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VERIFIED BY:

[Signature] D.C.

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BELMONT HILLS**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BELMONT HILLS ("Declaration") is made this _____ day of _____, 19 __, by Citrus Hills Investment Properties, a Florida general partnership ("Developer").

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Article II of this Declaration and desires to create thereon a residential community known as Belmont Hills (hereinafter described and defined as the "Property"); and

WHEREAS, Developer desires to ensure the attractiveness of the individual lots, units and parcels and community facilities within the Property and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the said Property and to provide for the maintenance of common areas and other community facilities and lawn maintenance; and, to this end, desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said Property and each owner of the portions thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in the Property and to insure the owners' enjoyment of the specific rights, privileges and easements in the community properties and facilities, to create an organization to which should be delegated the assigned the powers of owning, maintaining and administering the community properties and facilities, administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has or will incorporate under the laws of the State of Florida, as a non-profit corporation, namely, BELMONT HILLS PROPERTY OWNERS ASSOCIATION, INC., for the purpose of exercising the functions, responsibilities, duties and other actions contemplated herein.

NOW, THEREFORE, the Developer hereby declares that the Property identified in Article II hereof is and shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "Covenants and Restrictions") hereinafter set forth.

ARTICLE I: DEFINITIONS

Unless the context expressly requires otherwise, the following terms mean as follows wherever used in this Declaration:

Section 1. "Articles" means the Articles of Incorporation of the Association, and its successors, as from time to time amended.

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Section 2. "Association" means Belmont Hills Property Owners Association, Inc., a Florida not for profit corporation, organized, or to be organized, under Florida Statutes.

Section 3. "Board of Directors" or "Board" means the Association's Board of Directors.

Section 4. "By-Laws" means the By-Laws of the Association, and its successors, as from time to time amended.

Section 5. "CHCC" means Citrus Hills Construction Company, and/or its express designees, if any. CHCC is a Florida corporation, with its current principal place of business at 2050 North Brentwood Circle, Lecanto, Florida 34461. CHCC is a Certified General Contractor, licensed by the State of Florida Department of Business and Professional Regulation Construction Industry Licensing Board, License #CG C028828.

Section 6. "Committee" means the Architectural Control Committee established pursuant to Article IV herein.

Section 7. "Common Property" or "Common Properties" means (i) any property now or hereafter owned by the Association (whether or not such property constitutes a portion of the Property), (ii) any property designated in Exhibit B hereto, (iii) any property designated by Developer as Common Property in this Declaration or in any amendment or supplement to this Declaration, (iv) any portion of the Property designated on the plat(s) of the Property recorded in the Public Records of Citrus County, Florida ("Plat"), as Common Property (or words to that effect), (v) property to be maintained by the Association, and (vi) the property encompassed by any Southwest Florida Water Management District surface water management permit. Common Property may or may not constitute a portion of the Property and may be part of a dedicated right-of-way or easement.

Section 8. "Declaration" means this Declaration, as from time to time amended.

Section 9. "Developer" means Citrus Hills Investment Properties, a Florida general partnership, and its successors or assigns.

Section 10. "Documents" or "Documentation" means the legal documentation for the Property consisting of this Declaration, the Association's Articles of Incorporation, the Association's By-Laws and all amendments to any of the foregoing hereafter made and any other instruments or documents pertaining thereto.

Section 11. "Dwelling" means a residential housing unit consisting of a group of rooms which are designed or intended for the exclusive use as living quarters for one Family and constructed upon a Lot, Unit or Parcel of the Property. The term "Dwelling" shall include apartments, single-family homes, townhomes, duplexes, condominium or cooperative Units and the like.

Section 12. "Family" means 1) one or more persons each related to the other by blood, marriage, or legal adoption, or 2) a group of not more than three (3) persons not all so related, who maintain a common household Dwelling.

Section 13. "Lot" means any platted lot within the Property.

Section 14. "Mortgage" means any valid instrument transferring any interest in real property as security for the performance of an obligation. "First Mortgage" means a valid mortgage having priority over all other mortgages on the same property.

Section 15. "Master Association" means Clearview Estates of Citrus Hills Property Owners Association, Inc., its successors and assigns.

Section 16. "Master Association Member" means a member of the Master Association, as provided in the Master Association's declaration, articles of incorporation or by-laws.

Section 17. "Owner" means any person who from time to time holds record title to any Lot, Unit or Parcel. If more than one person holds such title, all such persons are Owners, jointly and severally. The developer is an Owner with respect to each Lot, Unit or Parcel from time to time owned by such Developer.

Section 18. "Parcel" means any portion of the Property that is not a Unit or Lot and is not Common Property or property owned by a governmental entity.

Section 19. "Person" means any natural person or artificial entity having legal capacity.

Section 20. "Property" shall mean and refer to that certain real property identified in Article II hereof which is made subject to this Declaration.

Section 21. "Resident" means a regular occupant of a Dwelling.

Section 22. "Surface Water" or "Stormwater Management System," whether those terms are capitalized or lower case, means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

Section 23. "Work" means the development of all or any portion of the Property as a residential community by Developer's construction and installation of streets, dwellings, buildings, and other improvements and the sale or other disposition of portions of the Property and improvements thereon.

Section 24. "Unit" means a cooperative unit pursuant to the declaration or documentation applicable thereto.

ARTICLE II: PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County of Citrus, State of Florida, and is more particularly described in the description attached hereto as Exhibit A and incorporated by this reference as fully as if specifically repeated herein, together with any additions thereto made subject to this Declaration less any deletions therefrom pursuant to this Declaration shall hereinafter be referred to as the "Property".

Section 2. Appurtenances. The benefit of all rights and easements granted by this Article constitute a permanent appurtenance to, and will pass with the title to every Lot, Unit or Parcel enjoying such benefit. Whenever any such rights or easements are described as non-exclusive by this Article, its benefit nevertheless is exclusive to all Lots, Units and Parcels granted such benefit by this Article, unless this Article expressly grants such benefit to other persons. Except for the possibility in the future of the County agreeing to maintain the road, in no event will the benefit of any such easement extend to the general public.

Section 3. Utility Easements. Developer has identified areas for use by all utilities of the construction and maintenance of their respective facilities servicing the Property; and Developer hereby grants to such utilities, jointly and severally, easements for such purpose. The location and extent of such easements are as shown on the Plat(s) (recorded or to be recorded) of

the Property or such other instrument defining them. In addition to the above, Developer hereby reserves unto itself and its successors and assigns an access easement over, under, across and through the Common Property and utility easements as may be required for the construction, maintenance and operation of a communication, cable television and security system. Such utilities, as well as the Developer, and their respective agents, employees, designees and assigns, shall have full rights of ingress and egress over any Lot or Parcel not constituting a Dwelling, for all activities appropriately associated with the purposes of said easements but all damage to such portions of the Property caused thereby shall be repaired at the cost of the party causing the damage.

Section 4. Common Property.

(a) Conveyance By Developer. Developer shall have the right to convey title to any portion of the Property or other property owned by it, or any easement or interest therein, to the Association as Common Property, and the Association's acceptance shall be effective upon recording the deed or instrument of conveyance in the public records of Citrus County, Florida. Notwithstanding the foregoing, Developer shall not have the obligation to develop and/or convey any portion of the Property to the Association as Common Property, and if Developer desires to convey any portion of the Property to the Association, the timing of the conveyance shall be in the sole discretion of Developer.

(b) Conveyance By Any Person. Any person other than the Developer may convey title to any portion of the Property or other property owned by such Person, or any easement or interest therein, to the Association as Common Property, but the Association shall not be required to accept any such conveyance, and no such conveyance shall be effective to impose any obligation for the maintenance, operation or improvement of any such property upon the Association, unless the Board expressly accepts the conveyance by executing the deed or other instrument of conveyance or by recording a written acceptance of such conveyance in the public records of Citrus County, Florida.

(c) Use and Benefit. All Common Property conveyed to the Association shall be held by the Association for the use and benefit of the Association and the Owners of the Property, and their respective families, guests and invitees, the holders of any mortgage encumbering any Property from time to time, and any other persons authorized to use the Common Property or any portion thereof by Developer or the Association, for all proper and reasonable purposes and uses for which the same are reasonably intended, subject to the terms of this Declaration, subject to the terms of any easement, restriction, reservation or limitation or record affecting the Common Property to the Association, and subject to any rules and regulations adopted by the Association. A non-exclusive easement of enjoyment and right for such use is hereby created in favor of all Owners and other persons entitled to the use and benefit as provided herein, and such easement and right shall be appurtenant to and pass with the title to their respective property.

(d) Additions, Alterations or Improvements. The Association shall have the right to make additions, alterations or improvements to the Common Property, and to purchase any personal property as it deems necessary or desirable from time to time; provided, however, that the approval of a majority of the Members present in person or by proxy at a duly called meeting of the Association shall be required for any addition, alteration or improvement, or any purchase of personal property which exceeds ten percent (10%) of the annual budget in effect at the time the addition, alteration, improvement or purchase is contemplated by the Association. The

foregoing approval shall in no event be required with respect to expenses incurred in connection with the maintenance, repair or replacement of existing Common Property, or any existing improvements or personal property associated therewith. The cost and expense of any such additions, alterations or improvements to the Common Property, or the purchase of any personal property, shall be a common expense. In addition, so long as Developer owns any portion of the Property, Developer shall have the right to make any additions, alterations or improvements to the Common Property as may be desired by Developer in its sole discretion from time to time.

(e) Dedications. The Developer reserves the right to dedicate, grant or convey any portion of the Property owned by it, or any interest or easement therein, to any governmental or quasi-governmental agency or private or public utility company. Developer shall also have the right to direct the Association to likewise dedicate, grant or convey any Common Property, or any interest or easement in any Common Property owned by the Association, whereupon the Association pursuant to the provisions of this Article, shall execute such documents as will be necessary to effect such dedication; provided, however, that this right of Developer shall terminate when Developer no longer is a Member of the Association. Any portion of the Property, or any interest or easement therein, which is dedicated, granted or conveyed pursuant to this provision shall not be subject to the Covenants and Restrictions contained within this Declaration, unless the instrument so dedicating, granting, or conveying such property, interest or easement specifically provides that same is subject to the Covenants and Restrictions contained within this Declaration.

(f) Extent of Owner's Easement. The rights and easements of enjoyment created herein, shall be subject to the following:

(i) The right of the Association to limit the use of the Common Properties to Owners, their families and guests, and in reasonable numbers;

(ii) The right of the Association to suspend the voting and enjoyment rights of an Owner for any period during which any assessment against his Lot, Unit or Parcel remains unpaid, or for any infraction of the Association's published rules and regulations;

(iii) The right of the Association to dedicate or transfer all or any part of the Common Property owned by the Association to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedications or transfer shall be effective unless the Owners entitled to at least two-thirds (2/3) of the Class A votes and all of the Class B votes agree to such dedication or transfer; provided, however, that this paragraph shall neither preclude the Board of Directors of the Association from granting specific easements for the installation and maintenance of electrical, telephone, special purpose cable for television and other uses, water and sewer, utilities and drainage facilities upon, over, under and across the Common Property without the consent of the Owners nor prevent the Developer from granting such specific easements with regard to Common Property owned by the Developer without the consent of the Owner;

(iv) The right of the Association to impose reasonable rules and regulations in respect to the use of the Common Properties in addition to those set forth herein; and

(v) That portion of any driveway falling within the Common Properties which is contiguous to and serves one or more Lots, Units or Parcels shall, except as otherwise provided herein shall be subject to the exclusive use and possession of the Owners whose Lots, Units or Parcels are served by such driveway.

(g) Extension of Rights and Benefits. Every Owner shall have the right to extend the rights and easements of enjoyment vested in him under this Article to each of his tenants and to each member of his Family who resides with him and to such other persons as may be permitted by the Association.

(h) Easement for Access and Drainage: The Association shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system. By this easement, the Association shall have the right to enter upon any portion of any lot which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management system as required by law by the Southwest Florida Water Management District permit.

Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system. No person shall alter the drainage flow of the surface water or stormwater management system, including buffer areas or swales, without the prior written approval of the Southwest Florida Water Management District.

Section 5. Covenants, Restrictions and Easements. The following provisions shall also apply to the use of the Property:

(a) General Restrictions. The following easements and restrictive covenants are easements and covenants running with the land and are binding upon all Owners, their successors and assigns:

(i) Unless otherwise provided in the plat, declaration or other governing document, the Lots and Units shall not be used for any purpose except as a private dwelling for one Family; nor shall any trade, business, profession, or other type of commercial activity be carried on upon any Parcel without the express written consent of the Declarant (this shall not prevent an owner from renting its property for residential use); and, provided further that nothing herein shall be construed in such a manner as to prohibit an Owner from (a) maintaining his personal professional library therein; (b) keeping his personal, business or professional records or accounts therein; or (c) handling his personal, business or professional telephone calls or correspondence therefrom.

(ii) No noxious or offensive activity shall be carried on upon any Lot, Unit or Parcel nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. No inflammable, combustible or explosive fluid or chemical substance shall be kept on any Lot, Unit or Parcel except such as are required for normal household use and same shall be kept within the Dwelling constructed on said Lot, Unit or Parcel. No Owner shall permit or suffer anything to be done or kept in his Dwelling or, where applicable, on his Lot, Unit or Parcel which will increase the rate of insurance as to other Owners or to the Association.

(iii) No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuilding shall be used on any Lot, Unit or Parcel at any time as a residence either temporarily or permanently, except that the Developer may place any type of temporary structure on any Lot, Unit or Parcel at any time to aid in its construction and/or sales activities.

(iv) No Lot, Unit or Parcel shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers or as required by the Association or the applicable ordinances of Citrus County. All

equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

(v) No individual water supply system shall be permitted on any Lot, Unit or Parcel unless such system is located, constructed and equipped in accordance with the requirements, standards and recommendations of the Committee and all applicable governmental authorities and approval of such system as installed shall be obtained from the Committee and such governmental agencies.

(vi) There shall be no alteration, addition or improvement of any Common Properties, except as provided in this Declaration, nor shall any person use the Common Properties, or any part thereof in any manner contrary to or not in accordance with the rules and regulations pertaining thereto as from time to time may be promulgated by the Association or approved and authorized by the Association.

(vii) Only automobiles, vans constructed as private passenger vehicles, and pick-up trucks used as private passenger vehicles may be parked within the Property overnight without the prior written consent of the Association. Except that the Developer may place a commercial vehicle, truck or trailer on the Property at any time to aid in its construction and/or sales activity. Commercial trucks, trailers, campers, mobile homes, boats or boat trailers or recreational vehicles must be stored in fully enclosed garages with the doors closed and may not be parked in any driveway or upon any Lot, Unit or Parcel; provided, however, that it shall not be a violation of this provision for an Owner to park, in Owner's driveway, a camper, recreational vehicle, or a boat on a boat trailer, for a period of time not to exceed twenty-four (24) hours. No motor vehicles or boat repair work shall be conducted on any portion of the Property. No ATV vehicles may be used on the Property without the written consent of the Association.

(viii) No mail box of any type shall be placed upon any Lot, Unit or Parcel nor affixed to any Dwelling unless the size and design thereof complies with the applicable rules and regulations of the Committee or has been approved by the Committee.

(ix) No television, radio, or other satellite dish, or other communication device or antenna(e) of any type or nature whatsoever shall be located upon the exterior of any Dwelling, or shall protrude from the interior to the exterior thereof, or shall be located anywhere on the Lot, Unit or Parcel, except as may be specifically authorized by the Association. Digital satellite systems with a dish no larger than 24" in diameter are hereby specifically authorized.

(x) There shall be no wall or window type air conditioning unit(s) in any Dwelling.

(xi) No Lot, Unit or Parcel shall be increased in size by filling in any water area it may abut. The elevation of a Lot, Unit or Parcel may not be changed so as to materially affect the surface elevation or grade of the surrounding Lots, Units or Parcels without the prior written approval of the Committee.

(xii) No artificial grass, plants or other artificial vegetation shall be placed or maintained upon the exterior portion of any Lot, Unit or Parcel unless such installation complies with the applicable rules and regulations of the Committee or has been approved by the Committee. No more than ten percent (10%) of any Lot, Unit or Parcel (excluding buildings footprint) shall be planted covered or maintained in any material other than grass or other natural, living vegetation, unless approved by the Committee.

(xiii) No automobile garage shall be permanently enclosed or converted to other use without the substitution of another enclosed automobile storage facility upon the Lot, Unit or Parcel. All Lots shall have a paved driveway of stable and permanent construction. The driveway base shall be concrete and no driveway surface shall be painted, repainted, or otherwise artificially colored or recolored unless such variation shall comply with the applicable rules and regulations of the Committee or has been approved by the Committee.

