

THIS INSTRUMENT PREPARED BY
AND UPON RECORDATION RETURN TO:

Clark, Albaugh & Rentz, LLP
Attention: R. Travis Rentz
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Winter Park, Florida, 32789

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Martha O. Haynie, Comptroller
Orange County, FL
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DECLARATION FOR WATERSIDE ON JOHNS LAKE PHASE 1

**DECLARATION
FOR
WATERSIDE ON JOHNS LAKE PHASE 1**

THIS DECLARATION FOR Waterside on Johns Lake Phase 1 (this "**Declaration**") is made by Standard Pacific of Florida, a Florida general partnership ("**SPF**"), and joined in by Waterside on Johns Lake Phase 1 Community Association, Inc., a Florida not-for-profit corporation ("**Association**"), and Waterside on Johns Lake Community Association, Inc., a Florida not-for-profit corporation ("**Master Association**").

R E C I T A L S

- A. SPF is the owner of the real property in Orange County, Florida ("**County**") more particularly described in **Exhibit 1** attached hereto and made a part hereof ("**Waterside on Johns Lake Phase 1**");
- B. SPF desires to subject Waterside on Johns Lake Phase 1 to the covenants, conditions and restrictions contained in this Declaration;
- C. This Declaration is a covenant running with all of the land comprising Waterside on Johns Lake Phase 1, and each present and future owner of interests therein and their heirs, devisees, personal representatives, successors or assigns are hereby subject to this Declaration; and

NOW THEREFORE, in consideration of the premises and mutual covenants contained in this Declaration, SPF hereby declares that every portion of Waterside on Johns Lake Phase 1 is to be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, reservations, regulations, charges and liens hereinafter set forth.

- 1. **Recitals**. The foregoing Recitals are true and correct and are incorporated into and form a part of this Declaration.
- 2. **Definitions**. In addition to the terms defined elsewhere in this Declaration, all initially capitalized terms herein shall have the following meanings:

"ACC" shall mean the Architectural Control Committee established pursuant to Section 19 hereof.

"Access Control System" shall mean any system intended to control access and/or enhance the welfare of Waterside on Johns Lake Phase 1.

"Articles" shall mean the Articles of Incorporation of Association filed with the Florida Secretary of State in the form attached hereto as **Exhibit 2** and made a part hereof, as amended from time to time.

"Assessments" shall mean any assessments made in accordance with this Declaration and as further defined in Section 17.1 hereof.

"Association" and/or "**HOA**" shall mean Waterside on Johns Lake Phase 1 Community Association, Inc., its successors and assigns.

"Association Documents" shall mean this Declaration, the Articles, the By-Laws, the Rules and Regulations, and the Community Standards, as amended from time to time.

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

"Builder" shall mean any person or entity that purchases a Parcel or Lot for the purpose of constructing one or more Homes and is designated in writing as a Builder by Developer.

“By-Laws” shall mean the By-Laws of Association in the form attached hereto as **Exhibit 3** and made a part hereof, as amended from time to time.

“Cable Services” shall mean “basic service tier” as described in Section 623(b)(7)(A) of the Cable Television Consumer Protection Act of 1992, video programming services offered on a per-channel or per-program basis, video programming services offered in addition to basic service tier, any method of delivering video programming to Homes including, without limitation, interactive video programming, and any channel recognized in the industry as premium including, without limitation, HBO, Showtime, Disney, Cinemax and the Movie Channel. By way of example, and not of limitation, the term Cable Services may include cable television, satellite master antenna television, multipoint distribution systems, video dialtone, open video system or any combination thereof.

“City” shall mean the City of Winter Garden, Florida, a Florida municipality.

“Code” shall mean and refer to the City of Winter Garden Code of Ordinances.

“Common Areas” shall mean all real property rights and interests and personalty within Waterside on Johns Lake Phase I owned or held by the Association or designated for the benefit of the Association by Plat or this Declaration, as amended or supplemented, and provided for, owned, leased by, or dedicated to, the common use and enjoyment of the Owners within Waterside on Johns Lake Phase I. The Common Areas may include, without limitation, open space areas, the surface water management system, lift stations, retention areas, internal buffers, entrance features, electronic gates, perimeter buffers, perimeter walls and fences, landscaping, improvements, easement areas owned by others, public rights of way, additions, irrigation pumps, irrigation lines, yard drains, parks, sidewalks, streets/roads, roundabouts, street lights, service roads, walls, commonly used utility facilities, project signage, parking areas, and other lighting, entranceways. The Common Areas do not include any portion of a Home. Without limiting the generality of the foregoing, initially, the Common Area shall include Tracts "G" and "H" (Landscape Buffer), Tracts "I", "J", & "K" (Stormwater Retention), Tract "M" (Private Roadway Tract), and Tract "N" (Open Space). NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THE DEFINITION OF “COMMON AREAS” AS SET FORTH IN THIS DECLARATION IS FOR DESCRIPTIVE PURPOSES ONLY AND SHALL IN NO WAY BIND, OBLIGATE OR LIMIT DEVELOPER TO CONSTRUCT OR SUPPLY ANY SUCH ITEM AS SET FORTH IN SUCH DESCRIPTION, THE CONSTRUCTION OR SUPPLYING OF ANY SUCH ITEM BEING IN DEVELOPER’S SOLE DISCRETION SUBJECT TO APPROVAL BY APPROPRIATE GOVERNMENTAL AGENCIES. FURTHER, NO PARTY SHALL BE ENTITLED TO RELY UPON SUCH DESCRIPTION AS A REPRESENTATION OR WARRANTY AS TO THE EXTENT OF THE COMMON AREAS TO BE OWNED, LEASED BY OR DEDICATED TO ASSOCIATION, EXCEPT AFTER CONSTRUCTION AND DEDICATION OR CONVEYANCE OF ANY SUCH ITEM. Further, and without limiting the foregoing, it is possible that certain areas that would otherwise be Common Areas may be conveyed to, or owned by, a special taxing district or the City.

“Community Completion Date” shall mean the date upon which all Homes in Waterside on Johns Lake Phase I, as ultimately planned and as fully developed, have been conveyed by Developer and/or Builder to Owners.

“Community Standards” shall mean such standards of conduct, maintenance or other activity, if any, established by the ACC pursuant to Section 19.5 hereof.

“Contractors” shall have the meaning set forth in Section 19.12.2 hereof.

“County” shall have the meaning set forth in the recitals hereof.

“Data Transmission Services” shall mean (i) internet access services and (ii) enhanced services as defined in Section 64.702 of Title 47 of the Code of Federal Regulations, as amended from time to time, and without regard to whether the transmission facilities are used in interstate commerce.

“Declaration” shall mean this Declaration, together with all amendments and modifications thereof.

“Developer” shall mean SPF and any of its designees, successors and assigns who receive a written assignment of all of the rights of Developer hereunder. Developer shall have the right to assign all or a portion of any rights granted to the Developer in this Declaration. Such assignment need not be recorded in the Public Records in order to be effective. In the event of a partial assignment of some, but not all, Developer rights, the assignee shall not be deemed Developer, but may exercise such rights of Developer assigned to it. Additionally any partial assignee that does not assume all of the obligations of Developer shall not be deemed the Developer. Any such assignment may be made on a non-exclusive basis. All assignments of Developer rights (whether full and/or partial) must be in writing.

“Front Yard” shall mean the yard of every Home between the front of the Home and the road providing access to such Home. In the event there is any questions about what portion of a Home is part of the Front Yard, Association’s determination shall be final.

“Home” shall mean a residential single-family home and appurtenances thereto constructed on a Parcel within Waterside on Johns Lake Phase 1. The term Home may not reflect the same division of property as reflected on a Plat. A Home shall be deemed created and have perpetual existence upon the issuance of a final or temporary Certificate of Occupancy for such residence; provided, however, the subsequent loss of such Certificate of Occupancy (e.g., by casualty or remodeling) shall not affect the status of a Home, or the obligation of Owner to pay Assessments with respect to such Home. The term “Home” includes any interest in land, improvements, or other property appurtenant to the Home.

“Improvement” shall have the meaning set forth in Section 21.1 hereof.

“Individual Assessments” shall have the meaning set forth in Section 17.2.5 hereof.

“Installment Assessments” shall have the meaning set forth in Section 17.2.1 hereof.

“Lakefront Lot” shall mean and refer to Lots 1 through 35, inclusive, as depicted on the Plat.

“Lawn Maintenance Standards” shall have the meaning set forth in Section 12.1.

“Lender” shall mean (i) the institutional and licensed holder of a first mortgage encumbering a Parcel or Home or (ii) Developer and its affiliates, to the extent Developer or its affiliates finances the purchase of a Home or Lot initially or by assignment of an existing mortgage.

“Lessee” shall mean the lessee named in any written lease respecting a Home who is legally entitled to possession of any rental Home within Waterside on Johns Lake Phase 1.

“Lot” shall mean any platted lot shown on a Plat or any legal subdivision of any such platted lot which has been approved by City.

“Master Association” shall mean Waterside on Johns Lake Master Association, Inc., a Florida not-for-profit corporation, its successors and assigns.

“Master Community” shall mean the community in County known as Waterside on Johns Lake, which is legally described as Exhibit 1 to the Master Declaration.

“Master Declaration” shall mean the Declaration for Waterside on Johns Lake, recorded or to be recorded, in the Public Records of County, as the same may be amended from time to time, together with all amendments and modifications thereof.

“Master Developer” shall have the meaning of Developer set forth in the Master Declaration.

“Neighborhood Association” shall have the meaning set forth in the Master Declaration. Association is a Neighborhood Association.

“Neighborhood Plan” shall mean collectively any full or partial concept plan for the development of Waterside on Johns Lake Phase 1, as it exists as of the date of recording this Declaration, regardless of whether such plan is currently on file with one or more governmental agencies. The Neighborhood Plan is subject to change as set forth herein. The Neighborhood Plan is not a representation by Developer as to the development of Waterside on Johns Lake Phase 1 or its amenities, as Developer reserves the right to amend all or part of the Neighborhood Plan from time to time subject to approval from appropriate governmental entities.

“Neighborhood Title Documents” shall have the meaning set forth in Section 26.10 hereof.

“Member” shall have the meaning set forth in Section 7.3 hereof.

“NFIP” shall have the meaning set forth in Section 15.1.1 hereof.

“Non-Conforming Pavers” shall have the meaning set forth in Section 9.13.

“Operating Costs” shall mean all costs and expenses of Association and the Common Areas. Operating Costs may include, without limitation, all costs of ownership; operation; administration; all amounts payable by Association; all amounts required to remove canvas canopies located within the Common Areas as required herein, all amounts required to maintain the Surface Water Management System which are not maintained by the Master Association; all community lighting including, without limitation, lighting provided pursuant to agreements between Association and private utility providers, up-lighting and entrance lighting (if not the obligation of the Master Association), all amounts payable in connection with any private street lighting agreements with Duke Energy or other provider(s), if any; amounts payable to a Telecommunications Provider for Telecommunications Services furnished to all Owners; utilities; taxes; insurance; bonds; salaries; management fees; professional fees; service costs; supplies; maintenance; repairs; replacements; refurbishments; common area landscape maintenance; and any and all costs relating to the discharge of the obligations hereunder, or as determined to be part of the Operating Costs by Association. By way of example, and not of limitation, Operating Costs shall include all of Association’s legal expenses and costs relating to or arising from the enforcement and/or interpretation of this Declaration.

“Owner” shall mean the record owner (whether one or more persons or entities) of fee simple title to any Home or Lot. The term “Owner” shall not include Developer or Builder (once so designated in writing by Developer) until the Turnover Date, or a Lender.

“Parcel” shall mean a platted or unplatted lot, tract, unit or other subdivision of real property upon which a Home has been, or will be, constructed. Once improved, the term Parcel shall include all improvements thereon and appurtenances thereto. The term Parcel, as used herein, may include more than one Home.

“Permit” shall mean permit number 40-095-130087-1 issued by SJRWMD relating to Waterside on Johns Lake Phase 1, a copy of which is attached to the Master Declaration.

“Plat” shall mean any plat of any portion of Waterside on Johns Lake Phase 1 filed in the Public Records, as the same may be amended by Developer, from time to time.

“Public Records” shall mean the Public Records of County.

“Reserves” shall have the meaning set forth in Section 17.2.4 hereof.

“Rules and Regulations” shall mean the Rules and Regulations governing Waterside on Johns Lake Phase 1 as adopted by the Board from time to time.

“SJRWMD” shall mean the St. Johns River Water Management District.

“Special Assessments” shall mean those Assessments more particularly described as Special Assessments in Section 17.2.2 hereof.

“Surface Water Management System” shall mean the collection of devices, improvements, or natural systems whereby surface waters are controlled, impounded or obstructed. This term includes exfiltration trenches, Wetland Conservation Areas, mitigation areas, lakes, retention areas, lift station, water management areas, ditches, culverts, structures, dams, impoundments, reservoirs, drainage maintenance easements, those works defined in Section 373.403(1)-(5) of the Florida Statutes, and those works authorized by SJRWMD pursuant to the Permit.

“Telecommunications Provider” shall mean any party contracting with Association to provide Owners with one or more Telecommunications Services. Developer may be a Telecommunications Provider. With respect to any particular Telecommunications Services, there may be one or more Telecommunications Providers. By way of example, with respect to Data Transmission Services, one Telecommunications Provider may provide Association such service while another may own, maintain and service the Telecommunications Systems which allow delivery of such Data Transmission Services.

“Telecommunications Services” shall mean delivered entertainment services; all services that are typically and in the future identified as telecommunication services; Telephony Services; Cable Services; and Data Transmission Services. Without limiting the foregoing, such Telecommunications Services include the development, promotion, marketing, advertisement, provision, distribution, maintenance, transmission, and servicing of any of the foregoing services. The term Telecommunications Services is to be construed as broadly as possible.

“Telecommunications Systems” shall mean all facilities, items and methods required and/or used in order to provide Telecommunications Services to Waterside on Johns Lake Phase 1. Without limiting the foregoing, Telecommunications Systems may include wires (fiber optic or other material), conduits, passive and active electronic equipment, pipes, pedestals, wireless cell sites, computers, modems, satellite antennae sites, transmission facilities, amplifiers, junction boxes, trunk distribution, feeder cables, lock boxes, taps, drop cables, related apparatus, converters, connections, head-end antennae, earth stations, appurtenant devices, network facilities necessary and appropriate to support provision of local exchange services and/or any other item appropriate or necessary to support provision of Telecommunications Services. Ownership and/or control of all or a portion of any part of the Telecommunications Services may be bifurcated among network distribution architecture, system head-end equipment, and appurtenant devices (e.g., individual adjustable digital units).

“Telephony Services” shall mean local exchange services provided by a certified local exchange carrier or alternative local exchange company, intraLATA and interLATA voice telephony and data transmission.

“Toll Calls” shall have the meaning given to such term by the Florida Public Service Commission and/or the Federal Communications Commission.

“Turnover Date” shall mean the date on which transition of control of Association from Developer to Owners occurs which date shall be consistent with requirements of Florida Statutes and the Code. Without limiting the foregoing, Developer shall never be obligated to turn over Association prior to date currently required by law.

“Use Fees” shall have the meaning set forth in Section 17.2.3 hereof.

“Waterside on Johns Lake Phase 1” shall have the meaning set forth in the Recitals hereof subject to additions and deletions thereto as permitted pursuant to the terms of this Declaration. Developer may, when amending or modifying the description of real property which is subject to the operation of this Declaration, also amend or modify the definition of Waterside on Johns Lake Phase 1 subject to approval from appropriate governmental entities.

3. Plan of Development.

3.1 Generally. The planning process for Waterside on Johns Lake Phase 1 is an ever-evolving one and must remain flexible in order to be responsible to and accommodate the needs of Developer’s buyers. Subject to the Title Documents, Developer may wish and has the right to develop Waterside on Johns Lake Phase 1 and adjacent property owned by Developer into residences, comprised of homes and other forms of residential

dwellings, as well as commercial development, which may include shopping centers, stores, office buildings, showrooms, industrial facilities, technological facilities, and professional offices subject to review and approval of appropriate governmental agencies. The existence at any point in time of walls, landscape screens, fences, gates or berms is not a guarantee or promise that such items will remain or form part of Waterside on Johns Lake Phase 1 as finally developed unless part of or a condition of a development order issued by the City.

3.2 Association's Obligation to Cooperate. Association shall at all times cooperate with every entity comprising Developer. Without limiting the foregoing, Association shall provide Developer with such consents and approvals which Developer may reasonably require in connection with (i) the sale of Parcels and/or Lots to Builders, (ii) the development and conveyance of the Common Areas, and (iii) master land development requirements. Additionally, Association shall cooperate with Developer in connection with the turnover of Association control including, but not limited to, signing a turnover receipt in the form to be provided by Developer to Association on the Turnover Date.

4. Amendment.

4.1 General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to this Declaration shall affect the rights of Developer unless such amendment receives the prior written consent of Developer, as applicable, which consent may be withheld for any reason whatsoever. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to this Declaration, then the prior written consent of such entity or agency must also be obtained. All amendments must comply with Sections 10 and 11 which benefit the City and SJRWMD, respectively. No amendment shall be effective until it is recorded in the Public Records.

4.2 No Vested Rights. Each Owner by acceptance of a deed to a Home or Lot irrevocably waives any claim that such Owner has any vested rights pursuant to case law or statute with respect to this Declaration or any of the other Association Documents. It is expressly intended that Developer and Association have the unfettered right to amend this Declaration and the other Association Documents except as expressly set forth herein.

4.3 Amendments Prior to and Including the Turnover Date. Subject to compliance with the reasonableness test as set forth in § 720.3075(5), Florida Statutes (2013), prior to the Turnover Date, Developer shall have the right to amend this Declaration as it deems appropriate, without the joinder or consent of any person or entity whatsoever, except as otherwise provided herein concerning required approval from the City and SJRWMD. Such amendments may include, without limitation, the creation of easements for Telecommunications Systems, utility, drainage, ingress and egress and roof overhangs over any portion of Waterside on Johns Lake; additions or deletions from the properties comprising the Common Areas; changes in the Rules and Regulations, and modifications of restrictions on the Homes, and maintenance standards for landscaping. Developer's right to amend under this provision is to be construed as broadly as possible. In the event that Association shall desire to amend this Declaration prior to and including the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments from and after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records. Notwithstanding the foregoing, at all times after the Turnover Date, Developer with the Board's prior written consent shall have the right to amend Association Documents to correct scrivener's errors.

4.4 Amendments After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, this Declaration may be amended with the approval of (i) sixty six and two-thirds percent (66 $\frac{2}{3}$ %) of the Board; and (ii) seventy-five percent (75%) of all of the votes present (in person or by proxy) at a duly noticed meeting of the Members of Association in which there is a quorum.

5. Annexation and Withdrawal.

5.1 Annexation by Developer. Prior to and including the Turnover Date, additional lands may be made part of Waterside on Johns Lake Phase 1 by Developer, at Developer's sole discretion, subject to prior approval by the City. Such additional lands to be annexed may or may not be adjacent to Waterside on Johns Lake Phase 1. Except for applicable governmental approvals (if any), no consent to such annexation shall be required

from any other party (including, but not limited to, Association, Owners or any Lenders of any Parcel or Home). Such annexed lands shall be brought within the provisions and applicability of this Declaration by the recording of an amendment to this Declaration in the Public Records. The amendment shall subject the annexed lands to the covenants, conditions, and restrictions contained in this Declaration as fully as though the annexed lands were described herein as a portion of Waterside on Johns Lake Phase 1. Such amendment may contain additions to, modifications of, or omissions from, the covenants, conditions, and restrictions contained in this Declaration as deemed appropriate by Developer and as may be necessary to reflect the different character, if any, of the annexed lands. Prior to and including the Turnover Date, only Developer may add additional lands to Waterside on Johns Lake Phase 1.

5.2 Annexation by Association. After the Turnover Date, and subject to applicable governmental approvals (if any), additional lands may be annexed with the approval of (i) sixty-six and two-thirds percent (66⅔%) of the Board; and (ii) seventy-five percent (75 %) of all of the votes present (in person or by proxy) at a duly noticed meeting of the Members of Association at which there is a quorum.

5.3 Withdrawal. Prior to and including the Turnover Date, any portions of Waterside on Johns Lake Phase 1 (or any additions thereto) may be withdrawn by Developer from the provisions and applicability of this Declaration by the recording of an amendment to this Declaration in the Public Records. The right of Developer to withdraw portions of Waterside on Johns Lake Phase 1 shall not apply to any Home which has been conveyed to an Owner unless that right is specifically reserved in the instrument of conveyance or the prior written consent of the Owner is obtained. The withdrawal of any portion of Waterside on Johns Lake Phase 1 shall not require the consent or joinder of any other party (including, but not limited to, Association, Owners, or any Lenders of any portion of Waterside on Johns Lake Phase 1). Association shall have no right to withdraw land from Waterside on Johns Lake Phase 1.

6. Dissolution.

6.1 Generally. In the event of the dissolution of Association without reinstatement within thirty (30) days, other than incident to a merger or consolidation, any Owner may petition the circuit court of the appropriate judicial circuit of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and to manage the Common Areas in the place and stead of Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association. In the event Association is dissolved, and any portion of the Surface Water Management System is part of the Common Areas, the Surface Water Management System shall be conveyed to an appropriate agency of local government and, if not accepted, then the Surface Water Management System shall be dedicated to a similar non-profit corporation.

6.2 Applicability of Declaration after Dissolution. In the event of dissolution of Association, Waterside on Johns Lake Phase 1 and each Lot and/or Home therein shall continue to be subject to the provisions of this Declaration, including, without limitation, the provisions respecting Assessments specified in this Declaration. Each Owner shall continue to be personally obligated to the successors or assigns of Association for Assessments to the extent that Assessments are required to enable the successors or assigns of Association to properly maintain, operate and preserve the Common Areas. The provisions of this Section shall only apply with regard to the maintenance, operation, and preservation of those portions of Waterside on Johns Lake Phase 1 which had been Common Areas and continue to be so used for the common use and enjoyment of the Owners.

7. Binding Effect and Membership.

7.1 Term. This Declaration and all covenants, conditions and restrictions contained in this Declaration are equitable servitudes, perpetual and run with the land. Each Owner, by acceptance of a deed to a Home, Lot or Parcel, and any person claiming by, through or under such Owner (i) agrees to be subject to the provisions of this Declaration and (ii) irrevocably waives any right to deny, and any claim, that this Declaration and all covenants, conditions and restrictions contained in this Declaration are not enforceable under the Marketable Record Titles to Real Property Act, Chapter 712 of the Florida Statutes. It is expressly intended that the Marketable Record Titles to Real Property Act will not operate to extinguish any encumbrance placed on Waterside on Johns Lake Phase 1 by this Declaration. It is further expressly intended that no re-filing or notice of preservation is necessary to continue the applicability of this Declaration and the applicability of all covenants, conditions, and

restrictions contained in this Declaration. Prior to Turnover, this provision is not subject to amendment except by Developer, subject to approval by the City.

7.2 Transfer. The transfer of the fee simple title to a Lot or Home, whether voluntary or by operation of law, terminating the Owner's title to that Lot or Home shall terminate the Owner's rights to the use of and enjoyment of the Common Areas as it pertains to that Lot or Home and shall terminate such Owner's membership in Association. An Owner's rights and privileges under this Declaration are not assignable separately from a Lot or Home. The Owner of each Lot or Home is entitled to the benefits of, and is burdened with the duties and responsibilities set forth in, the provisions of this Declaration. All parties acquiring any right, title and interest in and to any Lot or Home shall be fully bound by the provisions of this Declaration. In no event shall any Owner acquire any rights that are greater than the rights granted to, and limitations placed upon its predecessor in title pursuant to the provisions of this Declaration. In the event that any Owner desires to sell or otherwise transfer title of his or her Home or Lot, such Owner shall give the Board at least fourteen (14) days prior written notice of the name and address of the purchaser or transferee, the date on which such transfer of title is to take place, and such other information as the Board may reasonably require. The transferor shall remain jointly and severally liable with the transferee for all obligations of the Owner and the Lot or Home pursuant to this Declaration including, without limitation, payment of all Assessments accruing prior to the date of transfer. Until written notice is received as provided in this Section, the transferor and transferee shall be jointly and severally liable for Assessments accruing subsequent to the date of transfer. In the event that upon the conveyance of a Home or Lot an Owner fails in the deed of conveyance to reference the imposition of this Declaration on the Home, the transferring Owner shall remain liable for Assessments accruing on the Lot or Home from and after the date of conveyance.

7.3 Membership. Upon acceptance of title to a Home or Lot, and as more fully provided in the Articles and By-Laws, each Owner shall be a Member of the Association. Membership rights are governed by the provisions of this Declaration, the deed to a Home, the Articles and By-Laws. Membership shall be an appurtenance to and may not be separated from, the ownership of a Home or Lot. Developer rights with respect to the Association are set forth in this Declaration, the Articles and the By-Laws.

7.4 Ownership by Entity. In the event that an Owner is other than a natural person, that Owner shall, prior to occupancy of the Home, designate one or more persons who are to be the occupants of the Home and register such persons with Association. All provisions of this Declaration and the other Association Documents shall apply to both such Owner and the designated occupants.

7.5 Voting Interests. Voting interests in Association are governed by the provisions of the Articles and By-Laws.

7.6 Document Recordation by Owners Prohibited. Neither Association nor any Owner, nor group of Owners, may record any documents which, in any way, affect or restrict the rights of Developer or conflict with the provisions of this Declaration or the other Association Documents.

7.7 Composition of the Board. Developer reserves the right to change, from time to time prior to and including Turnover Date, the composition of Board. Without limiting the foregoing, Developer may change the number of Board members, the effect of a vote by a Board member, or how a Board member is elected or appointed prior to and including Turnover Date.

7.8 Conflicts. In the event of any conflict among this Declaration, the Master Declaration, the Articles, the By-Laws or any of the other Association Documents, the Master Declaration shall control. Notwithstanding the foregoing, in the event of any conflict among this Declaration, the Articles, the By-Laws or any of the other Association Documents, this Declaration shall control. In the event that this Declaration is more restrictive than the Master Declaration, this Declaration shall control.

8. Paramount Right of Developer. Notwithstanding anything to the contrary herein, subject to prior review and approval by the City, prior to the Community Completion Date Developer shall have the paramount right to dedicate, transfer, and/or convey (by absolute conveyance, easement, or otherwise) portions of Waterside on Johns Lake Phase 1 for various public purposes or for the provision of Telecommunications Systems, or to make any portions of Waterside on Johns Lake Phase 1 part of the Common Areas, or to create and implement a special taxing

district which may include all or any portion of Waterside on Johns Lake Phase 1. In addition, the Common Areas of Waterside on Johns Lake Phase 1 may include decorative improvements, berms, and waterbodies. Notwithstanding anything to the contrary herein, the waterbodies may be dry during certain weather conditions or during certain times of the year. Developer may remove, modify, eliminate or replace these items from time to time in its sole discretion, subject to prior review and approval by appropriate governmental agencies. SALES BROCHURES, SITE PLANS, AND MARKETING MATERIALS ARE CURRENT CONCEPTUAL REPRESENTATIONS AS TO WHAT FACILITIES, IF ANY, WILL BE INCLUDED WITHIN THE COMMON AREAS. DEVELOPER SPECIFICALLY RESERVES THE RIGHT TO CHANGE THE LAYOUT, COMPOSITION, AND DESIGN OF ANY AND ALL COMMON AREAS AT ANY TIME WITHOUT NOTICE AT ITS DISCRETION.

9. Operation of Common Areas.

9.1 Prior to Conveyance. Prior to the conveyance, identification and/or dedication of the Common Areas to Association as set forth in Section 9.4 herein, any portion of the Common Areas owned by Developer shall be operated, maintained, and administered at the sole cost of Association for all purposes and uses reasonably intended, as Developer in its sole discretion deems appropriate. During such period, Developer shall own, operate, and administer the Common Areas without interference from any Owner or Lender of a Parcel or any other person or entity whatsoever. Owners shall have no right in or to any Common Areas referred to in this Declaration unless and until same are actually constructed, completed, and conveyed to, leased by, dedicated to, and/or maintained by Association. The current conceptual plans and/or representations, if any, regarding the composition of the Common Areas are not a guarantee of the final composition of the Common Areas. No party should rely upon any statement contained herein as a representation or warranty as to the extent of the Common Areas to be owned, leased by, or dedicated to Association. Developer, so long as it controls Association, further specifically retains the right to add to, delete from, or modify any of the Common Areas referred to herein in its sole discretion and without notice.

9.2 Construction of Common Areas Facilities. Developer has constructed or will construct, at its sole cost and expense, certain facilities and improvements as part of the Common Areas, together with equipment and personalty contained therein, and such other improvements and personalty as Developer determines in its sole discretion and that are required by development orders and conditions thereof issued by the City. Subject to compliance with applicable development orders, laws, statutes, ordinances and regulations, Developer shall be the sole judge of the composition of such facilities and improvements. Prior to the Community Completion Date Developer reserves the absolute right to construct additional Common Areas facilities and improvements within Waterside on Johns Lake Phase 1, from time to time, in its sole discretion, and to remove, add to modify and change the boundaries, facilities and improvements now or then part of the Common Areas subject to prior review and approval by appropriate governmental agencies. Developer is not obligated to, nor has it represented that it will, modify or add to the facilities, improvements, or Common Areas as they are contemplated as of the date hereof. Subject to compliance with applicable development orders, laws, statutes, ordinances and regulations, Developer is the sole judge of the foregoing, including the plans, specifications, design, location, completion schedule, materials, size, and contents of the facilities, improvements, appurtenances, personalty (e.g., furniture), color, textures, finishes, or Common Areas, or changes or modifications to any of them.

9.3 Use of Common Areas by Developer. Until the Community Completion Date Developer shall have the right to use any portion of the Common Areas, without charge, for any purpose deemed appropriate by Developer.

9.4 Conveyance.

9.4.1 Generally. Simultaneously with the Plat being recorded, the Common Areas shall be dedicated by Plat(s) in the form of easements or conveyed by Quitclaim Deed to the Association. At least one-hundred and eighty (180) days prior to Turnover Date, any remaining areas Developer intends to designate as Common Areas shall be created in the form of easements or conveyed by written instrument or by Quitclaim Deed recorded in the Public Records from Developer to Association and such additional Common Areas shall be included and considered in the initial community subdivision infrastructure report and other Turnover requirements established herein and those set forth in the City's Code of Ordinances. The dedication, creation by easement, or conveyance shall be subject to easements, restrictions, reservations, conditions, limitations, and declarations of

record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership operation, maintenance, and administration of the conveyed portions of Common Areas and other obligations relating to the Common Areas imposed herein. Association shall, and does hereby, indemnify and hold Developer harmless on account thereof. Association, by its joinder in this Declaration, hereby accepts such dedication(s) or conveyance(s) without setoff, condition, or qualification of any nature.

9.4.2 Form of Deed. Each deed of the Common Areas shall be subject to the following provisions:

9.4.2.1 a perpetual nonexclusive easement in favor of governmental agencies for the maintenance and repair of existing road, speed and directional signs, if any;

9.4.2.2 matters reflected in the plat(s) of Waterside on Johns Lake Phase 1;

9.4.2.3 perpetual non-exclusive easements in favor of Developer, its successors, and assigns in, to, upon and over all of the Common Areas for the purpose of vehicular and pedestrian ingress and egress, installation of utilities, landscaping and/or drainage, without charge, including, without limitation, the right to use such roadways for construction vehicles and equipment; provided however, roadway blockage is subject to prior review and approval by the City. The easements reserved in the deed shall run in favor of Developer, and its employees, representatives, agents, licensees, guests, invitees, successors and/or assigns;

9.4.2.4 all restrictions, easements, covenants and other matters of record;

9.4.2.5 in the event that Association believes that Developer shall have failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas conveyed herein are defective in any respect, Association shall give written notice to Developer detailing the alleged failure or defect. Once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas.

9.4.2.6 a reservation of right in favor of Developer (so long as Developer owns any portion of Waterside on Johns Lake Phase 1) to require, subject to prior review and approval by the City, that Association reconvey all or a portion of the Common Areas conveyed by quitclaim deed in favor of Developer in the event that such property is required to be owned by Developer for any purpose, including, without limitation, the reconfiguration of any adjacent property by replatting or otherwise.

9.5 Operation After Conveyance. After the conveyance or dedication of any portion of the Common Areas to Association, the portion of the Common Areas so dedicated shall be owned, operated and administered by Association for the use and benefit of the owners of all property interests in Waterside on Johns Lake Phase 1 including, but not limited to, Association, Developer, Owners and any Lenders. Subject to Association's right to grant easements, and other interests as provided herein, Association may not convey, abandon, alienate, encumber, or transfer all or a portion of the Common Areas to a third party without (i) if prior to and including the Turnover Date, the approval of (a) a majority of the Board; and (b) the consent of Developer, or (ii) from and after the Turnover Date, approval of (a) sixty-six and two-thirds percent (66 2/3%) of the Board; and (b) seventy-five percent (75%) of all of the votes in Association.

9.6 Paved Areas. The Common Areas may contain certain paved areas. Without limiting any other provision of this Declaration, Association is responsible for the maintenance and/or resurfacing of all paved surfaces, including but not limited to, roads, pathways, bicycle paths, and sidewalks forming a part of the Common

Areas, if any. Although pavement appears to be a durable material, it requires maintenance. From and after the Community Completion Date, Association should monitor the roads and sidewalks forming the Common Areas monthly to ensure that vegetation does not grow into the asphalt and that there are no eroded or damaged areas that need immediate maintenance.

9.7 Delegation and Managers. Once conveyed or dedicated to Association, the Common Areas and facilities and improvements located thereon shall, subject to the provisions of this Declaration and the document of conveyance or dedication, at all times be under the complete supervision, operation, control, and management of Association. Notwithstanding the foregoing Association may delegate all or a portion of its obligations hereunder to a licensed manager or professional management company. Association specifically shall have the right to pay for management services on any basis approved by the Board (including bonuses or special fee arrangements for meeting financial or other goals). Developer, its affiliates and/or subsidiaries shall have the right to manage Association. Owners and Association acknowledge that it is fair and reasonable to have Developer, its affiliates and/or subsidiaries manage Association. Further, in the event that a Common Area is created by easement, Association's obligations and rights with respect to such Common Area may be limited by the terms of the document creating such easement.

