means of a conference telephone or similar communications equipment by means of which all person participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in persons at a meeting.

6.5 Quorum. A quorum at directors' meetings shall consist of a majority of all votes of the entire Board of Directors. The acts approved by a majority of those votes represented at a meeting at which a quorum is present shall constitute the act of the Board of Directors, except where approval by a greater number of directors is required by the Declaration, the Articles, or these Bylaws.

6.6 Adjourned Meetings. A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

6.7 Action by Directors Without a Meeting. Any action required to be taken at a meeting of the directors or a committee thereof, may be taken without a meeting if a consent in writing setting forth the action so to be taken signed by all of the directors or all the members of the committee, as the case may be, is filed in the minutes of the proceedings of the Board or of the committee. Such consent shall have the same effect as a unanimous vote.

6.8 Presiding Officer. The presiding officer of directors' meetings shall be the President. In the absence of the President, the Vice President shall preside, and in the absence of both, the directors shall designate one (1) of their number(s) to preside.

6.9 Powers and Duties of Board of Directors. All of the powers and duties of the Association existing under Chapter 617, Florida Statutes, the Declaration, the Articles and these Bylaws shall be exercised by the Board of Directors, subject only to approval by Members when such is specifically required.

7. Officers.

7.1 Officers and Election. The executive officers of the Association shall be a President, a Vice-President, a Treasurer and a Secretary, each of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the directors at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find necessary or convenient to manage properly the affairs of the Association.

7.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of an Association including, but not limited to, the power to appoint committees from among the Members from time to time as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Association. He shall serve a chairman of all Members' meetings.

7.3 Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

7.4 Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the Members. He shall attend to the giving and serving of all notices to the Members and directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the directors or the President. The duties of the Secretary may be fulfilled by a manager employed by the Association.

7.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and provide for collection of assessments; and he shall perform all other duties incident to the office of Treasurer. The duties of the Treasurer may be fulfilled by a manager employed by the Association.

7.6 Compensation. The compensation, if any, of the officers shall be fixed by the Board of Directors.

8. Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

9. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration shall be supplemented by the following provisions:

9.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications and any other classifications as shall be appropriate, when authorized and approved by the Board of Directors. The receipts shall be entered by the amounts of receipts by accounts and receipt classifications, and expenses by the amounts of expenses by accounts and expense classifications.

9.1.1 Current Expense. The current expense account shall include all receipts and expenditures to be made within the year for which the expenses are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year or to fund reserves. This may include but not be limited to:

- (a) Professional, administration and management fees and expenses;
- (b) Taxes on Association property and Common Areas;
- (c) Expense for utility services and maintenance expenses relating to the Common Areas;
- (d) Insurance costs;
- (e) Administrative and salary expenses;
- (f) Operating capital; and
- (g) Other expenses.

9.1.2 Reserve for Deferred Maintenance. If required by the Board of Directors, there shall be established a reserve account for deferred maintenance which shall include funds for major maintenance items which are the obligation of the Association and which occur less frequently than annually.

9.1.3 Reserve for Replacement. If required by the Board of Directors, there shall be established a reserve account for replacement which shall include funds for repairs or replacements which the Association is obligated to make resulting from damage, depreciation or obsolescence.

9.2 Budget. The Board of Directors shall adopt an operating budget for the Property in advance for each calendar year which shall include the estimated funds required to defray the current expenses and shall provide funds for the foregoing reserves. The operating budget shall provide separate expense and reserve figures for the Common Properties so as to permit appropriate allocation of assessments therefore among all Lots.

9.3 Depository. The depository of the Association will be such bank as shall be designated from time to time by the directors, and the withdrawal of monies from such accounts shall be only by checks signed by such persons as authorized by the directors; provided, however, that the provisions of a management agreement between the Association and a manager relative to the subject matter of this section supersede the provisions hereof.

10. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings, when not in conflict with these Bylaws.

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

11.1 Resolution. The Board of Directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of Members, which may be either the annual or a special meeting.

11.2 Notice. Within the time and in the manner provided in these Bylaws for the giving of notice of meetings of Members, written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member of record entitled to vote thereon. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

11.3 Vote. At such meeting, a vote of the Members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon the affirmative vote of a majority of the votes of all Members entitled to vote thereon.

11.4 Multiple Amendments. Any number of amendments may be submitted to the Members and voted upon by them at one meeting.

11.5 Agreement. If all of the directors and all of the Members eligible to vote sign a written statement manifesting their intention that an amendment to these Bylaws by adopted, then the amendment shall thereby be adopted as though Subsections 11.1 through 11.3 had been satisfied.

11.6 Action Without Directors. The Members may amend these Bylaws, without an act of the directors, at a meeting for which notice of the changes to be made is given.

11.7 Recording. A copy of each amendment shall be recorded in the Public Records of Osceola County, Florida as soon as possible after adoption.