(xiv) No fences shall be used as a clothesline. Clotheslines are not permitted in any open area that is visible to the other Lots, Units or Parcels.

(xv) No fences, walls or hedges shall be constructed on any Lot, Unit or Parcel unless such item complies with applicable rules and regulations of the Committee or has been approved by the Committee.

(xvi) No sign of any kind shall be displayed to the public view on any Lot, Unit or Parcel except in connection with the offering for sale of such Lot, Unit or Parcel as follows:

(1) The exclusive sales agent for the Owner or the Owners may place one (1) professional sign not to exceed eight inches by twelve inches, which sign may only advertising the property "for sale" or "for rent" and which may be placed upon not more than one post, painted flat black in color, and which post shall not exceed forty-eight inches in height;

(2) This sign restriction shall not apply to the Developer.

(xvii) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling except that two (2) common household pets, such as dogs, cats or birds, may be kept, provided that they are not kept, bred or maintained for commercial purposes. All pets must be kept on leashes when outside of the Owner's Lot, Unit or Parcel. The Owner or other person harboring such pet shall be responsible for taking immediate sanitary procedures to clean and remove any feces of the pet from the Property. Any pet causing or creating a nuisance or unreasonable disturbance, including, without limitation, violating the foregoing sentence, shall be permanently removed from the Property upon three (3) days written notice by the Association to the Owner thereof or to the person harboring such pet.

(b) Rules and Regulations. The Board of Directors of the Association may from time to time adopt, or amend previously adopted rules and regulations governing a) the interpretation and more detailed implementation of the restrictions set forth in this Declaration including those which would guide the Committee in the uniform enforcement of the foregoing general restrictions as well as b) the details of the operation, use, maintenance, management and control of the Common Properties; provided, however, that copies of such rules and regulations shall be furnished to each Owner prior to the time same became effective and provided that said rules and regulations are a reasonable exercise of the Association's power and authority based upon the overall concepts and provisions in the Declaration.

(c) Provisions Inoperative as to Initial Construction. Nothing contained in this Declaration will be interpreted, construed, or applied to prevent the Developer, or its or their contractors, subcontractors, agents, and employees, from doing or performing on all or any part of the Property owned or controlled by the Developer, whatever they determine to be reasonably necessary or convenient to complete the Work, including:

(i) Improvements. Erecting, constructing, and maintaining such structures and other improvements as may be reasonably necessary or convenient for the conduct of such developer's business of completing the Work, establishing the Property as a residential community, and disposing of the same in Lots, Units or Parcels by sale, lease, or otherwise.

(ii) Development. Conducting thereon its business of completing the Work, establishing the Property as a residential community, and disposing of the Property in Lots, Units or Parcels by sale, lease or otherwise.

(iii) Signs. Maintaining such signs as may be reasonably necessary or convenient in connection with the sale, lease or other transfer of the Property in Lots, Units or Parcels.

(d) Access by Association. The officers, employees, or designated agents of the Association have a right of entry onto the exterior of each Lot, Unit or Parcel to the extent reasonably necessary to discharge any duty imposed, or exercise any right granted, by this Declaration or to investigate or enforce the provisions of the Declaration and the rules and regulations of the Association. Such right of entry must be exercised in a peaceful and reasonable manner at reasonable times and the entry may be only upon reasonable notice whenever circumstances permit. Entry into any Dwelling upon any Lot, Unit or Parcel may not be made without the consent of its Owner or occupant for any purpose, except pursuant to court order or other authority conferred by law. Such consent will not be unreasonably withheld or delayed.

(e) Easement for Encroachments. Each Lot, Unit or Parcel and the Common Property is hereby subjected to a perpetual easement appurtenant to any adjoining Lot, Unit, Parcel, or the Common Property to permit the use, construction, existence, maintenance, repair and restoration of structures, located on such adjoining Lot, Unit, Parcel, or the Common Property including but not limited to driveways, walkways and roof structures which overhang and encroach upon the servient Lot, Unit or Parcel or the Common Property, if any, provided that such structures were constructed by the Developer or the construction of such structure is permitted and approved as elsewhere herein provided. The Owner of the dominant Lot, Unit, Parcel or the Common Property shall have the right, at all reasonable times, to enter the easement area in order to make full use of such structure for its intended purposes and to maintain, repair and restore any improvements located on the dominant Lot, Unit, Parcel or the Common Property; provided, however, that any such entry made for purpose of maintenance, restoration or repair, shall be limited to daylight hours and shall only be made with the prior knowledge of the Owner of the servient Lot, Unit, Parcel or the Common Property. In case of emergency, the right to entry for maintenance, restoration or repair shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the Owner of the servient Lot, Unit, Parcel or the Common Property. The owner of the servient Lot, Unit, Parcel or the Common Property shall not place any improvement, material or obstacle in or over the easement area on the servient Lot, Unit, Parcel or the Common Property which would unreasonably interfere with the rights of the Owners of the dominant Lot, Unit, Parcel or the Common Property granted by this paragraph. Any such improvement, material or obstacle shall be promptly removed by the Owner of the servient Lot, Unit, Parcel of the Common Property at the Owner's expense when requested by the owner of the dominant Lot, Unit, Parcel or the Common Property or Developer notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the

easement area. However, in no event shall a valid easement for any encroachment be created in favor of any Owner if such encroachment or use is materially detrimental to or materially interferes with the reasonable use and enjoyment of the Lot, Unit or Parcel of another Owner and if it occurred due to the willful conduct of any Owner.

(f) Easements Reserved to Developer. Developer hereby reserves unto itself, and its successors and assigns, 1) non-exclusive easements over, under, upon, and through, 2) as well as the right to grant easements over, under, upon and through, the Property for the purposes of access to, constructing or maintaining improvements upon, providing utility services and cable television services, to or across, or providing drainage to or from the Property, any other property which may become part of the Property pursuant to this Declaration, or any other Property adjacent to the Property, provided that any such easements shall not materially interfere with an Owner's reasonable use of such Owner's Dwelling.

Section 6. Setbacks; Size of Building.

(a) Setbacks. No structure, including swimming pools and/or pool enclosures shall be built or placed upon a Lot nearer than 25 feet to the front Lot line, 5 feet to the rear Lot line, 10 feet to the side Lot line, and 25 feet to the street line of any corner Lot.

(b) Size of Building. No residential structure shall be constructed on any Lot which is less than 1,700 square feet of living space (that space which is heated and cooled, covered by a roof and enclosed by substantial walls, but does not include patios, carports and similar areas).

Section 7. Ingress and Egress. Each Owner of a portion of the Property and each other occupant and invitee of or to a Dwelling is hereby granted and shall have a perpetual unrestricted easement over, across and through the Common Property for the purpose of pedestrian ingress and egress over the unpaved areas of the Common Property and vehicular ingress and egress over the paved areas of the Common Property, to and from his Lot, Unit or parcel, subject only to the right of the Association to impose reasonable and non-discriminatory rules and regulations governing the manner in which such easement is exercised, which easement shall be appurtenant to and pass with ownership to each Lot, Unit or Parcel. The Developer hereby reserves a perpetual unrestricted non-exclusive easement over, across and through the Common Property and all roadways if not part of the Common Property for the purpose of its access to the Property and the access to the Property of any of its successors and assigns.

ARTICLE IV: ARCHITECTURAL, MAINTENANCE AND USE RESTRICTIONS

Section 1. Approval of Plans and Architectural Control Committee. For the purpose of further ensuring the maintenance of the Property as a residential area of highest quality and standard, and in order that all improvements on each Lot, Unit or Parcel shall present an attractive and pleasing appearance from all sides of view, the Architectural Control Committee, consisting of three (3) members appointed by the Board of Directors of the Association shall have the exclusive power and discretion to control and approve the construction, remodeling, or addition to the buildings, Dwellings, structures and other improvements of any kind on each Lot, Unit or Parcel in the manner and to the extent set forth herein. No Dwelling, building, fence, wall, utility or yard shed or structure, driveway, swimming pool, swimming pool enclosure, yard ornament, bird bath, bird house, sport/game or play structure, or any other structure or improvement, regardless of size or purpose, whether attached to or detached from the main Dwelling, shall be commenced, placed, erected or allowed to remain on any Lot, Unit or Parcel

nor shall any addition to or exterior change (including repainting) or alteration thereto be made, or shall any change in the landscaping, elevation or surface contour of a Lot be made unless and until building plans and specifications covering same, showing such information as may be required by the Committee have been submitted to and approved in writing by the Committee. In addition, no tree may be removed from any Lot, Unit or Parcel without the Association's written approval. The Committee may require that all architectural, remodeling and landscape plans be accompanied by site plans which show intended work in relation to the Lot, Unit or Parcel lines and also locates the Dwellings on each side of the Dwelling under consideration. The Committee shall have the absolute and exclusive right to refuse to approve any such building plans and specifications and lot-grading and landscaping plans which are not suitable or desirable in its opinion for any reason, including purely aesthetic reasons and reasons connected with future development plans of the Developer of the Property. In the event the Committee rejects such plans and specifications as submitted, the Committee shall so inform the Owner in writing stating with reasonable detail the reason(s) for disapproval. In passing upon such building plans and specifications and lot-grading and landscaping plans, the Committee may take into consideration the suitability and desirability of the proposed construction, the materials of which the same are proposed to be built, the Lot, Unit or Parcel upon which it is proposed to be erected same, the quality of the proposed workmanship and materials, the harmony of external design with the surrounding neighborhood and existing structures therein, and the effect and appearance of such constructions as viewed from neighboring Lots, Units or Parcels. In addition, there shall be submitted to the Committee for approval such samples of building materials proposed to be used as the Committee shall specify and require.

As a prerequisite to consideration for approval, and prior to beginning the contemplated work, two (2) complete sets of plans and specification must be submitted to the committee. Upon giving written approval, construction shall be started and pursued to completion promptly and in strict conformity with such plans and specifications. The Committee shall be entitled to stop any construction in violation of these restrictions and any such exterior addition to or change or alteration made without application having first been made and approval obtained as provided above, shall be deemed to be in violation of this covenant and may be required to be restored to the original condition at the Owner's cost.

All structures must be built to comply substantially with the plans and specifications as approved by the Committee.

Section 2. Compliance with Governmental Requirements. In addition to the foregoing requirements, any alteration, addition, improvement, or change must be in compliance with the requirements of all controlling governmental authorities, and the Owner shall be required to obtain an appropriate building permit from the applicable governmental authorities when required by controlling governmental requirements. Any consent or approval by the Association to any addition, alteration, improvement, or change may be conditioned upon the Owner requesting such approval obtaining a building permit for same, or providing the Association with written evidence from the controlling governmental authority that such permit will not be required, and in that event the Owner requesting architectural approval shall not proceed with any addition, alteration, improvement, or change until such building permit or evidence that a building permit is not required is submitted to the Association.

Section 3. No Liability. Notwithstanding anything contained herein to the contrary, the Committee shall merely have the right, but not the duty, to exercise architectural control, and

shall not be liable to any Owner or Homeowners Association due to the exercise or non-exercise of such control, or the approval or disapproval of any improvement. Furthermore, the approval of any plans or specifications or any improvement shall not be deemed to be a determination or warranty that such plans or specifications or improvements are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the Committee, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the Committee shall not be liable for any defect of deficiency in such plans or specifications or improvement, or any injury resulting therefrom.

Section 4. Exemption. The Developer shall be exempt from the provisions of this Article IV and shall not be obligated to obtain Committee approval for any construction or change(s) in construction which the Developer may elect to make at any time.

ARTICLE V: ADDITIONS OR DELETIONS OF PROPERTY

Section 1.

(a) Additions to the Property. Additional land may be made subject to all the terms hereof and brought within the jurisdiction and control of the Association in the manner specified in this Article, so long as Developer maintains ownership of at least one Lot, Unit or Parcel. Such additional property may constitute additional Common Property or a portion of the Property out of which is formed Lots, Units and/or Parcels. Notwithstanding the foregoing, however, under no circumstances shall the Developer be required to make such additions, and until such time as such additions are made to the Property in the manner hereinafter set forth, no other real property owned by the Developer or any other person or party whomsoever, other than within the Property, shall in any way be affected by or become subject to the Declaration. All additional land which, pursuant to this Article, is brought within the jurisdiction and control of the Association and made subject to the Declaration shall hereupon and thereafter be included within the term "Property" as used in the Declaration. Notwithstanding anything contained in this Section, the Developer neither commits to, nor warrants or represents, that any such additional land will be made subject to and brought within the jurisdiction and control of the Master Association.

(b) General Land Plan. The present general plan of development for the Property shall not bind the Developer to make any additions to the Property or adhere to the general plan of development. Such general plan of development may be amended or modified by the Developer, in whole part, at any time, or discontinued. As used herein, the term "General Land Plan", or words to that effect, shall mean such general plan of development, together with any amendments or modifications thereof hereafter made.

(c) Mergers. Upon a merger or consolidation of the Association with another non-profit corporation, its property (whether real or personal or mixed) may, by operation of law, be transferred to the surviving or consolidated corporation or, alternatively, the property of the other non-profit corporation may, by operation of law, be added to the property of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated corporation shall thereafter operate as the Association under this Declaration and administer the Covenants and Restrictions established by this Declaration upon the Property. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration.

(d) Deletions from the Property. Except as otherwise provided in this Declaration pertaining to deletions from the Property, only the Developer may delete and withdraw a portion of the Property from being subject to this Declaration.

Section 2. Procedure for Making Additions to or Deletions from the Property. Additions to or deletions from the Property may be made, and thereby become subject to or from this Declaration by, and only by, the following procedure:

(a) The Developer shall have the right from time to time, in its discretion and without need for consent or approval by either the Association or any Owner, to make additional land subject to the scheme of this Declaration and to bring such land within the jurisdiction and control of the Association. In the Developer's sole discretion, portions of such additional land may be designated as Common Property.

(b) The addition shall be accomplished by the Developer filing of record an amendment to this Declaration of Covenants, Conditions and Restrictions to include the additional land within the scope of this Declaration. Such supplement need only be executed by the Developer and shall not require the joinder or consent of the Association or the Owners. Such supplement may contain such additional provisions and/or modifications of the Covenants and Restrictions contained in this Declaration as may be desired to reflect the different character, if any, of the entire Property, of the added land, or of any other portion of the Property, or permitted uses thereof.

(c) No addition of property shall revoke or diminish the rights of the Owners or other owners of the Property to the utilization of the Common Property as established hereunder, except to grant to the owners of the land being added to the Property the right to use the Common Property according to the terms and conditions as established hereunder, and the right to vote and be assessed as hereinafter provided.

(d) The Developer may delete and withdraw a portion of the Property from being subject to this Declaration by a supplement to this Declaration recorded in the public records which specifically and legally describes the property being withdrawn. Subject to the provisions of Article X herein where applicable, such supplement need only be executed by the Developer and shall not require the joinder and consent of the Association or the Owners.

(e) Nothing contained in this Article shall obligate the Developer to make additions to or deletions from the Property.

Section 3. Voting Rights of the Developer as to additions to the Property. The Developer shall have no voting rights as to the land added to the Property or any portion thereof until such land is actually added to the Property in accordance with the provisions of this Article. Upon such land being added to the Property, the Developer shall have the Class B voting rights as to the Lots, Units and Parcels thereof as is provided by Article VI, Section 2(b) of this Declaration.

Section 4. Assessment Obligations of the Developer as to Additions to the Property. The Developer shall have no assessment obligations as to the land added to the Property until such land or portion thereof is actually added to the Property in accordance with the provisions of this Article. At such time, the Developer shall have, but only as to such of the additional land as is added, the assessment obligations set forth in Article IX of this Declaration.

Section 5. Voting Rights of Owners Other Than the Developer as to Additions to the Property. Any Lots, Units or Parcels on land added to the Property which are owned by Owners

other than the Developer, or its assignees by separate written document, shall be entitled to voting rights identical to those granted by Article VI, Section 2(a) of this Declaration to Class A Members.

Section 6. Assessment Obligations of Owners Other Than the Developer as to Additions to the Property. Any Lots, Units or Parcels on land added to the Property which are owned by Owners other than the Developer, or its assignees by separate written document, shall be subject to assessments, both annual, special and otherwise in accordance with the terms and provisions of Article IX of this Declaration in the same manner as all other Owners other than the Developer.