9.8 Use.

9.8.1 Nonexclusive Use. The Common Areas shall be used and enjoyed by the Owners on a non-exclusive basis in common with other persons, entities and corporations (who may, but are not required to be, Members of Association) entitled to use those portions of the Common Areas. Prior to the Community Completion Date, Developer, and thereafter, Association, has the right, at any and all times, and from time to time, to further provide and make the Common Areas available to other individuals, persons, firms, or corporations, as it deems appropriate. The granting of such rights shall not invalidate this Declaration, reduce or abate any Owner's obligations pursuant to this Declaration, or give any Owner the right to avoid any of the covenants, agreements or obligations to be performed hereunder.

9.8.2 Right to Allow Use. Developer and/or Association may enter into easement agreements or other use or possession agreements whereby the Owners, Telecommunications Providers, Association and/or others may obtain the use, possession of, or other rights regarding certain Common Areas, on a exclusive or non-exclusive basis, for certain specified purposes. Association may agree to maintain and pay the taxes, insurance, administration, upkeep, repair, and replacement of such property, the expenses of which shall be Operating Costs. Any such agreement by Association prior to the Community Completion Date shall require the consent of Developer. Thereafter, any such agreement shall require the approval of the majority of the Board of Directors. Neither the Developer or the Association shall have the authority to restrict Owners' choice of utility service provider(s), including by way of example, but not limitation, through the reservation of the right to sell, lease, or grant licenses, permits or franchises over, under and through Waterside on Johns Lake Phase I to utility service providers for service(s) to the Homes and Lots.

9.8.3 Waterbodies. BY ACCEPTANCE OF A DEED TO A HOME OR LOT, EACH OWNER ACKNOWLEDGES THAT THE WATER LEVELS OF ALL WATERBODIES, IF ANY, MAY VARY. THERE IS NO GUARANTEE BY DEVELOPER, BUILDERS, MASTER ASSOCIATION OR ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME; AT TIMES, WATER LEVELS MAY BE NONEXISTENT. Developer, Master Association and Association shall not be obligated to erect fences, gates, or walls around or adjacent to any waterbody or waterfall within Waterside on Johns Lake Phase 1, if any. Notwithstanding the foregoing, an Owner may erect a fence adjacent to the boundary of a waterbody but within the boundary of a Home with the prior approval of the ACC. No fence or other structure may be placed within any lake maintenance easement, if any. Swimming and boating will not be permitted in any waterbody within Waterside on Johns Lake Phase 1, if any. Owners of Lakeside Lots may, with the written consent of the ACC and the required permitting and approvals from the SJRWMD, City and Army Corps of Engineers, erect private docks within Waterside on Johns Lake Phase 1.

9.8.4 Obstruction of Common Areas. No portion of the Common Areas may be obstructed, encumbered, or used by Owners for any purpose other than as permitted by Association.

9.8.5 Assumption of Risk. Without limiting any other provision herein, each person within any portion of the Common Areas accepts and assumes all risk and responsibility for noise, liability, injury, or damage connected with use or occupancy of any portion of such Common Areas, including, without limitation, (a) noise from maintenance equipment, (b) use of pesticides, herbicides and fertilizers, (c) view restrictions caused by maturation of trees and shrubbery, (d) reduction in privacy caused by the removal or pruning of shrubbery or trees within Waterside on Johns Lake Phase 1, and (e) design of any portion of Waterside on Johns Lake Phase 1. Each person entering onto any portion of Waterside on Johns Lake Phase 1 also expressly indemnifies and agrees to hold harmless Developer, Master Association, Association, Builders and their employees, directors, representatives, officers, agents, partners, affiliates and attorneys (collectively, "**Indemnified Parties**") from any and all damages, whether direct or consequential, arising from or related to the person's use of the Common Areas, including for attorneys' fees, paraprofessional fees and costs, pre-trial and at all levels of proceedings, including appeals. Without limiting the foregoing, all persons using the Common Areas, including without limitation, all waterbodies, lakes, pools or areas adjacent to a lake, do so at their own risk. BY ACCEPTANCE OF A DEED, EACH OWNER ACKNOWLEDGES THAT THE COMMON AREAS MAY CONTAIN WILDLIFE SUCH AS ALLIGATORS, DOGS, RACCOONS, SNAKES, DUCKS, DEER, SWINE, TURKEYS, AND FOXES. DEVELOPER, BUILDERS, MASTER ASSOCIATION AND ASSOCIATION SHALL HAVE NO RESPONSIBILITY FOR MONITORING SUCH WILDLIFE OR NOTIFYING OWNERS OR OTHER PERSONS OF THE PRESENCE OF SUCH WILDLIFE. EACH OWNER AND HIS OR HER GUESTS AND INVITEES ARE RESPONSIBLE FOR THEIR OWN SAFETY.

9.8.6 Owner's Obligation to Indemnify. Each Owner agrees to indemnify and hold harmless the Indemnified Parties against all actions, injury, claims, loss, liability, damages, costs and expenses of any kind or nature whatsoever ("**Losses**") incurred by or asserted against any of the Indemnified Parties from and after the date hereof, whether direct, indirect, or consequential, as a result of or in any way related to the Common Areas including, without limitation, use of the lakes and other waterbodies within or adjacent to Waterside on Johns Lake Phase 1 by Owners, and their guests, family members, invitees, or agents, or the interpretation of this Declaration and/or exhibits attached hereto and/or from any act or omission of Developer, Builders, , Master Association, Association, or of any of the Indemnified Parties. Should any Owner bring suit against Developer, Builders, Master Association, Association, or any of the Indemnified Parties for any claim or matter and fail to obtain judgment therein against such Indemnified Parties, such Owner shall be liable to such parties for all Losses, costs and expenses incurred by the Indemnified Parties in the defense of such suit, including attorneys' fees, paraprofessional fees and costs, pre-trial and at all levels of proceedings, including appeals.

9.9 Rules and Regulations.

9.9.1 Generally. Prior to and including the Turnover Date, Developer, and thereafter Association, shall have the right to adopt Rules and Regulations governing the use of the Common Areas and Waterside on Johns Lake Phase 1. The Rules and Regulations need not be recorded in the Public Records. The Common Areas shall be used in accordance with this Declaration and Rules and Regulations promulgated hereunder.

9.9.2 Developer Not Subject to Rules and Regulations. The Rules and Regulations shall not apply to Developer, and the same shall not be applied in a manner which would prohibit or restrict the development or operation of Waterside on Johns Lake Phase 1 or adversely affect the interests of Developer. In addition to the foregoing, Developer shall have the right, but not the obligation, to exempt other Builders from the Rules and Regulations pursuant to a written assignment (or partial assignment) of Developer rights which specifically exempts such Builder from such Rules and Regulations. Without limiting the foregoing, Developer shall, subject to prior review and approval from appropriate governmental entities (if applicable), have the right to: (i) develop and construct commercial, club uses and industrial uses, Homes, Common Areas and related improvements within Waterside on Johns Lake Phase 1, and make any additions, alterations, improvements, or changes thereto; (ii) maintain sales offices (for the sale and re-sale of (a) Homes and (b) residences and properties located outside of Waterside on Johns Lake Phase 1), general office and construction operations within Waterside on Johns Lake Phase 1; (iii) place, erect or construct portable, temporary or accessory buildings or structure within Waterside on Johns Lake Phase 1 for sales, construction storage or other purposes; (iv) temporarily deposit, dump or accumulate materials, trash, refuse and rubbish in connection with the development or construction of any portion of Waterside on Johns Lake Phase 1; (v) post, display, inscribe or affix to the exterior of any portion of the Common Areas or

portions of Waterside on Johns Lake Phase 1 owned by Developer, signs and other materials used in developing, constructing, selling or promoting the sale of any portion Waterside on Johns Lake Phase 1 including, without limitation, Parcels and Homes; (vi) excavate fill from any lakes or waterways within and/or contiguous to Waterside on Johns Lake Phase 1 by dredge or dragline, store fill within Waterside on Johns Lake Phase 1 and remove and/or sell excess fill; (vii) grow or store plants and trees within, or contiguous to, Waterside on Johns Lake Phase 1 and use and/or sell excess plants and trees; and (viii) undertake all activities which, in the sole opinion of Developer, are necessary for the development and sale of any lands and improvements comprising Waterside on Johns Lake Phase 1.

9.10 Public Facilities. Waterside on Johns Lake Phase 1 may include one or more facilities which may be open and available for the use of the general public. By way of example, there may be a public park, fire station, police station, lift station or other facility within the boundaries of Waterside on Johns Lake Phase 1; provided, however, no such facility shall result in expense to the general taxpayers of the City or the County or assumption by the City or the County of any responsibility for maintenance of any portion thereof.

9.11 Water Mains. In the event that City or any of its subdivisions, agencies, and/or divisions must remove any portion of a Home driveway which is constructed of pavers within any portion of the Common Areas, for repair or replacement of water mains or the water distribution system, then Association shall replace or repair such damage at the expense of the Owner of the affected Home and such cost shall be billed to such Owner as an Individual Assessment, unless, and only to the extent that, such cost is not paid by City or such other subdivisions, agencies and/or divisions.

9.12 Default by Another Owner. No default by any Owner in the performance of the covenants and promises contained in this Declaration or by any person using the Common Areas or any other act of omission by any of them shall be construed or considered (a) a breach by Developer or Association or a non-defaulting Owner or other person or entity of any of their promises or covenants in this Declaration; or (b) an actual, implied or constructive dispossession of another Owner from the Common Areas; or (c) an excuse, justification, waiver or indulgence of the covenants and promises contained in this Declaration.

9.13 Water Transmission and Distribution Facilities Easement and Repair. Developer hereby grants and conveys to City, its successors and assigns, the non-exclusive right, privilege and easement to construct, reconstruct, lay, install, operate, maintain, relocate, repair, replace, improve and inspect water transmission and distribution facilities and sewer collection facilities and all appurtenances thereto, and all appurtenant equipment, with the full right of ingress thereto and egress therefrom, within Waterside on Johns Lake Phase 1 (excluding such facilities located inside a Home) in accordance with plans approved by Developer or Association. Certain water transmission and distribution facilities and sewer collection facilities may be covered with decorative brick pavers that do not conform to City regulations ("Non-Conforming Pavers") in the course of construction of Homes and Common Areas, as and to the extent permitted under the terms of this Declaration. In the event City or any of its subdivisions, agencies and/or divisions shall damage any Non-Conforming Pavers as a result of construction, repair or maintenance operations of the water and/or sewer facilities or the City's use of its easement rights granted in this Section 9.14, then Association shall replace or repair such damage at the expense of the Owner of the affected Home and such cost shall be billed to such Owner as an Individual Assessment, unless, and only to the extent that, such cost is not paid by City or such other subdivisions, agencies and/or divisions. Association shall indemnify and hold harmless City and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorney's fees and costs of defense, which City or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance by Association of Association's obligations under this Section 9.13.

9.14 Association's Obligation to Indemnify. Association and Owners each covenant and agree jointly and severally to indemnify, defend and hold harmless Developer its officers, directors, shareholders, representatives, agents, partners, affiliates and any related persons or corporations and their employees from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Common Areas or other property serving Association, and improvements thereon, or resulting from or arising out of activities or operations of Association or Owners, and from and against

all costs, expenses, court costs, attorneys' fees and paraprofessional fees (including, but not limited to, attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals), expenses and liabilities incurred or arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments or decrees which may be entered relating thereto. The costs and expense of fulfilling this covenant of indemnification shall be Operating Costs to the extent such matters are not covered by insurance maintained by Association.

9.15 Site Plans and Plats. Waterside on Johns Lake Phase 1 may be subject to one or more plats (each individually, a "**Plat**"). The Plat may identify some of the Common Areas within Waterside on Johns Lake Phase 1. The description of the Common Areas on a Plat is subject to change (contingent upon receipt of the appropriate plat approval(s)) and the notes on a Plat are not a guarantee of what facilities will be constructed on such Common Areas. Site plans used by Developer in its marketing efforts illustrate the types of facilities which may be constructed on the Common Areas, but such site plans are not a guarantee of what facilities will actually be constructed. Each Owner should not rely on a Plat or any site plans used for illustration purposes as the Declaration governs the rights and obligations of Developer and Owners with respect to the Common Areas.

10. City Requirements. This Section 10 includes items required by the City's Code of Ordinances. All references in this Section 10 to the "Property" and/or "community" shall mean and refer to Waterside on Johns Lake Phase 1. For purposes of this section 10, the term "community subdivision infrastructure" means all subdivision infrastructure not dedicated to the use of the public or the city (including all Common Area and improvements thereon) and which may include, but is not limited to, roadways, street lights, drainage systems (which includes, without limitation, stormwater detention/retention areas and underdrains), sidewalks, and other improvements and facilities.

10.1 Initial Infrastructure Report

Pursuant to Section 110-155 of the Code of Ordinances of the City (the "Code"), no earlier than 180 days prior to the point in time in which certificates of occupancy have issued for seventy percent (70%) of the platted lots within the Property and before Turnover, whichever occurs first, the HOA must retain the services of a Florida registered engineer experienced in subdivision construction to inspect the Community Subdivision Infrastructure and prepare a report recommending the amount of scheduled maintenance and unscheduled repair for the subsequent five years that likely will be needed for each component of the community subdivision infrastructure (specifically, at a minimum and as may be applicable, providing for the roads, street lights, sidewalks and drainage system (which includes, without limitation, the stormwater detention/retention areas and underdrains)) which recommends the amounts of money that should be deposited each year in the routine-community subdivision infrastructure-maintenance account and the capital-community subdivision infrastructure reserve account, determining whether the existing capital-community subdivision infrastructure reserve account balance is adequate to provide for restoration or replacement of the infrastructure by the end of its estimated economic life, and determining what repairs, if any, are needed prior to turnover of the HOA. The HOA shall pay the cost associated with the preparation of the initial community subdivision infrastructure report, and the HOA may pay such cost from the routine-community subdivision infrastructure-maintenance account. The report must be signed and sealed by the engineer, certified to the HOA and provided to the City and to all owners of Homes, Lots and Parcels within the subdivision within 15 days after its completion. In the event turnover occurs more than 1 year after the initial community subdivision infrastructure report is prepared, then before the occurrence of the turnover an update of the initial community subdivision infrastructure report shall be obtained and provided in the same manner as the initial community subdivision infrastructure report. Any needed repairs or replacements identified by the report shall be completed by the Developer, at the Developer's sole expense, prior to turnover. Prior to Turnover, the Developer shall fund or cause the funding of the routine-community subdivision infrastructure-maintenance account and capital-community subdivision infrastructure reserve account to cover any deficiencies in account balances. Not sooner than fifteen (15) days and not more than forty-five (45) days prior to Turnover, the Developer shall submit a sworn affidavit along with supporting documentation to the Association and the City evidencing Developer's compliance with the turnover related requirements of this Section and Chapter 110, Article III of the Code.

10.2 Developer's Pre-Turnover Requirements.

10.2.1. Prior to the Turnover Date, the Developer shall fund or cause the funding of the routine-community subdivision infrastructure-maintenance account and capital-community subdivision infrastructure reserve account required by section 10.9.2 to cover any deficiencies in account balances. Not sooner than fifteen (15) days and not more than forty-five (45) days prior to turnover, the Developer shall submit a sworn affidavit along with supporting documentation to the Association and the City evidencing Developer's compliance with the requirements of this Section.

10.2.2. Prior to the Turnover Date and prior to the issuance of certificates of occupancy for ninety percent (90%) of the platted Lots within the community, Developer shall execute and deliver to the City a 2 year warranty guarantee agreement with the City along with security in the form of a bond, irrevocable letter of credit or cash deposit covering the private community subdivision infrastructure improvements, in a form approved by the City attorney, and naming the City as primary beneficiary and the Association as a third party beneficiary. The warranty guarantee shall provide for the Developer's guarantee of all such improvements, including its materials, workmanship, structural integrity and functionality, and require Developer's repair, replacement and correction of damage and defects to such improvements found within the warranty period. The warranty guarantee period shall commence from the estimated date of turnover and end two years thereafter. The maintenance bond or irrevocable letter of credit shall be in an amount equal to twenty (20) percent of the then current estimated costs to construct the community subdivision infrastructure improvements, which amount shall be subject to City engineer review and approval.

10.2.3. If the Turnover Date occurs and the foregoing requirements of the foregoing subsections **Error! Reference source not found.**, 0 and 0 have not been fulfilled, the rights of the City, the Association, any of the Association's Members, and any and all owners of land within the community to enforce these requirements against the Developer shall survive the turnover, with the prevailing party to be entitled to attorneys' fees and costs against the non-prevailing party. Notwithstanding the foregoing and without limiting the City's remedies, the City shall be entitled to withhold the issuances of certificates of occupancy and building permits for improvements within the Property until such time as the provisions of this Section are met.

10.3 Subsequent Community Subdivision Infrastructure Reports and Maintenance. Pursuant to Section 110-156 of the City Code, the HOA shall obtain an inspection and written report of the community subdivision infrastructure (which community subdivision infrastructure includes the Common Area and improvements thereon), by a Florida registered engineer experienced in subdivision construction at least once every five years after the initial engineer's inspection required by section 110-155. Using good engineering practice or in accordance with such other standards as may be adopted from time to time by the HOA, or in accordance with such standards as the HOA's engineer may determine to be appropriate, the inspection shall determine and the written report shall document the level of maintenance and repair (both scheduled and unscheduled) needed, the amounts of funding needed each year for the next five years in the routine-community subdivision infrastructure-maintenance account to pay for such maintenance and repair, and any repairs then needed determining whether the existing capital-community subdivision infrastructure reserve account balance is adequate to provide for restoration or replacement of the infrastructure by the end of its estimated economic life. The report must be signed and sealed by the engineer, certified to the HOA, and provided to the City and to all owners of Homes, Lots and Parcels within the subdivision within 15 days after its completion. Within 180 days of receipt of each five-year report, the HOA shall complete all remedial work identified and recommended by the engineer. A completion report, signed, sealed and certifying that said remedial work has been completed, shall be submitted to the HOA, to the City, and to all owners of Homes, Lots and Parcels within the subdivision 90 days thereafter. The HOA and the lot and unit Owners of the subdivision are responsible for assessing, collecting and reserving sufficient funds to operate, maintain, repair and replace common properties and subdivision infrastructure improvements. The City does not have and will not assume any duty, liability or obligation concerning the operation, maintenance, repair and replacement of common properties and subdivision infrastructure improvements arising out of or relating to any provision of this chapter, including but not limited to, the City's collection of, evaluation of and response to the reports submitted pursuant to Section 110-155 and this section.

10.4 Property Taxes. Lot Owners shall receive no discount in property taxes or any other tax of fee because of the retention or private ownership of the community subdivision infrastructure.

10.5 Insurance. Association shall carry an insurance policy in compliance with Section 110-160 of the City Code.

10.6 Failure to Maintain. The City of Winter Garden shall have the right, but not the obligation, to access, maintain, repair, replace and otherwise care for or cause to be cared for, any and all portions of the Common Area and easements dedicated on the Plat, including without limitation any and all stormwater management systems and drainage improvements, recreational tracts, drainage/retention tracts, conservation tracts, landscape and wall tracts, screening walls, and the improvements thereon, and such other subdivision infrastructure not otherwise dedicated to the public use or the City (collectively, the "community subdivision infrastructure"). Further, the City has the right, but not the obligation, to cause to be prepared any report, study, or inspection required by this Declaration or the Code if the Association fails to obtain such reports, studies, or inspections required by this Declaration or the Code in the time provided. In the event the community subdivision infrastructure (or any portion thereof) is not maintained, repaired, or replaced in accordance with the standards of the City of Winter Garden Code of Ordinances, good engineering practices, or become a nuisance, or Association accounts relating to the community subdivision infrastructure are not properly funded, or the required reports, studies, or inspections are not obtained in the time provided, or in the event the City exercises the aforementioned right, the Association, jointly and severally together with each of the Owners on a pro-rata basis (i.e. per Lot) shall be responsible for payment of the cost of such maintenance, repair, replacement and care provided by the City or its contractors and agents and the cost of preparing said reports, studies, or inspections, plus administrative costs and attorneys fees incurred by or for the City. The City shall have a lien upon the Association property and each Lot to secure the personal obligation of the Association and each Owner thereof for any unpaid fees and costs resulting from the foregoing. Such lien shall also secure reasonable attorney's fees and other costs incurred by the City incident to the collection of such fees and costs of enforcement of such lien. The lien shall be evidenced by a claim recorded among the Public Records of Orange County, Florida and shall be effective from and as of the time of such recording. The City may take such action or actions as it deems necessary to collect said fees and costs as may be permitted by law, including, but not limited to, an in personam action, lien, foreclosure, or special assessment. Neither the rights provided for herein nor the City's exercise of said rights, shall impose any obligation on the City to maintain, repair, replace or otherwise care for the community subdivision infrastructure, or any portion thereof, or cause to be prepared any studies, reports or inspections.

10.7 Default. Upon any default by the Association or the Developer of any requirement of Chapter 110, Article III of the Code or this Article of the Declaration, the City, at its option (and without limiting its remedies) and after due notice of its declaration of a default and a reasonable time to cure, may utilize all Association monies on deposit in the routine-community subdivision infrastructure-maintenance account and the capital-community subdivision infrastructure reserve account or, if no monies exist or if an insufficient amount exists, using such other revenues or financing methods as the City may elect, including, but not limited to, special assessments against the all of the subdivision Lots. No portion of this Declaration shall endorse, allow, or sanction the violation of the Code, ordinances or resolutions of the City or any statute or law. In all respects, the Association and Developer shall comply with and the Property is subject to the Code, including, but not limited to, Article III of Chapter 110 of the Code pertaining to subdivision procedures. The City shall have the right to enforce against the Association and Developer the requirements of this Article and the provisions of the Declaration required in this Article. Further, without limiting the foregoing, upon any default by the Developer of any requirement of this Article, the City shall be entitled to withhold the issuance of certificates of occupancy and building permits for improvements within the project and withhold the issuance of development orders, certificates of occupancy and building permits for any other project the Developer is the developer of record until such time as the default is cured.

10.8 Transfers to Governmental Entity. Any transfer of any portion or component of the community subdivision infrastructure (including the property on which the said community subdivision infrastructure is located) to the City or other governmental entity is prohibited without the concurrence of the City or governmental entity and the Owners of two-thirds (or such higher percentage as the declaration may provide) of the platted lots.

10.9 City Required Accounts. The Association shall establish and maintain the following accounts in compliance with the restrictions and requirements set forth in section 110-157 of the Code regarding that account:

10.9.1 Routine-Community Subdivision Infrastructure-Maintenance Account. Monies on deposit in the Routine-Community Subdivision Infrastructure-Maintenance Account, including any investment

earnings, shall be used by the HOA, or by the developer with the written consent of the board of directors of the HOA, only for scheduled maintenance and for unscheduled repair of the roads, drainage system, including, but not limited to, the stormwater detention/retention areas and underdrains, sidewalks, street lights, curbing, bike paths, traffic-control signage and other HOA infrastructure appurtenant to the private roads and drainage systems. If allowed by the declaration, the monies on deposit in the account may also be used for scheduled maintenance and unscheduled maintenance and repair of the entrance and exit gates and their related facilities, but the declaration shall require that the roadways and drainage-system maintenance and repair take priority over the maintenance and repair of the gates and related facilities. The amount deposited, when added to investment earnings, must be no less than the amounts estimated under section 10.9.3 until the reports required under sections 10.1 and 0 are prepared, and thereafter the amount deposited must be no less than the amount recommended by the applicable engineer's report required pursuant to sections 10.1 and 0.

10.9.2 Capital-Community Subdivision Infrastructure Reserve Account. Monies on deposit in the capital- community subdivision infrastructure reserve account, including any investment earnings, shall be used by the HOA for: (i) resurfacing and related reconstruction of the roadways, including alleys, in the subdivision; (ii) major repair, replacement and reconstruction of drainage systems, including, but not limited to, the stormwater detention/retention areas, control structures, underdrains and conveyance systems; and (iii) major repair, replacement and reconstruction of sidewalks, bike paths, curbing, walls, subdivision signage, gates, and other capital infrastructure improvements of the subdivision. Under no circumstances may the monies in the account be expended before the developer conveys the community subdivision infrastructure to the HOA. The Association must deposit each year into the capital-community subdivision infrastructure reserve account an amount sufficient for: (x) the Common Area roadways owned or maintained by the Association to be resurfaced and, as related to the resurfacing, reconstructed no less frequently than every twelve (12) years; (y) the restoration and repair or replacement of the stormwater management system owned or maintained by the Association, including, but not limited to, the stormwater detention/retention areas control structures, underdrains and conveyance systems, no less frequently than once every ten (10) years; and (z) the restoration and repair or replacement of all other community subdivision infrastructure owned or maintained by the Association, no less frequently than once every fifty (50) years. At the end of each five-year community subdivision infrastructure reporting period pursuant to section 10.3 of this Declaration and section 110-156 of the Code, the Association shall revise and update the estimated cost to restore, repair and replace community infrastructure improvements owned or maintained by the Association taking into consideration actual costs incurred and expected increases in costs, and shall adjust the amount of its annual deposits to the account accordingly.

The Routine-Community Subdivision Infrastructure Maintenance Account and the Capital-Community Subdivision Infrastructure Reserve Account must be asset accounts kept separate and apart from all other funds and accounts of the HOA, and for accounting purposes the HOA may not commingle these accounts, either with each other or with other funds and accounts of the HOA. However, notwithstanding the foregoing, the monies in the above accounts may be commingled with monies in other HOA accounts for banking and investment purposes, and may be pooled with other HOA monies in a common investment program, so long as the financial books and records of the HOA account for these monies separately and apart from all other HOA monies and keep such monies earmarked for the purposes set forth below. All earnings from the investment of monies in the required HOA accounts shall remain in their respective accounts and shall follow their respective principal. The Association shall cause a financial report of the accounts referenced above to be performed and prepared in accordance with City Code Section 110-157 and a copy of the same shall be provided to the City and the Owner.

10.9.3 Initial account funding and Developer obligations. From the recording of the first plat for the Property and up to the point in time when turnover of control of the Association occurs, the Developer and its successors in interest, shall remain personally obligated to ensure that adequate funding of the Association accounts required by this section are provided, that the financial reporting requirements of this Article are met and that the community subdivision infrastructure is being properly maintained. Prior to the issuance of a certificate of completion for the community subdivision infrastructure, the Developer shall be required to fund the capital-community subdivision infrastructure reserve account in an amount sufficient cover two-year's estimated deposits for such account and fund the routine-community subdivision infrastructure-maintenance account in an amount sufficient to cover one-year's estimated deposits for such account. For purposes of establishing deposits by the Developer required under this subsection, deposit amounts shall be supported by a Florida-licensed engineer's evaluation of the community subdivision infrastructure's economic life and cost estimate for maintenance and

replacement of such infrastructure provided to the City at the Developer's expense and such is subject to the review and approval by the City engineer. Prior to turnover, the Developer shall fund or cause the funding of the routine-community subdivision infrastructure-maintenance account and capital-community subdivision infrastructure reserve account to cover any deficiencies in account balances as specified in section 10.1 and 10.2.

10.10 Assessments. The association and the lot and unit Owners are responsible for assessing, collecting and reserving sufficient funds to operate, maintain, repair and replace common properties and subdivision infrastructure improvements. The City of Winter Garden shall not be liable or responsible for the maintenance, repair and replacement of private subdivision property and infrastructure improvements.

10.11 Financial Reporting. Each year the Association shall cause a financial report of the required Association accounts to be performed and prepared, and a copy of the report shall be submitted to each owner of property in the subdivision and the city within the time frame required under the "financial reporting" requirements of Chapter 720, Florida Statutes. At a minimum, the report shall confirm the existence of each of the required Association accounts and report the amounts of deposits into and expenditures from the account during the period year, along with an itemization of the expenditures from the required Association accounts. Finally, the financial report shall disclose whether any of the required Association accounts has on deposit less than the amount required under this Declaration.

10.12 Assessment Disclosure. Each Owner, Lot Owner and holder of any interest in any Lot, parcel, tract or other portion of the Property subject to this Declaration acknowledges and agrees that the dues and assessments assessed, collected and allocated, or to be assessed, collected and allocated in the future, by or for the Association may or may not be sufficient to satisfy obligations relating to maintenance, repair and replacement of Common Area improvements, sidewalks, stormwater management systems and retention ponds, landscaping, irrigation, lighting, signage and other private community subdivision infrastructure. It is the Association and its members' duty to assess, collect and allocate the appropriate amount of dues and assessments for such purposes. The City of Winter Garden shall have no liability, responsibility and obligation for the operation, maintenance, repair and replacement of Common Area and community subdivision infrastructure improvements, for any short fall in Association funding for such purposes, and concerning or arising from any provision of this Declaration or the Code, including but not limited to, the City's collection of, evaluation of and response to the reports submitted pursuant to sections 10.1, 10.2 and 10.3 of this Declaration and sections 110-155 and 110-156 of the Code.

10.13 No Drainage Alteration. It is prohibited to alter the grade of or original drainage plan for any parcel, lot or tract, or change in the direction of, obstruct, or retard the flow of surface water drainage, or alter or remove of any berm, pipe, ditch, weir, manhole, swale, and stormwater collection, storage and conveyance system unless expressly authorized by the City of Winter Garden. This provision shall be considered a restrictive covenant in favor of and enforceable by the City of Winter Garden and in the event of a violation of this provision, the City of Winter Garden shall have the right to obtain injunctive relief, seek damages, and assess fines and liens in the amount of the cost to remedy the prohibited action (including administrative costs and attorneys' fees and costs) against the violating person or entity and any property owned by such violating person or entity; provided however, such right shall not limit the City of Winter Garden's other available enforcement actions permitted by law or equity.

10.14. Easement. There is hereby created, granted and reserved for the benefit of the City of Winter Garden and other public service and emergency service providers, a non-exclusive easement over, under and through the private subdivision roads and alleys for vehicular and pedestrian ingress and egress access for the purpose of providing public and emergency services to the common property and lots, including but not limited to, postal, fire protection, police protection, emergency medical transportation, code enforcement, garbage, utilities and other public and emergency services.

10.15. Developer's Obligations. Until such time as turnover of control of the Association has occurred and the Developer has conveyed to the Association such land and improvements for which the Association shall have the responsibility for maintaining and repairing, including the community subdivision infrastructure, the Developer shall remain jointly and severally liable, to the Association and to the City, for the maintenance and repair of the community subdivision infrastructure, Common Area and private amenities within the subdivision, for the adequate funding of the routine-community subdivision infrastructure-maintenance account and capital-community subdivision infrastructure reserve account, and for otherwise ensuring compliance with the provisions of

the Code. If turnover occurs and the obligations of the Developer have not been met, the rights of the City, the Association, any of the Association's Members, and any and all Owners of land within the Property to enforce such obligations against the Developer shall survive the turnover, with the prevailing party being entitled to attorneys' fees and costs against the non-prevailing party. Venue for any such enforcement action shall be in the Ninth Judicial Circuit of Florida, in Orange County, Florida.

10.16 Dissolution. In the event that the Association, is dissolved, in bankruptcy, or otherwise unable to fulfill its obligations as provided in the Declaration, the individual owners shall be liable for the costs, on a pro-rata (per Lot) basis, for the maintenance, upkeep, repair and/or replacement of any and all private easements, Common Area, rights of way and/or improvements in the event the City of Winter Garden provides such services. This provision shall run with the land of the Property and survive the termination of the Association.

10.17 Indemnification. In the event the community subdivision infrastructure, or any component thereof, including, but not limited to, any and all private areas, drainage systems (including without limitation, the retention/detention areas and underdrains), Common Area, private roadways, screening walls, and such other subdivision infrastructure not otherwise dedicated to the public use or the City, are not maintained, repaired, replaced, or cared for in accordance with the standards of the Code, good engineering practices, such become a nuisance, or Association accounts relating to the community subdivision infrastructure and Common Area are not properly funded, the Developer (so long as the Developer retains control of the Board of Directors of the Association and the provisions of section 10.1 and 10.2 of this Declaration and section 110-155 are not completely satisfied), the Association, and the individual Lot owners of the subdivision, jointly and severally, shall release, defend, indemnify, and hold the City and its officers, contractors, consultants and employees harmless from any and all costs, expenses, suits, demands, liabilities, damages, injuries (including death), tort liability or award of damages or otherwise, including attorneys' fees and costs, in connection with, related to, or arising out of the maintenance, repair, replacement, reconstruction, or care of the community subdivision infrastructure, or any component thereof, by or on behalf of the City.

10.18 Turnover. The Developer shall turn over control of the Association to the Owners within the time periods required under the Code and Chapter 720, Florida Statutes (2013).

10.19 Amendments to this Section. The HOA may not be dissolved without the prior written consent of the City. The foregoing restrictions in this Section 10 and any other provision of this Declaration referencing or affecting the City shall not be removed or amended without the written agreement of the City of Winter Garden. Further, no amendments to this Declaration which are inconsistent with the Code or this Section 10 shall be made without the prior written consent of the City of Winter Garden City Manager or his/her designee. The Tracts owned by the City are exempt from the covenants, restrictions and conditions of this Declaration. The City shall not be subject to enforcement, regulation or assessment under this Declaration or by the Association or any Owner by virtue of the City's ownership of Tracts or easements conveyed or dedicated to the City, or for any other basis. Board interpretations of this Section 10, or any part thereof, are not binding upon the City. The provisions of Section 10 of this Declaration and its subparts shall be considered a restrictive covenant in favor of and enforceable by the City. Notwithstanding anything in this Declaration to the contrary, no provision of this Declaration shall restrict or prohibit the City or any other applicable government authorities from enforcement of their respective laws, ordinances, rules and regulations (as they may be amended from time to time) against the Developer, the Association, any Owner or others.

11. Maintenance by Association.

11.1 Common Areas. Except as otherwise specifically provided in this Declaration to the contrary, Association shall at all times maintain, repair, replace and insure the Common Areas, and all improvements placed thereon including, without limitation, all Common Area landscaping and irrigation.

11.2 Irrigation and Sprinkler Systems. Association shall be responsible to maintain the irrigation and sprinkler systems within the Common Areas. Owners shall be responsible for maintaining the sprinkler system within each Lot. Owners will be limited to irrigating Lots during scheduled times established by the Association from time to time.

11.3 Perimeter Walls, Wing Walls, Fencing and Sign Walls. Association shall be responsible for maintaining any perimeter and/or wing walls or fencing serving Waterside on Johns Lake Phase 1. More specifically, perimeter walls which run along the rear of Lots shall be owned and maintained by Association. Association shall be responsible for maintaining, if any, any sign wall located in the median of the entrance road. An easement is hereby created in favor of the Association for maintenance, inspection and/or replacement purposes (including access to perform such maintenance, inspection and/or replacement) over and across Waterside on Johns Lake Phase 1 (including Lots, Parcels, and Homes) for the reasonable and necessary maintenance, inspection and/or replacement of such wing walls, sign walls or fencing serving Waterside on Johns Lake Phase 1. Notwithstanding the foregoing, each Owner shall be responsible for maintaining any fencing within his or her Lot.