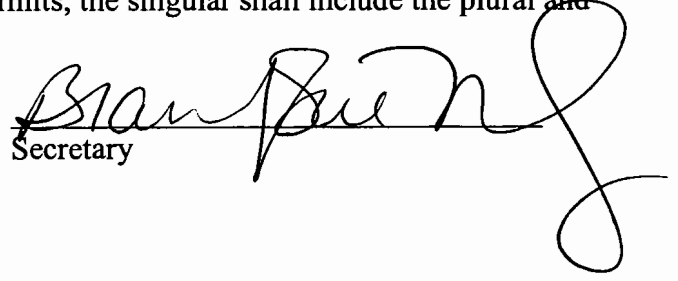
11.8 Proviso. No amendment shall make any changes in the qualifications for membership nor the voting rights of Members without approval in writing by all Members. No amendment shall be made that is in conflict with Chapter 617, Florida Statutes, or with the Declaration of Articles.

12. Pronouns. Whenever the context permits, the singular shall include the plural and one gender shall include all.

CL 2005269241

OR 2986/2542

Secretary



COPY

EXHIBIT "D"

Pool and Cabana Area

Ashley Park Pool & Cabana

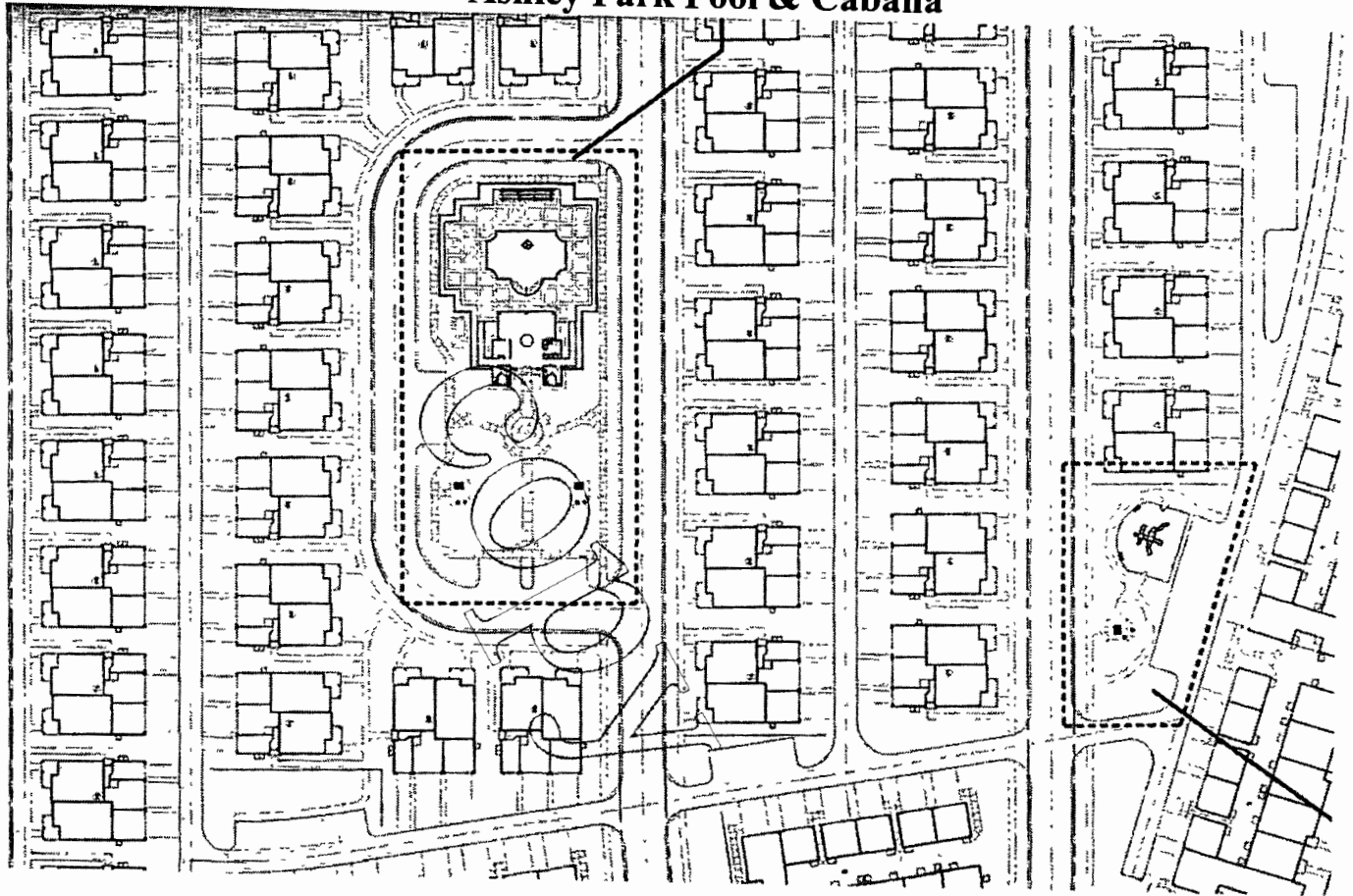


EXHIBIT "D"