ARTICLE VI: MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner shall be a member of the Association, subject to and bound by the Association's Articles, By-Laws, rules and regulations, and this Declaration. The foregoing does not include Persons who hold a leasehold interest or interest merely as security for the performance of an obligation. Ownership of a Lot, Unit or Parcel shall be the sole qualification for membership. When any Lot, Unit or Parcel is owned of record by two or more Persons, all such persons shall be members. An Owner of more than one Lot, Unit or Parcel shall be entitled to one membership for each Lot, Unit or Parcel owned by him. Membership shall be appurtenant to, and may not be separated from ownership of any Lot, Unit or Parcel which is subject to assessment, and it shall be automatically transferred by conveyance of that Lot, Unit or Parcel. The Developer shall also be a member so long as it owns one or more Lots, Units or Parcels.

Section 2. Voting and Classes of Membership. The Association shall have two classes of voting membership: Class A and Class B. All votes shall be cast in the manner provided in this Declaration, as may be more particularly described in the By-Laws. When more than one Person holds an interest in any Lot, Unit or Parcel, the vote for such Lot, Unit or Parcel shall be exercised as such Persons determine, but in no event shall more than the number of votes hereinafter designated be cast with respect to any such Lot, Unit or Parcel. Prior to the time of any meeting at which a vote of the membership is to be taken, the co-owners shall file the name of the voting co-owner with the Secretary of the Association in order that such voting co-owner be entitled to vote at such meeting, unless a general voting certificate giving such information shall have previously been filed. The By-Laws may provide more detailed provisions regarding the voting procedure for co-owners including but not limited to husband and wife co-owners, and also Persons which are corporations or other legal entities. There shall be no split vote permitted with respect to such Lot, Unit or Parcel. An Owner may cast his/her vote(s) upon becoming a member without regard to a record date for determining those members entitled to vote, unless otherwise provided in the By-Laws or otherwise provided in the statutes of Florida governing the Association. The two classes of voting membership and voting rights related thereto, are as follows:

(a) Class A. "Class A Members" shall be all Owners of Lots, Units and Parcels subject to assessment; provided, however, so long as there is Class B membership, the Developer shall not be a Class A Member. Each Class A Member shall be entitled to a number of vote(s) for each Lot, unit or Parcel owned equal to the General Assessment Factor (as defined in Article IX below) applicable to that Lot, Unit or Parcel. "Class A Lots, Units and Parcels" shall be all Lots,

Unit or Parcel. "Class A Lots, Units and Parcels" shall be all Lots, Units and parcels owned by the Class A Members.

(b) Class B. The "Class B Member" shall be the Developer. "Class B Lots, Units and Parcels" shall be all Lots, Units and Parcels owned by the Developer which have not been converted to Class A membership as provided below. The voting rights appurtenant to the Class B Lots, Units and Parcels shall be as follows:

For each Lot, Unit and Parcel which the Developer holds title, the Developer shall be entitled to nine (9) votes.

(c) Termination of Class B. Class B membership may cease and be converted to Class A membership and any Class B Lots, Units and Parcels then subject to the terms of this Declaration shall become Class A Lots, Units and Parcels upon the happening of any of the following events, whichever occurs earlier:

(i) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(ii) On December 31, 2012, or

(iii) When the Developer waives in writing its right to Class B membership and records such waiver in the public records of Citrus County referring specifically therein to the recording information of this Declaration.

Notwithstanding the foregoing, if at any time or times subsequent to any such conversion, additional land is added by the Developer pursuant to Article V hereof, such additional land shall automatically be and become Class B Lots, Units or Parcels, as appropriate. In addition, if following such addition of land, the total votes allocable to all Lots, Units and Parcels then owned by the Developer (calculated as if all such Lots, Units or Parcels are Class B, whether or not they are) shall exceed the remaining total votes outstanding in the remaining Class A membership (i.e., excluding the Developer), then any Class A Lots, Units and Parcels owned by the Developer shall automatically be reconverted to Class B. Any such reconversion shall not occur, however, if either occurrence (ii) or (iii) above shall have taken place.

Section 3. Expansion of Voting Provisions. These voting provisions may be expanded by provisions of the By-Laws, provided that any such expansion shall not serve to dilute the voting interest of the Developer.

ARTICLE VII: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Association. The Association shall govern, make rules and regulations, control and manage the Lots, Units, Parcels and Common Properties located on the Property pursuant to the terms and provisions of this Declaration and the Association's Articles and By-Laws. The Association shall at all times pay the real property ad valorem taxes on any Common Properties if said taxes are billed to the owner, and shall pay any governmental liens assessed against the Common Properties. The Association shall further have the obligation and responsibility for the hiring of certain personnel and purchasing and maintaining such equipment as may be necessary for the administration and operation of the Association, the maintenance, repair, upkeep and replacement of any Common Properties and facilities which may be located thereon, the performance of any of its maintenance obligations and performance of such other

duties as are set forth herein including, but not limited to, the following specific maintenance and operational duties:

(a) Security: Notwithstanding the foregoing, the Association may, but is not obligated to, employ security guard(s) or a security guard service. If a security guard(s) or security guard service is employed by the Association, the Board of Directors shall determine, in their sole discretion, the schedule and cost of expense of security guard(s) or security guard service. Such guard and security services are provided only as a means of supplementing governmental agencies, and expressly are not provided as a guarantee of safety or security to the Owners, Residents, their guests, or any other Persons.

(b) Utilities, Taxes and Maintenance: The Association shall maintain the Common Properties and pay for all utility services, the real property ad valorem taxes and governmental liens assessed against the Common Properties and billed to the Association. Taxes on Common Property not owned but only maintained by the Association shall be paid by the owner thereof. Any Common Properties which are to be maintained by the Association as provided herein shall be maintained in good condition and repair.

(c) Insurance: The Association shall at all times obtain and maintain policies of public liability insurance and hazard insurance and such other types of insurance as the Board deems adequate and advisable. The Association additionally shall cause all persons responsible for collecting and disbursing Association funds to be insured or bonded with adequate fidelity insurance or bonds.

(d) Recreation Facilities: The Association shall be responsible for the operation and the payment of all costs, charges and expenses incurred in connection with the operation, administration and management of all recreational facilities, if any, located from time to time on the Common Property. Such recreational facilities may include, but not be limited to any or all of: pool facilities, clubhouse, and the like. The cost of operating, administering and maintaining the recreational facilities shall be paid by the Owners and included as part of the General Assessment as provided in Article IX of this Declaration. The General Assessment may also include an amount to amortize the cost of such capital improvements that will serve as the recreation facilities. Although provision is made herein for the provision of recreation facilities, neither the Developer nor the Association is obligated to provide any recreation facilities. The Board of Directors may approve and modify rules and regulations regarding the use and operation of the recreational facilities of the Association.

(e) Maintenance of Common Property and Other Portions of the Property: Unless otherwise limited or specifically described elsewhere herein or in Exhibit B hereto, the Association shall maintain all Common Properties and all improvements thereon in good condition at all times. This burden shall expressly include the responsibility for maintaining the roads and drainage areas which may be given, by declaration, dedication, easement or deed, to the Association. If pursuant to any easement, deed, or dedication, the Association is to maintain any improvement within any portion of the Property, then the Association shall maintain such improvement in good condition at all times. In addition, the Association shall have the right to assume the obligation to operate and/or maintain any portion of the Property which is not owned by the Association if the Board of Directors, in its sole discretion, determines that the operation and/or maintenance of such property by the Association would be in the best interests of the Owner(s) of such Property. In such event, where applicable, the Association shall so notify any Owner otherwise responsible for such operation or maintenance, and thereafter such property

shall be operated and or maintained by the Association and not by the Owner until the Board of Directors determines no longer to assume the obligation to operate and/or maintain such Property and so notifies the appropriate Owner in writing. Without limitation, the Association shall have the right to assume the obligation to operate and/or maintain any walls or fences on or near the boundaries of the Property. To the extent the Association assumes the obligation to operate and/or maintain any portion of the Property which is not owned by the Association, the Association shall have an easement and right to enter upon such property in connection with the operation in or maintenance of the same, and no such entry shall be deemed a trespass. Such assumption by the Association of the obligation to operate and/or maintain any portion of the Property which is not owned by the Association may be evidenced by a supplement to this Declaration, or by a written document recorded in the public records of Citrus County, Florida, and may be made in connection with an agreement with any Owner, the Developer, or any governmental authority otherwise responsible for such operation or maintenance, and pursuant to any such document the operation and/or maintenance of such Property may be made a permanent obligation of the Association. The Association may also enter into agreements with any other individual, corporation, partnership, trust or other legal entity, including any governmental authority, to share in the maintenance responsibility of any portion of the Property if the Board of Directors, in its sole and absolute discretion, determines this would be in the best interests of the Owners. Notwithstanding the foregoing, if any Owner, or their guests or invitees, damages any Common Property or any improvement thereon, such Owner shall be liable to the Association for the cost of repair or restoration to the extent otherwise provided by law and to the extent such damage is not covered by the Association's insurance.

(g) Maintenance, Operation and Repair of Surface Water Systems: The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the Southwest Florida Water Management District. Any repair reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved by the Southwest Florida Water Management District.

(h) Additional Maintenance and Operational Duties: The Association's duties shall include, but not be limited to, the foregoing maintenance and operational duties as well as any particular or limited duties more fully set forth in this Declaration. The Association may, in the discretion of its Board, assume additional maintenance or operational duties not set forth in this Declaration. In such event, the cost of such additional duties shall be included as a common expense of the Association.

The foregoing constitutes the basic general expenses of the Association and said expenses are to be paid by members of the Association as herein provided. It shall be the duty and responsibility of the Board of Directors to fix and determine from time to time, but not less frequently than annually, an operating budget which shall provide for the sum or sums necessary and adequate to satisfy the expenses of the Association. The procedure for the determination of the assessments to fund such budget shall be as hereinafter set forth in this Declaration. The Board of Directors shall have the power and authority to levy a special assessment should one become necessary as determined by them in their sole discretion and said special assessment shall be determined, assessed, levied and payable in the manner determined by the Board of

Directors as hereinafter provided in this Declaration or the Articles or by the By-Laws of the Association. Each assessment shall be levied by the Board of Directors and shall be payable in advance on a monthly, quarterly, semi-annual or annual basis, or otherwise as determined by the Board of Directors.

Section 2. Management Contracts and Leases of Common Property. The Association shall expressly have the power to contract for the management of the Association and/or the Common Property, and to lease the recreation areas, and shall further have the power to delegate to such contractor or lessee any or all of the powers and duties of the Association respecting the contract granted or property demised. The Association shall further have the power to employ administrative and other personnel to perform the services required for proper administration of the Association.

The undertakings and contracts authorized by a Board of Directors consisting of Directors appointed by the Developer shall be binding upon the Association in the same manner as though such undertakings and contractors had been authorized by the Board of Directors consisting of Directors duly elected by the membership of the Association.

ARTICLE VIII: LANDSCAPING OF LOTS, UNIT AND PARCELS AND MAINTENANCE OF IMPROVEMENTS THEREON

Section 1. Owners. Each Owner shall be responsible for the maintenance, repair and replacement of all improvements (including landscaping to the extent maintenance responsibilities are not assumed by the Association) on his Lot, Unit and Parcel and such other areas as are provided herein. Any area or matter, which is on an Owner's Lot, Unit or Parcel, not specifically required to be maintained, repaired or replaced by the Association shall be maintained, repaired and replaced by such Owner.

Section 2. Failure to Maintain. In the event an Owner of any Lot, Unit or Parcel shall fail to maintain or repair his Lot, Unit or Parcel or the improvements thereon, if any, within fifteen (15) days written notice of same from the Association, then the Association, by approval of two-thirds (2/3) vote of the Board of Directors, shall have the right, but not the obligation, through its agents and employees, to enter upon said Lot, Unit or Parcel and to repair, maintain, and restore the Lot, Unit or Parcel and any improvements. The cost of same shall be added to and become part of the assessment on that specific Lot, Unit or Parcel, and said cost shall be a lien upon said Lot, Unit or Parcel with the same force and effect as the liens on Lots, Units or Parcels for general assessments as provided in this Declaration and the Articles and By-Laws of the Association.

ARTICLE IX: COVENANT FOR ASSESSMENTS

Section 1. Assessments Established. Each Owner of any Lot, Unit or Parcel by acceptance of a deed to such Lot, Unit or Parcel whether or not it is so expressed in such deed, is deemed to covenant to pay to the Association:

- (a) General Assessments, as defined in Section 2 of this Article; and
- (b) Special Assessments, as defined in Section 5 of this Article; and
- (c) Specified Assessments that are established pursuant to any provision of this Declaration, or as provided in Section 6 of this Article; and

(d) All taxes, if any, that from time to time as may be imposed upon all or any portion of the Assessments established by this Article.

All of the foregoing, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, shall be a continuing charge on the land secured by a continuing lien upon the Lot, Unit or Parcel against which each assessment is made as provided in Section 10 of this Article. Each such assessment, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, also is the personal obligation of the person or persons who was or were the Owner(s) of such Lot, Unit or Parcel when such assessment became due.

Section 2. Purpose of Assessments; General Assessments. The assessments levied by the Association must be used exclusively to promote the recreation, health, safety, common good and welfare of the Owners and/or Residents, to operate and manage the Association and the Common Properties, if any, and to perform such duties as may be required by this Declaration, and/or the Articles and By-Laws of the Association. In addition, assessments shall also be used for the maintenance and repair of the surface water or stormwater management systems including but not limited to work within retention areas, drainage structures and drainage easements. The Association may levy an annual (or monthly) general assessment ("General Assessment") to provide and be used for the operation, management and all other general activities and expenses of the Association, as set forth in this Declaration.

Section 3. Initial General Assessment and Computation of General Assessment Factor.

The initial General Assessment shall be \$175.00 per year per Lot, Unit or Parcel, and will remain in effect until a different General Assessment is determined as provided in Section 4 of this Article.

Section 4. Determination of General Assessment. Except with regard to the initial General Assessment, the amount of the General Assessment shall be levied against each Owner by the Board of Directors and the Board shall make diligent effort to levy such assessment at least thirty (30) days in advance of the effective date of each change in the General Assessment. The General Assessment shall be based upon the annual budget adopted by the Board of Directors. The General Assessment period shall coincide with the Association's fiscal year. Except for the initial General Assessment, written notice of the amount of the respective General Assessment should be given to each respective Owner; but the failure to give or receive such notice, or both, shall not invalidate any otherwise valid assessment. The Board of Directors may determine the period for which the General Assessment applies and may provide that the General Assessment may be payable in equal monthly installments without interest until delinquent, and prepayable in whole at any time or times during the applicable discretion of the Board of Directors, the General Assessment may be collected each month. In any event, the Board of Directors shall fix the date(s) that the General Assessment shall be due. The Board of Directors may modify the budget as necessary during the fiscal year, and fix a modified General Assessment in conformity therewith. If an adopted budget requires a General Assessment in any fiscal year exceeding one hundred fifteen percent (115%) of the General Assessment for the preceding fiscal year, the Board of Directors, upon written application of Class A Members having at least ten percent (10%) of the votes of the entire membership (Class A and Class B, if any), shall call a special meeting of the membership within thirty (30) days, upon not less than ten (10) days written notice to each Class A Member. At the special meeting, the Class A Members shall consider a substitute budget. The adoption of the substitute budget at such

meeting shall require a vote of not less than a majority of the votes of the entire membership. If a meeting of the Class A Members has been called and a quorum is not attained or a substitute budget is not adopted, the budget previously adopted by the Board of Directors shall go into effect as scheduled. In addition, if the Board shall fail for any reason to adopt an annual budget and authorize a General Assessment prior to the beginning of the new fiscal year, the budget and the General Assessment for the previous fiscal year shall remain the same as the previous fiscal year, and shall continue in effect until a new budget and General Assessment is adopted.

Section 5. Special Assessments. In addition to the General Assessment, the Association may levy against each Owner in any fiscal year special assessments ("Special Assessment") applicable to that year for capital improvements, extraordinary maintenance, repairs, or for the purpose of defraying, in whole or in part, known expenses which exceeded, or when mature will exceed, the budget prepared and on which the General Assessment was based.

Section 6. Specific Assessments. Any and all accrued liquidated indebtedness of any Owner to the Association arising under any provision of this Declaration may also be assessed by the Association against such Owner's Lot, Unit or Parcel after such Owner fails to pay such indebtedness when due and such default continues for thirty (30) days after written notice. This shall include, without limitation, any hazard insurance which may be purchased by the Association to insure the exterior portions of Dwellings and other structures, as decided by the Board.