11.4 Private Roads. All roads which are privately owned shall be maintained by Association or Master Association or an entity other than the City or County. All roads which are owned by Association shall be maintained by Association unless otherwise agreed to by Association and Master Association.

11.5 Public Roads. It is possible that Association may maintain the rights-of-way, medians and swales of all public roads pursuant to an agreement with the appropriate governmental entities. The cost of such maintenance by Association shall be an Operating Cost.

11.6 Surface Water Management System. To the extent the Surface Water Management System is not maintained by the SJRWMD, the Master Association or other entity, Association shall maintain, repair, replace and insure the same and comply with all SJRWMD permits and requirements, including but not limited to, the maintenance of any signage that may be required pursuant to such permits. To the extent the maintenance obligation of the Association, the Association shall keep a log of the operation and maintenance schedule for all components of the surface water management system. Association shall, as a condition to obtaining and/or complying with any Permit(s), be responsible for completing any water quality treatment and monitoring requested from time to time by the SJRWMD. Any and all costs, fees, and expenses of the Association shall be collectible through Assessments. The Association's duty to treat and monitor water quality includes any runoff of water from Waterside on Johns Lake Phase 1 to any adjacent properties which result from any requirement of the SJRWMD. The Association shall also comply with any applicable and enforceable Comprehensive Stormwater Pollution Prevention Plan which may, among other things, provide for nutrient and pesticide management, regular monitoring and cleaning of Stormwater inlets, solid waste management, Stormwater management, treatment (aeration), and water quality testing.

11.6.1 Duty to Maintain Surface Water Management System. The SJRWMD has the right to take enforcement action to compel Master Association or Association to correct any outstanding problems with the Surface Water Management System facilities under the responsibility or control of Association, including a civil action for an injunction and penalties against Association. If owned by Association as Common Areas, the costs of the operation and maintenance of the Surface Water Management System shall be part of the Operating Costs of Association. Each Builder and Owner within Waterside on Johns Lake Phase 1 at the time of construction of a building, residence or structure shall comply with the construction plans for the Surface Water Management System approved and on file with the SJRWMD.

11.6.2 Amendments Affecting Surface Water Management System. Any proposed amendment to Association Documents which will affect the Surface Water Management System including any environmental conservation area and the water management portions of the Common Areas, must have the prior written approval of the SJRWMD. Association's or Master Association's registered agent shall maintain copies of all Surface Water Management System permits and correspondence respecting such permits, and any future SJRWMD permit actions shall be maintained by Association's or Master Association's registered agent for Association's benefit.

11.6.3 Wetland Conservation Areas. Parcels may contain or be adjacent to wetlands, wetland mitigation or preservation areas, upland conservation areas and drainage easements, which may be dedicated by Plat and/or protected by a conservation easement ("Wetland Conservation Areas"). Owners of Homes abutting Wetland Conservation Areas shall not remove native vegetation (including cattails) that become established within the Wetland Conservation Areas abutting their Home. Removal includes dredging, the application of herbicide, cutting, and the introduction of grass carp. Owners shall address any questions regarding authorized activities within the Wetland Conservation Areas to the SJRWMD, Surface Water Regulation Manager and the City.

11.6.4 Use Restrictions for Wetland Conservation Areas. The Wetland Conservation Areas, if any, are dedicated as Common Areas and may in no way be altered from their natural or permitted state. These use restrictions may be defined on the Permit and the Plats associated with Waterside on Johns Lake Phase 1. In addition to other provisions contained in this Declaration in favor of the SJRWMD, the County also has regulatory authority over such Wetland Conservation Areas and Developer, Builder, Association and each Owner shall comply with all rules, regulations, and/or permit requirements of the County relating to such Wetland Conservation Areas. Activities prohibited within the conservation areas include, but are not limited to, the following:

11.6.4.1 Construction or placing of landscaping, buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground;

11.6.4.2 Dumping or placing of soil or other substances or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;

11.6.4.3 Removal or destruction of trees, shrubs or other vegetation; with exception of nuisance and exotic plant species as may be required by Developer;

11.6.4.4 Excavation, dredging, or removal of loam, peat, gravel, soil, rock or other material substance in such manner as to affect the surface;

11.6.4.5 Surface use except for purposes that permit the land or water area to remain predominately in its natural condition;

11.6.4.6 Activities detrimental to drainage, flood control, water conservation, erosion control, or fish and wildlife habitat preservation or conservation;

11.6.4.7 Acts or uses detrimental to such aforementioned retention and maintenance of land or water areas;

11.6.4.8 Acts or uses detrimental to the preservation of any features or aspects of the property having historical, archeological or cultural significance;

11.6.4.9 No Builder or Owner within Waterside on Johns Lake Phase 1 may construct or maintain any building, residence, or structure, or undertake or perform any activity in the Wetland Conservation Areas described in the Permit and recorded Plat(s) of Waterside on Johns Lake Phase 1, unless prior approval is received from the SJRWMD; and

11.6.4.10 Each Builder and Owner within Waterside on Johns Lake Phase 1 at the time of construction of a building, residence, or structure shall comply with the construction plans for the Surface Water Management System approved and on file with the SJRWMD.

11.7 Adjoining Areas. Except as otherwise provided herein, Association shall also maintain those drainage areas, swales, lake maintenance easements, driveways, lake slopes and banks, and landscape areas that are within the Common Areas, and gated access to such areas must be made available to Association by Owners of any adjoining Lots. Under no circumstances shall Association be responsible for maintaining any areas within fences or walls that form a part of a Home.

11.8 Negligence. The expense of any maintenance, repair or construction of any portion of the Common Areas necessitated by the negligent or willful acts of an Owner or persons utilizing the Common Areas, through or under an Owner shall be borne solely by such Owner and the Home and/or Parcel owned by that Owner shall be subject to an Individual Assessment for that expense. By way of example, and not of limitation, an Owner shall be responsible for the removal of all landscaping and structures placed within easements or Common Areas without the prior written approval of Association.

11.9 Yard Drains. To the extent that yard drains are installed in any drainage easements within Waterside on Johns Lake Phase 1, the Association shall be obligated to clean and maintain the same, unless such maintenance or replacement is required as a direct or indirect result of an Owner's (or such Owner's contractors) actions or inactions, as determined by the Board of Directors of the Association in its sole and absolute discretion. In the event that the Association performs any maintenance to a yard drain as a result of the actions or inactions of an Owner, the Association shall be entitled to charge the costs of such maintenance to the applicable Owner as an Individual Assessment. Each Owner shall be responsible for ensuring that any yard drain located within his or her Lot is free of dirt and debris at all times.

11.10 Right of Entry. Developer, Master Association and Association are granted a perpetual and irrevocable easement over, under and across Waterside on Johns Lake Phase 1 (including all Lots, Parcels, and Homes) for the purposes herein expressed, including, without limitation, for inspections to ascertain compliance with the provisions of this Declaration, and for the performance of any maintenance, alteration or repair which it is entitled to perform. In connection with the foregoing easement, Owners must provide Developer and Association with gated access to their respective Lots and/or Homes for the purposes herein expressed. Without limiting the foregoing, Developer specifically reserves easements for all purposes necessary to comply with any governmental requirement or to satisfy any condition that is a prerequisite for a governmental approval. By way of example, and not of limitation, Developer may construct, maintain, repair, alter, replace and/or remove improvements; install landscaping; install utilities; and/or remove structures on any portion of Waterside on Johns Lake Phase 1 if Developer is required to do so in order to obtain the release of any bond posted with any governmental agency.

11.11 Maintenance of Property Owned by Others. Association shall, if designated by Developer (or by Association after the Community Completion Date) by amendment to this Declaration or any document of record including, without limitation declaration(s) of condominium, maintain vegetation, landscaping, sprinkler system, community identification/features and/or other areas or elements designated by Developer (or by Association after the Community Completion Date) upon areas which are within or outside of Waterside on Johns Lake Phase 1. Such areas may abut, or be proximate to, Waterside on Johns Lake Phase 1, and may be owned by, or be dedicated to, others including, but not limited to, a utility, governmental or quasi-governmental entity. These areas may include (for example and not limitation) swale areas, landscape buffer areas, berm areas or median areas within the right-of-way of public streets, roads, drainage areas, community identification or entrance features, community signage or other identification and/or areas within canal rights-of-ways or other abutting waterways. To the extent there is any agreement between Developer and Association for the maintenance of any lakes or ponds outside Waterside on Johns Lake Phase 1, Association shall maintain the same as part of the Common Areas.

12. Maintenance by Owners. All lawns, landscaping and sprinkler systems and any property, structures, improvements and appurtenances within a Lot shall be well maintained and kept in first class, good, safe, clean, neat and attractive condition consistent with the general appearance of Waterside on Johns Lake Phase 1 by the Owner of each such Lot. Each Owner is specifically responsible for maintaining all grass, landscaping and improvements within any portion of their Home in accordance with the standards set forth below.

12.1 Lawn Maintenance Standards. The following maintenance standards (the "**Lawn Maintenance Standards**") apply to landscaping maintained by Owners.

12.1.1 Trees. Trees are to be pruned as needed.

12.1.2 Shrubs. All shrubs are to be trimmed as needed.

12.1.3 Grass.

12.1.3.1 Cutting Schedule. Grass shall be maintained in a neat and appropriate manner. In no event shall an Owner's lawn get in excess of five inches (5") in height.

12.1.3.2 Edging. Edging of all streets, curbs, beds and borders shall be performed as needed. Chemical edging shall not be permitted.

12.1.3.3 Dead Grass. Owner shall be responsible to replace dead grass. Neither Developer nor Association shall be responsible to replace dead grass.

12.1.4 Mulch. Mulch is to be turned two (2) times per year and shall be replenished as needed on a yearly basis.

12.1.5 Insect Control and Disease. Disease and insect control shall be performed on an as needed basis.

12.1.6 Fertilization. Fertilization of all turf, trees, shrubs, and palms shall be performed at a minimum of three (3) times a year during months of February, June and October, or as otherwise determined by the Board from time to time in its discretion.

12.1.7 Irrigation. Owners shall be responsible to irrigate grass. Owners shall maintain all sprinklers located on their respective Lot(s). Pump stations and valves shall be checked as needed by an independent contractor to assure proper automatic operation.

12.1.8 Post Lights. Each Owner shall maintain all post lights (whether gas or electric) which are located within the boundaries of his or her Home.

12.1.9 Weeding. All beds are to be weeded upon every cut. Weeds growing in joints in curbs, driveways, and expansion joints shall be removed as needed. Chemical treatment is permitted.

12.1.10 Trash Removal. Dirt, trash, plant and tree cuttings and debris resulting from all operations shall be removed and all areas left in clean condition before the end of the day.

12.1.11 Right of Association to Enforce. Each Owner grants Association an easement over his or her Home for the purpose of insuring compliance with the requirements of this provision and the Lawn Maintenance Standards. In the event an Owner does not comply with this Section, Association may perform the necessary maintenance to the lawn and charge the costs thereof to the non-complying Owner as an Individual Assessment. Association shall have the right to enforce the foregoing Lawn Maintenance Standards by all necessary legal action. In the event that Association is the prevailing party with respect to any litigation respecting the Lawn Maintenance Standards, it shall be entitled to recover all of its attorneys' fees and paraprofessional fees, and costs, pre-trial and at all levels of proceedings, including appeals.

12.1.12 Landscaping and Irrigation of Lots; Removal of Sod and Shrubbery; Additional Planting.

12.1.12.1 Without the prior consent of the ACC, no sod, topsoil, tree or shrubbery shall be removed from Waterside on Johns Lake Phase 1, and there shall be no change in the plant landscaping, elevation, condition of the soil or the level of the land of such areas which results in any change in the flow and drainage of surface water which the ACC, in its sole discretion, considers detrimental or potentially detrimental to person or property. Notwithstanding the foregoing, Owners who install improvements to the Home (including, without limitation, concrete or brick pavers) which result in any change in the flow and/or drainage of surface water shall be responsible for all of the costs of drainage problems resulting from such improvement. Further, in the event that such Owner fails to pay for such required repairs, each Owner agrees to reimburse the Association for all expenses incurred in fixing such drainage problems including, without limitation, removing excess water and/or repairing the Surface Water Management System.

12.1.12.2 No landscape lighting shall be installed by an Owner without the prior written approval of the ACC and consent of the Master ACC.

12.1.13 Weeds and Refuse. No weeds, underbrush, or other unsightly growth shall be permitted to be grown or remain upon any Home. No refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Home.

12.1.14 Driveway and Sidewalk Repair. Each Owner shall be responsible to timely repair, maintain and/or replace the driveway which comprises part of a Lot and the sidewalk abutting the Front Yard or side of the Home including, but not limited to, any damage caused by Developer, Master Developer, Master Association, Master Association or by the holder of any easement over which such driveway or sidewalk is constructed. Each Owner, by acceptance of a deed to a Lot, shall be deemed to have agreed to indemnify and hold harmless Developer, Master Developer, Association and Master Association and the holder of any such easement, including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common Areas and any easement or the construction and/or maintenance of any driveway or sidewalk in that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Lot and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse Association any expense incurred in repairing any damage to such driveway or sidewalk in the event that such Owner fails to make the required repairs, together with interest at the highest rate allowed by law.

13. Use Restrictions. Each Owner must comply with the following:

13.1 Alterations and Additions. No material alteration, addition or modification to a Lot or Home, or material change in the appearance thereof, shall be made without the prior written approval thereof being first had and obtained from the ACC and consent of the Master ACC.

13.2 Animals. No animals of any kind shall be raised, bred or kept within Waterside on Johns Lake Phase 1 for commercial purposes. Association may prohibit breeds of dogs that the Board considers dangerous in its sole discretion. Otherwise, Owners may keep domestic pets as permitted by County ordinances and otherwise in accordance with the Rules and Regulations established by the Board from time to time. Notwithstanding the foregoing, pets may be kept or harbored in a Home only so long as such pets or animals do not constitute a nuisance. A determination by the Board that an animal or pet kept or harbored in a Home is a nuisance shall be conclusive and binding on all parties. All pets shall be walked on a leash. No pet shall be permitted outside a Home unless such pet is kept on a leash or within an enclosed portion of the yard of a Home, as approved by the ACC. Electronic fencing shall be permitted upon the written approval of the ACC and the Master ACC. No pet or animal shall be "tied out" on the exterior of the Home or in the Common Areas, or left unattended in a yard or on a balcony, porch, or patio. No dog runs or enclosures shall be permitted on any Home. When notice of removal of any pet is given by the Board, the pet shall be removed within forty-eight (48) hours of the giving of the notice. All pets shall defecate only in the "pet walking" areas within Waterside on Johns Lake Phase 1 designated for such purpose, if provided by Association, or on that Owner's Home. The person walking the pet or the Owner shall clean up all matter created by the pet. Each Owner shall be responsible for the activities of its pet. Notwithstanding anything to the contrary, seeing eye dogs shall not be governed by the restrictions contained in this Section.

13.3 Artificial Vegetation. No artificial grass, plants or other artificial vegetation, or rocks or other landscape devices, shall be placed or maintained upon the exterior portion of any Home or Parcel, unless approved by the ACC and consented to by the Master ACC.

13.4 Cars and Trucks.

13.4.1 Parking. Owners' automobiles shall be parked in the garage or driveway, if provided, and shall not block the sidewalk. No vehicles of any nature shall be parked on any portion of the Common Areas including, without limitation, on the grass, medians, swales, streets, or sidewalks. To the extent Waterside on Johns Lake Phase 1 has any guest parking, Owners may park in such guest parking spaces. No vehicles used in business for the purpose of transporting goods, equipment and the like, or any trucks or vans which are larger than one (1) ton shall be parked in Waterside on Johns Lake Phase 1 except during the period of a delivery. Recreational vehicles, personal street vans, personal trucks of one (1) ton capacity or smaller, and personal vehicles that can be appropriately parked within standard size parking stalls may be parked in Waterside on Johns Lake Phase 1.

13.4.2 Repairs and Maintenance of Vehicles. No vehicle which cannot operate on its own power shall remain on Waterside on Johns Lake Phase 1 for more than twenty-four (24) hours, except in the garage of a Home. No repair or maintenance, except emergency repair, of vehicles shall be made within Waterside on

Johns Lake Phase 1, except in the garage of a Home. No vehicles shall be stored on blocks. No tarpaulin covers on vehicles shall be permitted anywhere within the public view.

13.4.3 Prohibited Vehicles. No commercial vehicle, limousines, boat, trailer including, but not limited to, boat trailers, house trailers, and trailers of every other type, kind or description, or camper, may be kept within Waterside on Johns Lake Phase 1 except in the garage of a Home. Notwithstanding the foregoing, a boat and/or boat trailer may be kept within the fenced yard of a Home so long as the boat and/or boat trailer, when located within a fenced yard, are fully screened from view by such fence. The term commercial vehicle shall not be deemed to include law enforcement vehicles or recreational or utility vehicles (*i.e.*, Broncos™, Blazers™, Explorers™, Navigators™, etc.) or clean “non- working” vehicles such as pick-up trucks, vans, or cars if they are used by the Owner on a daily basis for normal transportation. Notwithstanding any other provision in this Declaration to the contrary, the foregoing provisions shall not apply to construction vehicles in connection with the construction, improvement, installation, or repair by Developer or Builder of Homes, Common Areas, or any other Waterside on Johns Lake Phase 1 facility. No vehicles displaying commercial advertising shall be parked within the public view. No vehicles bearing a “for sale” sign shall be parked within the public view anywhere on Waterside on Johns Lake Phase 1. For any Owner who drives an automobile issued by the County or other governmental entity (*i.e.*, police cars), such automobile shall not be deemed to be a commercial vehicle and may be parked in the garage or driveway of the Home. No vehicle shall be used as a domicile or residence either temporarily or permanently. No vehicles with expired registration or license plates may be kept within public view anywhere within Waterside on Johns Lake Phase 1. The use of powered scooters, ATV’s, ATC’s and/or other similar motorized vehicles shall be prohibited in Waterside on Johns Lake Phase 1. Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained in this Declaration or in the Rules and Regulations now or subsequently adopted may (without obligation) be towed by Association at the sole expense of the owner of such vehicle. Association shall not be liable to the owner of such vehicle for trespass, conversion, or otherwise, nor guilty of any criminal act, by reason of such towing. Notwithstanding the foregoing, each Owner acknowledges that such Owner and its family, guests, tenants, and invitees shall abide by all parking regulations issued by the local governing authority having jurisdiction.

13.4.4 Rules Regarding Boat and Boat Trailer Storage. No boat which is stored in the yard of a Home may extend higher than fourteen (14) feet from the ground. All boat owners shall be responsible for any damage to any Common Areas which in any way results from such owner’s storage of such boat within Waterside on Johns Lake. In addition to the foregoing, any owner desiring to store a boat within Waterside on Johns Lake must provide the Association with proof of insurance for their respective boat(s). Inoperable and/or unseaworthy boats may not be stored or parked in Waterside on Johns Lake. No repairs to any boat(s) may be performed within Waterside on Johns Lake. No boat engines may be run or flushed within Waterside on Johns Lake. Full or partial boat covers which are commercial grade and in good repair (in the Association’s sole and absolute discretion) are permitted on boats within Waterside on Johns Lake. No other boat covers including, but not limited to, tarps or other homemade covers may be used on boats which are stored or parked within Waterside on Johns Lake. All boats which are stored within the yard of a Home must be on a trailer.

13.5 Casualty Destruction to Improvements. In the event that a Home or other improvement is damaged or destroyed by casualty loss or other loss, then within a reasonable period of time after such incident, the Owner thereof shall either commence to rebuild or repair the damaged Home or improvement and diligently continue such rebuilding or repairing until completion, or properly clear the damaged Home or improvement and restore or repair the Home as approved by the ACC and consented to by the Master ACC. As to any such reconstruction of a destroyed Home or improvements, the same shall only be replaced as approved by the ACC and consented to by the Master ACC.

13.6 Commercial Activity. Except for normal construction activity, sale, and re-sale of a Home, sale or re-sale of other property owned by Developer, administrative offices of Developer or Builders, no commercial or business activity shall be conducted in the Common Areas or any Home within Waterside on Johns Lake Phase 1. Notwithstanding the foregoing, and subject to applicable statutes and ordinances, an Owner may maintain a home business office within a Home for such Owner’s personal use; provided, however, business invitees, customers, and clients shall not be permitted to meet with Owners in Homes unless the Board provides otherwise in the Rules and Regulations. No Owner may actively engage in any solicitations for commercial purposes within Waterside on Johns Lake Phase 1. No solicitors of a commercial nature shall be allowed within Waterside on Johns Lake Phase 1,

without the prior written consent of Association. No garage sales are permitted, except as permitted by Association. No day care center or facility may be operated out of a Home. Prior to the Community Completion Date, Association shall not permit any garage sales without the prior written consent of Developer.

13.7 Completion and Sale of Homes or Units. No person or entity shall interfere with the completion and sale of Homes within Waterside on Johns Lake Phase 1. WITHOUT LIMITING THE FOREGOING, EACH OWNER, BY ACCEPTANCE OF A DEED, AGREES THAT ACTIONS OF OWNERS MAY IMPACT THE VALUE OF HOMES; THEREFORE EACH OWNER IS BENEFITED BY THE FOLLOWING RESTRICTION: PICKETING AND POSTING OF NEGATIVE SIGNS OR POSTING OF NEGATIVE WEBSITES ON THE INTERNET, NEGATIVE ADVERTISING, NEGATIVE INFORMATION PROVIDED OR POSTED AT PUBLIC GATHERINGS ARE STRICTLY PROHIBITED IN ORDER TO PRESERVE THE VALUE OF THE HOMES IN Waterside on Johns Lake Phase 1 AND THE RESIDENTIAL ATMOSPHERE THEREOF.

13.8 Control of Contractors. Except for direct services which may be offered to Owners (and then only according to the Rules and Regulations relating thereto as adopted from time to time), no person other than an Association officer or representative of the management company retained by Association shall direct, supervise, or in any manner attempt to assert any control over any contractor of Association.

13.9 Cooking. No cooking shall be permitted nor shall any goods or beverages be consumed on the Common Areas except in areas designated for those purposes by Association. The ACC and Master ACC shall have the right to prohibit or restrict the use of grills or barbeque facilities throughout Waterside on Johns Lake Phase 1.

13.10 Decorations. No decorative objects including, but not limited to, birdbaths, wind chimes, figurines, light fixtures, sculptures, statues, weather vanes, or flagpoles shall be installed or placed within or upon any portion of Waterside on Johns Lake Phase 1 without the prior written approval of the ACC and consent of the Master ACC. Notwithstanding the foregoing, no statues, sculptures or birdbaths of any kind can be installed or placed within the front yard of a Home or visible from the street. Notwithstanding the foregoing, holiday lighting and decorations shall be permitted to be placed upon the exterior portions of the Home and upon the Lot in the manner permitted hereunder commencing on Thanksgiving and shall be removed not later than January 15th of the following year. The ACC may establish standards for holiday lights. The ACC and/or Master ACC may require the removal of any lighting that creates a nuisance (*e.g.*, unacceptable spillover to adjacent Home).

13.11 Disputes as to Use. If there is any dispute as to whether the use of any portion of Waterside on Johns Lake Phase 1 complies with this Declaration, such dispute shall, prior to the Community Completion Date, be decided by Developer, and thereafter by Association. A determination rendered by such party with respect to such dispute shall be final and binding on all persons concerned.

13.12 Drainage System. Drainage systems and drainage facilities may be part of the Common Areas and/or Homes. The maintenance of such systems and/or facilities within the Common Areas shall be the responsibility of the Association. Once drainage systems or drainage facilities are installed by Developer, the maintenance of such systems and/or facilities thereafter within the boundary of a Home shall be the responsibility of the Owner of the Home which includes such system and/or facilities. In the event that such system or facilities (whether comprised of swales, pipes, pumps, waterbody slopes, yard drains or other improvements) is adversely affected by landscaping, fences, structures (including, without limitation, pavers), or additions, the cost to correct, repair, or maintain such drainage system and/or facilities shall be the responsibility of the Owner of each Home containing all or a part of such drainage system and/or facilities. By way of example, and not of limitation, if the Owner of one Home plants a tree (pursuant to ACC approval and Master ACC approval) and the roots of such tree subsequently affect pipes or other drainage facilities within the Common Areas or another Home, the Owner that plants the tree shall be solely responsible for the removal of the roots that adversely affect the adjacent Home. Likewise, if the roots of a tree located within the Common Areas adversely affect an adjacent Home, Association shall be responsible for the removal of the roots and the costs thereof shall be Operating Costs. Notwithstanding the foregoing, Association, Master Association and Developer and Master Developer shall have no responsibility or liability for drainage problems of any type whatsoever.

13.13 Driveway Repair. Each Owner shall be responsible to timely repair, maintain and/or replace the driveway comprising part of a Home including, but not limited to, any damage caused by Developer, Master

Association, Association or by the holder of any easement over which such driveway is constructed. Each Owner, by acceptance of a deed to a Home, shall be deemed to have agreed to indemnify, defend and hold harmless Master Association and/or Association and the holder of any such easement including without limitation, all applicable utility companies and governmental agencies, their agents, servants, employees and elected officials, from and against any and all actions or claims whatsoever arising out of the use of the Common Areas and any easement or the construction and/or maintenance of any driveway in that portion of the Common Areas, easement area, or in a public right-of-way between the boundary of such Owner's Home and the edge of the adjacent paved roadway. Further, each Owner agrees to reimburse Association any expense incurred in repairing any damage to such driveway in the event that such Owner fails to make the required repairs, together with interest at the highest rate allowed by law.

13.14 Extended Vacation and Absences. In the event a Home will be unoccupied for an extended period, the Home must be prepared prior to departure by: (i) notifying Association in writing; (ii) removing all removable furniture, plants and other objects from outside the Home; and (iii) designating a responsible firm or individual to care for the Home, should the Home suffer damage or require attention, and providing a key to that firm or individual. The name of the designee shall be furnished to Association. Neither Association nor Developer shall have any responsibility of any nature relating to any unoccupied Home.

13.15 Fences and Walls. No walls or fences shall be erected or installed without prior written consent of the ACC and Master ACC. No chain link fencing of any kind shall be allowed. All enclosures of balconies or patios, including, without limitation addition of vinyl windows, and decks shall require the prior written approval of the ACC and Master ACC. Fences shall be six (6) feet or less, bronze or black aluminum picket fence and must be approved by the ACC and Master ACC. In the event that any fence is installed on a Lot, gated access to yard drains and/or easement areas shall be required.

13.16 Fuel Storage. No fuel storage shall be permitted within Waterside on Johns Lake Phase 1, except as may be necessary or reasonably used for swimming pools, spas, barbecues, fireplaces, emergency generators or similar devices and as otherwise permitted by this Declaration.

13.17 Garages. Each Home may have its own garage. No garage shall be converted into a general living area. Garage doors shall remain closed at all times except when vehicular or pedestrian access is required.

13.18 Garbage Cans. Trash collection and disposal procedures established by Association shall be observed. If Association ever provides for garbage pick-up, the cost of the same shall be part of the Operating Costs. No outside burning of trash or garbage is permitted. No garbage cans, supplies or other similar articles shall be maintained on any Home so as to be visible from outside the Home or Parcel. Each Owner shall be responsible for properly depositing his or her garbage and trash in garbage cans and trash containers sufficient for pick-up by the appropriate collection agencies in accordance with the requirements of any such agency. All such trash receptacles shall be maintained in a sanitary condition and shall be shielded from the view of adjacent properties and streets. Garbage cans and trash containers shall not be placed outside the Home for pick-up earlier than 6:00 p.m. on the day preceding the pick-up and must be returned to the Homes so that they are not visible from outside the Home on the day of pickup.

13.19 General Use Restrictions. Each Home, the Common Areas and any portion of Waterside on Johns Lake Phase 1 shall not be used in any manner contrary to the Association Documents.

13.20 Hurricane Shutters. Any hurricane shutters or other protective devices visible from outside a Home shall be of a type as approved in writing by the ACC and consented to by the Master ACC. Panel, accordion and roll-up style hurricane shutters may not be left closed during hurricane season (nor at any other time). Any such approved hurricane shutters may be installed or closed up to forty-eight (48) hours prior to the expected arrival of a hurricane and must be removed or opened within seventy-two (72) hours after the end of a hurricane watch or warning or as the Board may determine otherwise. Except as the Board may otherwise decide, shutters may not be closed at any time other than a storm event. An approval by the ACC and/or consent of the Master ACC shall not be deemed an endorsement of the effectiveness of hurricane shutters.

13.21 Irrigation. The water used in the irrigation system is not suitable for drinking or water sports. Children and pets should not play in such water. Due to water quality, irrigation systems may cause staining on Homes, other structures, paved areas, or vehicles. It is each Owner's responsibility to treat and remove any such staining. Association may require from time to time, that Owners adopt systems to prevent stains (e.g., automatic deionization systems). The yard of each Home may be equipped with irrigation lines, depending on the model of the Home. No Owner whose Home adjoins a waterway or lake, if any, may utilize the waterway or lake to irrigate unless so provided by Developer as part of original construction, subject to applicable permitting. Use of lake water, if any, by Owners is prohibited and is at the Owner's sole risk as chemicals are used to control aquatic vegetation in lakes. Association may use waterways and lakes, if any, to irrigate Common Areas, subject to applicable permitting and Developer shall not be liable for same. BY ACCEPTANCE OF A DEED TO A HOME OR PARCEL, EACH OWNER ACKNOWLEDGES THAT THE WATER LEVELS OF ALL LAKES AND WATERBODIES MAY VARY. THERE IS NO GUARANTEE BY DEVELOPER OR ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME. Developer, Master Developer, Master Association and/or Association shall have the right to use one or more pumps to remove water from lakes and/or waterbodies for irrigation purposes at all times, subject to applicable permitting. Developer may utilize a computerized loop system to irrigate the Common Areas and/or Homes. Any computerized loop irrigation system that is not specifically the maintenance obligation of an Owner, shall be the maintenance obligation of Association and shall be deemed part of the Common Areas.

13.22 Laundry. Subject to the provisions of Section 163.04 of the Florida Statutes, to the extent applicable, no rugs, mops or laundry of any kind, or any other similar type article, shall be shaken, hung or exposed so as to be visible outside the Home or Parcel. Clotheslines may be installed in the rear yard of a Home so long as not visible from the front of the Home.

13.23 Lawful Use. No immoral, improper, offensive, unlawful or obnoxious use shall be made in any portion of Waterside on Johns Lake Phase 1. All laws, zoning ordinances and regulations of all governmental entities having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental entities for maintenance, modification or repair of a portion of Waterside on Johns Lake Phase 1 shall be the same as the responsibility for maintenance and repair of the property concerned.

13.24 Leases. Homes may be leased, licensed or occupied only in their entirety and no fraction or portion may be rented. No bed and breakfast facility may be operated out of a Home. Individual rooms of a Home may not be leased on any basis. No transient tenants may be accommodated in a Home. All leases or occupancy agreements shall be in writing and a copy of all leases of Homes shall be provided to Association. All leases shall be on forms approved by Association and shall provide (or if they do not provide, shall be automatically deemed to provide) that Association shall have the unilateral right to terminate the lease upon default by the tenant in observing any of the provisions of the Association Documents or other applicable provisions of any agreement, document or instrument governing Waterside on Johns Lake Phase 1 or administered by Association. Each Owner hereby acknowledges and agrees that any and all leases entered into by such Owner in connection with his or her Home shall be deemed to incorporate by this reference a collateral assignment of rents and leases in favor of Association, which collateral assignment of rents and leases shall provide that in the event such Owner leasing his or her Home is past due in the payment of his or her Assessments, Association shall have the power and authority to take actions including, but not limited to: (i) collecting rents now due or that become due directly from such Owner's tenant(s) (or other party in possession of the Home); and/or (ii) pursuing any and all legal remedies available against such Owner and/or such Owner's tenant(s) including, but not limited to, actions for eviction of such Owner's tenant(s). Owners are responsible for providing their tenants with copies of all such Association Documents or instruments at such Owner's sole cost and expense. Leasing of Homes shall also be subject to the prior written approval of Association, as more particularly explained in Section 25 hereof. No Home may be subject to more than two (2) leases in any twelve (12) month period, regardless of the lease term. No lease term shall be less than one hundred eighty (180) days. No subleasing or assignment of lease rights by the tenant is permitted. In no event shall occupancy of a leased Home (except for temporary occupancy by visiting guests) exceed two (2) persons per bedroom. Each Owner shall be jointly and severally liable with the tenant to Association for all costs incurred by Association for the repair of any damage to Common Areas or to pay any claim for injury or damage to property caused by tenants. Association shall repair any such damage and the cost of such repair shall be invoiced as an Individual Assessment to the Owner. Additionally, as a condition to the approval by Association of a proposed lease of a Home, Association has the authority to require that a security deposit in an amount equivalent to One

Thousand Dollars (\$1,000.00) or one (1) month's rent, whichever is greater, be deposited into an account maintained by Association. The security deposit shall protect against damages to the Common Areas or Association Property. A security deposit held by Association under this Section shall be governed by Chapter 83 of the Florida Statutes, as it may be renumbered from time to time. Association may also charge a reasonable fee of no more than One Hundred (\$100.00) dollars to offset the costs of a background check on tenant. Association and its directors or officers, or any person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any party whatsoever, due to any mistakes in judgment, negligence, or any action or inaction of Association, its officers, or directors, in connection with the approval or disapproval of tenants. Each Owner agrees, individually and on behalf of its prospective tenants, current tenants, heirs, successors and assigns by acquiring title to a Lot, that he or she (or any other of the aforementioned parties) shall not bring any action or suit against Association or its directors or officers, or any of the Association's agents or other parties acting on Association's behalf, in order to recover any damages alleged or caused by the actions of Association, or its officers or directors in connection with the provisions of this Section. All leases shall also comply with and be subject to the provisions of Section 25 hereof. Notwithstanding the foregoing, this Section shall not apply to a situation where an Owner or resident of a Home receives in-home care by a professional caregiver residing within the Home.

13.25 Minor's Use of Common Areas. Each Owner shall be responsible for all actions of minor children dwelling in and/or visiting his or her Home. Developer and Association shall not be responsible for any use of the Common Areas by anyone, including minors.

13.26 Nuisances. No nuisance or any use or practice that is the source of unreasonable annoyance to others or which interferes with the peaceful possession and proper use of Waterside on Johns Lake Phase 1 is permitted. The final determination of what constitutes a nuisance shall be made by the Board in its sole discretion. No firearms shall be discharged within Waterside on Johns Lake Phase 1. Nothing shall be done or kept within the Common Areas, or any other portion of Waterside on Johns Lake Phase 1, including a Home, Lot or Parcel which will increase the rate of insurance to be paid by Association.

13.27 Oil and Mining Operations. No oil, drilling development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or on any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or on any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Lot.

13.28 Paint. Homes shall be repainted by each Owner, at such Owner's sole cost and expense, within forty-five (45) days of notice by the Board. In the event an Owner fails to repaint their Home within the above referenced time frame, Association may, but shall not be obligated to, repaint such Owner's Home and the costs of same shall be charged as an Individual Assessment to the Owner whose Home is repainted.

13.29 Personal Property. All personal property of Owners or other occupants of Homes shall be stored within the Homes. No personal property, except usual patio furniture, may be stored on, nor any use made of, the Common Areas, any Parcel or Home, or any other portion of Waterside on Johns Lake Phase 1, which is unsightly or which interferes with the comfort and convenience of others.

13.30 Pools. No above-ground pools shall be permitted. All in-ground pools, hot tubs, spas and appurtenances installed shall require the prior written approval of the ACC and the consent of the Master ACC. The design must incorporate, at a minimum, the following: (i) the composition of the material must be thoroughly tested and accepted by the industry for such construction; (ii) any swimming pool constructed on any Lot shall have an elevation at the top of the pool of not over two (2) feet above the natural grade unless approved by the ACC and consented to by the Master ACC; (iii) pool cages and screens must be of a design, color and material approved by the ACC and consented to by the Master ACC and shall be no higher than twelve (12) feet unless otherwise approved by the ACC and Master ACC; and (iv) pool screening shall in no event be higher than the roof line of the Home. Pool screening shall not extend beyond the sides of the Home without the express approval of the ACC and consent of the Master ACC. All pools shall be adequately maintained and chlorinated (or cleaned with similar treatment). Unless installed by Developer, no diving boards, slides, or platforms shall be permitted without the approval of the ACC and consent of the Master ACC.

13.31 Removal of Soil and Additional Landscaping. Without the prior consent of the ACC and consent of the Master ACC, no Owner shall remove soil from any portion of Waterside on Johns Lake Phase 1 or change the level of the land within Waterside on Johns Lake Phase 1, or plant landscaping which results in any permanent change in the flow and drainage of surface water within Waterside on Johns Lake Phase 1. Owners may not place additional plants, shrubs, or trees within any portion of Waterside on Johns Lake Phase 1 without the prior approval of the ACC and consent of the Master ACC.

13.32 Roofs, Driveways and Pressure Cleaning. Roofs and/or exterior surfaces and/or pavement, including, but not limited to, walks and drives, shall be pressure cleaned within thirty (30) days of notice by the ACC. No surface applications to driveways shall be permitted without the prior written approval of the ACC and consent of the Master Association as to material, color and pattern. Such applications shall not extend beyond the front Lot line or include the sidewalk. No oil stains, stains or weeds are permitted on driveways or Lots. Each Owner shall be responsible to pressure clean between paintings.

13.33 Satellite Dishes and Antennas. No exterior visible antennas, radio masts, towers, poles, aerials, satellite dishes, or other similar equipment shall be placed on any Home or Lot without the prior written approval thereof being first had and obtained from the ACC and Master ACC as required by this Declaration. The ACC and/or Master ACC may require, among other things, that all such improvements be screened so that they are not visible from adjacent Homes, or from the Common Areas. Each Owner agrees that the location of satellite dishes, antennas, and other equipment under this Section must be first approved by the ACC and consented to by the Master ACC in order to address the welfare of the residents of Waterside on Johns Lake Phase 1 and satellite dishes must be on the fascia board when possible with no exposed wires. No Owner shall operate any equipment or device which will interfere with the radio or television reception of others. All antennas not permitted by the Federal Communications Commission (“**FCC**”) rules are prohibited. Installation, maintenance, and use of all antennas shall comply with restrictions adopted by the Board and shall be governed by the then current rules of the FCC.

13.34 Screened Enclosures. No screened enclosures, for pools or otherwise, shall be permitted without the prior written approval of the ACC and Master ACC.

13.35 Signs and Flags. No sign (including brokerage or for sale/lease signs) flag, banner, sculpture, fountain, outdoor play equipment, solar equipment, artificial vegetation, sports equipment, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, or upon any part of Waterside on Johns Lake Phase 1 that is visible from the outside without the prior written approval thereof being first had and obtained from the ACC and Master ACC as required by this Declaration and the Master Declaration; provided however, signs required by governmental agencies approved by the ACC and Master ACC may be displayed (e.g. permit boards). “For Sale” and “For Rent” signs must be approved by the ACC and consented to by the Master ACC and shall be no larger than 12” x 12”. Notwithstanding the foregoing, no broker, “For Sale” or “For Rent” signs shall be exhibited, displayed, inscribed, painted or affixed in, or upon any part of Waterside on Johns Lake Phase 1 while the Developer holds any Homes for sale in the ordinary course of business. No sign may be placed in the window of a Home. Developer and Builders are exempt from this Section. No in-ground flag poles (except as Developer may use) shall be permitted within Waterside on Johns Lake Phase 1 unless written approval of the ACC and consent of the Master ACC is obtained. Notwithstanding the foregoing, flags which are no larger than 24” x 36” attached to a Home and displayed for the purpose of a holiday, and United States of America flags shall be permitted without ACC approval and the consent of the Master ACC. Notwithstanding the foregoing, no ACC approval is necessary for the installation of an American flag, up to two feet (2’) by four feet (4’) in size, posted on a three foot (3’) pole and attached at a forty five degree (45°) angle from the Home.

13.36 Sports Equipment. No recreational, playground or sports equipment shall be installed or placed within or about any portion of Waterside on Johns Lake Phase 1 without prior written consent of the ACC and consent of the Master ACC. No basketball backboards, skateboard ramps, or play structures will be permitted without written approval by the ACC and consent by the Master ACC. Such approved equipment shall be located at the rear of the Home or on the inside portion of corner Homes within the setback lines. Tree houses or platforms of a similar nature shall not be constructed on any part of a Home. No basketball hoops shall be attached to a Home and any portable basketball hoops must be stored inside the Home. No tennis courts are permitted within Lots.

13.37 Storage. No temporary or permanent utility or storage shed, storage building, tent, or other structure or improvement shall be permitted and no other structure or improvement shall be constructed, erected, altered, modified or maintained without the prior approval of the ACC and approval of the Master ACC, and/or County, which approval shall conform to the requirements of this Declaration. Water softeners, trash containers, propane tanks, and other similar devices shall be properly screened from the street in a manner approved by the ACC and consented to by the Master ACC.

13.38 Subdivision and Regulation of Land. No portion of any Home, Lot or Parcel shall be divided or subdivided or its boundaries changed without the prior written approval of Association. No Owner shall inaugurate or implement any variation from, modification to, or amendment of governmental regulations, land use plans, land development regulations, zoning, or any other development orders or development permits applicable to Waterside on Johns Lake Phase 1, without the prior written approval of Developer, which may be granted or denied in its sole discretion.

13.39 Substances. No flammable, combustible or explosive fuel, fluid, chemical, hazardous waste, or substance shall be kept on any portion of Waterside on Johns Lake Phase 1 or within any Home or Parcel, except those which are required for normal household use. All propane tanks and bottled gas for household and/or pool purposes (excluding barbecue grill tanks) must be installed underground or in a manner to be screened from view by landscaping or other materials approved by the ACC and consented to by the Master ACC.

13.40 Swimming, Fishing, Boating, Docks and Wildlife. The use of all lakes and waterbodies existing or created in Waterside at Johns Lake will be in accordance with rules and regulations adopted from time to time by the Master Association. There will be no construction of any dock or other facility in any lake or waterbody without written approval of the Master ACC and ACC, procured in accordance with standards and requirements (e.g. color, design, and exterior treatment) set by the Master ACC from time to time. No boats (motor or otherwise) shall be allowed on any of the internal lakes without the consent of the Master Association. Notwithstanding the foregoing, a Lakefront Lot Owner shall submit a boat dock application to SJRWMD and City and receive approval thereof prior to clearing, grading, or construction of said dock. The Developer nor the Association makes any representations or warranties with respect a Lakefront Lot Owner's ability to obtain a boat dock permit from SJRWMD and City. The Association has no right to prohibit a Lakefront Lot Owner from constructing a boat dock or boathouse on the Lakefront Lot. Any boat docks constructed on Lakefront Lots shall not inure to the benefit of the Members other than the Lot Owner of the Lakefront Lot whose Lakefront Lot is contiguous with the boat dock.

13.41 Use of Homes. Each Home is restricted to residential use as a residence by the Owner or permitted occupant thereof, its immediate family, guests, tenants and invitees.

13.42 Visibility on Corners. Notwithstanding anything to the contrary in these restrictions, no obstruction to visibility at street intersections shall be permitted and such visibility clearances shall be maintained as required by the ACC, Master ACC and governmental agencies. No vehicles, objects, fences, walls, hedges, shrubs or other planting shall be placed or permitted on a corner Lot where such obstruction would create a traffic problem.

13.43 Water Intrusion. Florida experiences heavy rainfall and humidity on a regular basis. Each Owner is responsible for making sure his or her Home remains watertight including, without limitation, checking caulking around windows and seals on doors. Each Owner acknowledges that running air conditioning machinery with windows and/or doors open in humid conditions can result in condensation, mold and/or water intrusion. Neither Developer nor Association shall have liability under such circumstances for any damage or loss that an Owner may incur.

13.44 Wells. Wells are not permitted unless through the prior written approval of the ACC and Master ACC.

13.45 Wetlands Areas. Waterside on Johns Lake Phase 1 may contain preserves, wetlands, and/or mitigation areas. No Owner or other person shall take any action or enter onto such areas so as to adversely affect the same. Such areas are to be maintained in their natural state.

13.46 Windows or Wall Units. No window or wall air conditioning unit may be installed in any window or wall of a Home.

13.47 Window Treatments. Window treatments shall consist of drapery, blinds, decorative panels, or other window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) weeks after an Owner or tenant first moves into a Home or when permanent window treatments are being cleaned or repaired. No security bars shall be placed on the windows of any Home without prior written approval of the ACC and the consent of the Master ACC. No awnings, canopies or shutters shall be affixed to the exterior of a Home without the prior written approval of the ACC and consent of the Master ACC. No reflective tinting or mirror finishes on windows shall be permitted unless approved by the ACC and consented to by the Master ACC. Window treatments facing the street shall be of a neutral color, such as white, off-white or wood tones.

13.48 Workers. Workers hired by any Owner for any purpose including, without limitation, maintenance, landscaping, and/or housekeeping may not congregate in or about the Common Areas or make any personal use of such Common Areas.

14. Easement for Unintentional and Non-Negligent Encroachments. If any other building or improvement on a Home shall encroach upon another Home by reason of original construction by Developer, then an easement for such encroachment shall exist so long as the encroachment exists. It is contemplated that each Home shall contain an improvement with exterior walls, footings, and other protrusions which may pass over or underneath an adjacent Home. A perpetual nonexclusive easement is herein granted to allow the footers for such walls and such other protrusions and to permit any natural water runoff from roof overhangs, eaves and other protrusions onto an adjacent Home. This provision does not alleviate the need to obtain necessary variances or other approvals from the City for such deviations and encroachments.

15. Requirement to Maintain Insurance.

15.1 Association. Association shall maintain the following insurance coverage:

15.1.1 Flood Insurance. If the Common Areas are located within an area which has special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (“NFIP”), coverage in appropriate amounts, available under NFIP for all buildings and other insurable property within any portion of the Common Areas located within a designated flood hazard area.

15.1.2 Liability Insurance. Commercial general liability insurance coverage providing coverage and limits deemed appropriate. Such policies must provide that they may not be canceled or substantially modified by any party, without at least thirty (30) days’ prior written notice to Developer (until the Community Completion Date), and Association.

15.1.3 Directors and Officers Liability Insurance. Each member of the Board shall be covered by directors and officers liability insurance in such amounts and with such provisions as approved by the Board.

15.1.4 Other Insurance. Such other insurance coverage as appropriate from time to time. All coverage obtained by Association shall cover all activities of Association and all properties maintained by Association, whether or not Association owns title thereto.

15.1.5 Developer. Prior to and including the Turnover Date, Developer shall have the right, at Association’s expense, to provide any such insurance coverage it deems appropriate under its master insurance policy in lieu of any of the foregoing.

15.2 Homes.

15.2.1 Requirement to Maintain Insurance. Each Owner shall be required to obtain and maintain adequate insurance of his or her Home. Such insurance shall be sufficient for necessary repair or

reconstruction work, and related costs or shall cover the costs to demolish a damaged Home as applicable, remove the debris, and to resod and landscape land comprising the Home. Upon the request of Association, each Owner shall be required to supply the Board with evidence of insurance coverage on his Home which complies with the provisions of this Section. Without limiting any other provision of this Declaration or the powers of Association, Association shall specifically have the right to bring an action to require an Owner to comply with his or her obligations hereunder.

15.2.2 Requirement to Reconstruct or Demolish. In the event that any Home is destroyed by fire or other casualty, the Owner of such Home shall do one of the following: the Owner shall commence reconstruction and/or repair of the Home ("**Required Repair**"), or Owner shall tear the Home down, remove all the debris, and resod and landscape the property comprising the Home as required by the ACC ("**Required Demolition**") to the extent permitted under law. If an Owner elects to perform the Required Repair, such work must be commenced within thirty (30) days of the Owner's receipt of the insurance proceeds respecting such Home. If an Owner elects to perform the Required Demolition, the Required Demolition must be completed within six (6) months from the date of the casualty or such longer period of time established by the Board in its sole discretion subject to extension if required by law. If an Owner elects to perform the Required Repair, such reconstruction and/or repair must be completed in a continuous, diligent, and timely manner. Association shall have the right to inspect the progress of all reconstruction and/or repair work. Without limiting any other provision of this Declaration or the powers of Association, Association shall have a right to bring an action against an Owner who fails to comply with the foregoing requirements. By way of example, Association may bring an action against an Owner who fails to either perform the Required Repair or Required Demolition on his or her Home within the time periods and in the manner provided herein. Each Owner acknowledges that the issuance of a building permit or a demolition permit in no way shall be deemed to satisfy the requirements set forth herein, which are independent of, and in addition to, any requirements for completion of work or progress requirements set forth in applicable statutes, zoning codes, and/or building codes.

15.2.3 Standard of Work. The standard for all demolition, reconstruction, and other work performed as required by this Section shall be in accordance with the Community Standards and any other standards established by Association with respect to any casualty that affects all or a portion of Waterside on Johns Lake Phase 1.

15.2.4 Additional Rights of Association. If an Owner refuses or fails, for any reason, to perform the Required Repair or Required Demolition as herein provided, then Association, in its sole discretion, by and through its Board is hereby irrevocably authorized by such Owner to perform the Required Repair or Required Demolition. All Required Repair performed by Association pursuant to this Section shall be in conformance with the original plans and specifications for the Home. Association shall have the absolute right to perform the Required Demolition to a Home pursuant to this Section if any contractor certifies in writing to Association that such Home cannot be rebuilt or repaired. The Board may levy an Individual Assessment against the Owner in whatever amount sufficient to adequately pay for Required Repair or Required Demolition performed by Association.

15.2.5 Rights of City. In the event that any Home is destroyed by fire or other casualty, City or other authorized governmental agency shall have the right, but not the obligation, to enter such Owner's Lot and/or Home for the purpose of inspecting and assessing the damage to such Home. City shall further have the right to enforce any local laws and/or ordinances with regard to the Required Repair or the Required Demolition of the Home.

15.2.6 Association Has No Liability. Notwithstanding anything to the contrary in this Section, Association, its directors and officers, shall not be liable to any Owner should an Owner fail for any reason whatsoever to obtain insurance coverage on a Home. Moreover, Association, its directors and officers, shall not be liable to any person if Association does not enforce the rights given to Association in this Section.

15.3 Fidelity Bonds. If available, a blanket fidelity bond for all officers, directors, trustees and employees of Association, and all other persons handling or responsible for funds of, or administered by, Association. In the event Association delegates some or all of the responsibility for the handling of the funds to a professional management company or licensed manager, such bonds shall be required for its officers, employees and agents, handling or responsible for funds of, or administered on behalf of Association. The amount of the fidelity

bond shall be based upon reasonable business judgment. The fidelity bonds required herein must meet the following requirements (to the extent available at a reasonable premium):

15.3.1 The bonds shall name Association as an obligee.

15.3.2 The bonds shall contain waivers, by the issuers of the bonds, of all defenses based upon the exclusion of persons serving without compensation from the definition of "employee" or similar terms or expressions.

15.3.3 The premiums on the bonds (except for premiums on fidelity bonds maintained by a professional management company, or its officers, employees and agents), shall be paid by Association.

15.3.4 The bonds shall provide that they may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to Developer (until the Community Completion Date), and Association.

15.4 Association as Agent. Association is irrevocably appointed agent for each Owner of any interest relating to the Common Areas to adjust all claims arising under insurance policies purchased by Association and to execute and deliver releases upon the payment of claims.

15.5 Casualty to Common Areas. In the event of damage to the Common Areas, or any portion thereof, Association shall be responsible for reconstruction after casualty. In the event of damage to a Parcel or Home, or any portion thereof, the Owner shall be responsible for reconstruction after casualty.

15.6 Nature of Reconstruction. Any reconstruction of improvements hereunder shall be substantially in accordance with the plans and specifications of the original improvement, or as the improvement was last constructed, subject to modification to conform with the then current governmental regulation(s).

15.7 Additional Insured. Developer and the respective Lender(s) shall be named as additional insured on all policies obtained by Association, as their interests may appear.

15.8 Cost of Insurance. The costs of all insurance maintained by Association hereunder, and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof are Operating Costs. Notwithstanding the foregoing or any other provisions in this Declaration, expenses incurred during the guarantee period which result from a natural disaster or an act of God occurring during such guarantee period, which are not covered by proceeds from insurance maintained by Association (*i.e.*, the costs of any deductible, the costs incurred which are in excess of the Association's coverage, etc.), shall not be Operating Costs (and as such, are not part of the Developer's deficit funding obligation under its guarantee, if any) and may be charged as a Special Assessment against all Owners of record as of the date that the Special Assessment is assessed.

16. Property Rights.

16.1 Owners' Easement of Enjoyment. Every Owner, and its immediate family, tenants, guests and invitees, and every owner of an interest in Waterside on Johns Lake Phase 1 shall have a non-exclusive right and easement of enjoyment in and to those portions of the Common Areas which it is entitled to use for their intended purpose, subject to the following provisions:

16.1.1 Easements, restrictions, reservations, conditions, limitations and declarations of record, now or hereafter existing, and the provisions of this Declaration, as amended.

16.1.2 Rules and Regulations adopted governing use and enjoyment of the Common Areas.

16.1.3 The right of Association to suspend an Owner's rights hereunder or to impose fines in accordance with Section 720.305, Florida Statutes, as amended from time to time.

16.1.4 The right to suspend the right to use all (except vehicular and pedestrian ingress and egress and necessary utilities) or a portion of the Common Areas by an Owner, its immediate family, etc. for any period during which any Assessment against that Owner remains unpaid.

16.1.5 The right of Developer and/or Association to dedicate or transfer all or any part of the Common Areas. No such dedication or transfer shall be effective prior to the Community Completion Date without prior written consent of Developer.

16.1.6 The right of Developer and/or Association to modify the Common Areas as set forth in this Declaration.

16.1.7 The perpetual right of Developer to access and enter the Common Areas at any time, even after the Community Completion Date, for the purposes of inspection and testing of the Common Areas. Association and each Owner shall give Developer unfettered access, ingress and egress to the Common Areas so that Developer and/or its agents can perform all tests and inspections deemed necessary by Developer. Developer shall have the right to make all repairs and replacements deemed necessary by Developer. At no time shall Association and/or an Owner prevent, prohibit and/or interfere with any testing, repair or replacement deemed necessary by Developer relative to any portion of the Common Areas.

16.1.8 The rights of Developer, Master Developer, Master Association and/or Association regarding Waterside on Johns Lake Phase 1 as reserved in this Declaration, including the right to utilize the same and to grant use rights, etc. to others.

16.1.9 An Owner relinquishes use of the Common Areas at any time that a Home is leased to a Lessee.

16.1.10 The right of Association to evict occupants, tenants, guests and invitees as provided in this Declaration.

16.2 Ingress and Egress. An easement for ingress and egress is hereby created for pedestrian traffic over, and through and across sidewalks, paths, walks, driveways, passageways, and lanes as the same, from time to time, may exist upon, or be designed as part of, the Common Areas, and for vehicular traffic over, through and across such portions of the Common Areas as, from time to time, may be paved and intended for such purposes. The foregoing is expressly intended to include an easement in favor of all residents in the Master Community.

16.3 Development Easement. In addition to the rights reserved elsewhere herein, Developer and Master Developer reserve an easement for themselves or their nominees over, upon, across, and under Waterside on Johns Lake Phase 1 as may be required in connection with the development of Waterside on Johns Lake Phase 1, and other lands designated by Developer and/or Master Developer and to promote or otherwise facilitate the development, construction and sale and/or leasing of Homes, any portion of Waterside on Johns Lake Phase 1 and other lands designated by Developer and/or Master Developer. Without limiting the foregoing, Developer and/or Master Developer specifically reserves the right to use all paved roads and rights of way within Waterside on Johns Lake Phase 1 for vehicular and pedestrian ingress and egress to and from construction sites and for the construction and maintenance of any Telecommunications Systems provided by Developer and/or Master Developer. Specifically, each Owner acknowledges that construction vehicles and trucks may use portions of the Common Areas. Developer and/or Master Developer shall have no liability or obligation to repave, restore, or repair any portion of the Common Areas as a result of the use of the same by construction traffic, and all maintenance and repair of such Common Areas shall be deemed ordinary maintenance of Association payable by all Owners as part of Operating Costs. Without limiting the foregoing, at no time shall Developer be obligated to pay any amount to Association on account of Developer and/or Master Developer's use of the Common Areas for construction purposes. Developer and/or Master Developer intends to use the Common Areas for sales of new and used Homes. Further, Developer and/or Master Developer may market other residences and commercial properties located outside of Waterside on Johns Lake Phase 1 from Developer's and/or Master Developer's sales facilities located within Waterside on Johns Lake Phase 1. Developer and Master Developer have the right to use all portions of the Common Areas in connection with its marketing activities including, without limitation, allowing members of the general public to inspect model Homes, installing signs and displays, holding promotional parties and picnics, and

using the Common Areas for every other type of promotional or sales activity that may be employed in the marketing of new and used residential Homes or the leasing of residential apartments. The easements created by this Section, and the rights reserved herein in favor of Developer and Master Developer, shall be construed as broadly as possible and supplement the rights of Developer and Master Developer. At no time shall Developer or Master Developer incur any expense whatsoever in connection with its use and enjoyment of such rights and easements. Without limiting any other provision of this Declaration, Developer and/or Master Developer may non-exclusively assign their rights hereunder to each Builder.

16.4 Public Easements. Fire, police, school transportation, health, sanitation and other public service and utility company personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over and across the Common Areas, and each Owner shall be deemed to have granted to Developer and, thereafter, Association the right to enter into the customary Right of Entry Agreement and Public Safety Ingress/Egress Easement (the "**Right of Entry Agreement**") with the City for traffic enforcement and disaster recovery, and the Association, upon request of the City Manager, shall immediately, and from time to time, enter into said Right of Entry Agreement. In addition, Telecommunications Providers shall also have the right to use all paved roadways for ingress and egress to and from Telecommunications Systems within Waterside on Johns Lake Phase 1.

16.5 Delegation of Use. Every Owner shall be deemed to have delegated its right of enjoyment to the Common Areas to occupants or lessees of that Owner's Home subject to the provisions of this Declaration and the Rules and Regulations, as may be promulgated, from time to time. Any such delegation or lease shall not relieve any Owner from its responsibilities and obligations provided herein.

16.6 Easement for Encroachments. In the event that any improvement upon Common Areas, as originally constructed, shall encroach upon any other property or improvements thereon, or for any reason, then an easement appurtenant to the encroachment shall exist for so long as the encroachment shall naturally exist.

16.7 Permits, Licenses and Easements. Prior to the Community Completion Date, Developer, and thereafter Association shall, in addition to the specific rights reserved to Developer herein, have the right to grant, modify, amend and terminate permits, licenses and easements over, upon, across, under and through Waterside on Johns Lake Phase 1 (including Parcels and/or Homes) for Telecommunications Systems, utilities, swale maintenance, roads and other purposes reasonably necessary or useful as it determines, in its sole discretion. To the extent legally required, each Owner shall be deemed to have granted to Developer and, thereafter, Association an irrevocable power of attorney, coupled with an interest, for the purposes herein expressed.

16.8 Support Easement and Maintenance Easement. An easement is hereby created for the existence and maintenance of supporting structures (and the replacement thereof) in favor of the entity required to maintain the same. An easement is hereby created for maintenance purposes (including access to perform such maintenance) over and across Waterside on Johns Lake Phase 1 (including Lots, Parcels, and Homes) for the reasonable and necessary maintenance of Common Areas, swale trees, utilities, cables, wires and other similar facilities.

16.9 Drainage. A non-exclusive easement shall exist in favor of Developer, Association, Master Association and their designees, and any applicable water management district, state agency, county agency and/or federal agency having jurisdiction over Waterside on Johns Lake Phase 1 over, across and upon Waterside on Johns Lake Phase 1 for drainage, irrigation and water management purposes. A non-exclusive easement for ingress, egress and access exists as shown on the Plat for such parties to enter upon and over any portion of Waterside on Johns Lake Phase 1 (including Homes) in order to construct, maintain, inspect, record data on, monitor, test, or repair, as necessary, any water management areas, conservation areas, mitigation areas, irrigation systems and facilities thereon and appurtenances thereto. No structure, landscaping, or other material shall be placed or be permitted to remain which may damage or interfere with the drainage or irrigation of Waterside on Johns Lake Phase 1 and/or installation or maintenance of utilities or which may obstruct or retard the flow of water through Waterside on Johns Lake Phase 1 and/or water management areas and facilities or otherwise interfere with any drainage, irrigation and/or easement provided for in this Section or the use rights set forth elsewhere in this Declaration.

16.10 Blanket Easement in Favor of Association. Association is hereby granted an easement over all of Waterside on Johns Lake Phase 1, including all Homes and Lots, for the purposes of (a) constructing, maintaining,

replacing and operating all Common Areas, including, but not limited to, lakes, perimeter walls and fences and (b) performing any obligation of an Owner for which Association intends to impose an Individual Assessment.

16.11 No Structural Change. No Owner shall cut a window or any opening in a wall nor shall any Owner make any structural changes in any wall, including, but not limited to, change of exterior paint color, without the express written approval of the ACC and Master ACC.

16.12 Damage by Owner of Adjacent Home. In the event that a wall is damaged by the Owner of an adjacent Home, the Owner of the adjacent Home shall be responsible for repairing such damage in a timely manner and in accordance with the standards established by the ACC. In the absence of specific standards, the repair shall be accomplished as soon as reasonably possible, and at the sole expense of the Owner causing the damage. In the event that an Owner shall fail to make the repairs as required herein, or if Association has the reasonable belief that such repairs will not be made in a timely manner, then Association shall have the right at reasonable times to enter the adjacent Home to effect such repair, and the cost thereof shall be charged to the adjacent Owner as an Individual Assessment.

16.13 Construction Easement. Developer reserves an easement over all Homes for all construction purposes. By way of example, Developer and Developer's construction crews may be required to enter onto a completed Home in order to complete construction of an adjacent Home. This easement shall be construed as broadly as possible.

16.14 Duration. All easements created herein or pursuant to the provisions hereof shall be perpetual unless stated to the contrary.

17. Assessments.

17.1 Types of Assessments. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title in any manner (whether or not so expressed in the deed), including any purchaser at a judicial sale, shall hereafter be deemed to have covenanted and agreed to pay to the Association at the time and in the manner required by the Board, assessments or charges and any special assessments as are fixed, established and collected from time to time by Association (collectively, the "Assessments"). All Owners and Builders shall pay Assessments. Subject to compliance with Section 720.308, Fla. Stat. (2013), so long as Developer deficit funds Association, Developer shall not pay Assessments. Notwithstanding the foregoing, during the time which Developer deficit funds the Association, Developer may exempt Builders from all or a portion of Assessments and may require Builders to pay such portion of the Operating Costs which directly benefits any Lot(s) or Parcel(s) owned by such Builder(s), as determined by Developer, from time to time; provided however, that the portion of Operating Costs to be paid by a Builder shall never exceed such Builder's pro-rata share of Operating Costs based upon the number of Lots and/or Parcels owned by such Builder. If at any time prior to the Turnover Date Developer does not deficit fund the Association, Builders shall be required to pay Assessments on their Lots and/or Parcels (as determined by the Developer, from time to time). From and after the Turnover Date, Builders shall be obligated to pay Assessments on their Homes, Lots and Parcels (as mutually agreed to by the Builder(s) and the Board, from time to time). Builders shall never be obligated to pay Special Assessments, management fees, Reserves and/or amounts due from, but not paid by, Owners. The Statutory rights afforded to Association including, without limitation, the right of Association to file liens, bring actions for foreclosure and/or the right of Association to accelerate the amount of Assessments due upon the non-payment of Assessments or other monetary obligations to the Association, shall also apply to Assessments and/or pro-rata share of the Operating Costs owed by Builders with respect to Homes and/or Lots owned by such Builders. Additionally, all legal fees, late fees, interest and attorneys' fees and costs relating to the collection of Assessments from Builders shall be fully recoverable by Association against Builders.

17.2 Purpose of Assessments. The Assessments levied by Association shall be used for, among other things, the purpose of promoting the recreation, health and welfare of the residents of Waterside on Johns Lake Phase 1, and in particular for the improvement and maintenance of the Common Areas and any easement in favor of Association, including, but not limited to the following categories of Assessments as and when levied and deemed payable by the Board:

17.2.1 Any monthly or quarterly assessment (as determined by the Board) or charge for the purpose of operating Association and accomplishing any and all of its purposes, as determined in accordance herewith including, without limitation, payment of Operating Costs and collection of amounts necessary to pay any deficits from prior years' operation (hereinafter "**Installment Assessments**");

17.2.2 Any special assessments for capital improvements, major repairs, emergencies the repair or replacement of the Common Areas, or nonrecurring expenses (hereinafter "**Special Assessments**");

17.2.3 Any specific fees, dues or charges to be paid by Owners for any special services provided to or for the benefit of an Owner or Home, for any special or personal use of the Common Areas, or to reimburse Association for the expenses incurred in connection with that service or use (hereinafter "**Use Fees**"); and

17.2.4 Assessments of any kind for the creation of reasonable reserves for any of the aforesaid purposes. At such time as there are improvements in any Common Areas for which Association has a responsibility to maintain, repair, and replace, the Board may, but shall have no obligation to, include a "Reserve for Replacement" in the Installment Assessments in order to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements comprising a portion of the Common Area (hereinafter "**Reserves**"). Assessments pursuant to this Section shall be payable in such manner and at such times as determined by Association, and may be payable in installments extending beyond the fiscal year in which the Reserves are approved. Until the Community Completion Date, Reserves shall be subject to the prior written approval of Developer, which may be withheld for any reason.

17.2.5 Assessments for which one or more Owners (but less than all Owners) within Waterside on Johns Lake Phase 1 is subject ("**Individual Assessments**") such as costs of special services provided to a Home or Owner or cost relating to enforcement of the provisions of this Declaration or the architectural provisions hereof as it relates to a particular Owner or Home. By way of example, and not of limitation, all of the Owners within a Plat may be subject to Individual Assessments for maintenance, repair and/or replacement of facilities serving only the residents of such Plat. Further, in the event an Owner fails to maintain the exterior of his Home (other than those portions of a Home maintained by Association) in a manner satisfactory to Association, Association shall have the right, through its agents and employees, to enter upon the Home and to repair, restore, and maintain the Home as required by this Declaration. The cost thereof, plus the reasonable administrative expenses of Association, shall be an Individual Assessment. The lien for an Individual Assessment may be foreclosed in the same manner as any other Assessment. As a further example, if one or more Owners receive optional Telecommunications Services such as Toll Calls, Cable Services and/or Data Transmission Services, and Association pays a Telecommunications Provider for such services, then the cost of such services shall be an Individual Assessment as to each Owner receiving such services. Further, in the event that Association decides it is in the best interest of Waterside on Johns Lake Phase 1 that Association perform any other obligation of an Owner under this Declaration, the cost of performing such obligation shall be an Individual Assessment. The lien for an Individual Assessment may be foreclosed in the same manner as any other Assessment.

17.3 **Designation.** The designation of Assessment type shall be made by Association. Prior to the Community Completion Date, any such designation must be approved by Developer. Such designation may be made on the budget prepared by Association. The designation shall be binding upon all Owners.

17.4 **Allocation of Operating Costs.**

17.4.1 For the period until the adoption of the first annual budget, the allocation of Operating Costs shall be as set forth in the initial budget prepared by Developer.

17.4.2 Commencing on the first day of the period covered by the annual budget, and until the adoption of the next annual budget, the Installment Assessments shall be allocated so that each Owner shall pay his pro rata portion of Installment Assessments, Special Assessments, and Reserves based upon a fraction, the numerator of which is one (1) and the denominator of which is the total number of Homes in Waterside on Johns Lake Phase 1 conveyed to Owners or any greater number determined by Developer from time to time. Developer, in its sole discretion may change such denominator from time to time. Under no circumstances will the denominator be less than the number of Homes owned by Owners other than Developer.

17.4.3 In the event the Operating Costs as estimated in the budget for a particular fiscal year are, after the actual Operating Costs for that period is known, less than the actual costs, then the difference shall, at the election of Association: (i) be added to the calculation of Installment Assessments, as applicable, for the next ensuing fiscal year; or (ii) be immediately collected from the Owners as a Special Assessment. Association shall have the unequivocal right to specially assess Owners retroactively on January 1st of any year for any shortfall in Installment Assessments, which Special Assessment shall relate back to the date that the Installment Assessments could have been made. No vote of the Owners shall be required for such Special Assessment (or for any other Assessment) except to the extent specifically provided herein.