Section 7. Developer's Assessments. Notwithstanding any provision of this Declaration or, the Association's Articles or By-Laws to the contrary, as long as there is Class B membership in the Association, the Developer shall not be obligated for nor subject to, any assessment for any Lot, Unit or Parcel which it may own, provided the Developer shall be responsible for paying the difference between the Association's operating expenses and the sum of the revenues of the Association from all sources. The term "all sources" used in the previous sentence includes but is not limited to interest earned on Association deposits, revenues from the operation of Common Property, and the assessments levied against the Owners of Class A Lots, Units and Parcels, other than the Developer. Such difference, herein called the "deficiency" shall not include any reserve for replacements, operating reserves, depreciation reserves, capital expenditure or special assessments. The Developer may at any time give written notice to the Association prior to January 1 of any year, thereby terminating its responsibility for the deficiency effective as of the last day of February of such year, and waiving its right to exclusion from assessments. Upon giving such notice, or upon termination of Class B membership, whichever is sooner, each Lot, Unit or Parcel owned by the Developer that has a completed Dwelling with a Certificate of Occupancy, shall thereafter be assessed at the same amount as Lots, Units or Parcels owned by Owners other than the Developer.

Section 8. No Assessments for Common Property. The assessments provided for or created by this Article shall not apply to the Common Property of this Association or any other property dedicated to and accepted for maintenance by a public or governmental authority.

Section 9. Commencement of General Assessment. Payment of the General Assessment as to each Lot, Unit or Parcel owned by an Owner other than the Developer commences on the first day of the month following the closing of the purchase of the respective Lot, Unit or Parcel by the Owner from the Developer.

Section 10. Lien for Assessment. All sums assessed to any Lot, Unit or Parcel together with interest and all costs and expenses of collection, including reasonable attorneys' fees, are

secured by a lien on such Lot, Unit or Parcel in favor of the Association. Such lien is subject and inferior to the lien for all sums validly secured by any First Mortgage encumbering such Lot, Unit or Parcel provided such lien of a First Mortgage must be recorded prior to the recording of Notice of Lien by the Association for assessments. Except for liens for all sums validly secured by any such First Mortgage, all other lienors acquiring liens on any Lot, Unit or Parcel after this Declaration is recorded are deemed to consent that such liens are inferior to the lien established by this Section, whether or not such consent is specifically set forth in the instrument creating such lien. The recordation of this Declaration constitutes constructive notice to all subsequent purchasers and creditors or either, of the existence of the Association's lien and its priority. The Association from time to time may record a Notice of Lien for the purpose of further evidencing the lien established by this Article, but neither the recording of, nor failure to record any such Notice of Lien will affect the existence or priority of the Association's lien.

Section 11. Certificate. Upon demand, and for a reasonable charge, the Association will furnish to any interested person a certificate signed by an officer of the Association setting forth whether the General Assessment, and any Special Assessment or Specific Assessment against a specific Lot, Unit or Parcel have been paid and, if not, the unpaid balance(s).

Section 12. Remedies of the Association. Any assessment not paid within thirty (30) days after its due date shall bear interest until paid at the rate of fifteen percent (15%) per annum, or such other rate as may be from time to time determined by the Board; provided, however, that such rate shall not exceed the maximum rate constituting usury under applicable law. In addition, a late fee of \$15.00 shall be imposed for any assessment not paid within ten (10) days after its due date. The Association may bring an action at law against the Owner personally obligated to pay such assessment, or foreclose its lien against such Owner's Lot, Unit or Parcel. No Owner may waive or otherwise escape liability for the Association's assessments. A suit to recover a money judgement for unpaid assessments may be maintained without foreclosing, waiving, or otherwise impairing the security of the Association's lien or its priority.

Section 13. Foreclosure. The lien for sums assessed pursuant to this Article IX may be enforced by judicial foreclosure in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the defendant Owner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees. All such costs and expenses are secured by the lien foreclosed. The Owner also is required to pay to the Association any assessments against the Lot, Unit or Parcel that become due during the period of foreclosure, which assessments also are secured by the lien foreclosed and accounted on a prorated basis and paid as of the date the Owner's title is divested by foreclosure. The Association has the right and power to bid at the foreclosure or other legal sale to acquire the Lot, Unit or Parcel foreclosed, or to acquire such Lot, Unit or Parcel by deed or other proceeding in lieu of foreclosure, and thereafter to hold, convey, lease, rent, encumber, use and otherwise deal with such Lot, Unit or Parcel as its owner for purposes of resale only. If any foreclosure sale results in a deficiency, the court having jurisdiction of the foreclosure may enter a personal judgement against the Owner for such deficiency.

Section 14. Subordination of Lien. Except where a Notice of Lien has been recorded in the public records prior to the recording of a valid First Mortgage, the lien for any assessment provided in this Article is subordinate to the lien of any such First Mortgage. Sales or transfer of any Lot, Unit or Parcel does not affect the assessment lien. The Association may give any lienholder of record 30 days' notice within which to cure such delinquency before instituting

foreclosure proceedings against the Lot, Unit or Parcel. Any lienholder holding a lien on a Lot, Unit or Parcel may pay, but is not required to pay, any amounts secured by the lien established by this Article; and upon such payment, such lienholder will be subrogated to all rights of the Association with respect to such lien, including priority.

Section 15. Homesteads. By acceptance of a deed to any Lot, Unit or Parcel, each Owner is deemed to acknowledge conclusively and consent that all assessments established pursuant to this Article are for the improvement and maintenance of any homestead thereon and the Association's lien has priority over any such homestead.

Section 16. Reserve Fund. The Association shall maintain a Reserve Fund to be used solely for making expenditure in connection with the Common Properties ("Reserve Fund"). The Board shall determine the appropriate level of the Reserve Fund based on a periodic review of the useful life of the improvements to the Common Properties and equipment owned by the Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Properties, the purchase of equipment to be used by the Association in connection with its duties hereunder, or performance of required maintenance. Each budget shall disclose the amount of the General Assessment which shall be added to the Reserve Fund.

Section 17. Master Association. In addition to membership in the Association, every Owner shall be a member of the Master Association, subject to and bound by the Master Association's documents and other regulations. The Association shall, on behalf of the Master Association, have the power to levy and collect on its own behalf as part of any general assessment an amount equal to the amount levied upon the Association, or any member of this Association, by the Master Association; provided that, all such action by the Association shall not violate the declaration, articles and by-laws of the Master Association.

Section 18. Reimbursement of Fee for Worthless Check. In the event the Association incurs any bank service charge or fee as a result of depositing a worthless or otherwise uncollectible check issued to the Association for the payment of any assessment or other sum due to the Association, the issuer of such worthless or otherwise uncollectible check shall reimburse the Association for such service charge or fee incurred.

Section 19. Fines. The Association may levy a fine against any Owner for each violation of any provision of this Declaration, the By-Laws, or any rules or regulations promulgated by the Board, and shall not exceed the greater of \$50.00 for the first offense, \$100.00 for a second similar offense. Prior to imposing any fine, the Owner shall be afforded an opportunity for a hearing after reasonable notice to the Owner of not less than fourteen (14) days, which notice shall include (i) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, By-Laws or rules and regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. The Owner shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association. At the hearing, the Board shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the Board so determines, it may impose such fine as it deems appropriate by written notice to the Owner. If the Owner fails to attend the hearing as set by the Board, the Owner shall be deemed to have admitted the allegations contained in the notice to the Owner. Any fine imposed by the Board shall be due and payable within ten (10) days after written notice

of the imposition of the fine, or if a hearing is timely requested within ten (10) days after written notice of the Board's decision at the hearing. Any fine levied against an Owner shall be deemed a Specific Assessment, and if not paid when due all of the provisions of this Declaration relating to the late payment of General Assessment shall be applicable. Notwithstanding the foregoing, the Association shall not have the right to impose any fine against Developer.

ARTICLE X: MISCELLANEOUS PROVISIONS RESPECTING MORTGAGES

The following provisions are intended for the benefit of each holder of a recorded First Mortgage encumbering a Lot, Unit or Parcel (and the Dwelling thereon, if any) ("First Mortgagee") and the extent if at all, that any other provisions of this Declaration conflict with the following provisions, the following provisions shall control:

(a) Upon request in writing to the Association identifying the name and address of the First Mortgagee or the insurer or guarantor of a recorded First Mortgage on a Lot, Unit or Parcel ("Insurer or Guarantor") and the number or address of the Lot, Unit or Parcel on which it has (or insures or guarantees) the First Mortgage, the Association shall undertake to furnish to each First Mortgagee, Insurer or Guarantor, as the case may be, timely written notice of: 1) any condemnation of casualty loss that affects either a material portion of the Property or the Lot, Unit or Parcel securing its mortgage, 2) any 60-day delinquency in the Unit or Parcel on which it holds the mortgage, 3) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and 4) any proposed action that requires the consent of a specified percentage of the First Mortgagees.

(b) Any First Mortgagee of a Lot, Unit or Parcel who comes into possession of the said Lot, Unit or Parcel pursuant to the remedies provided in the mortgage, or deed-in-lieu of foreclosure shall, to the extent permitted by law, take such property free of any claims for unpaid assessments and charges in favor of the Association against the mortgaged Lot, Unit or Parcel which became due prior to (i) the date of the transfer of title or (ii) the date on which the holder comes into possession of the respective Lot, Unit or Parcel, whichever occurs first; provided, however, that this provision shall not apply to unpaid assessments and charges for which the Association has recorded a Notice of Lien in the public records prior to the recording of the applicable First Mortgage.

(c) Upon request in writing; each First Mortgage, Insurer or Guarantor shall have the right;

(i) to examine current copies of this Declaration, the By-Laws, rules and regulations and the books and records of the Association during normal business hours;

(ii) to receive, without charge and within a reasonable time after such request, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Owners at the end of each of its respective fiscal years; provided, however, that in the event an audited financial statement is not available, any First Mortgagee shall be entitled to have such an audited statement prepared at its expense;

(iii) to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

(iv) to receive written notice of any decision by the Owners to make a material amendment to this Declaration, the By-Laws or the Articles;

(v) or receive written notice of any proposed action which would require the consent of a specified percentage of First Mortgagees.

(d) No provision of this Declaration or the Articles of the Association or any similar instrument pertaining to the Property or the Lots, Units or Parcels therein shall be deemed to give an Owner or any other party priority over the rights of the First Mortgagees pursuant to their mortgages in the case of distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of the Lots, Units or Parcels and/or the Common Property, or any portion thereof or interest therein. In such event, the First Mortgagees, Insurers or Guarantors of the Lots affected shall be entitled, upon specific written request, to timely written notice of any such loss.

ARTICLE XI: LIMITATION OF RESIDENTIAL CONTRACTORS/BUILDERS

CHCC shall be the exclusive residential contractor, or builder, upon the Lots, Units and Parcels of the Property. No Dwelling may be constructed upon any Lot, Unit or Parcel unless constructed by CHCC.

ARTICLE XII: DAMAGE, DESTRUCTION, CONDEMNATION AND RESTORATION OF IMPROVEMENTS

Section 1. Damage, Destruction and Restoration. In the event the improvements forming a part of the Common Property, or any portion thereof, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, plus the applicable Reserve Fund maintained by the Association, shall be sufficient to pay the cost of repair, restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds and, if necessary, the applicable Reserve Fund shall be applied by the Board or the applicable Reserve Fund shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that in the event the insurance proceeds and the applicable Reserve Funds are insufficient to reconstruct the damaged or destroyed improvements to the Common Property and the Owners through a special assessment (or some other applicable means) and all other parties in interest do not voluntarily make provisions for reconstruction within one-hundred eighty (180) days from the date of damage or destruction, then such repair, restoration, or reconstruction shall not be undertaken. In the event such repair, restoration or reconstruction is not undertaken, the Board shall determine whether the net proceeds of insurance policies shall be 1) considered revenue of the Association, or 2) divided among all Owners in proportion to their voting rights. If such distribution occurs when the Association has both Class A and Class B members, then such distribution shall be made on the basis as if all Owners are Class A members.

ARTICLE XIII: TERMINATION OF THE DECLARATION

Section 1. Termination. At a meeting of all Owners called for such for such purpose, upon the affirmative vote of one hundred percent (100%) of all the Owners, the Owners may elect to terminate this Declaration and dissolve the Association in accordance with the provisions of the By-Laws. Within ten (10) days after the date of the meeting at which such action was approved, the Board shall give written notice of such action to Developer, all First Mortgagees,

Insurers, and Guarantors entitled to notice under Article X of this Declaration. Such action shall be binding upon all Owners, and it shall thereupon become the duty of every Owner to execute and deliver such instruments to perform all acts in manner and from as may be necessary to effect such termination and dissolution.

ARTICLE XIV: OPERATION AND ACTION

Section 1. Operation. The provisions of this Declaration are self-executing and will run with the land and be binding upon all persons and their respective heirs, successors, and assigns, having any right, title or interest therein, or any part thereof.

Section 2. Action. All actions to be taken by the Association under this Declaration shall be taken by the Board of Directors without a vote of the membership unless a vote of the membership is specifically required by the terms of this Declaration, the Articles of Incorporation or the By-Laws.

ARTICLE XV: GENERAL PROVISIONS

Section 1. Enforcement. Unless expressly provided otherwise, the Association, the Developer or any Owner, has the right to enforce, by any appropriate proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, charges, rules and regulations now or hereafter imposed by, or pursuant to, the provisions of this Declaration. If the Association or any person entitled to enforce any of the provisions of this Declaration is the prevailing party in any litigation involving this Declaration or any rule or regulation, such party shall recover from the losing party all costs and expenses incurred, including reasonable attorneys' fees for all trial and appellate proceedings, if any. If the Association is the prevailing party against any Owner, such costs and expenses, including reasonable attorneys' fees, payable to the prevailing party, may be assessed against such losing Owner's Lot, Unit or Parcel as provided in Article IX. Failure by the Association or by any Owner to enforce any covenant, restriction, rule or regulation will not constitute a waiver of the right to do so at any time.

The Southwest Florida Water Management District shall have the right to enforce, as required by law, by a proceeding at law or in equity, the provisions contained in the Covenants and Restrictions which relate to the maintenance, operation and repair of the surface water or stormwater management system.

Section 2. Amendment

A. Notwithstanding any contrary or limiting provision in this Declaration, the Developer may amend this Declaration by an instrument executed with the formalities of a deed without the approval or joinder of any other party at any time which Developer shall have title to one or more Lots, Units or Parcels.

B. This Declaration may be amended: (i) on or before January 1, 2012, by an instrument executed by the Association with the formalities from time to time required of a deed and approved by not less than ninety percent (90%) of all Owners and (ii) thereafter by an instrument so executed by the Association and approved by not less than seventy percent (70%) of all Owners. No amendment is effective until an amendment document is executed by the president or vice president and the secretary of the Association certifying that the requisite percentage of Owners approved the amendment, and such amendment document is recorded in

the public records of Citrus County, Florida. Notwithstanding the foregoing, no instrument of amendment shall be effective while there is Class B membership unless the Class B Member shall approve and join in such instrument.

C. Any amendment to this Declaration which alters any provision relating to the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the common areas, as required by law, must have the prior approval of the Southwest Florida Water Management District.

Section 3. Special Amendment. Anything herein to the contrary notwithstanding, and subject to the requirement of First Mortgagee approval set forth in Article X where applicable, Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends the Declaration and any provision therein (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities; (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Lots, Units, or Parcels; (iii) to correct clerical or typographical errors in this Declaration; or (iv) to bring this Declaration into compliance with applicable laws, ordinances or governmental regulations. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot, Unit or Parcel and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Developer to make, execute and record Special Amendments. The right and power to make Special Amendments hereunder shall terminate on December 31, 2008.

Section 4. Severability. Invalidation of any particular provision of this Declaration by judgement or court order will not affect any other provision, all of which shall remain in full force and effect; provided, however, any Court of competent jurisdiction is hereby empowered, to the extent practicable, to enforce any otherwise invalid provision contained in this Declaration when necessary to avoid a finding of invalidity while effectuating Owner's intent of providing a comprehensive plan for the use, development, sale and beneficial enjoyment of the Property.

Section 5. Joinder. Should title to any Lot, Unit or Parcel of the Property have been conveyed by Developer prior to the recording of this Declaration, such owners of Lots, Units or Parcels by their signature to a Joinder shall be deemed to have joined with Developer in the recording of this Declaration and shall have subordinated their right, title and interest in the Lot, Unit or Parcel to the terms hereof and declare that their property shall be subject to this Declaration as fully as if title had been taken by them subsequent to the recording hereof.

Section 6. Covenant Running with Property. The Covenants and Restrictions of this Declaration shall run with and be binding upon the Property, and shall remain in force and be enforced by the Board of Directors and Owners, their heirs, successors and assigns, for a term of twenty-five (25) years after the date this Declaration is recorded in the public records and shall be automatically renewed for successive periods of ten (10) years unless the Owners upon the affirmative vote of the holders of ninety-five (95%) of the votes decide within six (6) months of

such renewal date, not to renew these covenants and restrictions and a certificate executed by the president or vice-president and secretary of the Association certifying to such vote is recorded in the public records.