17.4.4 Each Owner agrees that so long as it does not pay more than the required amount it shall have no grounds upon which to object to either the method of payment or non-payment by other Owners of any sums due.

17.5 General Assessments Allocation. Except as hereinafter specified to the contrary, Installment Assessments, Special Assessments and Reserves shall be allocated equally to each Owner.

17.6 Use Fees and Individual Assessment. Except as hereinafter specified to the contrary, Use Fees and Individual Assessments shall be made against the Owners benefiting from, or subject to the special service or cost as specified by Association.

17.7 Commencement of First Assessment. Assessments shall commence as to each Owner on the day of the conveyance of title of a Lot or Home to an Owner. The applicable portion of Assessments shall commence as to each Builder on the day of the conveyance of title of a Lot to the Builder.

17.8 Deficit Funding, Shortfalls and Surpluses. Each Owner acknowledges that because Installment Assessments, Special Assessments, and Reserves are allocated based on the formula provided herein, the total number of Homes to be included in Waterside on Johns Lake Phase 1, or upon the number of Homes conveyed to Owners on or prior to September 30 of the prior fiscal year (as determined in Developer's discretion), it is possible that Association may collect more or less than the amount budgeted for Operating Costs. At any time (and from time to time) prior to and including the Turnover Date, Developer shall have the option ("Developer's Option") to either (i) fund all or any portion of the shortfall in Installment Assessments not raised by virtue of all Installment Assessments due from Owners and other income produced by Association pursuant to Section 17.8.1 of the Declaration or (ii) to pay Installment Assessments on Homes or Lots owned by Developer. In the event that Developer elects to fund all or a portion of the shortfall in Installment Assessments, as stated above, Developer shall have no obligation to fund bad debt expenses relating to the payment of Assessments including, without limitation, estimates for bad debt allowance and actual write-offs of Owner balances. If Developer has cumulatively overfunded Operating Costs and/or prepaid expenses of Association including, but not limited to, loaning Association uncollected Assessments due from Owners which are not timely paid, Association shall refund such amounts to Developer immediately upon such prepaid or loaned amounts being received by Association (through legal collection efforts or otherwise), but in no event later than the Turnover Date or as soon as possible thereafter (e.g. once the amount is finally determined), or, in Developer's sole and absolute discretion, pursuant to terms and conditions (e.g., payment plan) approved by Developer. Developer shall never be required to (i) pay Installment Assessments if Developer has elected to fund the deficit instead of paying Installment Assessments on Homes or Lots owned by Developer, (ii) pay Special Assessments, management fees or Reserves, or (iii) pay amounts due from, but not paid by, Owners, as referenced above. Any surplus Assessments collected by Association may be (i) allocated towards the next year's Operating Costs, (ii) used to fund Reserves, whether or not budgeted, (iii) retained by Association, and/or (iv) used for any other purpose, in Association's sole and absolute discretion, to the creation of Reserves, whether or not budgeted. Under no circumstances shall Association be required to pay surplus Assessments to Owners.

17.8.1 Without limiting Developer's Option under Section 17.8 of the Declaration, Developer shall be excused from the payment of the share of the Installment Assessments relating to Homes it is offering for sale, for a period beginning with the recording of this Declaration and ending the earlier of the Turnover Date or December 31 of the year in which the Declaration is recorded (the "Guarantee Expiration Date"), provided that the Installment Assessments for Operating Costs equally imposed on each Owner other than Developer shall not increase during such period over \$1,000.00 and provided further that Developer shall be obligated to pay any

amount of Operating Costs actually incurred during such period and not produced by the Installment Assessments at the guaranteed level receivable from Owners. The period that Developer is excused from the payment of the share of Installment Assessments relating to Homes it is offering for sale may be unilaterally extended by Developer for one or more successive periods of three months each.

17.8.2 If an audit of the Association's financial records, performed for the period which includes the Guarantee Expiration Date (including any extensions thereof), reveals that Developer has funded a greater amount (e.g. including, without limitation, pre-paid amounts, deposits for utilities, Developer's funding of delinquent Installment Assessments, or portion thereof, not paid by Owners, etc.) than required under this Section, then any such excess shall be promptly refunded to the Developer by Association.

17.8.3 If Developer elects to loan funds to Association for any purpose including, but not limited to, covering uncollected Assessments due from Owners which are not timely paid, Developer may, but shall have no obligation to, require the Association to sign a promissory note. Notwithstanding the foregoing, irrespective of whether a promissory note exists with respect to any loan to Association by Developer, Association shall be liable to Developer for all amounts loaned.

17.9 Budgets. The initial budget prepared by Developer is adopted as the budget for the period of operation until adoption of the first annual Association budget. Thereafter, annual budgets shall be prepared and adopted by Association. To the extent Association has commenced or will commence operations prior to the date this Declaration is recorded or the first Home is closed, the Operating Costs may vary in one or more respects from that set forth in the initial budget. A Builder shall pay Assessments and/or its share of Operating Costs as per the budget for each Lot owned by such Builder commencing from the date the Builder obtained title to such Lot. Developer shall fund entirely all Operating Costs not covered by Builder payments until the month prior to the closing of the first Home. Thereafter, Assessments shall be payable by each Owner and Builder as provided in this Declaration. THE INITIAL BUDGET OF ASSOCIATION IS PROJECTED (NOT BASED ON HISTORICAL OPERATING FIGURES). THEREFORE, IT IS POSSIBLE THAT ACTUAL ASSESSMENTS MAY BE LESSER OR GREATER THAN PROJECTED.

17.10 Establishment of Assessments. Assessments shall be established in accordance with the following procedures:

17.10.1 Installment Assessments shall be established by the adoption of a twelve (12) month operating budget by the Board. The budget shall be in the form required by Section 720.303(6) of the Florida Statutes, as amended from time to time. Written notice of the amount and date of commencement thereof shall be given to each Owner not less than ten (10) days in advance of the due date of the first installment thereof. Notwithstanding the foregoing, the budget may cover a period of less than twelve (12) months if the first budget is adopted mid-year or in order to change the fiscal year of Association.

17.10.2 Special Assessments and Individual Assessments against the Owners may be established by Association, from time to time, and shall be payable at such time or time(s) as determined. Until the Community Completion Date, no Special Assessment shall be imposed without the consent of Developer.

17.10.3 Association may establish Use Fees, from time to time, by resolution, rule or regulation, or by delegation to an officer or agent, including, a professional management company. The sums established shall be payable by the Owner utilizing the service or facility as determined by Association.

17.11 Initial Contribution. The first purchaser of each Lot, Home or Parcel, at the time of closing of the conveyance from Developer (or other party as directed by Developer from time to time) to the purchaser, shall pay to Association an initial contribution in an amount of up to three (3) months Assessments (the "**Initial Contribution**"), as determined by Developer in its sole and absolute discretion. The funds derived from the Initial Contributions shall be used at the discretion of Association for any purpose, including but not limited to, operating expenses, support costs and start-up costs. Developer may waive this requirement for some Lots, Homes and/or Parcels, if the first purchaser is a subsequent Developer and/or Builder, and the Builder and/or subsequent Developer become unconditionally obligated to collect and pay the Initial Contribution upon the subsequent sale of each Lot, Home or Parcel to an end purchaser.

17.12 Resale Contribution. Association may establish a resale contribution (“**Resale Contribution**”). There shall be collected upon every conveyance of ownership interest in a Home or Lot by an Owner other than Developer or Builders an amount payable to Association. The Resale Contribution shall not be applicable to conveyances from Developer or Builder. After the Home has been conveyed by Developer or a Builder there shall be a recurring assessment payable to Association upon all succeeding conveyances of a Home. The amount of Resale Contribution and the manner of payment shall be determined by resolution of the Board from time to time; provided, however, all Homes shall be assessed a uniform amount.

17.13 Assessment Estoppel Certificates. No Owner shall sell or convey its interest in a Home unless all sums due Association have been paid in full and an estoppel certificate in recordable form shall have been received by such Owner. Association shall prepare and maintain a ledger noting Assessments due from each Owner. The ledger shall be kept in the office of Association, or its designees, and shall be open to inspection by any Owner. Within ten (10) days of a written request therefor, there shall be furnished to an Owner an estoppel certificate in writing setting forth whether the Assessments have been paid and/or the amount which is due as of any date. As to parties other than Owners who, without knowledge of error, rely on the certificate, the certificate shall be conclusive evidence of the amount of any Assessment therein stated. The Owner requesting the estoppel certificate shall be required to pay Association a reasonable sum to cover the costs of examining records and preparing such estoppel certificate. Each Owner waives its rights (if any) to an accounting related to Operating Costs or Assessments.

17.14 Payment of Home Real Estate Taxes. Each Owner shall pay all taxes and obligations relating to its Home which, if not paid, could become a lien against the Home which is superior to the lien for Assessments created by this Declaration.

17.15 Creation of the Lien and Personal Obligation. Each Owner, by acceptance of a deed or instrument of conveyance for the acquisition of title to a Home, shall be deemed to have covenanted and agreed that the Assessments, and/or other charges and fees set forth herein, together with interest, late fees, costs and reasonable attorneys’ fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, shall be a charge and continuing lien in favor of Association encumbering the Home and all personal property located thereon owned by the Owner against whom each such Assessment is made. The lien is effective from and after recording a claim of lien in the Public Records stating the legal description of the Home, name of the Owner, and the amounts due as of that date, but shall relate back to the date that the Original Declaration of Covenants was recorded. The claim of lien shall also cover any additional amounts which accrue thereafter until satisfied. Each Assessment, together with interest, late fees, costs and reasonable attorneys’ fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, and other costs and expenses provided for herein, shall be the personal obligation of the person who was the Owner of the Home at the time when the Assessment became due, as well as the Owner’s heirs, devisees, personal representatives, successors or assigns.

17.16 Subordination of Lien to Mortgages. The lien for Assessments shall be a lien superior to all other liens save and except tax liens, and, except as set forth in this Section, mortgage liens, provided such mortgage liens are first liens against the property encumbered thereby, subject only to tax liens, and secure indebtedness which is amortized in monthly or quarter-annual payments over a period of not less than ten (10) years. An acquirer of title to a Home, whether by foreclosure, deed in lieu of foreclosure, or otherwise, shall be liable for all unpaid Assessments, interest, late fees and reasonable attorney’s fees and costs incurred by Association in the collection of unpaid amounts that became due prior to such acquirer’s acquisition. Notwithstanding the foregoing, with respect to a Lender or its successor or assignees who acquire title to a Home by foreclosure or by deed in lieu of foreclosure, such Lender’s liability respecting the unpaid Assessments (but not late fees, interest or reasonable attorney’s fees or costs incurred by Association in the collection of unpaid amounts) that became due prior to the Lender’s acquisition of title shall be limited to the lesser of: (i) the Home’s unpaid Assessments which accrued or came due during the twelve (12) months immediately preceding the acquisition of title and for which payment in full has not yet been received by Association; or (ii) one percent (1%) of the original mortgage debt. The limitations on Lender liability provided in this Section apply only if the Lender filed suit against the Owner and initially (and not through amendment or re-foreclosure) joined Association as a defendant in the Lender’s foreclosure action when such action was first filed with a court. Joinder of Association is not required if, on the date the complaint is filed, Association was dissolved or did not maintain an office or agent for service of process at a location that was known to or reasonably discoverable by the Lender. In addition to the foregoing, any acquirer of title to a Home including, without limitation, a Lender or other third party, shall be liable for all late fees and interest charged against the

former Owner of the Home and all reasonable attorney's fees and costs incurred by Association in collection efforts against the former Owner of the Home. Unless specifically provided otherwise by Association in writing from time to time and in its sole and absolute discretion, late fees, interest and reasonable attorney's fees and costs shall not be considered Assessments as that term is used in this Section. The Lender or its successor or assignees acquiring title to a Home shall pay all of the foregoing amounts owed including, but not limited to, Assessments (as the same may be limited above), late fees, interest, attorneys fees and costs owed to Association within thirty (30) days after transfer of title. Failure to pay the full amount due when due shall entitle Association to record a claim of lien against the Home and proceed in the same manner as provided in this Declaration for the collection of unpaid Assessments and other amounts. The provisions of this Section shall not be available to shield a Lender from liability for Assessments and other amounts in any case where the unpaid Assessments and other amounts sought to be recovered by Association are secured by a lien recorded prior to the recording of the mortgage. Additionally, in order to be afforded the limitations of liability for Lenders included in this Section, a Lender must give written notice to Association if the mortgage held by such Lender is in default. Association shall have the right, but not the obligation, to cure such default within the time periods applicable to Owner. In the event Association makes such payment on behalf of an Owner, Association shall, in addition to all other rights reserved herein, be subrogated to all of the rights of Lender. All amounts advanced on behalf of an Owner pursuant to this Section shall be added to the Assessments payable by such Owner with appropriate interest. Any unpaid Assessments for which an acquirer of title is not liable (*i.e.*, where a Lender takes title to a Home, any past due Assessment amounts which exceed the lesser of 12 months of Assessments or one percent (1%) of the original mortgage debt) may be reallocated and assessed to all Owners (including such acquirer of title) as part of Operating Costs included within Assessments. Any sale or transfer pursuant to a foreclosure (or by deed in lieu of foreclosure or otherwise) shall not relieve the acquiring party from liability for, nor the Home from the lien of any Assessments made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent Assessments from the payment thereof, or the enforcement of collection by means other than a foreclosure.

17.17 Survival of the Association's Lien. To the extent that the Association forecloses upon its lien, as permitted by Florida law and the Association Documents, and becomes the owner of record title to a Home or Lot, the Association's lien shall survive foreclosure, and all amounts due in connection with the Association's foreclosure including, but not limited to, past due Assessments, late fees, interest, attorneys fees and costs shall be the joint and several liability of the Owner that was foreclosed by the Association and the Owner that takes title to the Home or Lot after the Association, and the Association shall have no liability for the same.

17.18 Acceleration. In the event of a default in the payment of any Assessment, Association may accelerate the Assessments then due for up to the next ensuing twelve (12) month period.

17.19 Non-Payment of Assessments. If any Assessment is not paid within fifteen (15) days (or such other period of time established by the Board) after the due date, a late fee of \$25.00 per month (or such greater amount established by the Board), together with interest in an amount equal to the maximum rate allowable by law (or such lesser rate established by the Board), per annum, beginning from the due date until paid in full, may be levied. The late fee shall compensate Association for administrative costs, loss of use of money, and accounting expenses. Association may, at any time thereafter, bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Home, or both. Association shall not be required to bring such an action if it believes that the best interests of Association would not be served by doing so. To the extent permitted by Florida law, the lien granted to Association may be established and foreclosed in the Circuit Court in and for the County, and in any suit for the foreclosure of such lien, Association shall be entitled to seek an order of court that it is entitled to (i) collect a reasonable rent from the Owner, if the Owner remains in possession of a Home after a judgment of foreclosure is entered and (ii) obtain the appointment of a receiver for such Home to collect the rent if the Home is leased or rented during the pendency of the foreclosure action. There shall be added to the Assessment all costs expended in preserving the priority of the lien and all costs and expenses of collection, including attorneys' fees, pre-trial and at all levels of proceedings, including appeals, collection and bankruptcy. No Owner may waive or otherwise escape liability for Assessments provided for herein by non-use of, or the waiver of the right to use the Common Areas by abandonment of a Home.

17.20 Exemption. Developer, at Developer's sole option, may pay Assessments on Homes owned by it, or fund the deficit, if any, as set forth in Section 17.8 herein. In addition, the Board shall have the right to exempt any portion of Waterside on Johns Lake Phase 1 subject to this Declaration from the Assessments, provided that

such part of Waterside on Johns Lake Phase 1 exempted is used (and as long as it is used) for any of the following purposes:

17.20.1 Any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use;

17.20.2 Any real property interest held by a Telecommunications Provider;

17.20.3 Any Association Common Areas or property (other than a Home);

Any Master Association Common Areas; and

17.20.4 Any of Waterside on Johns Lake Phase 1 exempted from ad valorem taxation by the laws of the State of Florida or exempted from Assessments by other provisions of this Declaration.

17.21 Collection by Developer. If for any reason Association shall fail or be unable to levy or collect Assessments, then in that event, Developer shall at all times have the right, but not the obligation: (i) to advance such sums as a loan to Association to bear interest and to be repaid as hereinafter set forth; and/or (ii) to levy and collect such Assessments by using the remedies available as set forth above, which remedies; including, but not limited to, recovery of attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, shall be deemed assigned to Developer for such purposes. If Developer advances sums, it shall be entitled to immediate reimbursement, on demand, from Association for such amounts so paid, plus interest thereon at the Wall Street Journal Prime Rate plus two percent (2%), plus any costs of collection including, but not limited to, reasonable attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals.

17.22 Rights to Pay Assessments and Receive Reimbursement. Association, Developer, and any Lender of a Home shall have the right, but not the obligation, jointly and severally, and at their sole option, to pay any Assessments or other charges which are in default and which may or have become a lien or charge against any Home. If so paid, the party paying the same shall be subrogated to the enforcement rights of Association with regard to the amounts due.

17.23 Mortgagee Right. Each Lender may request in writing that Association notify such Lender of any default of the Owner of the Home subject to the Lender's mortgage under the Association Documents which default is not cured within thirty (30) days after Association learns of such default. A failure by Association to furnish notice to any Lender shall not result in liability of Association because such notice is given as a courtesy to a Lender and the furnishing of such notice is not an obligation of Association to Lender.

17.24 Collection of Assessments. Installment Assessments shall be paid by each Owner directly to Association. Any collection proceedings for an Owner's failure to pay Assessments shall be the sole responsibility of Association. Each Owner shall be responsible to pay all Assessments to Association on time and in full.

17.25 Collection of Master Assessments. All Assessments due to Master Association ("**Master Assessments**") shall be paid by each Owner directly to Association along with any Assessments then due to Association. Association shall on a monthly basis remit a lump sum payment to Master Association in the full amount of all Master Assessments. Any collection proceedings for an Owner's failure to pay Master Assessments shall be the sole responsibility of Association. Association shall be responsible to pay all Master Assessments to Master Association on time and in full regardless of whether such Association receives such full amount of Master Assessments from its Owners.

18. Information to Lenders and Owners.

18.1 Availability. There shall be available for inspection upon request, during normal business hours or under other reasonable circumstances, to Owners and Lenders current copies of the Association Documents.

18.2 Copying. Any Owner and/or Lender shall be entitled, upon written request, and at its cost, to a copy of the documents referred to above.

18.3 Notice. Upon written request by a Lender (identifying the name and address of the Lender and the name and address of the applicable Owner), the Lender will be entitled to timely written notice of:

18.3.1 Any condemnation loss or casualty loss which affects a material portion of a Home to the extent Association is notified of the same;

18.3.2 Any delinquency in the payment of Assessments owed by an Owner of a Home subject to a first mortgage held by the Lender, which remains uncured for a period of sixty (60) days;

18.3.3 Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained hereunder;

18.3.4 Any proposed action (if any) which would require the consent of a specific mortgage holder.

19. Architectural Control. In addition to the architectural control provisions in the Master Declaration, the following provisions govern Waterside on Johns Lake Phase 1:

19.1 Architectural Control Committee. The ACC shall be a permanent committee of Association and shall administer and perform the architectural and landscape review and control functions relating to Waterside on Johns Lake Phase 1. The ACC shall consist of a minimum of three (3) members who shall initially be named by Developer and who shall hold office at the pleasure of Developer. The ACC shall have the right to form subcommittees consisting of representatives from the Association or otherwise. The ACC shall oversee such subcommittees and shall take precedence over any decision made by such subcommittees. Until the Community Completion Date, Developer shall have the right to change the number of members on the ACC, and to appoint, remove, and replace all members of the ACC. Developer shall determine which members of the ACC shall serve as its chairman and co-chairman. In the event of the failure, refusal, or inability to act of any of the members appointed by Developer, Developer shall have the right to replace any member within thirty (30) days of such occurrence. If Developer fails to replace that member, the remaining members of the ACC shall fill the vacancy by appointment. From and after the Community Completion Date, the Board shall have the same rights as Developer with respect to the ACC. The ACC shall enforce the Master Community Standards.

19.2 Membership. There is no requirement that any member of the ACC be an Owner or a member of Association.

19.3 General Plan. It is the intent of this Declaration to create a general plan and scheme of development of Waterside on Johns Lake Phase 1. Accordingly, the ACC shall have the right to approve or disapprove all architectural, landscaping, and improvements within Waterside on Johns Lake Phase 1 by Owners and Builders other than Developer. The ACC shall have the right to evaluate all plans and specifications as to harmony of exterior design, landscaping, location of any proposed improvements, relationship to surrounding structures, topography and conformity with such other reasonable requirements as shall be adopted by the ACC. The ACC may impose standards for construction and development which may be greater or more stringent than standards prescribed in applicable building, zoning, or other local governmental codes. Prior to the Community Completion Date, any additional standards or modification of existing standards shall require the consent of Developer, which may be granted or denied in its sole discretion.

19.4 Master Plan. Developer has established an overall Master Plan. However, notwithstanding the above, or any other document, brochures or plans, Developer reserves the right to modify the Master Plan and/or any site plan for Waterside on Johns Lake Phase 1 at any time as it deems desirable in its sole discretion and in accordance with applicable laws and ordinances. WITHOUT LIMITING THE FOREGOING, DEVELOPER AND/OR BUILDERS MAY PRESENT TO THE PUBLIC OR TO OWNERS RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS RESPECTING

Waterside on Johns Lake Phase 1. SUCH RENDERINGS, PLANS, MODELS, GRAPHICS, TOPOGRAPHICAL TABLES, SALES BROCHURES, OR OTHER PAPERS ARE NOT A GUARANTEE OF HOW Waterside on Johns Lake Phase 1 WILL APPEAR UPON COMPLETION AND DEVELOPER RESERVES THE RIGHT TO CHANGE ANY AND ALL OF THE FOREGOING AT ANY TIME AS DEVELOPER DEEMS NECESSARY IN ITS SOLE AND ABSOLUTE DISCRETION.

19.5 Community Standards. Each Builder, Owner and their respective contractors and employees shall observe, and comply with, the Community Standards which now or may hereafter be promulgated by the ACC and approved by the Board from time to time. The Community Standards shall be effective from the date of adoption; shall be specifically enforceable by injunction or otherwise; and shall have the effect of covenants as if set forth herein verbatim. The Community Standards shall not require any Owner to alter the improvements previously constructed by Developer. Until the Community Completion Date, Developer shall have the right to approve the Community Standards, which approval, may be granted in its sole discretion.

19.6 Quorum. A majority of the ACC shall constitute a quorum to transact business at any meeting. The action of a majority present at a meeting at which a quorum is present shall constitute the action of the ACC. In lieu of a meeting, the ACC may act in writing.

19.7 Power and Duties of the ACC. No improvements shall be constructed on a Parcel, no exterior of a Home shall be repainted, no landscaping, sign, or improvements erected, removed, planted, or maintained on a Parcel, nor shall any material addition to or any change, replacement, or alteration of the improvements as originally constructed by Developer (visible from the exterior of the Home) be made until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme, and the location of same shall have been submitted to and approved in writing by the ACC.

19.8 Procedure. In order to obtain the consent of the ACC, each Owner and/or Builder shall observe the following:

19.8.1 Each applicant shall submit an application to the ACC with respect to any proposed improvement or material change in an improvement, together with the required application(s) and other fee(s) as established by the ACC. The applications shall include such information as may be required by the application form adopted by the ACC. The ACC may also require submission of samples of building materials and colors proposed to be used. At the time of such submissions, the applicant shall, if requested, submit to the ACC, such site plans, plans and specifications for the proposed improvement, prepared and stamped by a registered Florida architect or residential designer, and landscaping and irrigation plans, prepared by a registered landscape architect or designer showing all existing trees and major vegetation stands and surface water drainage plan showing existing and proposed design grades, contours relating to the predetermined ground floor finish elevation, pool plans and specifications and the times scheduled for completion, all as reasonably specified by the ACC.

19.8.2 In the event the information submitted to the ACC is, in the ACC's opinion, incomplete or insufficient in any manner, the ACC may request and require the submission of additional or supplemental information. The Owner shall, within fifteen (15) days thereafter, comply with the request.

19.8.3 No later than thirty (30) days after receipt of all information required by the ACC for final review, the ACC shall approve or deny the application in writing. The ACC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in the ACC's sole discretion, for aesthetic or any other reasons or to impose qualifications and conditions thereon. In approving or disapproving such plans and specifications, the ACC shall consider the suitability of the proposed improvements, the materials of which the improvements are to be built, the site upon which the improvements are proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring property. In the event the ACC fails to respond within such thirty (30) day period, the plans and specifications shall be deemed disapproved by the ACC.

19.8.4 In the event that the ACC disapproves any plans and specifications, the applicant may request a rehearing by the ACC for additional review of the disapproved plans and specifications. The meeting shall take place no later than thirty (30) days after written request for such meeting is received by the ACC, unless applicant waives this time requirement in writing. The ACC shall make a final written decision no later than thirty

(30) days after such meeting. In the event the ACC fails to provide such written decision within such thirty (30) days, the plans and specifications shall be deemed disapproved.

19.8.5 Upon final disapproval (even if the members of the Master ACC and ACC are the same), the applicant may appeal the decision of the ACC to the Board within thirty (30) days of the ACC's written review and disapproval. Review by the Board shall take place no later than thirty (30) days subsequent to the receipt by the Board of the Owner's request therefor. If the Board fails to hold such a meeting within thirty (30) days after receipt of request for such meeting, then the plans and specifications shall be deemed approved. The Board shall make a final decision no later than sixty (60) days after such meeting. In the event the Board fails to provide such written decision within such sixty (60) days after such meeting, such plans and specifications shall be deemed approved. The decision of the ACC, or if appealed, the Board, shall be final and binding upon the applicant, its heirs, legal representatives, successors and assigns.

19.8.6 Construction of all improvements shall be completed within the time period set forth in the application approved by such the ACC.

19.9 Alterations. Any and all alterations, deletions, additions and changes of any type or nature whatsoever to then existing improvements or the plans or specifications previously approved by the ACC shall be subject to the approval of the ACC in the same manner as required for approval of original plans and specifications.

19.10 Variances. Association or ACC shall have the power to grant variances from any requirements set forth in this Declaration or from the Community Standards, on a case by case basis, provided that the variance sought is reasonable and results from a hardship upon the applicant. The granting of a variance shall not nullify or otherwise affect the right to require strict compliance with the requirements set forth herein or in the Community Standards on any other occasion.

19.11 Permits. The Owner and/or Builder is solely responsible to obtain all required building and other permits from all governmental authorities having jurisdiction.

19.12 Construction by Owners. The following provisions govern construction activities by Builders and Owners after consent of the ACC has been obtained:

19.12.1 Each Builder or Owner shall deliver to the ACC, if requested, copies of all construction and building permits as and when received by the Builder or Owner. Each construction site in Waterside on Johns Lake Phase 1 shall be maintained in a neat and orderly condition throughout construction. Construction activities shall be performed on a diligent, workmanlike and continuous basis. Roadways, easements, swales, Common Areas and other such areas in Waterside on Johns Lake Phase 1 shall be kept clear of construction vehicles, construction materials and debris at all times. No construction office or trailer shall be kept in Waterside on Johns Lake Phase 1 and no construction materials shall be stored in Waterside on Johns Lake Phase 1 subject, however, to such conditions and requirements as may be promulgated by the ACC. All refuse and debris shall be removed or deposited in a dumpster on a daily basis. No materials shall be deposited or permitted to be deposited in any canal or waterway or Common Areas or other Homes in Waterside on Johns Lake Phase 1 or be placed anywhere outside of the Home upon which the construction is taking place. No hazardous waste or toxic materials shall be stored, handled and used, including, without limitation, gasoline and petroleum products, except in compliance with all applicable federal, state and local statutes, regulations and ordinances, and shall not be deposited in any manner on, in or within the construction or adjacent property or waterways. All construction activities shall comply with the Community Standards. If a contractor or Owner shall fail in any regard to comply with the requirements of this Section, the ACC may require that such Owner or contractor post security with Association in such form and amount deemed appropriate by the ACC in its sole discretion.

19.12.2 There shall be provided to the ACC, if requested, a list (name, address, telephone number and identity of contact person), of all contractors, subcontractors, materialmen and suppliers (collectively, "Contractors") and changes to the list as they occur relating to construction. Each Builder and all of its employees and Contractors and their employees shall utilize those roadways and entrances into Waterside on Johns Lake Phase 1 as are designated by the ACC for construction activities. The ACC shall have the right to require that each

Builder's and Contractor's employees check in at the designated construction entrances and to refuse entrance to persons and parties whose names are not registered with the ACC.

19.12.3 Each Builder and Owner is responsible for insuring compliance with all terms and conditions of these provisions and of the Community Standards by all of its employees and Contractors. In the event of any violation of any such terms or conditions by any employee or Contractor, or, in the opinion of the ACC, the continued refusal of any employee or Contractor to comply with such terms and conditions, after five (5) days' notice and right to cure, the ACC shall have, in addition to the other rights hereunder, the right to prohibit the violating employee or Contractor from performing any further services in Waterside on Johns Lake Phase 1.

19.12.4 The ACC may, from time to time, adopt standards governing the performance or conduct of Builders, Owners, Contractors and their respective employees within Waterside on Johns Lake Phase 1. Each Builder, Owner and contractor shall comply with such standards and cause its respective employees to also comply with same. The ACC may also promulgate requirements to be inserted in all contracts relating to construction within Waterside on Johns Lake Phase 1 and each Owner shall include the same therein.

19.13 Inspection. There is specifically reserved to Association and ACC and to any agent or member of either of them, the right of entry and inspection upon any portion of Waterside on Johns Lake Phase 1 at any time within reasonable daytime hours, for the purpose of determination whether there exists any violation of the terms of any approval or the terms of this Declaration or the Community Standards.

19.14 Violation. Without limiting any other provision herein, if any improvement shall be constructed or altered without prior written approval, or in a manner which fails to conform with the approval granted, the Builder or Owner shall, upon demand of Association or the ACC, cause such improvement to be removed, or restored until approval is obtained or in order to comply with the plans and specifications originally approved. The Builder or Owner shall be liable for the payment of all costs of removal or restoration, including all costs and attorneys' fees and paraprofessional fees at all levels including appeals, collections and bankruptcy, incurred by Association or ACC. The costs shall be deemed an Individual Assessment and enforceable pursuant to the provisions of this Declaration. The ACC and/or Association are specifically empowered to enforce the architectural and landscaping provisions of this Declaration and the Community Standards, by any legal or equitable remedy.

19.15 Court Costs. In the event that it becomes necessary to resort to litigation to determine the propriety of any constructed improvement or to cause the removal of any unapproved improvement, Association and/or ACC shall be entitled to recover court costs, expenses and attorneys' fees and paraprofessional fees at all levels, including appeals, collections and bankruptcy, in connection therewith.

19.16 Certificate. In the event that any Builder or Owner fails to comply with the provisions contained herein, the Community Standards, or other rules and regulations promulgated by the ACC, Association and/or ACC may, in addition to all other remedies contained herein, record a Certificate of Non-Compliance against the Home stating that the improvements on the Home fail to meet the requirements of this Declaration and that the Home is subject to further enforcement remedies.

19.17 Certificate of Compliance. If requested by a Builder or Owner, prior to the occupancy of any improvement constructed or erected on any Home by other than Developer, or its designees, the Builder or Owner thereof shall obtain a Certificate of Compliance from the ACC, certifying that the Owner has complied with the requirements set forth herein. The ACC may, from time to time, delegate to a member or members of the ACC, the responsibility for issuing the Certificate of Compliance. The issuance of a Certificate of Compliance does not abrogate the ACC's rights set forth in Section 19.13 herein.

19.18 Exemption. Notwithstanding anything to the contrary contained herein, or in the Community Standards, any improvements of any nature made or to be made by Developer including, without limitation, improvements made or to be made to the Common Areas or any Home, shall not be subject to the review of the ACC, Association, or the provisions of the Community Standards. In addition to the foregoing, Developer shall have the right, but not the obligation, to exempt other Builders from the provisions of the Community Standards and the ACC requirements contained herein pursuant to a written assignment (or partial assignment) of Developer rights which expressly exempts the Builder from such ACC requirements.

19.19 Exculpation. Developer, Association, the directors or officers of Association, the ACC, the members of the ACC, or any person acting on behalf of any of them, shall not be liable for any cost or damages incurred by any Owner or any other party whatsoever, due to any mistakes in judgment, negligence, or any action of Developer, Association, ACC or their members, officers, or directors, in connection with the approval or disapproval of plans and specifications. Each Owner agrees, individually and on behalf of its heirs, successors and assigns by acquiring title to a Home, that it shall not bring any action or suit against Developer, Association or their respective directors or officers, the ACC or the members of the ACC, or their respective agents, in order to recover any damages caused by the actions of Developer, Association, or ACC or their respective members, officers, or directors in connection with the provisions of this Section. Association does hereby indemnify, defend and hold Developer and the ACC, and each of their members, officers, and directors harmless from all costs, expenses, and liabilities, including attorneys' fees and paraprofessional fees at all levels, including appeals, of all nature resulting by virtue of the acts of the Owners, Association, ACC or their members, officers and directors. Developer, Association, its directors or officers, the ACC or its members, or any person acting on behalf of any of them, shall not be responsible for any defects in any plans or specifications or the failure of same to comply with applicable laws or code nor for any defects in any improvements constructed pursuant thereto. Each party submitting plans and specifications for approval shall be solely responsible for the sufficiency thereof and for the quality of construction performed pursuant thereto.

19.20 Governmental Approval. Each Builder and Owner acknowledges and agrees that ACC approval, as discussed herein, shall not be deemed to constitute an approval by any governmental authority, nor shall it relieve any Builder or Owner of the obligation to obtain necessary governmental approvals at such Builder or Owner's sole cost and expense. Additionally, in the event any governmental authority denies a Builder or Owner's application for a permit or otherwise in connection with planned alterations or improvements, such denial shall prohibit construction of such improvements (regardless of whether the ACC has previously approved the Builder or Owner's planned alterations or improvements by certificate or otherwise). Decisions of the ACC with respect to architectural control shall be based upon proposed improvements being consistent with the overall aesthetics and master plan of Waterside on Johns Lake Phase 1 and such decisions shall not be deemed a waiver of a Builder or Owner's obligation to comply with state and local codes and/or ordinances. In the event that any Builder or Owner, with or without ACC approval, constructs any improvements or makes any changes to his or her Home without the required governmental permits or approvals, such Builder or Owner shall be solely liable for all fines and/or citations imposed by any governmental authority and shall further bear all costs in connection with the removal, repair or reconstruction of improvements required by such governmental authority. In addition, to the extent a Builder or Owner fails to obtain governmental permits and/or approvals prior to constructing improvements which require the same, or if any governmental entity requires the repair, removal or reconstruction of any improvements, Association shall be permitted to cause such Builder or Owner to repair, remove or reconstruct any unapproved improvement at the Builder or Owner's sole and absolute cost, and in the event such Builder or Owner fails to remove the same within a reasonable time, Association may, but shall not be obligated to remove the improvement and charge all costs in connection with the same to the Builder or Owner as an Individual Assessment. Each Builder and Owner further agrees to remise, release, acquit, satisfy, and forever discharge Developer and Association of and from all, and all manner of, action and actions, cause and causes of action, suits, debts, sums of money, accounts, bills, covenants, controversies, agreements, promises, damages (including consequential, incidental, punitive, special or other), judgments, executions, claims, liabilities and demands, whatsoever, at law and in equity (including, but not limited to, claims founded on tort, contract, contribution, indemnity or any other theory whatsoever) in any way related to any construction of any requested improvements due to any defects to the marketability, ability to obtain a loan, and/or insurability of a Home caused therefrom; any encroachment caused by requested improvements; and/or the repair, reconstruction or removal of the improvements as required by any governmental or court action.

20. Master Association. Each Owner and Lot is subject to the Master Declaration which contains, among other things, architectural review requirements, assessment obligations, and use restrictions.

20.1 Surface Water Management System. The Association and/or Master Association shall maintain the Surface Water Management System. Any waterways or waterbodies, if any, within Waterside on Johns Lake Phase 1 shall be the maintenance responsibility of the Master Association or Association. AT THIS TIME IT IS NOT KNOWN WHAT PORTIONS OF THE SURFACE WATER MANAGEMENT SYSTEM WILL BE DESIGNATED COMMON AREAS. FINAL DETERMINATION OF WHICH PROPERTIES WILL BE COMMON AREAS MAY NOT OCCUR UNTIL THE COMPLETION OF ALL DEVELOPMENT.

20.2 Master Association Easements. Without limiting any provision of the Master Declaration, the Master Association and its agents, employees, and managers, shall be deemed to have easements of ingress and egress in, over, and across the Common Areas for all reasonable purposes including, without limitation, such easements required for maintenance of the lake and canal banks and slopes for Waterside on Johns Lake Phase 1, if any, and the entry and boundary signs.

20.3 Priority of Master Association Lien. A Claim of Lien for Assessments payable to the Master Association shall be superior to a Claim of Lien for Assessments due to Association.

21. Owners Liability.

21.1 Loop System Irrigation. Some or all Homes and Common Areas may receive irrigation pursuant to a loop system. If an Owner desires to make any alterations or improvements to a Home that in any way affect the loop irrigation system, then the Owner shall be responsible for taking measures to “cap off” the main line of the loop irrigation system that leads to the Home. In addition, the Owner shall be obligated to obtain the prior written approval of Association before taking any action that may adversely affect the loop irrigation system. Once the main line is “capped off,” the Owner shall then be responsible for maintaining the irrigation system for his or her Home. Any damages to the Home resulting from an Owner’s failure to comply with the terms set forth herein shall be the sole responsibility of such Owner and Developer shall not be liable for the same. Furthermore, each Owner understands that as provided in this Declaration, an Owner may be permitted to install, without limitation, a patio, and/or screened enclosure (“**Improvement**”) on the Home upon the prior written approval of the ACC as set forth in this Declaration and/or the Community Standards. Before the ACC approves the installation of an Improvement, the irrigation system that will be within the Improvement portion of that Home must be re-routed, if necessary, by a professional irrigation company. In order for the ACC to approve the Improvement installation, a letter or other evidence by a professional irrigation company must be given to the ACC at least ten (10) days before the Improvement installation stating that the effectiveness of Waterside on Johns Lake Phase 1 drainage system will not be affected by the re-routing of the irrigation system. Should an Owner install the Improvement without providing the necessary letter or other evidence from a professional irrigation company in advance as required herein, then Association may conduct the necessary inspection, repair any necessary drainage facilities and charge the work as an Individual Assessment to such Owner, all as further provided in this Declaration and/or Community Standards.

21.2 Right to Cure. Should any Owner do any of the following:

21.2.1 Fail to perform its responsibilities as set forth herein or otherwise breach the provisions of the Declaration including, without limitation, any provision herein benefiting SJRWMD; or

21.2.2 Cause any damage to any improvement or Common Areas; or

21.2.3 Impede Developer or Association from exercising its rights or performing its responsibilities hereunder; or

21.2.4 Undertake unauthorized improvements or modifications to a Home and/or the Common Areas; or

21.2.5 Impede Developer from proceeding with or completing the development of Waterside on Johns Lake Phase 1.

Then Developer and/or Association, where applicable, after reasonable prior written notice, shall have the right, through its agents and employees, to cure the breach, including, but not limited to, entering upon the Home causing the default to be remedied and/or the required repairs or maintenance to be performed, or as the case may be, removing unauthorized improvements or modifications. The cost thereof, plus reasonable overhead costs and attorneys’ fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, incurred shall be assessed against the Owner as an Individual Assessment.

21.3 Non-Monetary Defaults. In the event of a violation by any Owner, other than the nonpayment of any Assessment or other monies, of any of the provisions of this Declaration, Developer or Association shall notify the Owner of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, the party entitled to enforce same may, at its option:

21.3.1 Commence an action to enforce the performance on the part of the Owner or to enjoin the violation or breach or for equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

21.3.2 Commence an action to recover damages; and/or

21.3.3 Take any and all action reasonably necessary to correct the violation or breach.

21.4 Expenses. All expenses incurred in connection with the violation or breach, or the commencement of any action against any Owner, including reasonable attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals, shall be assessed against the Owner, as an Individual Assessment, and shall be immediately due and payable without further notice.

21.5 No Waiver. The failure to enforce any right, provision, covenant or condition in this Declaration, shall not constitute a waiver of the right to enforce such right, provision, covenant or condition in the future.

21.6 Rights Cumulative. All rights, remedies, and privileges granted to Developer, Association and/or the ACC pursuant to any terms, provisions, covenants or conditions of this Declaration, or Community Standards, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude any of them from pursuing such additional remedies, rights or privileges as may be granted or as it might have by law.

21.7 Enforcement By or Against Other Persons. In addition to the foregoing, this Declaration or Community Standards may be enforced by Developer and/or, where applicable, Owners and/or Association by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce this Declaration or Community Standards shall be borne by the person against whom enforcement is sought, provided such proceeding results in a finding that such person was in violation of this Declaration or the Community Standards.

21.8 Fines. Association may suspend, for reasonable periods of time, the rights of an Owner or an Owner's tenants, guests and invitees, or both, or use the Common Areas and/or common services including, but not limited to, cable services, and/or other services which are paid through Common Expenses, and may levy reasonable fines, not to exceed the maximum amounts permitted by Section 720.305(2) of the Florida Statutes, against an Owner, tenant, guest or invitee, for failure to comply with any provision of this Declaration including, without limitation, those provisions benefiting SJRWMD.

21.8.1 A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing. Fines in the aggregate are not capped to any amount.

21.8.2 Unless otherwise permitted by Florida law, no fines or suspensions may be imposed without notice of at least fourteen (14) days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three (3) persons (the "**Violations Committee**") appointed by the Board who are not officers, directors or employees of Association, or the spouse, parent, child, brother, sister of an officer, director or employee. If the Violations Committee does not by a majority vote approve a fine or suspension the same may not be imposed. The written notice of violation shall be in writing to the Owner, tenant, guest or invitee and detail the infraction or infractions. Included in the notice shall be the date and time of the hearing of the Violations Committee.

21.8.3 The non-compliance shall be presented to the Violations Committee acting as a tribunal, after which the Violations Committee shall hear reasons why a fine should not be imposed. The hearing shall be conducted in accordance with the procedures adopted by the Violations Committee from time to time. A written decision of the Violations Committee shall be submitted to the Owner, tenant, guest or invitee, as applicable, by not later than twenty-one (21) days after the meeting of the Violations Committee. The Owner, tenant, guest or invitee shall have a right to be represented by counsel and to cross-examine witnesses.

21.8.4 The Violations Committee may impose Individual Assessments against the Owner in the amount of \$100 (or any greater amount permitted by law from time to time) for each violation. Each day of non-compliance shall be treated as a separate violation and there is no cap on the aggregate amount the Violations Committee may fine an Owner, tenant, guest or invitee. Individual Assessment fines shall be paid not later than five (5) days after notice of the imposition of the Individual Assessment. All monies received from fines shall be allocated as directed by the Board of Directors.

21.9 Right of Association to Evict Tenants, Occupants, Guests and Invitees. With respect to any tenant or any person present in any Home or any portion of Waterside on Johns Lake Phase 1 than an Owner and the members of his/her immediate family permanently residing with him/her in the Home, if such person shall violate any provision of the Association Documents or shall create a nuisance or an unreasonable and continuous source of annoyance to a resident of Waterside on Johns Lake Phase 1 in Association's sole discretion, or shall willfully damage or destroy any of the Common Areas or personal property of Association, then upon written notice by Association, such person shall be required to immediately leave Waterside on Johns Lake Phase 1 and if such person does not do so, Association shall be authorized to commence an action to evict such tenant or compel such person to leave Waterside on Johns Lake Phase 1 and, where necessary, to enjoin such person from returning. Any expense incurred by Association in connection with any such action including, without limitation, attorneys' fees, shall be charged by Association to the applicable Owner of such Home as an Individual Assessment.

22. Additional Rights of Developer.

22.1 Sales and Administrative Offices. Developer shall have the perpetual right to take such action reasonably necessary to transact any business necessary to consummate the development of Waterside on Johns Lake Phase 1 and sales and re-sales of Homes and/or other properties owned by Developer or others outside of Waterside on Johns Lake Phase 1. This right shall include, but not be limited to, the right to maintain models, sales offices (including sales offices in model homes, the Common Areas, as determined by Developer in its sole and absolute discretion) and parking associated therewith, have signs on any portion of Waterside on Johns Lake Phase 1, including Common Areas, keep employees in the models and offices without the payment of rent or any other fee, maintain offices in models and use of the Common Areas to show Homes. Specifically, Developer may construct a sign on the Common Areas in order to advertise Homes within Waterside on Johns Lake Phase 1 and/or other communities or neighborhoods. The sales office and signs and all items pertaining to development and sales remain the property of Developer. Developer shall have all of the foregoing rights without charge or expense. The rights reserved hereunder shall extend beyond the Community Completion Date.

22.2 Modification. The development and marketing of Waterside on Johns Lake Phase 1 will continue as deemed appropriate in Developer's sole discretion, and nothing in this Declaration or Community Standards, or otherwise, shall be construed to limit or restrict such development and marketing. It may be necessary or convenient for the development of Waterside on Johns Lake Phase 1 to, as an example and not a limitation, amend a Plat and/or the Master Plan, modify the boundary lines of the Common Areas, grant easements, dedications, agreements, licenses, restrictions, reservations, covenants, rights-of-way, and to take such other actions which Developer, or its agents, affiliates, or assignees may deem necessary or appropriate. Association and Owners shall, at the request of Developer, execute and deliver any and all documents and instruments which Developer deems necessary or convenient, in its sole discretion, to accomplish the same. Without limiting anything to the contrary in this Declaration, prior to and including the Turnover Date, all agreements and/or contracts which are entered into by Association shall require the prior written approval of Developer or may otherwise be voided by Developer in its sole and absolute discretion.

22.3 Promotional Events. Prior to the Community Completion Date, Developer and its successors and assigns shall have the right, at any time, to hold marketing, special and/or promotional events within Waterside on

Johns Lake Phase 1 and/or on the Common Areas, without any charge for use. Developer, its agents, affiliates, or assignees shall have the right to market Waterside on Johns Lake Phase 1 and Homes in advertisements and other media by making reference to Waterside on Johns Lake Phase 1, including, but not limited to, pictures or drawings of Waterside on Johns Lake Phase 1, Common Areas, Parcels and Homes constructed in Waterside on Johns Lake Phase 1. All logos, trademarks, and designs used in connection with Waterside on Johns Lake Phase 1 are the property of Developer, and Association shall have no right to use the same after the Community Completion Date except with the express written permission of Developer. Without limiting any other provision of this Declaration, Developer may assign its rights hereunder to each Builder.

22.4 Use by Prospective Purchasers. Prior to the Community Completion Date, Developer shall have the right, without charge, to use the Common Areas for the purpose of entertaining prospective purchasers of Homes, or other properties owned by Developer outside of Waterside on Johns Lake Phase 1.

22.5 Franchises. Developer may grant franchises or concessions to commercial concerns on all or part of the Common Areas and shall be entitled to all income derived therefrom.

22.6 Management. Developer may manage the Common Areas by contract with Association. Developer may also contract with a third party ("Manager") for management of Association and the Common Areas. Each Owner acknowledges that Developer may receive lump sum or monthly compensation from any Manager in connection with the costs of services provided by such Manager. Such compensation may be paid on a per Home or other basis. All such compensation shall be the sole property of Developer, who shall have no duty to account for or disclose the amount of such compensation.

22.7 Easements. Until the Community Completion Date, Developer reserves the exclusive right to grant, in its sole discretion, easements, permits and/or licenses for ingress and egress, drainage, utilities service, maintenance, Telecommunications Services; and other purposes over, under, upon and across Waterside on Johns Lake Phase 1 so long as any such easements do not materially and adversely interfere with the intended use of Homes previously conveyed to Owners. By way of example, and not of limitation, Developer may be required to take certain action, or make additions or modifications to the Common Areas in connection with an environmental program. All easements necessary for such purposes are reserved in favor of Developer, in perpetuity, for such purposes. Without limiting the foregoing, Developer may relocate any easement affecting a Home, or grant new easements over a Home, after conveyance to an Owner, without the joinder or consent of such Owner, so long as the grant of easement or relocation of easement does not materially and adversely affect the Owner's use of the Home as a residence. As an illustration, Developer may grant an easement for Telecommunications Systems, irrigation, drainage lines or electrical lines over any portion of a Parcel so long as such easement is outside the footprint of the foundation of any residential improvement constructed on such Parcel. Developer shall have the sole right to any fees of any nature associated therewith, including, but not limited to, license or similar fees on account thereof. Association and Owners will, without charge, if requested by Developer: (a) join in the creation of such easements, etc. and cooperate in the operation thereof; and (b) collect and remit fees associated therewith, if any, to the appropriate party. Association will not grant any easements, permits or licenses to any other entity providing the same services as those granted by Developer, nor will it grant any such easement, permit or license prior to the Community Completion Date without the prior written consent of Developer which may be granted or denied in its sole discretion.

22.8 Right to Enforce. Developer has the right, but not the obligation, to enforce the provisions of this Declaration and the Community Standards and to recover all costs relating thereto, including attorneys' fees and paraprofessional fees, pre-trial and at all levels of proceedings, including appeals. Such right shall include the right to perform the obligations of Association and to recover all costs incurred in doing so.

22.9 Additional Development. If Developer withdraws portions of Waterside on Johns Lake Phase 1 from the operation of this Declaration, Developer may, but is not required to, subject to governmental approvals, create other forms of residential property ownership or other improvements of any nature on the property not subjected to or withdrawn from the operation of this Declaration. Developer shall not be liable or responsible to any person or entity on account of its decision to do so or to provide, or fail to provide, the amenities and/or facilities which were originally planned to be included in such areas. If so designated by Developer, owners or tenants of such other forms of housing or improvements upon their creation, may share in the use of all or some of the

Common Areas and other facilities and/or roadways which remain subject to this Declaration. The expense of the operation of such facilities shall be allocated to the various users thereof, if at all, as determined by Developer.

22.10 Representations. Developer makes no representations concerning development both within and outside the boundaries of Waterside on Johns Lake Phase 1 including, but not limited to, the number, design, boundaries, configuration and arrangements, prices of all Parcels or Homes and buildings in all other proposed forms of ownership and/or other improvements on Waterside on Johns Lake Phase 1 or in Waterside on Johns Lake Phase 1 or adjacent to or near Waterside on Johns Lake Phase 1, including, but not limited to, the size, location, configuration, elevations, design, building materials, height, view, airspace, number of homes, number of buildings, location of easements, parking and landscaped areas, services and amenities offered.

22.11 Telecommunications Services.

22.11.1 Right to Contract for Telecommunications Services. Subject to the rights of Master Association, Association shall have the right, but not the obligation, to enter into one or more contracts for the provision of one or more Telecommunications Services for all or any portion of Waterside on Johns Lake Phase 1. Prior to the Community Completion Date, all contracts between a Telecommunications Provider and Association shall be subject to the prior written approval of Developer. The rights of Association hereunder are subordinate to those of Master Association under the Master Declaration. Owners may enter into one or more contracts for the provision of one or more Telecommunication Services for his/her Home. Developer and/or its nominees, successors, assigns, affiliates, and licensees may contract with Association and act as a Telecommunications Provider for one or more Telecommunications Services, subject only to the requirements of all applicable laws, statutes, and regulations. If Developer is not the Telecommunications Provider for any particular Telecommunications Service, Developer shall have the right to receive, on a perpetual basis, all or a portion of access fees and/or the revenues derived from such Telecommunications Service within Waterside on Johns Lake Phase 1 as agreed, from time to time, between the Telecommunications Provider and Developer.

22.11.2 Easements. Developer (i) reserves unto itself and its nominees, successors, assigns, affiliates, and licensees, and (ii) grants to each Telecommunications Provider that has entered into an agreement with Association respecting Telecommunications Services and/or Telecommunications Systems a perpetual right, privilege, easement and right-of-way across, over, under and upon Waterside on Johns Lake Phase 1 for the installation, construction and maintenance of Telecommunications Systems together with a perpetual right, privilege and easement of ingress and egress, access, over and upon Waterside on Johns Lake Phase 1 for installing, constructing, inspecting, maintaining, altering, moving, improving and replacing facilities and equipment constituting such Telecommunications Systems. If, and to the extent, Telecommunications Services provided by such Telecommunications Providers are to serve all of Waterside on Johns Lake Phase 1, then the amounts payable to such Telecommunications Providers under their written agreements with Association shall be part of Operating Costs of Association and shall be assessed as a part of the Assessments.

22.11.3 Restoration. Upon the completion of any installation, upgrade, maintenance, repair, or removal of the Telecommunications Systems or any part thereof, each Telecommunications Provider shall restore the relevant portion of the Common Areas and/or any Home to as good a condition as that which existed prior to such installation, maintenance, repair or removal. Failure by Telecommunications Provider to complete such restoration within ten (10) days after receiving written notice from Association of such failure shall vest in Association, subject to the rights of Master Association, the right (but not the obligation) to restore or cause to be restored such portion of the Common Areas and/or Home disturbed by such work, all at such Telecommunications Provider's sole cost and expense, except for in emergency situations whereby Association may restore or cause to be restored such disturbed portion of the Common Areas and/or Home immediately. In the event that Association exercises the right of self-help, each Telecommunications Provider agrees in advance that Association shall have the sole right, subject to the rights of Master Association, to (i) select the Contractors to perform such work and (ii) determine the extent of required restoration. This remedy of self-help is in addition to all other remedies of Association hereunder. All reasonable expenses incurred by Association in connection with such restoration shall be paid by Telecommunications Provider within ten (10) days of delivery to Telecommunications Provider of Association's invoice therefor. Any expenses not so paid when due shall bear interest from the due date at the lesser of (i) the publicly announced prime rate (or similar successor reference rate) of Wachovia National Bank or its

successor on the date of such invoice, or (ii) the maximum rate of interest allowed by the law of the State of Florida for such obligations, or as may be provided in a contract between Association and a Telecommunications Provider.

22.11.4 Operating Costs. Each Owner understands that the expense of any Telecommunications Service may not be charged on a bulk basis, but may be charged at the rate equal to any rate paid by individual home owners that are not subject to a homeowners association in County. Each Owner acknowledges that Developer may receive lump sum or monthly compensation from any Telecommunications Provider in connection with the supply of Telecommunications Services. Such compensation may be paid on a per Home or other basis. All such compensation shall be the sole property of Developer, who shall have no duty to account for or disclose the amount of such compensation.

22.12 Non-Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE ASSOCIATION DOCUMENTS, NEITHER ASSOCIATION, DEVELOPER, MASTER DEVELOPER, MASTER ASSOCIATION ANY BUILDERS NOR ANY NEIGHBORHOOD ASSOCIATION SHALL BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF WATERSIDE ON JOHNS LAKE PHASE 1 INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, LESSEES, LICENSEES, INVITEES, AGENTS, SERVANTS, CONTRACTORS, AND/OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

22.12.1 IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF WATERSIDE ON JOHNS LAKE PHASE 1 HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF WATERSIDE ON JOHNS LAKE PHASE 1 AND THE VALUE THEREOF; AND

22.12.2 ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN AGENCY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE STATE OF FLORIDA, CITY, AND/OR ORANGE COUNTY OR PREVENTS TORTIOUS ACTIVITIES. NEITHER DEVELOPER, ANY BUILDER, NOR ASSOCIATION SHALL BE LIABLE FOR THE UNLAWFUL OR UNDESIRABLE ACTIONS OR INACTIONS OF OWNERS OR THEIR RESPECTIVE FAMILIES, TENANTS, GUESTS, INVITEES OR ANY OTHER OCCUPANTS OF HOMES WITHIN WATERSIDE ON JOHNS LAKE PHASE 1 AND SHALL FURTHER HAVE NO OBLIGATION TO TAKE ANY AFFIRMATIVE ACTION NOT SPECIFICALLY SET FORTH IN THIS DECLARATION IN ORDER TO STOP, ENJOIN OR PREVENT ANY SUCH ACTIONS BY ANY OWNER OR THEIR FAMILIES, TENANTS, GUESTS, INVITEES OR ANY OTHER OCCUPANTS OF HOMES WITHIN WATERSIDE ON JOHNS LAKE PHASE 1; AND

22.12.3 THE PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH AND WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF ASSOCIATION TO PROTECT OR FURTHER THE HEALTH 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 A HOME) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING A USE OF, ANY PORTION OF Waterside on Johns Lake Phase 1 (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USE) SHALL BE BOUND BY THIS SECTION AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF ASSOCIATION HAS BEEN DISCLAIMED IN THIS SECTION OR OTHERWISE. AS USED IN THIS SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES, SUBCONTRACTORS, SUCCESSORS AND ASSIGNS).

22.13 Resolution of Disputes. BY ACCEPTANCE OF A DEED, EACH OWNER AGREES THAT THE ASSOCIATION DOCUMENTS ARE VERY COMPLEX; THEREFORE, ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSS CLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO ASSOCIATION DOCUMENTS, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY SHOULD BE HEARD IN A COURT PROCEEDING BY A JUDGE AND NOT A JURY IN ORDER TO BEST SERVE JUSTICE. DEVELOPER HEREBY SUGGESTS THAT EACH OWNER UNDERSTAND THE LEGAL CONSEQUENCES OF ACCEPTING A DEED TO A HOME.

22.14 Venue. EACH OWNER ACKNOWLEDGES REGARDLESS OF WHERE SUCH OWNER (i) EXECUTED A PURCHASE AND SALE AGREEMENT, (ii) RESIDES, (iii) OBTAINS FINANCING OR (iv) CLOSED ON A HOME, THIS DECLARATION LEGALLY AND FACTUALLY WAS EXECUTED IN COUNTY. DEVELOPER HAS AN OFFICE IN COUNTY AND EACH HOME IS LOCATED IN COUNTY. ACCORDINGLY, AN IRREBUTTABLE PRESUMPTION EXISTS THAT THE ONLY APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN COUNTY. IN ADDITION TO THE FOREGOING, EACH OWNER AND DEVELOPER AGREE THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN COUNTY.

22.15 Reliance. BEFORE ACCEPTING A DEED TO A HOME, EACH OWNER HAS AN OBLIGATION TO RETAIN AN ATTORNEY IN ORDER TO CONFIRM THE VALIDITY OF THIS DECLARATION. BY ACCEPTANCE OF A DEED TO A HOME, EACH OWNER ACKNOWLEDGES THAT HE HAS SOUGHT AND RECEIVED SUCH AN OPINION OR HAS MADE AN AFFIRMATIVE DECISION NOT TO SEEK SUCH AN OPINION. DEVELOPER IS RELYING ON EACH OWNER CONFIRMING IN ADVANCE OF ACQUIRING A HOME THAT THIS DECLARATION IS VALID, FAIR AND ENFORCEABLE. SUCH RELIANCE IS DETRIMENTAL TO DEVELOPER. ACCORDINGLY, AN ESTOPPEL AND WAIVER EXISTS PROHIBITING EACH OWNER FROM TAKING THE POSITION THAT ANY PROVISION OF THIS DECLARATION IS INVALID IN ANY RESPECT.

22.16 Access Control System. Developer may, but is not obligated to, install access control at the entrance to Waterside on Johns Lake Phase 1. Association shall have the right, but not the obligation, to contract for the installation of additional Access Control System facilities for Waterside on Johns Lake Phase 1. Prior to the Community Completion Date, all contracts for Access Control Systems shall be subject to the prior written approval of Developer. ASSOCIATION AND DEVELOPER SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE ACCESS CONTROL OR INEFFECTIVENESS OF ACCESS CONTROL MEASURES UNDERTAKEN. Each and every Owner and the occupant of each Home acknowledges that Developer, Association, and their employees, agents, managers, directors, and officers, are not insurers of Owners or Homes, or the personal property located within Homes. Developer and Association will not be responsible or liable for losses, injuries, or deaths resulting from any casualty or intrusion into a Home. Notwithstanding anything to the contrary in this Declaration, prior to the Community Completion Date, Developer shall have the unilateral right to control the operation of the community gates, if any, and the same shall remain open during normal business hours or as otherwise determined in the sole and absolute discretion of Developer. To the extent that remote and call boxes are installed in connection with the Access Control System, if any, the Association shall be required to provide a remote access clicker to all emergency service providers including, but not limited to, the applicable fire and police departments.

23. Refund of Taxes and Other Charges. Unless otherwise provided herein, Association agrees that any taxes, fees or other charges paid by Developer to any governmental authority, utility company or any other entity which at a later date are refunded in whole or in part, shall be returned to Developer in the event such refund is received by Association.

24. Assignment of Powers. All or any part of the rights, exemptions and powers and reservations of Developer herein contained may be conveyed or assigned in whole or part to other persons or entities by an instrument in writing duly executed, acknowledged, and, at Developer's option, recorded in the Public Records.

25. Selling, Leasing and Mortgaging of Homes. In order to maintain complementary uses, congenial neighbors and to protect the value of Homes, the transfer of title to or possession of Homes by any Owner shall be subject to the following provisions so long as Association exists, which provisions each Owner covenants to observe:

25.1 Transfers Subject to Approval.

25.1.1 Sale. No Owner may dispose of a Home or any interest therein by sale without approval of Association.

25.1.2 Lease. No Owner may transfer possession of a Home or any interest therein by lease for any period without approval of Association. The renewal of any lease, including any lease previously approved by Association under this Section 25, shall be re-submitted for approval by Association. No Owner may transfer possession of a Home or any interest therein by lease for any period until such Owner is current in payment of all assessments due to Association under the terms of this Declaration, and Association shall have the right to withhold approval of any lease until such time as the Owner is current in payment of such Assessments.

25.1.3 Gift. If any Owner proposes to transfer a Home by gift, the proposed transfer shall be subject to the approval of Association.

25.2 Approval by Association. To obtain approval of Association which is required for the transfer of Homes, each Owner shall comply with the following requirements:

25.2.1 Notice to Association.

25.2.1.1 Sale. An Owner intending to make a bona fide sale of his or her Home, or any interest therein, shall give to Association a transfer fee (in an amount determined by the Board and permitted by Florida Statutes) and notice pursuant to a form approved by Association of such intentions, together with the name and address of the intended purchaser and such other information concerning the intended purchaser as Association may reasonably require. Such notice, at the Owner's option, may include a demand by the Owner that Association furnish a new purchaser if the proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract for sale.

25.2.1.2 Lease. An Owner intending to make a bona fide lease of his or her Home or any interest therein shall give to Association a transfer fee (in an amount determined by the Board and permitted by Florida Statutes) and notice pursuant to a form approved by Association of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as Association may reasonably require, and an executed copy of the proposed lease, which lease shall provide that it is subject to approval by Association.

25.2.1.3 Gift. An Owner who proposes to transfer his or her title by gift shall give to Association a transfer fee (in an amount determined by the Board and permitted by Florida Statutes) and notice pursuant to a form approved by Association of the proposed transfer of his or her title, together with such information concerning the transferee as Association may reasonably require, and a copy of all instruments to be used in transferring title.

25.2.1.4 Failure to Give Notice. If the notice to Association herein required is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a Home, Association at its discretion and without notice may approve or disapprove the lease, sale or transfer. If Association disapproves the transaction or ownership, Association shall proceed as if it had received the required notice on the date of such disapproval.

25.2.1.5 Effect and Manner of Notice. The giving of notice shall constitute a representation and warranty by the offeror to Association and any purchaser produced by the Board that the offering is a bona fide offer in all respects. The notice shall be given by certified mail, return receipt requested, or delivered by professional courier or by hand-delivery to Association which shall give a receipt therefor.

25.2.2 Certificate of Approval.

25.2.2.1 Sale. If the proposed transaction is a sale, then, within thirty (30) days after receipt of such notice and information, Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the proper officers of Association in recordable form and shall be delivered to the purchaser and may be recorded in the Public Records of County (the "**Public Records**").

25.2.2.2 Lease. If the proposed transaction is a lease then, within thirty (30) days after receipt of such notice and information, Association must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the proper officers of Association and shall be delivered to the lessee.

25.2.2.3 Devise or Inheritance. Any person who has obtained a Home by devise or inheritance (except for the spouse, parents or children of the immediately previous Owner of such Home) shall give to Association notice thereof together with such information concerning the person(s) obtaining such Home as may be reasonably required by the Board and a certified copy of the instrument by which such Home was obtained. If such notice is not given to Association, then at any time after receiving knowledge thereof, the Board shall proceed in accordance with Section 26.2.4 as if it had been given such notice on the date of receipt of such knowledge. Within thirty (30) days after receipt of such notice and information, Association must either approve or disapprove the proposed transfer. If approved, the approval shall be stated in a certificate executed by the proper officers of Association in recordable form and shall be delivered to the person receiving title by devise or inheritance.

25.2.2.4 Gift. If the Owner giving notice proposes to transfer his or her title by gift, then, within thirty (30) days after receipt of such notice and information, Association must either approve or disapprove the proposed transfer of title to the Home. If approved, the approval shall be upon such terms and conditions as Association may reasonably require, and the approval shall be stated in a certificate executed by the proper officers of Association in recordable form and shall be delivered to the Owner and shall be recorded in the Public Records.

25.2.3 Approval of Owner Other Than an Individual. Inasmuch as the Home may be used only for residential purposes, and a corporation, trust or other entity cannot occupy a Home for such use, if the Owner or purchaser of a Home is a corporation, trust or other entity, the approval of ownership by the corporation, trust or other entity shall be conditioned upon the primary occupant or the beneficial owners of the entity being approved by Association. Any change in such primary occupant or beneficial owners of the Home shall be deemed a change of ownership subject to Association approval pursuant to this Section.

25.3 Disapproval by Association. Although an Owner complies with the foregoing requirements, Association may disapprove of the transfer. If Association disapproves a transfer or ownership of a Home, the matter shall be disposed of in the following manner:

25.3.1 Sale. If the proposed transaction is a sale and if the notice of sale given by the Owner shall so demand, then, within thirty (30) days after receipt of such notice and information by Association, Association shall deliver by professional courier or hand-delivery, or mail by certified mail, to the Owner an agreement to purchase by Association, or a purchaser approved by Association who will purchase and to whom the Owner must sell the Home, upon the following terms:

25.3.1.1 The price to be paid by the purchaser, to be identified in the agreement, shall be that stated in the disapproved contract to sell.

25.3.1.2 The purchase price shall be paid by official check or federal wire.

25.3.1.3 The sale shall be closed within ninety (90) days after the delivery or mailing of the agreement to purchase to the Owner and shall be upon terms no less favorable than the terms of the disapproved contract.

25.3.1.4 If Association fails to provide a purchaser upon the demand of the Owner in the manner provided, or if a purchaser furnished by Association shall default in his or her agreement to purchase, the proposed transaction shall be deemed to have been approved and Association shall furnish a certificate of approval as provided in this Section 25.

25.3.2 Lease. In the event the Board disapproves of a transfer of possession of a Home by lease, then the Owner may not lease the Home to the intended lessee for whom the Owner sought approval.

25.3.3 Transfer by Gift, Devise or Inheritance. In the event the Board disapproves of such transfer of title by gift, devise or inheritance, the Board shall advise in writing within such thirty (30) day period, the person who has obtained such title of a purchaser approved by the Board to purchase the respective Home at its fair market value. The fair market value of the Home will be determined by any one of the following methods determined by the Board: (i) by three (3) M.A.I. appraisers, one of whom shall be selected by the Association's proposed purchaser, one by the person holding title, and one by the two (2) appraisers so selected; or (ii) by mutual agreement by the Association's proposed purchaser and the person holding title. All costs for such appraisal shall be paid by the Association's proposed purchaser. The purchase price shall be paid by federal wire or official check and the sale closed within thirty (30) days after the determination of the purchase price. Simultaneously upon notification to the person holding title that the Board has a purchaser for the respective Home, the person holding title and such purchaser shall execute a contract providing for the acquisition of such Home in accordance with the terms of this Declaration. In the event the purchaser furnished by Association shall default in his or her obligation to purchase such Home, then the Board shall be required to approve the passage of title to the person then holding title thereof and shall issue and deliver a certificate of approval therefor.

25.4 Exceptions. The foregoing provisions of this Section shall not apply to a transfer or purchase by a Lender or other approved mortgagee which acquires its title as the result of owning a mortgage upon the Home concerned, and this shall be so whether the title is acquired by deed from the mortgagor or its successor in title or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale or lease by a Lender or other approved mortgagee which so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to a Home at a duly advertised public sale with open bidding which is provided by law including, but not limited to, an execution sale, foreclosure sale, judicial sale or tax sale. The provisions of this Section shall not apply to Developer.

25.5 Unauthorized Transactions. Any sale, transfer mortgage or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by Association.