Section 7. Interpretation. Unless the context expressly requires otherwise: (i) the use of the singular includes the plural and vice versa; (ii) the use of one gender includes all genders; (iii) the use of the terms "including" or "include" is without limitation; (iv) the use of the terms "Lot," "Unit" or "Parcel" includes any portion applicable to the context, any and all improvements, fixtures, trees, vegetation and other property from time to time situated thereon, and any and all appurtenant rights; and (v) the words "must", "should", and "will" have the same legal effect as the word "shall". This Declaration should be interpreted, construed and enforced in a reasonable, practical manner to effectuate its purpose of protecting and enhancing the value, marketability, and desirability of the Lots, Units and Parcels by providing a common plan for their development and enjoyment. The various headings used in this Declaration are for indexing and organizational purposes only and are not to be used to interpret, construe, apply, or enforce its substantive provisions.

Section 8. Mortgage and Sale of Common Property. The Association shall not abandon, partition, subdivide, encumber, sell or transfer any Common Property owned by the Association without the approval of at least two-thirds (2/3) of the votes of the Class A members. If ingress or egress to any portion of the Property is through any Common Property, any conveyance or encumbrance of such Common Property shall be subject to an appurtenant easement for ingress and egress in favor of the Owner(s) of such portion of the Property, unless alternative ingress and egress is provided to the Owner(s).

Section 9. Performance of Association's Duties by Developer. Developer shall have the right from time to time, at its sole discretion, to perform at Developer's expense the duties and obligations required hereunder to be performed by the Association, and in connection therewith to reduce the budget of the Association and General Assessment payable by the owners' provided, however, that any such performance on the part of Developer may be discontinued by Developer at any time, and any such performance shall not be deemed to constitute a continuing obligation on the party of the Developer.

Section 10. Assignment of Developer's Rights. Any or all of the rights, privileges, or options provided to or reserved by Developer in this Declaration, the Articles or the By-Laws, may be assigned by Developer, in whole or in part, as to all or any portion of the Property, to any person or entity pursuant to an assignment recorded in the public records of Citrus County, Florida. Any partial assignee of any of the rights of Developer shall not be deemed the Developer, and shall have no other rights, privileges or options unless otherwise specifically assigned. No assignee of Developer shall have any liability for any acts of Developer or any prior Developer unless such assignee is assigned and agrees to assume such liability.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be executed by its duly authorized agent(s) on this 20th day of April, 1999.

[SIGNATURES AND NOTARY CLAUSE ON FOLLOWING PAGE]

Signed, sealed and delivered
in the presence of:

CITRUS HILLS INVESTMENT
PROPERTIES, a Florida
general partnership

April M. Caravetto
Witness: APRIL M. CARAVETTO

By: Stephen A. Tamposi
Name: Stephen A. Tamposi
Title: Authorized Agent

Lisa M. Bazemore
Witness: LISA M. BAZEMORE

By: John E. Pastor
Name: John E. Pastor
Title: Authorized Agent

April M. Caravetto
Witness: APRIL M. CARAVETTO

Lisa M. Bazemore
Witness: LISA M. BAZEMORE

STATE OF FLORIDA
COUNTY OF CITRUS

The foregoing instrument was acknowledged before me this 20th day of APRIL, 1999
by Stephen A. Tamposi and John E. Pastor, as Authorized Agents of Citrus Hills Investment
Properties, a Florida general partnership, on behalf of the partnership.

Lisa M. Bazemore
Notary Public

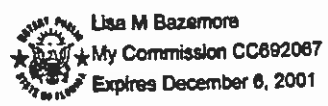


EXHIBIT A

The following described lots, units, tracts or parcels:

Block A, Lots 1 through 21;
Block B, Lots 1 through 47;
Block C, Lots 1 through 11;
Block D, Lots 1 through 34;
Block E, Lots 1 through 34; and
Block F, Lots 1 through 19,

102 all of BELMONT HILLS UNIT 1 subdivision, as platted in Plat Book 110, Pages
through 108, Public Records of Citrus County, Florida.

EXHIBIT B

The following described lots, units, tracts or parcels situated in BELMONT HILLS UNIT 1 subdivision, according to the plat thereof recorded in Plat Book 116, Pages 102 through 108, inclusive, of the Public Records of Citrus County, Florida:

Tract 2, 3, and 4;

DRAs 1A, 3, 4, 5, and 6;

E. Whirl Away Circle

E. Seattle Slew Circle

E. Gate Dancer Circle

S. Needles Pt.

E. Sea Biscuit Place

S. Majestic Ridge Pt.

S. Cannonade Pt.

S. Secretariat Pt.

S. Polestar Pt.

S. Run for the Rose Drive (north of its intersection with Crown of Roses Loop).

AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
BELMONT HILLS

Recorded in O.R. Book 1312, Pages 0095-0124, et al.,
of the Public Records of Citrus County, Florida

VERIFIED BY
SM
D.C.

1094531

CITRUS COUNTY Florida
SEALY SHIPLEY, CLERK

BK 1327 PG 0196

1999 SP 28 AM 11:19

WHEREAS, Citrus Hills Investment Properties, a General Partnership, is the developer of Belmont Hills subdivision, which properties are duly platted of record in Citrus County, Florida, and;

WHEREAS, Citrus Hills Investment Properties has previously caused to be recorded a Declaration of Covenants, Conditions and Restrictions for the subdivision in the Public Records of Citrus County, Florida, in O.R. Book 1312, Pages 0095 through 0124, inclusive, and as amended from time to time, (herein "Belmont Hills Declaration") and;

WHEREAS, Citrus Hills Investment Properties, the Declarant herein desires to amend the Belmont Hills Declaration to create and reflect an easement for the erection and maintenance of a fence along and near the rear and side lot lines of several lots within the subdivision; and,

WHEREAS, Citrus Hills Investment Properties, the Declarant herein does hold title to a sufficient number of Lots as required by Article XV, Section 2 of the Belmont Hills Declaration,

NOW THEREFORE, Citrus Hills Investment Properties, by and through its Authorized Agents, does hereby add a new subsection (g) to Article II, Section 5, of the Belmont Hills Declaration, to add an easement for the purpose of allowing Belmont Hills Property Owners Association, Inc. to erect and maintain a fence upon and near certain rear and side Lot lines, by adding the following language to the Belmont Hills Declaration:

(g) Easement to Erect and Maintain a Fence. An easement is hereby created for the benefit of Association, for the express purpose of allowing Association, its successors and assigns, to erect and maintain a decorative fence along the rear and side Lot lines of certain Lots, as follows:
The rear two and one-half feet (2 ½') of the following Lots of Belmont Hills Unit 1: Block A, Lots 1 through 21; Block B, Lots 1 through 32; Block C, Lots 1 through 11; and, Block D, Lots 2 through 34; and,
The side two and one-half feet (2 ½') of the following Lots of Belmont Hills Unit 1: Northern side of Lot 3, Block A; Eastern side of Lots 13 and 14, Block A; Western side of Lot 31, Block B; Western side of Lot 1, Block D; Southern side of Lot 25, Block D.

IN WITNESS WHEREOF, Citrus Hills Investment Properties, a Florida general partnership, has hereunto set its hand this 21 day of September, 1999.

Citrus Hills Investment Properties,
a Florida general partnership

By: Stephen A. Tamposi
Stephen A. Tamposi
Authorized Agent

[Signature]
Witness

April Caravello
Witness

April Caravetta
Witness

[Signature]
Witness

By: [Signature]
John E. Pastor
Authorized Agent

STATE OF FLORIDA
COUNTY OF CITRUS

Before me personally appeared Stephen A. Tamposi and John E. Pastor, as Authorized Agents of Citrus Hills Investment Properties, both of whom are personally known to me.

WITNESS my hand and official seal, this 21 day of September, A.D. 19 99.

[Signature]
Notary Public



This instrument prepared by
Eric D. Abel, General Counsel
Citrus Hills Investment Properties
2450 N. Citrus Hills Blvd.
Hernando, FL 34442

BK 1327 PG 0197

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145000 /

RESTATEMENT OF THE
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BELMONT HILLS

VERIFIED BY:
AK D.C.

THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BELMONT HILLS ("Declaration") originally recorded in O.R. Book 1312, Pages 0095, et seq., as amended, is amended and restated in its entirety this 5th day of June, 20 01, by Citrus Hills Investment Properties, a Florida general partnership ("Developer").

WITNESSETH:

WHEREAS, Developer is the owner of the real property described in Article II of this Declaration and desires to create thereon a residential community known as Belmont Hills; and

WHEREAS, Developer desires to ensure the attractiveness of the individual lots, units and parcels and community facilities within the Property and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the said Property and to provide for the maintenance of common areas and other community facilities and lawn maintenance; and, to this end, desires to subject the Property to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said Property and each owner of the portions thereof; and

WHEREAS, Developer has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in the Property and to ensure the owners' enjoyment of the specific rights, privileges and easements in the community properties and facilities, to create an organization to which should be delegated the assigned the powers of owning, maintaining and administering the community properties and facilities, administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has or will incorporate under the laws of the State of Florida, as a non-profit corporation, namely, BELMONT HILLS PROPERTY OWNERS ASSOCIATION, INC., for the purpose of exercising the functions, responsibilities, duties and other actions contemplated herein.

NOW, THEREFORE, the Developer hereby declares that the Property identified in Article II hereof is and shall be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions, restrictions, easements, charges and liens (sometimes referred to as "Covenants and Restrictions") hereinafter set forth.

ARTICLE I: DEFINITIONS

Unless the context expressly requires otherwise, the following terms mean as follows wherever used in this Declaration:

Section 1. "Articles" means the Articles of Incorporation of the Association, and its successors, as from time to time amended.

Section 2. "Association" means Belmont Hills Property Owners Association, Inc., a Florida not for profit corporation, organized, or to be organized, under Florida Statutes.

BK 1437 PG 1310

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K@Hb:

Section 3. "Board of Directors" or "Board" means the Association's Board of Directors.

Section 4. "By-Laws" means the By-Laws of the Association, and its successors, as from time to time amended.

Section 5. "CHCC" means Citrus Hills Construction Company, and/or its express designees, if any. CHCC is a Florida corporation, with its current principal place of business at 2050 North Brentwood Circle, Lecanto, Florida 34461. CHCC is a Certified General Contractor, licensed by the State of Florida Department of Business and Professional Regulation Construction Industry Licensing Board, License #CG C028828.

Section 6. "Committee" means the Architectural Control Committee established pursuant to Article IV herein.

Section 7. "Common Property" or "Common Properties" means (i) any property now or hereafter owned by the Association (whether or not such property constitutes a portion of the Property), (ii) any property designated in Exhibit B hereto, (iii) any property designated by Developer as Common Property in this Declaration or in any amendment or supplement to this Declaration, (iv) any portion of the Property designated on the plat(s) of the Property recorded in the Public Records of Citrus County, Florida ("Plat"), as Common Property (or words to that effect), (v) property to be maintained by the Association, and (vi) the property encompassed by any Southwest Florida Water Management District surface water management permit. Common Property may or may not constitute a portion of the Property and may be part of a dedicated right-of-way or easement.

Section 8. "Declaration" means this Declaration, as from time to time amended.

Section 9. "Developer" means Citrus Hills Investment Properties, a Florida general partnership, and its successors or assigns.

Section 10. "Documents" or "Documentation" means the legal documentation for the Property consisting of this Declaration, the Association's Articles of Incorporation, the Association's By-Laws and all amendments to any of the foregoing hereafter made and any other instruments or documents pertaining thereto.

Section 11. "Dwelling" means a residential housing unit consisting of a group of rooms which are designed or intended for the exclusive use as living quarters for one Family and constructed upon a Lot, Unit or Parcel of the Property. The term "Dwelling" shall include apartments, single-family homes, townhomes, duplexes, condominium or cooperative Units and the like.

Section 12. "Family" means 1) one or more persons each related to the other by blood, marriage, or legal adoption, or 2) a group of not more than three (3) persons not all so related, who maintain a common household Dwelling.

Section 13. "Lot" means any platted lot within the Property.

Section 14. "Mortgage" means any valid instrument transferring any interest in real property as security for the performance of an obligation. "First Mortgage" means a valid mortgage having priority over all other mortgages on the same property.

Section 15. "Owner" means any person who from time to time holds record title to any Lot, Unit or Parcel. If more than one person holds such title, all such persons are Owners, jointly and severally. The developer is an Owner with respect to each Lot, Unit or Parcel from time to time owned by such Developer.

Section 3. "Board of Directors" or "Board" means the Association's Board of Directors.

Section 4. "By-Laws" means the By-Laws of the Association, and its successors, as from time to time amended.

Section 5. "CHCC" means Citrus Hills Construction Company, and/or its express designees, if any. CHCC is a Florida corporation, with its current principal place of business at 2050 North Brentwood Circle, Lecanto, Florida 34461. CHCC is a Certified General Contractor, licensed by the State of Florida Department of Business and Professional Regulation Construction Industry Licensing Board, License #CG C028828.

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Section 11. "Dwelling" means a residential housing unit consisting of a group of rooms which are designed or intended for the exclusive use as living quarters for one Family and constructed upon a Lot, Unit or Parcel of the Property. The term "Dwelling" shall include apartments, single-family homes, townhomes, duplexes, condominium or cooperative Units and the like.

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Section 14. "Mortgage" means any valid instrument transferring any interest in real property as security for the performance of an obligation. "First Mortgage" means a valid mortgage having priority over all other mortgages on the same property.

Section 15. "Owner" means any person who from time to time holds record title to any Lot, Unit or Parcel. If more than one person holds such title, all such persons are Owners, jointly and severally. The developer is an Owner with respect to each Lot, Unit or Parcel from time to time owned by such Developer.

Section 16. "Parcel" means any portion of the Property that is not a Unit or Lot and is not Common Property or property owned by a governmental entity.

Section 17. "Person" means any natural person or artificial entity having legal capacity.

Section 18. "Property" shall mean and refer to that certain real property identified in Article II hereof which is made subject to this Declaration.

Section 19. "Resident" means a regular occupant of a Dwelling.

Section 20. "Surface Water" or "Stormwater Management System," whether those terms are capitalized or lower case, means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges.

Section 21. "Work" means the development of all or any portion of the Property as a residential community by Developer's construction and installation of streets, dwellings, buildings, and other improvements and the sale or other disposition of portions of the Property and improvements thereon.

Section 22. "Unit" means a cooperative unit pursuant to the declaration or documentation applicable thereto.

ARTICLE II: PROPERTY SUBJECT TO THIS DECLARATION

Section 1. **Property.** The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County of Citrus, State of Florida, and is more particularly described in the description attached hereto as Exhibit A and incorporated by this reference as fully as if specifically repeated herein, together with any additions thereto made subject to this Declaration less any deletions therefrom pursuant to this Declaration shall hereinafter be referred to as the "Property".

Section 2. **Appurtenances.** The benefit of all rights and easements granted by this Article constitute a permanent appurtenance to, and will pass with the title to every Lot, Unit or Parcel enjoying such benefit. Whenever any such rights or easements are described as non-exclusive by this Article, its benefit nevertheless is exclusive to all Lots, Units and Parcels granted such benefit by this Article, unless this Article expressly grants such benefit to other persons. Except for the possibility in the future of the County agreeing to maintain the road, in no event will the benefit of any such easement extend to the general public.

Section 3. **Utility Easements.** Developer has identified areas for use by all utilities of the construction and maintenance of their respective facilities servicing the Property; and Developer hereby grants to such utilities, jointly and severally, easements for such purpose. The location and extent of such easements are as shown on the Plat(s) (recorded or to be recorded) of the Property or such other instrument defining them. In addition to the above, Developer hereby reserves unto itself and its successors and assigns an access easement over, under, across and through the Common Property and utility easements as may be required for the construction, maintenance and operation of a communication, cable television and security system. Such utilities, as well as the Developer, and their respective agents, employees, designees and assigns, shall have full rights of ingress and egress over any Lot or Parcel not constituting a Dwelling, for

all activities appropriately associated with the purposes of said easements but all damage to such portions of the Property caused thereby shall be repaired at the cost of the party causing the damage.

Section 4. Common Property.

(a) Conveyance By Developer. Developer shall have the right to convey title to any portion of the Property or other property owned by it, or any easement or interest therein, to the Association as Common Property, and the Association's acceptance shall be effective upon recording the deed or instrument of conveyance in the public records of Citrus County, Florida. Notwithstanding the foregoing, Developer shall not have the obligation to develop and/or convey any portion of the Property to the Association as Common Property, and if Developer desires to convey any portion of the Property to the Association, the timing of the conveyance shall be in the sole discretion of Developer.

(b) Conveyance By Any Person. Any person other than the Developer may convey title to any portion of the Property or other property owned by such Person, or any easement or interest therein, to the Association as Common Property, but the Association shall not be required to accept any such conveyance, and no such conveyance shall be effective to impose any obligation for the maintenance, operation or improvement of any such property upon the Association, unless the Board expressly accepts the conveyance by executing the deed or other instrument of conveyance or by recording a written acceptance of such conveyance in the public records of Citrus County, Florida.

(c) Use and Benefit. All Common Property conveyed to the Association shall be held by the Association for the use and benefit of the Association and the Owners of the Property, and their respective families, guests and invitees, the holders of any mortgage encumbering any Property from time to time, and any other persons authorized to use the Common Property or any portion thereof by Developer or the Association, for all proper and reasonable purposes and uses for which the same are reasonably intended, subject to the terms of this Declaration, subject to the terms of any easement, restriction, reservation or limitation or record affecting the Common Property to the Association, and subject to any rules and regulations adopted by the Association. A non-exclusive easement of enjoyment and right for such use is hereby created in favor of all Owners and other persons entitled to the use and benefit as provided herein, and such easement and right shall be appurtenant to and pass with the title to their respective property.

(d) Additions, Alterations or Improvements. The Association shall have the right to make additions, alterations or improvements to the Common Property, and to purchase any personal property as it deems necessary or desirable from time to time; provided, however, that the approval of a majority of the Members present in person or by proxy at a duly called meeting of the Association shall be required for any addition, alteration or improvement, or any purchase of personal property which exceeds ten percent (10%) of the annual budget in effect at the time the addition, alteration, improvement or purchase is contemplated by the Association. The foregoing approval shall in no event be required with respect to expenses incurred in connection with the maintenance, repair or replacement of existing Common Property, or any existing improvements or personal property associated therewith. The cost and expense of any such additions, alterations or improvements to the Common Property, or the purchase of any personal property, shall be a common expense. In addition, so long as Developer owns any portion of the Property, Developer shall have the right to make any additions, alterations or improvements to the Common Property as may be desired by Developer in its sole discretion from time to time.

(e) Dedications. The Developer reserves the right to dedicate, grant or convey any portion of the Property owned by it, or any interest or easement therein, to any governmental or quasi-governmental agency or private or public utility company. Developer shall also have the right to direct the Association to likewise dedicate, grant or convey any Common Property, or any interest or easement in any Common Property owned by the Association, whereupon the Association pursuant to the provisions of this Article, shall execute such documents as will be necessary to effect such dedication; provided, however, that this right of Developer shall terminate when Developer no longer is a Member of the Association. Any portion of the Property, or any interest or easement therein, which is dedicated, granted or conveyed pursuant to this provision shall not be subject to the Covenants and Restrictions contained within this Declaration, unless the instrument so dedicating, granting, or conveying such property, interest or easement specifically provides that same is subject to the Covenants and Restrictions contained within this Declaration.

(f) Extent of Owner's Easement. The rights and easements of enjoyment created herein, shall be subject to the following:

- (i) The right of the Association to limit the use of the Common Properties to Owners, their families and guests, and in reasonable numbers;
- (ii) The right of the Association to suspend the voting and enjoyment rights of an Owner for any period during which any assessment against his Lot, Unit or Parcel remains unpaid, or for any infraction of the Association's published rules and regulations;
- (iii) The right of the Association to dedicate or transfer all or any part of the Common Property owned by the Association to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedications or transfer shall be effective unless the Owners entitled to at least two-thirds (2/3) of the Class A votes and all of the Class B votes agree to such dedication or transfer; provided, however, that this paragraph shall neither preclude the Board of Directors of the Association from granting specific easements for the installation and maintenance of electrical, telephone, special purpose cable for television and other uses, water and sewer, utilities and drainage facilities upon, over, under and across the Common Property without the consent of the Owners nor prevent the Developer from granting such specific easements with regard to Common Property owned by the Developer without the consent of the Owner;
- (iv) The right of the Association to impose reasonable rules and regulations in respect to the use of the Common Properties in addition to those set forth herein; and
- (v) That portion of any driveway falling within the Common Properties which is contiguous to and serves one or more Lots, Units or Parcels shall, except as otherwise provided herein shall be subject to the exclusive use and possession of the Owners whose Lots, Units or Parcels are served by such driveway.

(g) Extension of Rights and Benefits. Every Owner shall have the right to extend the rights and easements of enjoyment vested in him under this Article to each of his tenants and to each member of his Family who resides with him and to such other persons as may be permitted by the Association.

(h) Easement for Access and Drainage. The Association shall have a perpetual non-exclusive easement over all areas of the surface water or stormwater management system for access to operate, maintain or repair the system. By this easement, the Association shall have the

right to enter upon any portion of any lot which is a part of the surface water or stormwater management system, at a reasonable time and in a reasonable manner, to operate, maintain or repair the surface water or stormwater management system as required by law by the Southwest Florida Water Management District permit.

Additionally, the Association shall have a perpetual non-exclusive easement for drainage over the entire surface water or stormwater management system. No person shall alter the drainage flow of the surface water or stormwater management system, including buffer areas or swales, without the prior written approval of the Southwest Florida Water Management District.

Section 5. Covenants, Restrictions and Easements. The following provisions shall also apply to the use of the Property:

(a) General Restrictions. The following easements and restrictive covenants are easements and covenants running with the land and are binding upon all Owners, their successors and assigns:

(i) Unless otherwise provided in the plat, declaration or other governing document, the Lots and Units shall not be used for any purpose except as a private dwelling for one Family; nor shall any trade, business, profession, or other type of commercial activity be carried on upon any Parcel without the express written consent of the Declarant (this shall not prevent an owner from renting its property for residential use); and, provided further that nothing herein shall be construed in such a manner as to prohibit an Owner from (a) maintaining his personal professional library therein; (b) keeping his personal, business or professional records or accounts therein; or (c) handling his personal, business or professional telephone calls or correspondence therefrom.

(ii) No noxious or offensive activity shall be carried on upon any Lot, Unit or Parcel nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood. No inflammable, combustible or explosive fluid or chemical substance shall be kept on any Lot, Unit or Parcel except such as are required for normal household use and same shall be kept within the Dwelling constructed on said Lot, Unit or Parcel. No Owner shall permit or suffer anything to be done or kept in his Dwelling or, where applicable, on his Lot, Unit or Parcel which will increase the rate of insurance as to other Owners or to the Association.

(iii) No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuilding shall be used on any Lot, Unit or Parcel at any time as a residence either temporarily or permanently, except that the Developer may place any type of temporary structure on any Lot, Unit or Parcel at any time to aid in its construction and/or sales activities.

(iv) No Lot, Unit or Parcel shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers or as required by the Association or the applicable ordinances of Citrus County. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

(v) No individual water supply system shall be permitted on any Lot, Unit or Parcel unless such system is located, constructed and equipped in accordance with the requirements, standards and recommendations of the Committee and all applicable governmental authorities and approval of such system as installed shall be obtained from the Committee and such governmental agencies.

(vi) There shall be no alteration, addition or improvement of any Common Properties, except as provided in this Declaration, nor shall any person use the Common Properties, or any part thereof in any manner contrary to or not in accordance with the rules and regulations pertaining thereto as from time to time may be promulgated by the Association or approved and authorized by the Association.

(vii) Only automobiles, vans constructed as private passenger vehicles, and pick-up trucks used as private passenger vehicles may be parked within the Property overnight without the prior written consent of the Association. Except that the Developer may place a commercial vehicle, truck or trailer on the Property at any time to aid in its construction and/or sales activity. Commercial trucks, trailers, campers, mobile homes, boats or boat trailers or recreational vehicles must be stored in fully enclosed garages with the doors closed and may not be parked in any driveway or upon any Lot, Unit or Parcel; provided, however, that it shall not be a violation of this provision for an Owner to park, in Owner's driveway, a camper, recreational vehicle, or a boat on a boat trailer, for a period of time not to exceed twenty-four (24) hours. No motor vehicles or boat repair work shall be conducted on any portion of the Property. No ATV vehicles may be used on the Property without the written consent of the Association.

(viii) No mail box of any type shall be placed upon any Lot, Unit or Parcel nor affixed to any Dwelling unless the size and design thereof complies with the applicable rules and regulations of the Committee or has been approved by the Committee.

(ix) No television, radio, or other satellite dish, or other communication device or antenna(e) of any type or nature whatsoever shall be located upon the exterior of any Dwelling, or shall protrude from the interior to the exterior thereof, or shall be located anywhere on the Lot, Unit or Parcel, except as may be specifically authorized by the Association. Digital satellite systems with a dish no larger than 24" in diameter are hereby specifically authorized.

(x) There shall be no wall or window type air conditioning unit(s) in any Dwelling.

(xi) No Lot, Unit or Parcel shall be increased in size by filling in any water area it may abut. The elevation of a Lot, Unit or Parcel may not be changed so as to materially affect the surface elevation or grade of the surrounding Lots, Units or Parcels without the prior written approval of the Committee.

(xii) No artificial grass, plants or other artificial vegetation shall be placed or maintained upon the exterior portion of any Lot, Unit or Parcel unless such installation complies with the applicable rules and regulations of the Committee or has been approved by the Committee. No more than ten percent (10%) of any Lot, Unit or Parcel (excluding buildings footprint) shall be planted covered or maintained in any material other than grass or other natural, living vegetation, unless approved by the Committee.

(xiii) No automobile garage shall be permanently enclosed or converted to other use without the substitution of another enclosed automobile storage facility upon the Lot, Unit or Parcel. All Lots shall have a paved driveway of stable and permanent construction. The driveway base shall be concrete and no driveway surface shall be painted, repainted, or otherwise artificially colored or recolored unless such variation shall comply with the applicable rules and regulations of the Committee or has been approved by the Committee.

(xiv) No fences shall be used as a clothesline. Clotheslines are not permitted in any open area that is visible to the other Lots, Units or Parcels.

(xv) No fences, walls or hedges shall be constructed on any Lot, Unit or Parcel unless such item complies with applicable rules and regulations of the Committee or has been approved by the Committee.

(xvi) No sign of any kind shall be displayed to the public view on any Lot, Unit or Parcel except in connection with the offering for sale of such Lot, Unit or Parcel as follows:

(1) The exclusive sales agent for the Owner or the Owners may place one (1) professional sign not to exceed eight inches by twelve inches, which sign may only advertising the property "for sale" or "for rent" and which may be placed upon not more than one post, painted flat black in color, and which post shall not exceed forty-eight inches in height;

(2) This sign restriction shall not apply to the Developer.

(xvii) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Dwelling except that two (2) common household pets, such as dogs, cats or birds, may be kept, provided that they are not kept, bred or maintained for commercial purposes. All pets must be kept on leashes when outside of the Owner's Lot, Unit or Parcel. The Owner or other person harboring such pet shall be responsible for taking immediate sanitary procedures to clean and remove any feces of the pet from the Property. Any pet causing or creating a nuisance or unreasonable disturbance, including, without limitation, violating the foregoing sentence, shall be permanently removed from the Property upon three (3) days written notice by the Association to the Owner thereof or to the person harboring such pet.

(b) Rules and Regulations. The Board of Directors of the Association may from time to time adopt, or amend previously adopted rules and regulations governing (i) the interpretation and more detailed implementation of the restrictions set forth in this Declaration including those which would guide the Committee in the uniform enforcement of the foregoing general restrictions, as well as (ii) the details of the operation, use, maintenance, management and control of the Common Properties; provided, however, that copies of such rules and regulations shall be furnished to each Owner prior to the time same became effective and provided that said rules and regulations are a reasonable exercise of the Association's power and authority based upon the overall concepts and provisions in the Declaration.

(c) Provisions Inoperative as to Initial Construction. Nothing contained in this Declaration will be interpreted, construed, or applied to prevent the Developer, or its or their contractors, subcontractors, agents, and employees, from doing or performing on all or any part of the Property owned or controlled by the Developer, whatever they determine to be reasonably necessary or convenient to complete the Work, including:

(i) Improvements. Erecting, constructing, and maintaining such structures and other improvements as may be reasonably necessary or convenient for the conduct of such developer's business of completing the Work, establishing the Property as a residential community, and disposing of the same in Lots, Units or Parcels by sale, lease, or otherwise.

(ii) Development. Conducting thereon its business of completing the Work, establishing the Property as a residential community, and disposing of the Property in Lots, Units or Parcels by sale, lease or otherwise.

(iii) Signs. Maintaining such signs as may be reasonably necessary or convenient in connection with the sale, lease or other transfer of the Property in Lots, Units or Parcels.

(d) Access by Association. The officers, employees, or designated agents of the Association have a right of entry onto the exterior of each Lot, Unit or Parcel to the extent reasonably necessary to discharge any duty imposed, or exercise any right granted, by this Declaration or to investigate or enforce the provisions of the Declaration and the rules and regulations of the Association. Such right of entry must be exercised in a peaceful and reasonable manner at reasonable times and the entry may be only upon reasonable notice whenever circumstances permit. Entry into any Dwelling upon any Lot, Unit or Parcel may not be made without the consent of its Owner or occupant for any purpose, except pursuant to court order or other authority conferred by law. Such consent will not be unreasonably withheld or delayed.

(e) Easement for Encroachments. Each Lot, Unit or Parcel and the Common Property is hereby subjected to a perpetual easement appurtenant to any adjoining Lot, Unit, Parcel, or the Common Property to permit the use, construction, existence, maintenance, repair and restoration of structures, located on such adjoining Lot, Unit, Parcel, or the Common Property including but not limited to driveways, walkways and roof structures which overhang and encroach upon the servient Lot, Unit or Parcel or the Common Property, if any, provided that such structures were constructed by the Developer or the construction of such structure is permitted and approved as elsewhere herein provided. The Owner of the dominant Lot, Unit, Parcel or the Common Property shall have the right, at all reasonable times, to enter the easement area in order to make full use of such structure for its intended purposes and to maintain, repair and restore any improvements located on the dominant Lot, Unit, Parcel or the Common Property; provided, however, that any such entry made for purpose of maintenance, restoration or repair, shall be limited to daylight hours and shall only be made with the prior knowledge of the Owner of the servient Lot, Unit, Parcel or the Common Property. In case of emergency, the right to entry for maintenance, restoration or repair shall be immediate, not restricted as to time and not be conditioned upon prior knowledge of the Owner of the servient Lot, Unit, Parcel or the Common Property. The owner of the servient Lot, Unit, Parcel or the Common Property shall not place any improvement, material or obstacle in or over the easement area on the servient Lot, Unit, Parcel or the Common Property which would unreasonably interfere with the rights of the Owners of the dominant Lot, Unit, Parcel or the Common Property granted by this paragraph. Any such improvement, material or obstacle shall be promptly removed by the Owner of the servient Lot, Unit, Parcel of the Common Property at the Owner's expense when requested by the owner of the dominant Lot, Unit, Parcel or the Common Property or Developer notwithstanding any lapse of time since such improvements, material or other obstacle was placed in or over the easement area. However, in no event shall a valid easement for any encroachment be created in favor of any Owner if such encroachment or use is materially detrimental to or materially interferes with the reasonable use and enjoyment of the Lot, Unit or Parcel of another Owner and if it occurred due to the willful conduct of any Owner.

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(f) Easements Reserved to Developer. Developer hereby reserves unto itself, and its successors and assigns, 1) non-exclusive easements over, under, upon, and through, 2) as well as the right to grant easements over, under, upon and through, the Property for the purposes of access to, constructing or maintaining improvements upon, providing utility services and cable television services, to or across, or providing drainage to or from the Property, any other property which may become part of the Property pursuant to this Declaration, or any other Property adjacent to the Property, provided that any such easements shall not materially interfere with an Owner's reasonable use of such Owner's Dwelling.

(g) Easement to Erect and Maintain a Fence. An easement is hereby created for the benefit of Association, for the express purpose of allowing Association, its successors and assigns, to erect and maintain a decorative fence along the rear and side Lot lines of certain Lots, as follows:

The rear two and one-half feet (2 ½') of the following Lots of Belmont Hills Unit 1: Block A, Lots 1 through 21; Block B, Lots 1 through 32; Block C, Lots 1 through 11; and, Block D, Lots 2 through 34; and,

The side two and one-half feet (2 ½') of the following Lots of Belmont Hills Unit 1: Northern side of Lot 3, Block A; Eastern side of Lots 13 and 14, Block A; Western side of Lot 31, Block B; Western side of Lot 1, Block D; Southern side of Lot 25, Block D.