25.6 Notice of Lien or Suit.

25.6.1 Notice of Lien. An Owner shall give notice to Association of every lien upon his or her Home other than for permitted mortgages, taxes and special assessments within five (5) days after the attaching of such lien.

25.6.2 Notice of Suit. An Owner shall give notice to Association of every suit or other proceeding which may affect the title to his or her Home; such notice is to be given within five (5) days after the Owner receives knowledge thereof.

25.6.3 Failure to Comply. Failure to comply with this Section will not affect the validity of any judicial sale.

26. General Provisions.

26.1 Authority of Board. Except when a vote of the membership of Association is specifically required, all decisions, duties, and obligations of Association hereunder may be made by the Board. Association and Owners shall be bound thereby.

26.2 Interpretation. The Board shall be responsible for interpreting the provisions hereof and of any of the exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of counsel that any interpretation adopted by Association is not unreasonable shall conclusively establish the validity of such interpretation. Notwithstanding the foregoing, until the Community Completion Date, Developer shall interpret the provisions of this Declaration (and any exhibits hereto) and such interpretations shall be binding upon all parties.

26.3 Severability. Invalidation of any of the provisions of this Declaration by judgment or court order shall in no way affect any other provision, and the remainder of this Declaration shall remain in full force and effect.

26.4 Execution of Documents. Developer's plan of development for the Property (including, without limitation, the creation of one (1) or more special taxing districts may necessitate from time to time the execution of certain documents as required by governmental agencies. To the extent that such documents require the joinder of Owners or Builders other than Developer, Developer, by its duly authorized officers, may, as the agent or the attorney-in-fact for the Builders and/or Owners, execute, acknowledge and deliver such documents (including, without limitation, any consents or other documents required by any governmental agencies in connection with the creation of any special taxing district); and the Builders and Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through its duly authorized officers, as their proper and legal attorneys-in-fact, for such purpose. Such appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner agrees, by its acceptance of a deed to a Home or any other portion of Waterside on Johns Lake Phase 1, to execute or otherwise join in any petition and/or other documents required in connection with the creation of any special taxing district relating to Waterside on Johns Lake Phase 1 or any portion(s) thereof.

26.5 Affirmative Obligation of Association. In the event that Association believes that Developer has failed in any respect to meet Developer's obligations under this Declaration or has failed to comply with any of Developer's obligations under law or the Common Areas are defective in any respect, Association shall give written notice to Developer detailing the alleged failure or defect. Association agrees that once Association has given written notice to Developer pursuant to this Section, Association shall be obligated to permit Developer and its agents to perform inspections of the Common Areas and to perform all tests and make all repairs/replacements deemed necessary by Developer to respond to such notice at all reasonable times. Association agrees that any inspection, test and/or repair/replacement scheduled on a business day between 9 a.m. and 5 p.m. shall be deemed scheduled at a reasonable time. The rights reserved in this Section include the right of Developer to repair or address, in Developer's sole option and expense, any aspect of the Common Areas deemed defective by Developer during its inspections of the Common Areas. Association's failure to give the notice and/or otherwise comply with the provisions of this Section will damage Developer. At this time, it is impossible to determine the actual damages Developer might suffer. Accordingly, if Association fails to comply with its obligations under this Section in any respect, Association shall pay to Developer liquidated damages in the amount of \$250,000.00 which Association and Developer agree is a fair and reasonable remedy.

26.6 Letter(s) of Credit. During the development of Waterside on Johns Lake Phase 1, Developer may be required to obtain a letter of credit in connection with or as security for matters relating to Association including, without limitation, the Association's maintenance obligations. From and after the Turnover Date, Association agrees that it shall indemnify and be liable to Developer for any amounts drawn or due from any such letter(s) of credit which result from the Association's failure to act in accordance with the terms of this Declaration, any applicable law, ordinance or requirement of any governmental agency. In addition to the foregoing, Association agrees that immediately following the Turnover Date, the Association shall take all measures necessary to reimburse Developer for all amounts expended in connection with the letter of credit, remove Developer from the letter of credit, and add Association as the responsible party under the letter of credit.

26.7 Notices. Any notice required to be sent to any person, firm, or entity under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address at the time of such mailing.

26.8 Florida Statutes. Whenever this Declaration refers to the Florida Statutes, it shall be deemed to refer to the Florida Statutes as they exist on the date this Declaration is recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

26.9 Construction Activities. ALL OWNERS, OCCUPANTS AND USERS OF WATERSIDE ON JOHNS LAKE PHASE 1 ARE HEREBY PLACED ON NOTICE THAT (1) DEVELOPER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES AND/OR (2) ANY OTHER PARTIES WILL BE, FROM TIME TO TIME, CONDUCTING CONSTRUCTION ACTIVITIES, BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO WATERSIDE ON JOHNS LAKE PHASE 1. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF WATERSIDE ON JOHNS LAKE PHASE 1, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (i) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (ii) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO WATERSIDE ON JOHNS LAKE PHASE 1 WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (iii) DEVELOPER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM DEVELOPER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AND (iv) ANY PURCHASE OR USE OF ANY PORTION OF WATERSIDE ON JOHNS LAKE PHASE 1 HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING.

26.10 Neighborhood Title Documents. Each Owner by acceptance of a deed to a Home acknowledges that such home is subject to certain land use and title documents and all amendments thereto, which include among other items, the title documents listed in the Owner's title commitment and title policy, as wells as the title documents identified in the Master Declaration and this Declaration (collectively, the "**Neighborhood Title Documents**"). Developer's plan of development for Waterside on Johns Lake Phase 1 may necessitate from time to time the further amendment, modification and/or termination of the Neighborhood Title Documents. DEVELOPER RESERVES THE UNCONDITIONAL RIGHT TO SEEK AMENDMENTS AND MODIFICATIONS OF THE NEIGHBORHOOD TITLE DOCUMENTS. It is possible that a governmental subdivision or agency may require the execution of one or more documents in connection with an amendment, modification, and/or termination of the Neighborhood Title Documents. To the extent that such documents require the joinder of Owners other than Developer, Developer, by any one of its duly authorized officers, may, as the agent and/or the attorney-in-fact for the Owners, execute, acknowledge and deliver any documents required by applicable governmental subdivision or agency; and the Owners, by virtue of their acceptance of deeds, irrevocably nominate, constitute and appoint Developer, through any one of its duly authorized officers, as their proper and legal attorney-in-fact for such purpose. This appointment is coupled with an interest and is therefore irrevocable. Any such documents executed pursuant to this Section may recite that it is made pursuant to this Section. Notwithstanding the foregoing, each Owner agrees, by its acceptance of a deed to a Home: (i) to execute or otherwise join in any documents required in connection with the amendment, modification, or termination of the Neighborhood Title Documents; and (ii) that such Owner has waived its right to object to or comment the form or substance of any amendment, modification, or termination of the Neighborhood Title Documents. Without limiting the foregoing, upon the Community Completion Date, Association shall assume all of the obligations of Developer under the Neighborhood Title Documents unless otherwise provided by Developer by amendment to this Declaration recorded by Developer in the Public Records, from time to time, and in the sole and absolute discretion of Developer.

EXHIBIT 1**LEGAL DESCRIPTION**

THAT PORTION OF THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 23 SOUTH, RANGE 27 EAST, LYING NORTH OF MARSH ROAD AND THAT PORTION OF THE SOUTH 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 6, TOWNSHIP 23 SOUTH, RANGE 27 EAST, ORANGE COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 5; THENCE RUN S89°55'28"W ALONG THE SOUTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION 5, A DISTANCE OF 2661.60 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 5; THENCE RUN N00°24'12"W, ALONG THE EAST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 5, A DISTANCE OF 1026.93 FEET TO THE POINT OF BEGINNING; SAID POINT LYING ON THE NORTHERLY RIGHT-OF-WAY LINE OF MARSH ROAD (A 60 FOOT WIDE PUBLIC RIGHT OF WAY) PER ORANGE COUNTY ENGINEERING DEPARTMENT RIGHT-OF-WAY MAPS; THENCE RUN SOUTHWESTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FIVE (5) COURSES AND DISTANCES: THENCE N89°58'55"W, A DISTANCE OF 172.57 FEET TO THE POINT OF CURVATURE OF A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1303.24 FEET, A CENTRAL ANGLE OF 15°52'13", A CHORD BEARING OF S82°04'59"W AND CHORD DISTANCE OF 359.83 FEET; THENCE RUN SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 360.98 FEET TO THE POINT OF TANGENCY; THENCE RUN S74°08'52"W, A DISTANCE OF 1110.89 FEET; THENCE RUN S74°36'19"W, A DISTANCE OF 1644.11 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1175.91 FEET, A CENTRAL ANGLE OF 05°31'02", A CHORD BEARING OF S71°50'48"W AND A CHORD DISTANCE OF 113.19 FEET; THENCE RUN SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 113.23 FEET TO A POINT ON THE WEST LINE OF THE SOUTH 1/2 OF THE EAST 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 6; THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY LINE RUN N00°42'39"W ALONG SAID WEST LINE, A DISTANCE OF 42.99 FEET; THENCE DEPARTING SAID WEST LINE RUN N68°52'59"E, A DISTANCE OF 245.66 FEET; THENCE RUN N57°12'48"E, A DISTANCE OF 219.77 FEET; THENCE RUN N15°23'41"W, A DISTANCE OF 102.26 FEET; THENCE RUN N53°50'19"E, A DISTANCE OF 25.06 FEET; THENCE RUN N36°09'41"W, A DISTANCE OF 30.00 FEET; THENCE RUN N53°50'19"E, A DISTANCE OF 77.00 FEET; THENCE RUN N36°09'41"W, A DISTANCE OF 62.65 FEET; THENCE RUN N23°25'09"E, A DISTANCE OF 80.61 FEET; THENCE RUN N84°17'21"E, A DISTANCE OF 51.02 FEET; THENCE RUN N67°03'57"E, A DISTANCE OF 140.17 FEET TO A POINT ON THE SAFE UPLAND LINE OF JOHNS LAKE (SAID LINE HAVING AN ELEVATION OF 98.00 FEET, ACCORDING TO THE NATIONAL GEODETIC VERTICAL DATUM OF 1929, OR 97.12 FEET ACCORDING TO THE NORTH AMERICAN VERTICAL DATUM OF 1988); THENCE RUN ALONG SAID SAFE UPLAND LINE OF JOHNS LAKE THE FOLLOWING FIFTY-SEVEN (57) COURSES AND DISTANCES: THENCE S54°50'42"E, A DISTANCE OF 22.32 FEET; THENCE RUN S64°18'48"E, A DISTANCE OF 42.23 FEET; THENCE RUN S66°05'44"E, A DISTANCE OF 34.95 FEET; THENCE RUN S78°11'08"E, A DISTANCE OF 55.20 FEET; THENCE RUN S78°05'39"E, A DISTANCE OF 40.83 FEET; THENCE RUN S80°58'18"E, A DISTANCE OF 36.85 FEET; THENCE RUN S87°29'05"E, A DISTANCE OF 36.30 FEET; THENCE RUN S85°40'37"E, A DISTANCE OF 34.44 FEET; THENCE RUN S89°09'23"E, A DISTANCE OF 35.61 FEET; THENCE RUN N76°20'24"E, A DISTANCE OF 28.86 FEET; THENCE RUN N62°43'10"E, A DISTANCE OF 37.28 FEET; THENCE RUN N58°53'03"E, A DISTANCE OF 65.15 FEET; THENCE RUN N63°26'03"E, A DISTANCE OF 33.28 FEET; THENCE RUN N38°44'34"E, A DISTANCE OF 34.63 FEET; THENCE RUN N44°54'52"E, A DISTANCE OF 35.73 FEET; THENCE RUN N42°30'55"E, A DISTANCE OF 56.03 FEET; THENCE RUN N36°57'01"E, A DISTANCE OF 52.70 FEET; THENCE RUN N34°47'21"E, A DISTANCE OF 52.67 FEET; THENCE RUN N24°13'57"E, A DISTANCE OF 52.85 FEET; THENCE RUN N21°32'53"E, A DISTANCE OF 51.78 FEET; THENCE RUN N18°38'41"E, A DISTANCE OF 69.64 FEET; THENCE RUN N12°48'04"E, A DISTANCE 62.84 FEET; THENCE RUN N06°04'08"E, A DISTANCE OF 55.54 FEET; THENCE RUN N03°54'23"E, A DISTANCE OF 34.61 FEET; THENCE RUN N03°32'44"W, A DISTANCE OF 38.09 FEET; THENCE RUN N14°05'41"E, A DISTANCE OF 38.50 FEET; THENCE RUN N24°42'57"E, A DISTANCE OF

40.67 FEET; THENCE RUN N30°57'34"E, A DISTANCE OF 42.01 FEET; THENCE RUN N31°58'26"E, A DISTANCE OF 55.57 FEET; THENCE RUN N27°46'44"E, A DISTANCE OF 63.53 FEET; THENCE RUN N26°53'26"E, A DISTANCE OF 153.32 FEET; THENCE RUN N13°03'58"E, A DISTANCE OF 22.69 FEET; THENCE RUN N19°09'20"E, A DISTANCE OF 76.87 FEET; THENCE RUN N08°24'38"E, A DISTANCE OF 102.37 FEET; THENCE RUN N00°19'47"W, A DISTANCE OF 17.24 FEET; THENCE RUN N37°38'50"E, A DISTANCE OF 75.64 FEET; THENCE RUN N61°32'35"E, A DISTANCE OF 70.48 FEET; THENCE RUN N66°44'11"E, A DISTANCE OF 62.51 FEET; THENCE RUN N75°52'36"E, A DISTANCE OF 54.56 FEET; THENCE RUN N77°59'53"E, A DISTANCE OF 54.36 FEET; THENCE RUN N75°12'35"E, A DISTANCE OF 80.22 FEET; THENCE RUN N74°07'05"E, A DISTANCE OF 43.49 FEET; THENCE RUN N81°09'04"E, A DISTANCE OF 34.73 FEET; THENCE RUN N68°54'16"E, A DISTANCE OF 23.24 FEET; THENCE RUN N88°49'55"E, A DISTANCE OF 34.81 FEET; THENCE RUN N75°47'45"E, A DISTANCE OF 29.37 FEET; THENCE RUN N87°36'58"E, A DISTANCE OF 31.68 FEET; THENCE RUN S88°38'57"E, A DISTANCE OF 41.38 FEET; THENCE RUN N83°35'46"E, A DISTANCE OF 32.81 FEET; THENCE RUN N85°17'34"E, A DISTANCE OF 59.89 FEET; THENCE RUN N87°41'37"E, A DISTANCE OF 43.41 FEET; THENCE RUN N81°10'43"E, A DISTANCE OF 52.86 FEET; THENCE RUN N83°43'00"E, A DISTANCE OF 60.18 FEET; THENCE RUN N83°06'58"E, A DISTANCE OF 22.13 FEET; THENCE RUN N77°55'21"E, A DISTANCE OF 36.40 FEET; THENCE RUN N85°14'05"E, A DISTANCE OF 46.99 FEET; THENCE RUN N87°07'35"E, A DISTANCE OF 47.72 FEET; THENCE RUN N75°46'39"E, A DISTANCE OF 33.96 FEET; THENCE RUN N78°22'20"E, A DISTANCE OF 51.73 FEET; THENCE RUN N80°19'57"E, A DISTANCE OF 40.17 FEET; THENCE RUN N73°39'47"E, A DISTANCE OF 54.02 FEET; THENCE RUN N77°23'06"E, A DISTANCE OF 31.11 FEET; THENCE RUN N74°48'54"E, A DISTANCE OF 54.59 FEET; THENCE RUN N76°36'42"E, A DISTANCE OF 42.58 FEET; THENCE RUN N73°49'09"E, A DISTANCE OF 54.03 FEET; THENCE RUN N71°48'51"E, A DISTANCE OF 45.80 FEET; THENCE RUN N71°14'20"E, A DISTANCE OF 81.18 FEET; THENCE RUN N70°12'06"E, A DISTANCE OF 31.69 FEET; THENCE RUN N66°42'08"E, A DISTANCE OF 49.55 FEET; THENCE RUN N69°49'20"E, A DISTANCE OF 40.45 FEET; THENCE RUN N70°54'19"E, A DISTANCE OF 75.22 FEET; THENCE RUN N65°53'54"E, A DISTANCE OF 60.71 FEET; THENCE RUN N58°41'17"E, A DISTANCE OF 42.56 FEET TO A POINT ON THE AFORESAID EAST LINE OF THE NORTHWEST 1/4 OF SECTION 5; THENCE DEPARTING SAID SAFE UPLAND LINE, RUN S00°24'12"E ALONG SAID EAST LINE, A DISTANCE OF 1360.18 FEET TO THE POINT OF BEGINNING.

CONTAINING: 2,823,174 SQUARE FEET / 64.81 ACRES, MORE OR LESS.

ALSO DESCRIBED AS:

All of Waterside on Johns Lake-Phase 1, according to the plat thereof, recorded in Plat Book 82, Page 74-80 Public Records of Orange County, Florida.

EXHIBIT 2

ARTICLES OF INCORPORATION
OF
WATERSIDE ON JOHNS LAKE PHASE 1 COMMUNITY ASSOCIATION, INC.
(A CORPORATION NOT FOR PROFIT)

**ARTICLES OF INCORPORATION
OF
WATERSIDE ON JOHNS LAKE PHASE 1 COMMUNITY ASSOCIATION, INC..
(A CORPORATION NOT FOR PROFIT)**

In compliance with the requirements of the laws of the State of Florida, and for the purpose of forming a corporation not for profit, the undersigned does hereby acknowledge:

1. Name of Corporation. The name of the corporation is Waterside on Johns Lake Phase 1 Community Association, Inc. ("**Association**").
2. Principal Office. The principal office of Association is c/o Standard Pacific Homes, 444 W. New England Avenue, Suite 220, Winter Park, Florida 32789.
3. Registered Office - Registered Agent. The street address of the Registered Office of Association is 700 West Morse Blvd., Suite 101, Winter Park, Florida 32789. The name of the Registered Agent of Association is:

CLARK, ALBAUGH & RENTZ, LLP

4. Definitions. A declaration entitled Declaration for Waterside on Johns Lake Phase 1 (the "**Declaration**") will be recorded in the Public Records of Orange County, Florida, and shall govern all of the operations of a community to be known as Waterside on Johns Lake Phase 1. All initially capitalized terms not defined herein shall have the meanings set forth in the Declaration.
5. Purpose of Association. Association is formed to: (a) provide for ownership, operation, maintenance and preservation of the Common Areas, and improvements thereon; (b) perform the duties delegated to it in the Declaration; (c) administer the interests of Association and the Owners; and (d) promote the health, safety and welfare of the Owners.
6. Not for Profit. Association is a not for profit Florida corporation and does not contemplate pecuniary gain to, or profit for, its members.
7. Powers of Association. Association shall, subject to the limitations and reservations set forth in the Declaration, have all the powers, privileges and duties reasonably necessary to discharge its obligations, including, but not limited to, the following:
 - 7.1. To perform all the duties and obligations of Association set forth in the Declaration and By-Laws, as herein provided.
 - 7.2. To enforce, by legal action or otherwise, the provisions of the Declaration and By-Laws and of all rules, regulations, covenants, restrictions and agreements governing or binding Association and Waterside on Johns Lake Phase 1.
 - 7.3. To fix, levy, collect and enforce payment, by any lawful means, of all Assessments pursuant to the terms of the Declaration, these Articles and By-Laws.
 - 7.4. To pay all Operating Costs, including, but not limited to, all licenses, taxes or governmental charges levied or imposed against the property of Association.

7.5. To acquire (by gift, purchase or otherwise), annex, own, hold, improve, build upon, operate, maintain, convey, grant rights and easements, sell, dedicate, lease, transfer or otherwise dispose of real or personal property (including the Common Areas) in connection with the functions of Association except as limited by the Declaration.

7.6. To borrow money, and to mortgage, pledge or hypothecate any or all of its real or personal property as security for money or debts incurred.

7.7. To dedicate, grant, license, lease, concession, create easements upon, sell or transfer all or any part of Waterside on Johns Lake Phase 1 to any public agency, entity, authority, utility or other person or entity for such purposes and subject to such conditions as it determines and as provided in the Declaration.

7.8. To participate in mergers and consolidations with other non-profit corporations organized for the same purposes.

7.9. To adopt, publish, promulgate or enforce rules, regulations, covenants, restrictions or agreements governing Association, Waterside on Johns Lake Phase 1, the Common Areas, Lots, Parcels and Homes as provided in the Declaration and to effectuate all of the purposes for which Association is organized.

7.10. To have and to exercise any and all powers, rights and privileges which a not-for-profit corporation organized under the laws of the State of Florida may now, or hereafter, have or exercise.

7.11. To employ personnel and retain independent contractors to contract for management of Association, Waterside on Johns Lake Phase 1, and the Common Areas as provided in the Declaration and to delegate in such contract all or any part of the powers and duties of Association.

7.12. To contract for services to be provided to, or for the benefit of, Association, Owners, the Common Areas, and Waterside on Johns Lake Phase 1 as provided in the Declaration, such as, but not limited to, Telecommunications Services, maintenance, garbage pick-up, and utility services.

7.13. To establish committees and delegate certain of its functions to those committees.

7.14. The obligation to operate and maintain the Surface Water Management System within Waterside on Johns Lake Phase 1 (including, without limitation, all lakes, canals, retention areas, culverts and related appurtenances, if any) in a manner consistent with the applicable SJRWMD Permit requirements and applicable SJRWMD rules, and to assist in the enforcement of the Declaration which relate to the Surface Water Management System. The Association shall be responsible for assessing and collecting assessments for the operation, maintenance, and if necessary, repairs of the Surface Water Management System within Waterside on Johns Lake Phase 1.

8. Voting Rights. Owners and Developer shall have the voting rights set forth in the By-Laws.

9. Board of Directors. The affairs of Association shall be managed by a Board of odd number with not less than three (3) nor more than nine (9) members. The initial number of directors shall be three (3). Board members shall be appointed and/or elected as stated in the By-Laws. The election of directors shall be held at the annual meeting. Directors shall be elected for a term expiring on the

date of the next annual meeting. The names and addresses of the members of the first Board who shall hold office until their successors are appointed or elected, or until removed, are as follows:

NAME	ADDRESS
Jay C. Lewis, II	c/o Standard Pacific Homes, 444 W. New England Avenue, Suite 220, Winter Park, Florida 32789
Stephen J. Polachek	c/o Standard Pacific Homes, 444 W. New England Avenue, Suite 220, Winter Park, Florida 32789
Clark Sprinkel	c/o Standard Pacific Homes, 444 W. New England Avenue, Suite 220, Winter Park, Florida 32789

10. Dissolution. In the event of the dissolution of Association other than incident to a merger or consolidation, any member may petition the circuit court having jurisdiction of the judicial circuit of the State of Florida for the appointment of a receiver to manage its affairs of the dissolved Association and to manage the Common Areas, in the place and stead of Association, and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties. In addition, if Association is dissolved, the Surface Water Management System shall be conveyed to an appropriate agency of local government. If a governmental agency will not accept the Surface Water Management System, then it must be dedicated to a similar non-profit corporation.

11. Duration. Association shall have perpetual existence.

12. Amendments.

12.1. General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to these Articles shall affect the rights of Developer unless such amendment receives the prior written consent of Developer, as applicable, which may be withheld for any reason whatsoever. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to these Articles, then the prior written consent of such entity or agency must also be obtained. No amendment shall be effective until it is recorded in the Public Records.

12.2. Amendments Prior to and Including the Turnover Date. Prior to and including the Turnover Date, Developer shall have the right to amend these Articles as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Developer's right to amend under this Section is to be construed as broadly as possible. In the event that Association shall desire to amend these Articles prior to and including the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for

amendments after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

12.3. Amendments After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, these Articles may be amended with the approval of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum.

13. Limitations.

13.1. Declaration is Paramount. No amendment may be made to these Articles which shall in any manner reduce, amend, affect or modify the terms, conditions, provisions, rights and obligations set forth in the Declaration.

13.2. Rights of Developer. There shall be no amendment to these Articles which shall abridge, reduce, amend, effect or modify the rights of Developer.

13.3. By-Laws. These Articles shall not be amended in a manner that conflicts with the By-Laws.

14. Incorporator. The name and address of the incorporator of this corporation is:

R. Travis Rentz, Esq.
Clark, Albaugh & Rentz, LLP
700 West Morse Blvd., Suite 101
Winter Park, Florida 32789

15. Officers. The Board shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall from time to time determine. The names and addresses of the initial officers who shall serve until their successors are elected by the Board are as follows:

President: Jay C. Lewis, II
c/o Standard Pacific Homes,
444 W. New England Avenue,
Suite 220, Winter Park, Florida
32789


Vice President Stephen J. Polachek
c/o Standard Pacific Homes,
444 W. New England Avenue,
Suite 220, Winter Park, Florida
32789

Secretary/Treasurer Clark Sprinkel
c/o Standard Pacific Homes,
444 W. New England Avenue,
Suite 220, Winter Park, Florida
32789

16. Indemnification of Officers and Directors. Association shall and does hereby indemnify and hold harmless every director and every officer, their heirs, executors and administrators, against all loss, cost and expenses reasonably incurred in connection with any action, suit or proceeding to which such director or officer may be made a party by reason of being or having been a director or officer of Association, including reasonable counsel fees and paraprofessional fees at all levels of proceeding. This indemnification shall not apply to matters wherein the director or officer shall be finally adjudged in such action, suit or proceeding to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to, and not exclusive of, all other rights to which such director or officers may be entitled.

17. Transactions in Which Directors or Officers are Interested. No contract or transaction between Association and one (1) or more of its directors or officers or Developer, or between Association and any other corporation, partnership, association, or other organization in which one (1) or more of its officers or directors are officers, directors or employees or otherwise interested shall be invalid, void or voidable solely for this reason, or solely because the officer or director is present at, or participates in, meetings of the Board thereof which authorized the contract or transaction, or solely because said officers' or directors' votes are counted for such purpose. No director or officer of Association shall incur liability by reason of the fact that such director or officer may be interested in any such contract or transaction. Interested directors shall disclose the general nature of their interest and may be counted in determining the presence of a quorum at a meeting of the Board which authorized the contract or transaction.

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of Florida, the undersigned, being the incorporator of this Association, has executed these Articles of Incorporation as of this 3rd day of June, 2014.



R. Travis Rentz, Incorporator

ACCEPTANCE BY REGISTERED AGENT

The undersigned, having been named to accept service of process for the above-stated corporation at the place designated in this certificate, hereby agrees to act in this capacity, and is familiar with, and accepts, the obligations of this position and further agrees to comply with the provisions of all statutes relative to the proper and complete performance of its duties.

Dated this 3rd day of June, 2014.

CLARK, ALBAUGH & RENTZ, LLP

By: _____


R. Travis Rentz, Partner

EXHIBIT 3

BY-LAWS
OF
WATERSIDE ON JOHNS LAKE PHASE 1 COMMUNITY ASSOCIATION, INC.

**BY-LAWS
OF
WATERSIDE ON JOHNS LAKE PHASE 1 COMMUNITY ASSOCIATION, INC.**

1. Name and Location. The name of the corporation is Waterside on Johns Lake Phase 1 Community Association, Inc. (“**Association**”). The principal office of the corporation shall be c/o Standard Pacific Homes, 444 W. New England Avenue, Suite 220, Winter Park, Florida 32789, or at such other location determined by the Board of Directors (the “**Board**”) from time to time.

2. Definitions. The definitions contained in the Declaration for Waterside on Johns Lake Phase 1 (the “**Declaration**”) relating to the residential community known as Waterside on Johns Lake Phase 1, recorded, or to be recorded, in the Public Records of Orange County, Florida, are incorporated herein by reference and made a part hereof. In addition to the terms defined in the Declaration, the following terms shall have the meanings set forth below:

“**Annual Members Meeting**” shall have the meaning assigned to such term in Section 3.2 of these By-Laws.

“**Articles**” shall mean the Articles of Incorporation for Association, as amended from time to time.

“**By-Laws**” shall mean these By-Laws, together with all amendments and modifications thereof.

“**Declaration**” shall mean the Declaration as modified from time to time.

“**Developer**” shall mean Standard Pacific of Florida, a Florida general partnership, and any of its designees, successors and assigns who receive a written assignment of all or some of the rights of Developer hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Developer, but may exercise such rights of Developer specifically assigned to it. Any such assignment may be made on a non-exclusive basis.

“**Director**” shall mean a director elected or appointed to the Board

“**Member**” shall mean a member of Association.

“**Minutes**” shall mean the minutes of all Member and Board meetings, which shall be in the form required by the Florida Statutes. In the absence of governing Florida Statutes, the Board shall determine the form of the minutes.

“**Official Records**” shall mean all records required to be maintained by Association pursuant to Section 720.303(4) of the Florida Statutes, as amended from time to time.

“**Special Members Meeting**” shall have the meaning assigned to such term in Section 3 of these By-Laws.

“**Turnover Date**” shall have the meaning set forth in the Declaration.

“**Voting Interests**” shall mean the voting rights held by the members.

3. Members.

3.1 Voting Interests. Each Owner and Developer shall be a Member of Association. No person who holds an interest in a Home only as security for the performance of an obligation shall be a Member of Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Home. There shall be one vote appurtenant to each Home. For the purposes of determining who may exercise the Voting Interest associated with each Home, the following rules shall govern:

3.1.1 Home Owned By Husband and Wife. Either the husband or wife (but not both) may exercise the Voting Interest with respect to a Home. In the event the husband and wife cannot agree, neither may exercise the Voting Interest.

3.1.2 Trusts. In the event that any trust owns a home, Association shall have no obligation to review the trust agreement with respect to such trust. If the Home is owned by Robert Smith, as Trustee, Robert Smith shall be deemed the Owner of the Home for all Association purposes. If the Home is owned by Robert Smith as Trustee for the Laura Jones Trust, then Robert Smith shall be deemed the Member with respect to the Home for all Association purposes. If the Home is owned by the Laura Jones Trust, and the deed does not reference a trustee, then Laura Jones shall be deemed the Member with respect to the Home for all Association purposes. If the Home is owned by the Jones Family Trust, the Jones Family Trust may not exercise its Voting Interest unless it presents to Association, in the form of an attorney opinion letter or affidavit reasonably acceptable to Association, the identification of the person who should be treated as the Member with respect to the Home for all Association purposes. If Robert Smith and Laura Jones, as Trustees, hold title to a Home, either trustee may exercise the Voting Interest associated with such Home. In the event of a conflict between trustees, the Voting Interest for the Home in question cannot be exercised. In the event that any other form of trust ownership is presented to Association, the decision of the Board as to who may exercise the Voting Interest with respect to any Home shall be final. Association shall have no obligation to obtain an attorney opinion letter in making its decision, which may be made on any reasonable basis whatsoever.

3.1.3 Corporations. If a Home is owned by a corporation, the corporation shall designate a person, an officer, employee, or agent who shall be treated as the Member who can exercise the Voting Interest associated with such Home.

3.1.4 Partnerships. If a Home is owned by a limited partnership, any one of the general partners may exercise the Voting Interest associated with such Home. By way of example, if the general partner of a limited partnership is a corporation, then the provisions hereof governing corporations shall govern which person can act on behalf of the corporation as general partner of such limited partnership. If a Home is owned by a general partnership, any one of the general partners may exercise the Voting Interest associated with such Home. In the

event of a conflict among general partners entitled to exercise a Voting Interest, the Voting Interest for such Home cannot be exercised.

3.1.5 Multiple Individuals. If a Home is owned by more than one individual, any one of such individuals may exercise the Voting Interest with respect to such Home. In the event that there is a conflict among such individuals, the Voting Interest for such Home cannot be exercised.

3.1.6 Liability of Association. Association may act in reliance upon any writing or instrument or signature, whether original or facsimile, which Association, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so. So long as Association acts in good faith, Association shall have no liability or obligation with respect to the exercise of Voting Interests, and no election shall be invalidated (in the absence of fraud) on the basis that Association permitted or denied any person the right to exercise a Voting Interest. In addition, the Board may impose additional requirements respecting the exercise of Voting Interests (e.g., the execution of a Voting Certificate).

3.2 Annual Meetings. The annual meeting of the members (the “**Annual Members Meeting**”) shall be held at least once each calendar year on a date, at a time, and at a place to be determined by the Board.

3.3 Special Meetings of the Members. Special meetings of the members (a “**Special Members Meeting**”) may be called by the President, a majority of the Board, or upon written request of ten percent (10%) of the Voting Interests of the members. The business to be conducted at a Special Members Meeting shall be limited to the extent required by Florida Statutes.

3.4 Notice of Members Meetings. Written notice of each members meeting shall be given by, or at the direction of, any officer of the Board or any management company retained by Association. A copy of the notice shall be mailed to each Member entitled to vote, postage prepaid, not less than ten (10) days before the meeting (provided, however, in the case of an emergency, two (2) days' notice will be deemed sufficient). The notice shall be addressed to the member's address last appearing on the books of Association. The notice shall specify the place, day, and hour of the meeting and, in the case of a Special Members Meeting, the purpose of the meeting. Alternatively, and to the extent not prohibited by the Florida Statutes, the Board may adopt from time to time, other procedures for giving notice to the members of the Annual Members Meeting or a Special Members Meeting. By way of example, and not of limitation, such notice may be included in a newsletter sent to each Member of the Association.

3.5 Quorum of Members. Until and including the Turnover Date, a quorum shall be established by Developer's presence, in person or by proxy, at any meeting. After the Turnover Date, a quorum shall be established by the presence, in person or by proxy, of the members entitled to cast twenty percent (20%) of the Voting Interests, except as otherwise provided in the Articles, the Declaration, or these By-Laws. Notwithstanding any provision herein to the contrary, in the event that technology permits members to participate in members meetings and

vote on matters electronically, then the Board shall have authority, without the joinder of any other party, to revise this provision to establish appropriate quorum requirements.

3.6 Adjournment of Members Meetings. If, however, a quorum shall not be present at any members meeting, the meeting may be adjourned as provided in the Florida Statutes. In the absence of a provision in the Florida Statutes, the members present shall have power to adjourn the meeting and reschedule it on another date.

3.7 Action of Members. Decisions that require a vote of the members must be made by a concurrence of a majority of the Voting Interests present in person or by proxy, represented at a meeting at which a quorum has been obtained unless provided otherwise in the Declaration, the Articles, or these By-Laws.

3.8 Proxies. At all meetings, members may vote their Voting Interests in person or by proxy. All proxies shall comply with the provisions of Section 720.306(6) of the Florida Statutes, as amended from time to time, be in writing, and be filed with the Secretary at, or prior to, the meeting. Every proxy shall be revocable prior to the meeting for which it is given.