Section 6. Setbacks; Size of Building.

(a) Setbacks. No structure, including swimming pools and/or pool enclosures shall be built or placed upon a Lot nearer than 25 feet to the front Lot line, 5 feet to the rear Lot line, 10 feet to the side Lot line, and 25 feet to the street line of any corner Lot.

(b) Size of Building. No residential structure shall be constructed on any Lot which is less than 1,700 square feet of living space (that space which is heated and cooled, covered by a roof and enclosed by substantial walls, but does not include patios, carports and similar areas.

Section 7. Ingress and Egress. Each Owner of a portion of the Property and each other occupant and invitee of or to a Dwelling is hereby granted and shall have a perpetual unrestricted easement over, across and through the Common Property for the purpose of pedestrian ingress and egress over the unpaved areas of the Common Property and vehicular ingress and egress over the paved areas of the Common Property, to and from his Lot, Unit or parcel, subject only to the right of the Association to impose reasonable and non-discriminatory rules and regulations governing the manner in which such easement is exercised, which easement shall be appurtenant to and pass with ownership to each Lot, Unit or Parcel. The Developer hereby reserves a perpetual unrestricted non-exclusive easement over, across and through the Common Property and all roadways if not part of the Common Property for the purpose of its access to the Property and the access to the Property of any of its successors and assigns.

Section 8. Garage Openings. Each Dwelling situated on a Lot, Unit or Parcel of the Property is hereby expressly allowed to have its garage door open toward a street within the subdivision.

ARTICLE IV: ARCHITECTURAL, MAINTENANCE AND USE RESTRICTIONS

Section 1. Approval of Plans and Architectural Control Committee. For the purpose of further ensuring the maintenance of the Property as a residential area of highest quality and

standard, and in order that all improvements on each Lot, Unit or Parcel shall present an attractive and pleasing appearance from all sides of view, the Architectural Control Committee, consisting of three (3) members appointed by the Board of Directors of the Association shall have the exclusive power and discretion to control and approve the construction, remodeling, or addition to the buildings, Dwellings, structures and other improvements of any kind on each Lot, Unit or Parcel in the manner and to the extent set forth herein. No Dwelling, building, fence, wall, utility or yard shed or structure, driveway, swimming pool, swimming pool enclosure, yard ornament, bird bath, bird house, sport/game or play structure, or any other structure or improvement, regardless of size or purpose, whether attached to or detached from the main Dwelling, shall be commenced, placed, erected or allowed to remain on any Lot, Unit or Parcel nor shall any addition to or exterior change (including repainting) or alteration thereto be made, or shall any change in the landscaping, elevation or surface contour of a Lot be made unless and until building plans and specifications covering same, showing such information as may be required by the Committee have been submitted to and approved in writing by the Committee. In addition, no tree may be removed from any Lot, Unit or Parcel without the Association's written approval. The Committee may require that all architectural, remodeling and landscape plans be accompanied by site plans which show intended work in relation to the Lot, Unit or Parcel lines and also locates the Dwellings on each side of the Dwelling under consideration. The Committee shall have the absolute and exclusive right to refuse to approve any such building plans and specifications and lot-grading and landscaping plans which are not suitable or desirable in its opinion for any reason, including purely aesthetic reasons and reasons connected with future development plans of the Developer of the Property. In the event the Committee rejects such plans and specifications as submitted, the Committee shall so inform the Owner in writing stating with reasonable detail the reason(s) for disapproval. In passing upon such building plans and specifications and lot-grading and landscaping plans, the Committee may take into consideration the suitability and desirability of the proposed construction, the materials of which the same are proposed to be built, the Lot, Unit or Parcel upon which it is proposed to be erected same, the quality of the proposed workmanship and materials, the harmony of external design with the surrounding neighborhood and existing structures therein, and the effect and appearance of such constructions as viewed from neighboring Lots, Units or Parcels. In addition, there shall be submitted to the Committee for approval such samples of building materials proposed to be used as the Committee shall specify and require.

As a prerequisite to consideration for approval, and prior to beginning the contemplated work, two (2) complete sets of plans and specification must be submitted to the committee. Upon giving written approval, construction shall be started and pursued to completion promptly and in strict conformity with such plans and specifications. The Committee shall be entitled to stop any construction in violation of these restrictions and any such exterior addition to or change or alteration made without application having first been made and approval obtained as provided above, shall be deemed to be in violation of this covenant and may be required to be restored to the original condition at the Owner's cost.

All structures must be built to comply substantially with the plans and specifications as approved by the Committee.

Section 2. Compliance with Governmental Requirements. In addition to the foregoing requirements, any alteration, addition, improvement, or change must be in compliance with the requirements of all controlling governmental authorities, and the Owner shall be

required to obtain an appropriate building permit from the applicable governmental authorities when required by controlling governmental requirements. Any consent or approval by the Association to any addition, alteration, improvement, or change may be conditioned upon the Owner requesting such approval obtaining a building permit for same, or providing the Association with written evidence from the controlling governmental authority that such permit will not be required, and in that event the Owner requesting architectural approval shall not proceed with any addition, alteration, improvement, or change until such building permit or evidence that a building permit is not required is submitted to the Association.

Section 3. No Liability. Notwithstanding anything contained herein to the contrary, the Committee shall merely have the right, but not the duty, to exercise architectural control, and shall not be liable to any Owner or Homeowners Association due to the exercise or non-exercise of such control, or the approval or disapproval of any improvement. Furthermore, the approval of any plans or specifications or any improvement shall not be deemed to be a determination or warranty that such plans or specifications or improvements are complete or do not contain defects, or in fact meet any standards, guidelines and/or criteria of the Committee, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the Committee shall not be liable for any defect of deficiency in such plans or specifications or improvement, or any injury resulting therefrom.

Section 4. Exemption. The Developer shall be exempt from the provisions of this Article and shall not be obligated to obtain Committee approval for any construction or change(s) in construction which the Developer may elect to make at any time.

ARTICLE V: ADDITIONS OR DELETIONS OF PROPERTY

Section 1.

(a) Additions to the Property. Additional land may be made subject to all the terms hereof and brought within the jurisdiction and control of the Association in the manner specified in this Article, so long as Developer maintains ownership of at least one Lot, Unit or Parcel. Such additional property may constitute additional Common Property or a portion of the Property out of which is formed Lots, Units and/or Parcels. Notwithstanding the foregoing, however, under no circumstances shall the Developer be required to make such additions, and until such time as such additions are made to the Property in the manner hereinafter set forth, no other real property owned by the Developer or any other person or party whomsoever, other than within the Property, shall in any way be affected by or become subject to the Declaration. All additional land which, pursuant to this Article, is brought within the jurisdiction and control of the Association and made subject to the Declaration shall hereupon and thereafter be included within the term "Property" as used in the Declaration. Notwithstanding anything contained in this Section, the Developer neither commits to, nor warrants or represents, that any such additional land will be made subject to and brought within the jurisdiction and control of the Master Association.

(b) General Land Plan. The present general plan of development for the Property shall not bind the Developer to make any additions to the Property or adhere to the general plan of development. Such general plan of development may be amended or modified by the Developer, in whole part, at any time, or discontinued. As used herein, the term "General Land Plan", or

words to that effect, shall mean such general plan of development, together with any amendments or modifications thereof hereafter made.

(c) Mergers. Upon a merger or consolidation of the Association with another non-profit corporation, its property (whether real or personal or mixed) may, by operation of law, be transferred to the surviving or consolidated corporation or, alternatively, the property of the other non-profit corporation may, by operation of law, be added to the property of the Association as the surviving corporation pursuant to a merger. The surviving or consolidated corporation shall thereafter operate as the Association under this Declaration and administer the Covenants and Restrictions established by this Declaration upon the Property. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Declaration.

(d) Deletions from the Property. Except as otherwise provided in this Declaration pertaining to deletions from the Property, only the Developer may delete and withdraw a portion of the Property from being subject to this Declaration.

Section 2. Procedure for Making Additions to or Deletions from the Property. Additions to or deletions from the Property may be made, and thereby become subject to or from this Declaration by, and only by, the following procedure:

(a) The Developer shall have the right from time to time, in its discretion and without need for consent or approval by either the Association or any Owner, to make additional land subject to the scheme of this Declaration and to bring such land within the jurisdiction and control of the Association. In the Developer's sole discretion, portions of such additional land may be designated as Common Property.

(b) The addition shall be accomplished by the Developer filing of record an amendment to this Declaration of Covenants, Conditions and Restrictions to include the additional land within the scope of this Declaration. Such supplement need only be executed by the Developer and shall not require the joinder or consent of the Association or the Owners. Such supplement may contain such additional provisions and/or modifications of the Covenants and Restrictions contained in this Declaration as may be desired to reflect the different character, if any, of the entire Property, of the added land, or of any other portion of the Property, or permitted uses thereof.

(c) No addition of property shall revoke or diminish the rights of the Owners or other owners of the Property to the utilization of the Common Property as established hereunder, except to grant to the owners of the land being added to the Property the right to use the Common Property according to the terms and conditions as established hereunder, and the right to vote and be assessed as hereinafter provided.

(d) The Developer may delete and withdraw a portion of the Property from being subject to this Declaration by a supplement to this Declaration recorded in the public records which specifically and legally describes the property being withdrawn. Subject to the provisions of Article X herein where applicable, such supplement need only be executed by the Developer and shall not require the joinder and consent of the Association or the Owners.

(e) Nothing contained in this Article shall obligate the Developer to make additions to or deletions from the Property.

Section 3. Voting Rights of the Developer as to additions to the Property. The Developer shall have no voting rights as to the land added to the Property or any portion thereof

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until such land is actually added to the Property in accordance with the provisions of this Article. Upon such land being added to the Property, the Developer shall have the Class B voting rights as to the Lots, Units and Parcels thereof as is provided by Article VI, Section 2(b) of this Declaration.

Section 4. Assessment Obligations of the Developer as to Additions to the Property. The Developer shall have no assessment obligations as to the land added to the Property until such land or portion thereof is actually added to the Property in accordance with the provisions of this Article. At such time, the Developer shall have, but only as to such of the additional land as is added, the assessment obligations set forth in Article IX of this Declaration.

Section 5. Voting Rights of Owners Other Than the Developer as to Additions to the Property. Any Lots, Units or Parcels on land added to the Property which are owned by Owners other than the Developer, or its assignees by separate written document, shall be entitled to voting rights identical to those granted by Article VI, Section 2(a) of this Declaration to Class A Members.

Section 6. Assessment Obligations of Owners Other Than the Developer as to Additions to the Property. Any Lots, Units or Parcels on land added to the Property which are owned by Owners other than the Developer, or its assignees by separate written document, shall be subject to assessments, both annual, special and otherwise in accordance with the terms and provisions of Article IX of this Declaration in the same manner as all other Owners other than the Developer.

ARTICLE VI: MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner shall be a member of the Association, subject to and bound by the Association's Articles, By-Laws, rules and regulations, and this Declaration. The foregoing does not include Persons who hold a leasehold interest or interest merely as security for the performance of an obligation. Ownership of a Lot, Unit or Parcel shall be the sole qualification for membership. When any Lot, Unit or Parcel is owned of record by two or more Persons, all such persons shall be members. An Owner of more than one Lot, Unit or Parcel shall be entitled to one membership for each Lot, Unit or Parcel owned by him. Membership shall be appurtenant to, and may not be separated from ownership of any Lot, Unit or Parcel which is subject to assessment, and it shall be automatically transferred by conveyance of that Lot, Unit or Parcel. The Developer shall also be a member so long as it owns one or more Lots, Units or Parcels.

Section 2. Voting and Classes of Membership. The Association shall have two classes of voting membership: Class A and Class B. All votes shall be cast in the manner provided in this Declaration, as may be more particularly described in the By-Laws. When more than one Person holds an interest in any Lot, Unit or Parcel, the vote for such Lot, Unit or Parcel shall be exercised as such Persons determine, but in no event shall more than the number of votes hereinafter designated be cast with respect to any such Lot, Unit or Parcel. Prior to the time of any meeting at which a vote of the membership is to be taken, the co-owners shall file the name of the voting co-owner with the Secretary of the Association in order that such voting co-owner be entitled to vote at such meeting, unless a general voting certificate giving such information shall have previously been filed. The By-Laws may provide more detailed provisions regarding the voting procedure for co-owners including but not limited to husband and wife co-owners, and

also Persons which are corporations or other legal entities. There shall be no split vote permitted with respect to such Lot, Unit or Parcel. An Owner may cast his/her vote(s) upon becoming a member without regard to a record date for determining those members entitled to vote, unless otherwise provided in the By-Laws or otherwise provided in the statutes of Florida governing the Association. The two classes of voting membership and voting rights related thereto, are as follows:

(a) Class A. "Class A Members" shall be all Owners of Lots, Units and Parcels subject to assessment; provided, however, so long as there is Class B membership, the Developer shall not be a Class A Member. Each Class A Member shall be entitled to a number of vote(s) for each Lot, unit or Parcel owned equal to the General Assessment Factor (as defined in Article IX below) applicable to that Lot, Unit or Parcel. "Class A Lots, Units and Parcels" shall be all Lots, Unit or Parcel. "Class A Lots, Units and Parcels" shall be all Lots, Units and parcels owned by the Class A Members.

(b) Class B. The "Class B Member" shall be the Developer. "Class B Lots, Units and Parcels" shall be all Lots, Units and Parcels owned by the Developer which have not been converted to Class A membership as provided below. The voting rights appurtenant to the Class B Lots, Units and Parcels shall be as follows:

For each Lot, Unit and Parcel which the Developer holds title, the Developer shall be entitled to nine (9) votes.

(c) Termination of Class B. Class B membership may cease and be converted to Class A membership and any Class B Lots, Units and Parcels then subject to the terms of this Declaration shall become Class A Lots, Units and Parcels upon the happening of any of the following events, whichever occurs earlier:

- (i) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or
- (ii) On December 31, 2012, or
- (iii) When the Developer waives in writing its right to Class B membership and records such waiver in the public records of Citrus County referring specifically therein to the recording information of this Declaration.

Notwithstanding the foregoing, if at any time or times subsequent to any such conversion, additional land is added by the Developer pursuant to Article V hereof, such additional land shall automatically be and become Class B Lots, Units or Parcels, as appropriate. In addition, if following such addition of land, the total votes allocable to all Lots, Units and Parcels then owned by the Developer (calculated as if all such Lots, Units or Parcels are Class B, whether or not they are) shall exceed the remaining total votes outstanding in the remaining Class A membership (i.e., excluding the Developer), then any Class A Lots, Units and Parcels owned by the Developer shall automatically be reconverted to Class B. Any such reconversion shall not occur, however, if either occurrence (ii) or (iii) above shall have taken place.

Section 3. Expansion of Voting Provisions. These voting provisions may be expanded by provisions of the By-Laws, provided that any such expansion shall not serve to dilute the voting interest of the Developer.

ARTICLE VII: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 1. Association. The Association shall govern, make rules and regulations, control and manage the Lots, Units, Parcels and Common Properties located on the Property pursuant to the terms and provisions of this Declaration and the Association's Articles and By-Laws. The Association shall at all times pay the real property ad valorem taxes on any Common Properties if said taxes are billed to the owner, and shall pay any governmental liens assessed against the Common Properties. The Association shall further have the obligation and responsibility for the hiring of certain personnel and purchasing and maintaining such equipment as may be necessary for the administration and operation of the Association, the maintenance, repair, upkeep and replacement of any Common Properties and facilities which may be located thereon, the performance of any of its maintenance obligations and performance of such other duties as are set forth herein including, but not limited to, the following specific maintenance and operational duties:

(a) Security. Notwithstanding the foregoing, the Association may, but is not obligated to, employ security guard(s) or a security guard service. If a security guard(s) or security guard service is employed by the Association, the Board of Directors shall determine, in their sole discretion, the schedule and cost of expense of security guard(s) or security guard service. Such guard and security services are provided only as a means of supplementing governmental agencies, and expressly are not provided as a guarantee of safety or security to the Owners, Residents, their guests, or any other Persons.

(b) Utilities, Taxes and Maintenance. The Association shall maintain the Common Properties and pay for all utility services, the real property ad valorem taxes and governmental liens assessed against the Common Properties and billed to the Association. Taxes on Common Property not owned but only maintained by the Association shall be paid by the owner thereof. Any Common Properties which are to be maintained by the Association as provided herein shall be maintained in good condition and repair.