4. Board of Directors.

4.1 Number. The affairs of Association shall be managed by a Board consisting of no less than three (3) persons and no more than nine (9) persons. The initial Board shall consist of three (3) Directors. Following the Turnover Date, the Board shall consist of three (3) Directors unless otherwise determined by the Board from time to time. Board members appointed by Developer need not be members of Association. Board members elected by the other members must be members of Association.

4.2 Term of Office. The election of Directors shall take place after Developer no longer has the authority to appoint the Board and shall take place on the Turnover Date. Directors shall be elected for a term ending upon the election of new Directors at the following Annual Members Meeting (except that the term of the Board appointed by the Developer shall extend until the date designated by Developer, or until the Turnover Date).

4.3 Removal. Any vacancy created by the resignation or removal of a Board member appointed by Developer may be replaced by Developer. Developer may replace or remove any Board member appointed by Developer in Developer's sole and absolute discretion. In the event of death or resignation of a Director elected by the members, the remaining Directors may fill such vacancy. Directors may be removed with or without cause by the vote or agreement in writing of members holding a majority of the Voting Interests.

4.4 Compensation. No Director shall receive compensation for any service rendered as a Director to Association; provided, however, any Director may be reimbursed for actual expenses incurred as a Director.

4.5 Action Taken Without a Meeting. Except to the extent prohibited by law, the Board shall have the right to take any action without a meeting by obtaining the written approval of the required number of Directors. Any action so approved shall have the same effect as though taken at a meeting of Directors.

4.6 Appointment and Election of Directors. Until the Turnover Date, the Developer shall have the unrestricted power to appoint all Directors of Association. From and after the Turnover Date, or such earlier date determined by Developer in its sole and absolute discretion, the members shall elect all Directors of Association at or in conjunction with the Annual Members Meeting of the members.

4.7 Election. Election to the Board shall be by secret written ballot, unless unanimously waived by all members present. The persons receiving the largest numbers of votes shall be elected. Cumulative voting is not permitted.

5. Meeting of Directors.

5.1 Regular Meetings. Regular meetings of the Board shall be held on a schedule adopted by the Board from time to time. Meetings shall be held at such place and hour as may be fixed, from time to time, by resolution of the Board.

5.2 Special Meetings. Special meetings of the Board shall be held when called by the President, or by any two (2) Directors. Each Director shall be given not less than two (2) days' notice except in the event of an emergency. Notice may be waived. Attendance shall be a waiver of notice. Telephone conference meetings are permitted.

5.3 Emergencies. In the event of an emergency involving immediate danger of injury or death to any person or damage to property, if a meeting of the Board cannot be immediately convened to determine a course of action, the President or, in his absence, any other officer or director, shall be authorized to take such action on behalf of Association as shall be reasonably required to appropriately respond to the emergency situation, including the expenditure of Association funds in the minimum amount as may be reasonably required under the circumstances. The authority of officers to act in accordance herewith shall remain in effect until the first to occur of the resolution of the emergency situation or a meeting of the Board convened to act in response thereto.

5.4 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting, at which a quorum is present, or in writing in lieu thereof, shall be action of the Board.

5.5 Open Meetings. Meetings of the Board shall be open to all members.

5.6 Voting. Board members shall cast votes in the manner provided in the Florida Statutes. In the absence of a statutory provision, the Board shall establish the manner in which votes shall be cast.

5.7 Notice of Board Meetings. Notices of meetings of the Board shall be posted in a conspicuous place on the Common Areas at least 48 hours in advance, except in an event of an emergency. Alternatively, notice may be given to members in any other manner provided by Florida Statute. By way of example, and not of limitation, notice may be given in any newsletter distributed to the members. Notices of any meetings of the Board at which Assessments against

Homes are to be established shall specifically contain a statement that Assessments shall be considered and a statement of the nature of such Assessments.

6. Powers and Duties of the Board.

6.1 Powers. The Board shall, subject to the limitations and reservations set forth in the Declaration and Articles, have the powers reasonably necessary to manage, operate, maintain and discharge the duties of Association, including, but not limited to, the power to cause Association to do the following:

6.1.1 General. Exercise all powers, duties and authority vested in or delegated to Association by law and in these By-Laws, the Articles, and the Declaration, including, without limitation, adopt budgets, levy Assessments, and enter into contracts with Telecommunications Providers for Telecommunications Services.

6.1.2 Rules and Regulations. Adopt, publish, promulgate and enforce rules and regulations governing the use of Waterside on Johns Lake Phase 1 by the members, tenants and their guests and invitees, and to establish penalties and/or fines for the infraction thereof subject only to the requirements of the Florida Statutes, if any.

6.1.3 Enforcement. Suspend the right of use of the Common Areas (other than for vehicular and pedestrian ingress and egress and for utilities) of a Member during any period in which such Member shall be in default in the payment of any Assessment or charge levied, or collected, by Association.

6.1.4 Declare Vacancies. Declare the office of a member of the Board to be vacant in the event such Member shall be absent from three (3) consecutive regular Board meetings.

6.1.5 Hire Employees. Employ, on behalf of Association, managers, independent contractors, or such other employees as it deems necessary, to prescribe their duties and delegate to such manager, contractor, etc., any or all of the duties and functions of Association and/or its officers.

6.1.6 Common Areas. Dedicate, grant, license, lease, concession, create easements upon, sell or transfer all or any part of, the Common Areas to any public agency, entity, authority, utility or other person or entity for such purposes as subject to such conditions as it determines and as provided in the declaration; and acquire, sell, operate, lease, manage and otherwise trade and deal with property, real and personal, including the Common Areas, as provided in the Declaration, and with any other matters involving Association or its Members, on behalf of Association or the discharge of its duties, as may be necessary or convenient for the operation and management of Association and in accomplishing the purposes set forth in the Declaration.

6.1.7 Granting of Interest. Grant licenses, easements, permits, leases, or privileges to any individual or entity, which affect Common Areas and to alter, add to, relocate or improve the Common Areas as provided in the Declaration.

6.1.8 Financial Reports. Prepare all financial reports required by the Florida Statutes.

6.2 Vote. The Board shall exercise all powers so granted except where the Declaration, Articles or these By-Laws specifically require a vote of the members.

6.3 Limitations. Until the Turnover Date, Developer shall have and is hereby granted a right to disapprove or veto any such action, policy, or program proposed or authorized by Association, the Board, the ACC, any committee of Association, or the vote of the members. This right may be exercised by Developer at any time within ten (10) days following a meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to veto proposed actions but shall not extend to the requiring of any action or counteraction on behalf of Association, the Board, the ACC or any committee of Association.

7. Obligations of Association. Association, subject to the provisions of the Declaration, Articles, and these By-Laws, shall discharge such duties as may be necessary in order to operate Association pursuant to the Declaration, including, but not limited to, the following:

7.1 Official Records. Maintain and make available all Official Records.

7.2 Supervision. Supervise all officers, agents and employees of Association, and to see that their duties are properly performed.

7.3 Assessments and Fines. Fix and collect the amount of the Assessments and fines; take all necessary legal action; and pay, or cause to be paid, all obligations of Association or where Association has agreed to do so, of the members.

7.4 Enforcement. Enforce the provisions of the Declaration, Articles, these By-Laws, and Rules and Regulations.

8. Officers and Their Duties.

8.1 Officers. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer.

8.2 Election of Officers. Except as set forth below, the election of officers shall be by the Board and shall take place at the first meeting of the Board following each Annual Members Meeting.

8.3 Term. The officers named in the Articles shall serve until their replacement by the Board. The officers of Association shall hold office until their successors are appointed or elected unless such officer shall sooner resign, be removed, or otherwise disqualified to serve.

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

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

8.6 Vacancies. A vacancy in any office shall be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the replaced officer.

8.7 Multiple Offices. The office of President and Vice-President shall not be held by the same person. All other offices may be held by the same person.

8.8 Duties. The duties of the officers are as follows:

8.8.1 President. The President shall preside at all meetings of Association and Board, sign all leases, mortgages, deeds and other written instruments and perform such other duties as may be required by the Board. The President shall be a member of the Board.

8.8.2 Vice President. The Vice President shall act in the place and stead of the President in the event of the absence, inability or refusal to act of the President, and perform such other duties as may be required by the Board.

8.8.3 Secretary. The Secretary shall record the votes and keep the Minutes of all meetings and proceedings of Association and the Board; keep the corporate seal of Association and affix it on all papers required to be sealed; serve notice of meetings of the Board and of Association; keep appropriate current records showing the names of the members of Association together with their addresses; and perform such other duties as required by the Board.

8.8.4 Treasurer. The Treasurer shall cause to be received and deposited in appropriate bank accounts all monies of Association and shall disburse such funds as directed by the Board; sign, or cause to be signed, all checks, and promissory notes of Association; cause to be kept proper books of account and accounting records required pursuant to the provisions of Section 720.303 of the Florida Statutes cause to be prepared in accordance with generally accepted accounting principles all financial reports required by the Florida Statutes; and perform such other duties as required by the Board.

9. Committees.

9.1 General. The Board may appoint such committees as deemed appropriate. The Board may fill any vacancies on all committees.

9.2 ACC. Developer shall have the sole right to appoint the members of the ACC until the Turnover Date. Upon expiration of the right of Developer to appoint members of the

ACC, the Board shall appoint the members of the ACC. As provided under the Declaration, Association shall have the authority and standing to seek enforcement in courts of competent jurisdiction any decisions of the ACC.

10. Records. The official records of Association shall be available for inspection by any Member at the principal office of Association. Copies may be purchased, by a Member, at a reasonable cost.

11. Corporate Seal. Association shall have an impression seal in circular form.

12. Amendments.

12.1 General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to these By-Laws shall affect the rights of Developer unless such amendment receives the prior written consent of Developer which may be withheld for any reason whatsoever. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to these By-Laws, then the prior written consent of such entity or agency must also be obtained. No amendment shall be effective until it is recorded in the Public Records.

12.2 Amendments Prior to and Including the Turnover Date. Prior to and including the Turnover Date, Developer shall have the right to amend these By-Laws as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Developer's right to amend under this provision is to be construed as broadly as possible. In the event that Association shall desire to amend these By-Laws prior to and including the Turnover Date, Association must first obtain Developer's prior written consent to any proposed amendment. Thereafter, an amendment identical to that approved by Developer may be adopted by Association pursuant to the requirements for amendments after the Turnover Date. Thereafter, Developer shall join in such identical amendment so that its consent to the same will be reflected in the Public Records.

12.3 Amendments After the Turnover Date. After the Turnover Date, but subject to the general restrictions on amendments set forth above, these By-Laws may be amended with the approval of (i) sixty-six and two-thirds percent (66 2/3%) of the Board; and (ii) seventy-five percent (75%) of the votes present (in person or by proxy) at a duly noticed meeting of the members of Association at which there is a quorum. Notwithstanding the foregoing, these By-Laws may be amended after the Turnover Date by sixty-six and two-thirds percent (66 2/3%) of the Board acting alone to change the number of directors on the Board. Such change shall not require the approval of the members. Any change in the number of directors shall not take effect until the next Annual Members Meeting.

13. Conflict. In the case of any conflict between the Articles and these By-Laws, the Articles shall control. In the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

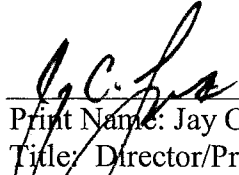
14. Fiscal Year. The first fiscal year shall begin on the date of incorporation and end on December 31 of that year. Thereafter, the fiscal year of Association shall begin on the first day of January and end on the 31st day of December of every year.

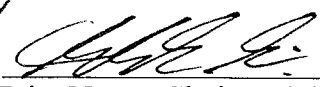
15. Miscellaneous.

15.1 Florida Statutes. Whenever these By-Laws refers to the Florida Statutes, it shall be deemed to refer to the Florida Statutes as they exist on the date these By-Laws are recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

15.2 Severability. Invalidation of any of the provisions of these By-Laws by judgment or court order shall in no way affect any other provision, and the remainder of these By-Laws shall remain in full force and effect.

IN WITNESS WHEREOF, the members of the Board of Directors have adopted these By-Laws of Waterside on Johns Lake Phase 1 Community Association, Inc. effective as of this 4th day of June, 2014.

Name: 
Print Name: Jay C. Lewis, II
Title: Director/President

Attested by: 
Print Name: Clark Sprinkel



St. Johns River

Water Management District

Hans G. Tanzler III, Executive Director

4049 Reid Street • P.O. Box 1429 • Palatka, FL 32178-1429 • (386) 329-4500
On the Internet at floridaswater.com.

October 4, 2013

EXHIBIT 4

Standard Pacific of Florida GP, Inc.
Andrew Abel
558 W New England Ave Ste 250
Winter Park, FL 32789

SUBJECT: Transfer of an Environmental Resource Permit
Permit Number 40-095-130087-2
Project Name: Waterside on Johns Lake- Phase 1

Dear Sir/Madam:

The St. Johns River Water Management District (District) has received a request and documentation to transfer the attached permit to Standard Pacific of Florida GP, Inc. . In support of this request, the District has received sufficient ownership documentation from Standard Pacific of Florida GP, Inc. accepting this permit and all of the listed conditions.

This permit is hereby transferred to Standard Pacific of Florida GP, Inc. . As the new permit holder, you are required to comply with all the conditions as noted in the permit. If you have any questions concerning the conditions of your permit, please contact Bill Carlie, Compliance Manager, in the Maitland Service Center at (407) 659-4833.

This permit issuance does not relieve you from the responsibility of obtaining permits from any federal, state and/or local agencies asserting concurrent jurisdiction over this work. The enclosed permit is a legal document and should be kept with your other important records. Please read the permit and conditions carefully since the referenced conditions may require submittal of compliance information.

Compliance with Permit Conditions:

To submit your required permit compliance information, go to the District's website at floridaswater.com/permitting. Under the "Apply for a permit or submit compliance data" section, click to sign-in to your existing account or to create a new account. Select the "Compliance Submittal" tab, enter your permit number, and select "No Specific Date" for the Compliance Due Date Range. You will then be able to view all the compliance submittal requirements for your project. Select the compliance item that you are ready to submit and then attach the appropriate information or form.

The forms to comply with your permit conditions are available at floridaswater.com/permitting under the section "Handbooks, forms, fees, final orders". Click on forms to view all permit compliance forms, then scroll to the Environmental Resource Permit (ERP) application forms section and select the applicable compliance forms. Alternatively, if you have difficulty finding forms or need copies of the appropriate forms, please contact the Bureau of Regulatory Support at (386) 329-4570.

GOVERNING BOARD

Lad Daniels, CHAIRMAN JACKSONVILLE	John A. Miklos, VICE CHAIRMAN ORLANDO	Douglas C. Bournique, SECRETARY VERO BEACH	Maryam H. Ghyabi, TREASURER ORMOND BEACH
Douglas Burnett ST. AUGUSTINE	Chuck Drake ORLANDO	George W. Robbins JACKSONVILLE	Fred N. Roberts, Jr. OCALA
			W. Leonard Wood FERNANDINA BEACH

Transferring Your Permit:

As required by a condition of your permit, you must notify the District in writing within 30 days of any sale, conveyance or other transfer of a permitted system or facility, or within 30 days of any transfer of ownership or control of the real property where the permitted system or facility is located. You will need to provide the District with the information specified in District rule 40C-1.612, Florida Administrative Code (name and address of the transferee and a copy of the instrument effectuating the transfer). Please note that a permittee remains liable for any corrective actions that may be required as a result of any permit violations that occur before the sale, conveyance, or other transfer of the system or facility, so it is recommended that you request a permit transfer in advance.

Thank you and please let us know if you have additional questions. For general questions contact e-permit@sjrwmd.com or (386) 329-4570.

Sincerely,



Margaret Daniels, Bureau Chief
Bureau of Regulatory Support
St. Johns River Water Management District
4049 Reid Street
Palatka, FL 32177-2529
(386) 329-4570

Enclosures: Permit, Conditions for Issuance

cc: District Permit File

Centerline Homes Enterprises Five LLC
1511 E SR 434
Ste 1009
Winter Springs, FL 32708

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT
Post Office Box 1429
Palatka, Florida 32178-1429

PERMIT NO. 40-095-130087-2 **TRANSFER PERMIT ISSUED:** October 4, 2013
PROJECT NAME: Waterside on Johns Lake- Phase 1

A PERMIT AUTHORIZING:

Transfer of an existing permit from Centerline Homes Enterprises Five, LLC to Standard Pacific of Florida GP, Inc. to construct and operate a surface water management system with stormwater treatment by retention and vegetated natural buffer for Waterside on Johns Lake Phase 1, a 76.25-acre project with seven dry retention ponds, with vegetated natural buffers for homes along the Johns Lake shoreline and pollution abatement swales at select locations along the eastern boundary of the development, to be constructed as per plans received by the District on June 7, 2012, as amended by Sheets 7-11 and 33 received by the District on August 2, 2012. This permit does not authorize any impacts to wetlands or other surface waters.

LOCATION:

SECTION(S): 5,6 TOWNSHIP(S): 23S RANGE(S) 27E

Orange County

ISSUED TO:

Standard Pacific of Florida GP, Inc.
558 W New England Ave Ste 250
Winter Park, FL 32789

Permittee agrees to hold and save the St. Johns River Water Management District and its successors harmless from any and all damages, claims, or liabilities which may arise from permit issuance. Said application, including all plans and specifications attached thereto, is by reference made a part hereof.

This permit does not convey to permittee any property rights nor any rights or privileges other than those specified herein, nor relieve the permittee from complying with any law, regulation or requirement affecting the rights of other bodies or agencies. All structures and works installed by permittee hereunder shall remain the property of the permittee.

This permit may be revoked, modified or transferred at any time pursuant to the appropriate provisions of Chapter 373, Florida Statutes:

PERMIT IS CONDITIONED UPON:

See conditions on attached "Exhibit A", dated October 4, 2013

AUTHORIZED BY: St. Johns River Water Management District
Division Of Regulatory Services

By: 

Janice Unger
Environmental Resource Program Manager

"EXHIBIT A"
CONDITIONS FOR ISSUANCE OF PERMIT NUMBER 40-095-130087-2
Standard Pacific of Florida GP, Inc.
DATED October 04, 2013

1. All activities shall be implemented as set forth in the plans, specifications and performance criteria as approved by this permit. Any deviation from the permitted activity and the conditions for undertaking that activity shall constitute a violation of this permit.
2. This permit or a copy thereof, complete with all conditions, attachments, exhibits, and modifications, shall be kept at the work site of the permitted activity. The complete permit shall be available for review at the work site upon request by District staff. The permittee shall require the contractor to review the complete permit prior to commencement of the activity authorized by this permit.
3. Activities approved by this permit shall be conducted in a manner which do not cause violations of state water quality standards.
4. Prior to and during construction, the permittee shall implement and maintain all erosion and sediment control measures (best management practices) required to retain sediment on-site and to prevent violations of state water quality standards. All practices must be in accordance with the guidelines and specifications in chapter 6 of the Florida Land Development Manual: A Guide to Sound Land and Water Management (Florida Department of Environmental Regulation 1988), which are incorporated by reference, unless a project specific erosion and sediment control plan is approved as part of the permit, in which case the practices must be in accordance with the plan. If site specific conditions require additional measures during any phase of construction or operation to prevent erosion or control sediment, beyond those specified in the erosion and sediment control plan, the permittee shall implement additional best management practices as necessary, in accordance with the specifications in chapter 6 of the Florida Land Development Manual: A Guide to Sound Land and Water Management (Florida Department of Environmental Regulation 1988). The permittee shall correct any erosion or shoaling that causes adverse impacts to the water resources.
5. Stabilization measures shall be initiated for erosion and sediment control on disturbed areas as soon as practicable in portions of the site where construction activities have temporarily or permanently ceased, but in no case more than 7 days after the construction activity in that portion of the site has temporarily or permanently ceased.
6. At least 48 hours prior to commencement of activity authorized by this permit, the permittee shall submit to the District a Construction Commencement Notice Form No. 40C-4.900(3) indicating the actual start date and the expected completion date.
7. When the duration of construction will exceed one year, the permittee shall submit construction status reports to the District on an annual basis utilizing an Annual Status Report Form No. 40C-4.900(4). These forms shall be submitted during June of each year.
8. For those systems which will be operated or maintained by an entity which will require an easement or deed restriction in order to provide that entity with the authority necessary to operate or maintain the system, such easement or deed restriction, together with any other final operation or maintenance documents as are required by subsections 7.1.1 through 7.1.4 of the Applicant's Handbook: Management and Storage of Surface Waters, must be submitted to the District for approval. Documents meeting the requirements set forth in these subsections of the Applicant's Handbook will be approved. Deed restrictions,

easements and other operation and maintenance documents which require recordation either with the Secretary of State or the Clerk of the Circuit Court must be so recorded prior to lot or unit sales within the project served by the system, or upon completion of construction of the system, whichever occurs first. For those systems which are proposed to be maintained by county or municipal entities, final operation and maintenance documents must be received by the District when maintenance and operation of the system is accepted by the local governmental entity. Failure to submit the appropriate final documents referenced in this paragraph will result in the permittee remaining liable for carrying out maintenance and operation of the permitted system.

9. Each phase or independent portion of the permitted system must be completed in accordance with the permitted plans and permit conditions prior to the initiation of the permitted use of site infrastructure located within the area served by the portion or phase of the system. Each phase or independent portion of the system must be completed in accordance with the permitted plans and permit conditions prior to transfer of responsibility for operation and maintenance of that phase or portion of the system to local government or other responsible entity.

10. Within 30 days after completion of construction of the permitted system, or independent portion of the system, the permittee shall submit a written statement of completion and certification by a registered professional engineer or other appropriate individual as authorized by law, utilizing As Built Certification Form 40C-1.181(13) or 40C-1.181(14) supplied with this permit. When the completed system differs substantially from the permitted plans, any substantial deviations shall be noted and explained and one copy of as-built drawings submitted to the District. Submittal of the completed form shall serve to notify the District that the system is ready for inspection. The statement of completion and certification shall be based on on-site observation of construction (conducted by the registered professional engineer, or other appropriate individual as authorized by law, or under his or her direct supervision) or review of as-built drawings for the purpose of determining if the work was completed in compliance with approved plans and specifications. As-built drawings shall be the permitted drawings revised to reflect any changes made during construction. Both the original and any revised specifications must be clearly shown. The plans must be clearly labeled as "as-built" or "record" drawing. All surveyed dimensions and elevations shall be certified by a registered surveyor. The following information, at a minimum, shall be verified on the as-built drawings: 1. Dimensions and elevations of all discharge structures including all weirs, slots, gates, pumps, pipes, and oil and grease skimmers; 2. Locations, dimensions, and elevations of all filter, exfiltration, or underdrain systems including cleanouts, pipes, connections to control structures, and points of discharge to the receiving waters; 3. Dimensions, elevations, contours, or cross-sections of all treatment storage areas sufficient to determine state-storage relationships of the storage area and the permanent pool depth and volume below the control elevation for normally wet systems, when appropriate; 4. Dimensions, elevations, contours, final grades, or cross-sections of the system to determine flow directions and conveyance of runoff to the treatment system; 5. Dimensions, elevations, contours, final grades, or cross-sections of all conveyance systems utilized to convey off-site runoff around the system; 6. Existing water elevation(s) and the date determined; and Elevation and location of benchmark(s) for the survey.

11. The operation phase of this permit shall not become effective until the permittee has submitted the appropriate As-Built Certification Form, the District determines the system to be in compliance with the permitted plans, and the entity approved by the District in accordance with subsections 7.1.1 through 7.1.4 of the Applicant's Handbook: Management and Storage of Surface Waters, accepts responsibility for operation and maintenance of the system. The permit may not be transferred to such an approved operation and maintenance entity until the operation phase of the permit becomes effective. Following inspection and approval of the permitted system by the District, the

permittee shall request transfer of the permit to the responsible approved operation and maintenance entity, if different from the permittee. Until the permit is transferred pursuant to section 7.1 of the Applicant's Handbook: Management and Storage of Surface Waters, the permittee shall be liable for compliance with the terms of the permit.

12. Should any other regulatory agency require changes to the permitted system, the permittee shall provide written notification to the District of the changes prior implementation so that a determination can be made whether a permit modification is required.
13. This permit does not eliminate the necessity to obtain any required federal, state, local and special district authorizations prior to the start of any activity approved by this permit. This permit does not convey to the permittee or create in the permittee any property right, or any interest in real property, nor does it authorize any entrance upon or activities on property which is not owned or controlled by the permittee, or convey any rights or privileges other than those specified in the permit and chapter 40C-4 or chapter 40C-40, F.A.C.
14. The permittee shall hold and save the District harmless from any and all damages, claims, or liabilities which may arise by reason of the activities authorized by the permit or any use of the permitted system.
15. Any delineation of the extent of a wetland or other surface water submitted as part of the permit application, including plans or other supporting documentation, shall not be considered specifically approved unless a specific condition of this permit or a formal determination under rule 40C-1.1006, F.A.C., provides otherwise.
16. The permittee shall notify the District in writing within 30 days of any sale, conveyance, or other transfer of ownership or control of the permitted system or the real property at which the permitted system is located. All transfers of ownership or transfers of a permit are subject to the requirements of rule 40C-1.612, F.A.C. The permittee transferring the permit shall remain liable for any corrective actions that may be required as a result of any permit violations prior to such sale, conveyance or other transfer.
17. Upon reasonable notice to the permittee, District authorized staff with proper identification shall have permission to enter, inspect, sample and test the system to insure conformity with the plans and specifications approved by the permit.
18. If historical or archaeological artifacts are discovered at any time on the project site, the permittee shall immediately notify the District.
19. The permittee shall immediately notify the District in writing of any previously submitted information that is later discovered to be inaccurate.
20. At a minimum, all retention and detention storage areas must be excavated to rough grade prior to building construction or placement of impervious surface within the area to be served by those facilities. To prevent reduction in storage volume and percolation rates, all accumulated sediment must be removed from the storage area prior to final grading and stabilization.
21. All wetland areas or water bodies that are outside the specific limits of construction authorized by this permit must be protected from erosion, siltation, scouring or excess turbidity, and dewatering.

22. Prior to construction, the permittee must clearly designate the limits of construction on-site. The permittee must advise the contractor that any work outside the limits of construction, including clearing, may be a violation of this permit.
23. This permit requires the recording of a conservation easement. Description of Conservation Easement Area The permittee shall provide to the District for review and written approval a copy of: (a) the preliminary plat showing the area to be encumbered by the conservation easement, or (b) a surveyor's sketch and legal description of the area to be placed under the conservation easement, per the approved mitigation plan, at least 45 days prior to (1) dredging, filling, or clearing any wetland or surface water for which mitigation is required, (2) clearing any upland within a Riparian Habitat Protection Zone for which mitigation is required, (3) the sale of any lot or parcel, (4) the recording of the subdivision plat, or (5) use of the infrastructure for its intended use, whichever occurs first. If the impacts to an upland within a Riparian Habitat Protection Zone or to a wetland or surface water for which mitigation is required will occur in discrete phases, the areas to be preserved to offset such impacts may be placed under conservation easement in phases such that impacts are offset during each phase. Such phasing of preservation shall only occur if it has been proposed in the mitigation plan and approved by the permit, or if it is approved in writing by the District. A surveyor's sketch and legal description of the area to be placed under conservation easement during each phase must be submitted in accordance with the previous paragraph. Recording of Conservation Easement Prior to (1) dredging, filling, or clearing any wetland or surface water for which mitigation is required, (2) clearing any upland within a Riparian Habitat Protection Zone for which mitigation is required, (3) the sale of any lot or parcel, (4) the recording of the subdivision plat, or (5) use of the infrastructure for its intended use, whichever occurs first, the permittee shall record a conservation easement which shall include restrictions on the real property pursuant to section 704.06, Florida Statutes, and be consistent with section 12.3.8, Applicant's Handbook, Management and Storage of Surface Waters (February 16, 2010). The conservation easement shall be in the form approved in writing by the District and, if no plat has been submitted, the easement shall include the approved legal description and surveyor's sketch. If the District does not provide written comments on the preliminary plat or surveyor's sketch and legal description within 45 days of receipt, then the permittee may record the conservation easement with the legal description and surveyor's sketch or plat reference previously submitted. If the District provides written disapproval of the preliminary plat or surveyor's sketch and legal description, the permittee shall, within ten (10) days of receipt of the disapproval, correct all errors with the conservation easement, including the preliminary plat or legal description and surveyor's sketch, and record the conservation easement. Pursuant to section 704.06, Florida Statutes, the conservation easement shall prohibit all construction, including clearing, dredging, or filling, except that which is specifically authorized by this permit, within the mitigation areas delineated on the final plans and/or mitigation proposal approved by the District. The easement must contain the provisions set forth in paragraphs 1(a)-(h) of section 704.06, Florida Statutes, as well as provisions indicating that the easement may be enforced by the District, and may not be amended without written District approval. Additional Documents Required The permittee shall ensure that the conservation easement identifies, and is executed by, the correct grantor, who must hold sufficient record title to the land encumbered by the easement. If the easement's grantor is a partnership, the partnership shall provide to the District a partnership affidavit stating that the person executing the conservation easement has the legal authority to convey an interest in the partnership land. If there exist any mortgages on the land, the permittee shall also have each mortgagee execute a consent and joinder of mortgagee subordinating the mortgage to the conservation easement. The consent and joinder of the mortgagee shall be recorded simultaneously with the conservation easement in the public records of the county where the land is located. Within 30 days of recording, the permittee shall provide the District with: (a) the original recorded easement (including exhibits) showing the date it was recorded and the official records book and page number, (b) a copy of the recorded plat (if applicable), (c) a surveyor's sketch of the easement area

plotted on the appropriate USGS topographic map, and (d) the original recorded consent and joinder(s) of mortgagee (if applicable). Demarcation of Conservation Easement Area Prior to lot or parcel sales, all changes in direction of the easement area boundaries must be permanently monumented above ground on the project site.

24. This permit requires the recording of a Declaration of Covenants and Restrictions that includes restrictions on certain real property. Description of Restricted Area The permittee shall provide to the District for review and written approval a copy of: (a) the preliminary plat showing the area to be encumbered by the restrictions, or (b) a surveyor's sketch and legal description of the area to be restricted, per the approved mitigation plan, at least 45 days prior to: (1) dredging, filling, or clearing any wetland or surface water for which mitigation is required, (2) clearing any upland within a Riparian Habitat Protection Zone for which mitigation is required, (3) the sale of any lot or parcel, (4) the recording of the subdivision plat, or (5) use of the infrastructure for its intended use, whichever occurs first. If the impacts to an upland within a Riparian Habitat Protection Zone or to a wetland or surface water for which mitigation is required will occur in discrete phases, the areas to be preserved to offset such impacts may be restricted in phases such that impacts are offset during each phase. Such phasing of preservation shall only occur if it has been proposed in the mitigation plan and approved by the permit, or if it is approved in writing by the District. A surveyor's sketch and legal description of the area to be restricted during each phase must be submitted in accordance with the previous paragraph. Recording of Declaration of Covenants and Restrictions Prior to (1) dredging, filling, or clearing any wetland or surface water for which mitigation is required, (2) clearing any upland within a Riparian Habitat Protection Zone for which mitigation is required, (3) the sale of any lot or parcel, (4) the recording of the subdivision plat, or (5) use of the infrastructure for its intended use, whichever occurs first, the permittee shall record a Declaration of Covenants and Restrictions which includes restrictions on the real property pursuant to section 704.06, Florida Statutes, and be consistent with section 12.3.8, Applicant's Handbook, Management and Storage of Surface Waters (February 16, 2010). The Declaration shall be in the form approved in writing by the District and, if no plat has been submitted, the Declaration shall include the approved legal description and surveyor's sketch. If the District does not provide written comments on the preliminary plat or surveyor's sketch and legal description within 45 days of receipt, then the permittee may record the Declaration with the legal description and surveyor's sketch or plat reference previously submitted. If the District provides written disapproval of the preliminary plat or surveyor's sketch and legal description, the permittee shall, within ten (10) days of receipt of the disapproval, correct all errors with the Declaration, including the preliminary plat or legal description and surveyor's sketch, and record the Declaration Pursuant to section 704.06, Florida Statutes, the Declaration shall prohibit all construction, including clearing, dredging, or filling, except that which is specifically authorized by this permit, within the mitigation areas delineated on the final plans and/or mitigation proposal approved by the District. The Declaration must contain the provisions set forth in paragraphs 1(a)-(h) of section 704.06, Florida Statutes, as well as provisions indicating that the restrictions may be enforced by the District, and may not be amended without written District approval. Additional Documents Required The permittee shall ensure that the Declaration identifies, and is executed by, the correct grantor, who must hold sufficient record title to the land encumbered by the restrictions. If the Declaration's grantor is a partnership, the partnership shall provide to the District a partnership affidavit stating that the person executing the Declaration has the legal authority to restrict partnership land or convey an interest in the partnership land. If there exist any mortgages on the land, the permittee shall also have each mortgagee execute a consent and joinder of mortgagee subordinating the mortgage to the Declaration. The consent and joinder of mortgagee shall be recorded simultaneously with the Declaration in the public records of the county where the land is located. Within 30 days of recording, the permittee shall provide the District with: (a) a certified copy of the Declaration (including exhibits) showing the date it was recorded and the official records book and page number, (b) a copy of the recorded plat (if applicable), (c) a surveyor's sketch of the restricted area

plotted on the appropriate USGS topographic map, and (d) the original recorded consent and joinder of mortgagee documents (if applicable). Demarcation of Restricted Area Prior to lot or parcel sales, all changes in direction of the restricted area boundaries must be permanently monumented above ground on the project site.

25. The operation and maintenance entity shall inspect the stormwater or surface water management system once within two years after the completion of construction and every two years thereafter to determine if the system is functioning as designed and permitted. The operation and maintenance entity must maintain a record of each required inspection, including the date of the inspection, the name, address, and telephone number of the inspector, and whether the system was functioning as designed and permitted, and make such record available for inspection upon request by the District during normal business hours. If at any time the system is not functioning as designed and permitted, then within 14 days the entity shall submit an Exceptions Report to the District, on form number 40C-42.900(6), Exceptions Report for Stormwater Management Systems Out of Compliance.
26. The proposed stormwater management system shall be constructed and operated as per plans received by the District on June 7, 2012, as amended by Sheets 7-11 and 33 received by the District on August 2, 2012.
27. This permit does not authorize any impacts to wetlands or other surface waters.
28. This permit for construction will expire on August 30, 2017.