(c) Insurance. The Association shall at all times obtain and maintain policies of public liability insurance and hazard insurance and such other types of insurance as the Board deems adequate and advisable. The Association additionally shall cause all persons responsible for collecting and disbursing Association funds to be insured or bonded with adequate fidelity insurance or bonds.

(d) Recreation Facilities. The Association shall be responsible for the operation and the payment of all costs, charges and expenses incurred in connection with the operation, administration and management of all recreational facilities, if any, located from time to time on the Common Property. Such recreational facilities may include, but not be limited to any or all of: pool facilities, clubhouse, and the like. The cost of operating, administering and maintaining the recreational facilities shall be paid by the Owners and included as part of the General Assessment as provided in Article IX of this Declaration. The General Assessment may also include an amount to amortize the cost of such capital improvements that will serve as the recreation facilities. Although provision is made herein for the provision of recreation facilities, neither the Developer nor the Association is obligated to provide any recreation facilities. The Board of Directors may approve and modify rules and regulations regarding the use and operation of the recreational facilities of the Association.

(e) Maintenance of Common Property and Other Portions of the Property. Unless otherwise limited or specifically described elsewhere herein or in Exhibit B hereto, the Association shall maintain all Common Properties and all improvements thereon in good condition at all times. This burden shall expressly include the responsibility for maintaining the roads and drainage areas which may be given, by declaration, dedication, easement or deed, to the Association. If pursuant to any easement, deed, or dedication, the Association is to maintain any improvement within any portion of the Property, then the Association shall maintain such improvement in good condition at all times. In addition, the Association shall have the right to assume the obligation to operate and/or maintain any portion of the Property which is not owned by the Association if the Board of Directors, in its sole discretion, determines that the operation and/or maintenance of such property by the Association would be in the best interests of the Owner(s) of such Property. In such event, where applicable, the Association shall so notify any Owner otherwise responsible for such operation or maintenance, and thereafter such property shall be operated and/or maintained by the Association and not by the Owner until the Board of Directors determines no longer to assume the obligation to operate and/or maintain such Property and so notifies the appropriate Owner in writing. Without limitation, the Association shall have the right to assume the obligation to operate and/or maintain any walls or fences on or near the boundaries of the Property. To the extent the Association assumes the obligation to operate and/or maintain any portion of the Property which is not owned by the Association, the Association shall have an easement and right to enter upon such property in connection with the operation in or maintenance of the same, and no such entry shall be deemed a trespass. Such assumption by the Association of the obligation to operate and/or maintain any portion of the Property which is not owned by the Association may be evidenced by a supplement to this Declaration, or by a written document recorded in the public records of Citrus County, Florida, and may be made in connection with an agreement with any Owner, the Developer, or any governmental authority otherwise responsible for such operation or maintenance, and pursuant to any such document the operation and/or maintenance of such Property may be made a permanent obligation of the Association. The Association may also enter into agreements with any other individual, corporation, partnership, trust or other legal entity, including any governmental authority, to share in the maintenance responsibility of any portion of the Property if the Board of Directors, in its sole and absolute discretion, determines this would be in the best interests of the Owners. Notwithstanding the foregoing, if any Owner, or their guests or invitees, damages any Common Property or any improvement thereon, such Owner shall be liable to the Association for the cost of repair or restoration to the extent otherwise provided by law and to the extent such damage is not covered by the Association's insurance.

(g) Maintenance, Operation and Repair of Surface Water Systems. The Association shall be responsible for the maintenance, operation and repair of the surface water or stormwater management system. Maintenance of the surface water or stormwater management system(s) shall mean the exercise of practices which allow the systems to provide drainage, water storage, conveyance or other surface water or stormwater management capabilities as permitted by the Southwest Florida Water Management District. Any repair reconstruction of the surface water or stormwater management system shall be as permitted or, if modified, as approved by the Southwest Florida Water Management District.

(h) Shared Responsibility for Maintenance and Repair of S.R. 44 Entrance to Clearview Subdivisions. The Association shall share the financial responsibility along with all lots in

Clearview subdivisions, on an equal per lot basis, for maintaining and repairing the entrance to Belmont and Clearview subdivisions from S.R. 44. The initial annual payment (beginning 2002) shall be \$10.00 per Lot, and shall be paid by the Association to Clearview Estates of Citrus Hills Property Owners Association, Inc. on or before February 28 of each year, for the Association's share of the financial responsibility.

On or before December 1 of each year (beginning 2001), the President of the Association and the President of Clearview Estates of Citrus Hills Property Owners Association, Inc. shall establish the level of maintenance and repairs for the entrance, (which shall not be less than the standards established in the Clearview Declaration). Once established, the President of Clearview Estates of Citrus Hills Property Owners Association, Inc. shall present it for adoption by the board of directors of Clearview Estates of Citrus Hills Property Owners Association, Inc. (or remand it to the two Presidents for reconsideration). In the event this procedure fails to establish a new standard on or before December 1 of the year preceding the year such standards are to be applied, then the previous year's standards shall apply, and the previous year's contribution by the Association to Clearview Estates of Citrus Hills Property Owners Association, Inc. shall remain in effect.

(i) Additional Maintenance and Operational Duties. The Association's duties shall include, but not be limited to, the foregoing maintenance and operational duties as well as any particular or limited duties more fully set forth in this Declaration. The Association may, in the discretion of its Board, assume additional maintenance or operational duties not set forth in this Declaration. In such event, the cost of such additional duties shall be included as a common expense of the Association.

The foregoing constitutes the basic general expenses of the Association and said expenses are to be paid by members of the Association as herein provided. It shall be the duty and responsibility of the Board of Directors to fix and determine from time to time, but not less frequently than annually, an operating budget which shall provide for the sum or sums necessary and adequate to satisfy the expenses of the Association. The procedure for the determination of the assessments to fund such budget shall be as hereinafter set forth in this Declaration. The Board of Directors shall have the power and authority to levy a special assessment should one become necessary as determined by them in their sole discretion and said special assessment shall be determined, assessed, levied and payable in the manner determined by the Board of Directors as hereinafter provided in this Declaration or the Articles or by the By-Laws of the Association. Each assessment shall be levied by the Board of Directors and shall be payable in advance on a monthly, quarterly, semi-annual or annual basis, or otherwise as determined by the Board of Directors.

Section 2. Management Contracts and Leases of Common Property. The Association shall expressly have the power to contract for the management of the Association and/or the Common Property, and to lease the recreation areas, and shall further have the power to delegate to such contractor or lessee any or all of the powers and duties of the Association respecting the contract granted or property demised. The Association shall further have the power to employ administrative and other personnel to perform the services required for proper administration of the Association.

The undertakings and contracts authorized by a Board of Directors consisting of Directors appointed by the Developer shall be binding upon the Association in the same manner as though

such undertakings and contractors had been authorized by the Board of Directors consisting of Directors duly elected by the membership of the Association.

ARTICLE VIII: LANDSCAPING OF LOTS, UNIT AND PARCELS AND MAINTENANCE OF IMPROVEMENTS THEREON

Section 1. Owners. Each Owner shall be responsible for the maintenance, repair and replacement of all improvements (including landscaping to the extent maintenance responsibilities are not assumed by the Association) on his Lot, Unit and Parcel and such other areas as are provided herein. Any area or matter, which is on an Owner's Lot, Unit or Parcel, not specifically required to be maintained, repaired or replaced by the Association shall be maintained, repaired and replaced by such Owner.

Section 2. Failure to Maintain. In the event an Owner of any Lot, Unit or Parcel shall fail to maintain or repair his Lot, Unit or Parcel or the improvements thereon, if any, within fifteen (15) days written notice of same from the Association, then the Association, by approval of two-thirds (2/3) vote of the Board of Directors, shall have the right, but not the obligation, through its agents and employees, to enter upon said Lot, Unit or Parcel and to repair, maintain, and restore the Lot, Unit or Parcel and any improvements. The cost of same shall be added to and become part of the assessment on that specific Lot, Unit or Parcel, and said cost shall be a lien upon said Lot, Unit or Parcel with the same force and effect as the liens on Lots, Units or Parcels for general assessments as provided in this Declaration and the Articles and By-Laws of the Association.

ARTICLE IX: COVENANT FOR ASSESSMENTS

Section 1. Assessments Established. Each Owner of any Lot, Unit or Parcel by acceptance of a deed to such Lot, Unit or Parcel whether or not it is so expressed in such deed, is deemed to covenant to pay to the Association:

- (a) General Assessments, as defined in Section 2 of this Article; and
- (b) Special Assessments, as defined in Section 5 of this Article; and
- (c) Specified Assessments that are established pursuant to any provision of this Declaration, or as provided in Section 6 of this Article; and
- (d) All taxes, if any, that from time to time as may be imposed upon all or any portion of the Assessments established by this Article.

All of the foregoing, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, shall be a continuing charge on the land secured by a continuing lien upon the Lot, Unit or Parcel against which each assessment is made as provided in Section 10 of this Article. Each such assessment, together with interest and all costs and expenses of collection, including reasonable attorneys' fees, also is the personal obligation of the person or persons who was or were the Owner(s) of such Lot, Unit or Parcel when such assessment became due.

Section 2. Purpose of Assessments; General Assessments. The assessments levied by the Association must be used exclusively to promote the recreation, health, safety, common good and welfare of the Owners and/or Residents, to operate and manage the Association and the Common Properties, if any, and to perform such duties as may be required by this Declaration,

and/or the Articles and By-Laws of the Association. In addition, assessments shall also be used for the maintenance and repair of the surface water or stormwater management systems including but not limited to work within retention areas, drainage structures and drainage easements. The Association may levy an annual (or monthly) general assessment ("General Assessment") to provide and be used for the operation, management and all other general activities and expenses of the Association, as set forth in this Declaration.

Section 3. Initial General Assessment and Computation of General Assessment Factor. The initial General Assessment shall be \$175.00 per year per Lot, Unit or Parcel, and will remain in effect until a different General Assessment is determined as provided in Section 4 of this Article.

Section 4. Determination of General Assessment. Except with regard to the initial General Assessment, the amount of the General Assessment shall be levied against each Owner by the Board of Directors and the Board shall make diligent effort to levy such assessment at least thirty (30) days in advance of the effective date of each change in the General Assessment. The General Assessment shall be based upon the annual budget adopted by the Board of Directors. The General Assessment period shall coincide with the Association's fiscal year. Except for the initial General Assessment, written notice of the amount of the respective General Assessment should be given to each respective Owner; but the failure to give or receive such notice, or both, shall not invalidate any otherwise valid assessment. The Board of Directors may determine the period for which the General Assessment applies and may provide that the General Assessment may be payable in equal monthly installments without interest until delinquent, and prepayable in whole at any time or times during the applicable discretion of the Board of Directors, the General Assessment may be collected each month. In any event, the Board of Directors shall fix the date(s) that the General Assessment shall be due. The Board of Directors may modify the budget as necessary during the fiscal year, and fix a modified General Assessment in conformity therewith. If an adopted budget requires a General Assessment in any fiscal year exceeding one hundred fifteen percent (115%) of the General Assessment for the preceding fiscal year, the Board of Directors, upon written application of Class A Members having at least ten percent (10%) of the votes of the entire membership (Class A and Class B, if any), shall call a special meeting of the membership within thirty (30) days, upon not less than ten (10) days written notice to each Class A Member. At the special meeting, the Class A Members shall consider a substitute budget. The adoption of the substitute budget at such meeting shall require a vote of not less than a majority of the votes of the entire membership. If a meeting of the Class A Members has been called and a quorum is not attained or a substitute budget is not adopted, the budget previously adopted by the Board of Directors shall go into effect as scheduled. In addition, if the Board shall fail for any reason to adopt an annual budget and authorize a General Assessment prior to the beginning of the new fiscal year, the budget and the General Assessment for the previous fiscal year shall remain the same as the previous fiscal year, and shall continue in effect until a new budget and General Assessment is adopted.

Section 5. Special Assessments. In addition to the General Assessment, the Association may levy against each Owner in any fiscal year special assessments ("Special Assessment") applicable to that year for capital improvements, extraordinary maintenance, repairs, or for the purpose of defraying, in whole or in part, known expenses which exceeded, or when mature will exceed, the budget prepared and on which the General Assessment was based.

Section 6. Specific Assessments. Any and all accrued liquidated indebtedness of any Owner to the Association arising under any provision of this Declaration may also be assessed by the Association against such Owner's Lot, Unit or Parcel after such Owner fails to pay such indebtedness when due and such default continues for thirty (30) days after written notice. This shall include, without limitation, Club Assessments, as defined later in this Declaration, or any hazard insurance which may be purchased by the Association to insure the exterior portions of Dwellings and other structures, as decided by the Board.

Section 7. Developer's Assessments. Notwithstanding any provision of this Declaration or, the Association's Articles or By-Laws to the contrary, as long as there is Class B membership in the Association, the Developer shall not be obligated for nor subject to, any assessment for any Lot, Unit or Parcel which it may own, provided the Developer shall be responsible for paying the difference between the Association's operating expenses and the sum of the revenues of the Association from all sources. The term "all sources" used in the previous sentence includes by is not limited to interest earned on Association deposits, revenues from the operation of Common Property, and the assessments levied against the Owners of Class A Lots, Units and Parcels, other than the Developer. Such difference, herein called the "deficiency" shall not include any reserve for replacements, operating reserves, depreciation reserves, capital expenditure or special assessments. The Developer may at any time give written notice to the Association prior to January 1 of any year, thereby terminating its responsibility for the deficiency effective as of the last day of February of such year, and waiving its right to exclusion from assessments. Upon giving such notice, or upon termination of Class B membership, whichever is sooner, each Lot, Unit or Parcel owned by the Developer that has a completed Dwelling with a Certificate of Occupancy, shall thereafter be assessed at the same amount as Lots, Units or Parcels owned by Owners other than the Developer.

Section 8. No Assessments for Common Property. The assessments provided for or created by this Article shall not apply to the Common Property of this Association or any other property dedicated to and accepted for maintenance by a public or governmental authority.

Section 9. Commencement of General Assessment. Payment of the General Assessment as to each Lot, Unit or Parcel owned by an Owner other than the Developer commences on the first day of the month following the closing of the purchase of the respective Lot, Unit or Parcel by the Owner from the Developer.

Section 10. Lien for Assessment. All sums assessed to any Lot, Unit or Parcel together with interest and all costs and expenses of collection, including reasonable attorneys' fees, are secured by a lien on such Lot, Unit or Parcel in favor of the Association. Such lien is subject and inferior to the lien for all sums validly secured by any First Mortgage encumbering such Lot, Unit or Parcel provided such lien of a First Mortgage must be recorded prior to the recording of Notice of Lien by the Association for assessments. Except for liens for all sums validly secured by any such First Mortgage, all other lienors acquiring liens on any Lot, Unit or Parcel after this Declaration is recorded are deemed to consent that such liens are inferior to the lien established by this Section, whether or not such consent is specifically set forth in the instrument creating such lien. The recordation of this Declaration constitutes constructive notice to all subsequent purchasers and creditors or either, of the existence of the Association's lien and its priority. The Association from time to time may record a Notice of Lien for the purpose of further evidencing the lien established by this Article, but neither the recording of, nor failure to record any such Notice of Lien will affect the existence or priority of the Association's lien.

Section 11. Certificate. Upon demand, and for a reasonable charge, the Association will furnish to any interested person a certificate signed by an officer of the Association setting forth whether the General Assessment, and any Special Assessment or Specific Assessment against a specific Lot, Unit or Parcel have been paid and, if not, the unpaid balance(s).

Section 12. Remedies of the Association. Any assessment not paid within thirty (30) days after its due date shall bear interest until paid at the rate of fifteen percent (15%) per annum, or such other rate as may be from time to time determined by the Board; provided, however, that such rate shall not exceed the maximum rate constituting usury under applicable law. In addition, a late fee of \$15.00 shall be imposed for any assessment not paid within ten (10) days after its due date. The Association may bring an action at law against the Owner personally obligated to pay such assessment, or foreclose its lien against such Owner's Lot, Unit or Parcel. No Owner may waive or otherwise escape liability for the Association's assessments. A suit to recover a money judgement for unpaid assessments may be maintained without foreclosing, waiving, or otherwise impairing the security of the Association's lien or its priority.

Section 13. Foreclosure. The lien for sums assessed pursuant to this Article IX may be enforced by judicial foreclosure in the same manner in which mortgages on real property from time to time may be foreclosed in the State of Florida. In any such foreclosure, the defendant Owner is required to pay all costs and expenses of foreclosure, including reasonable attorneys' fees. All such costs and expenses are secured by the lien foreclosed. The Owner also is required to pay to the Association any assessments against the Lot, Unit or Parcel that become due during the period of foreclosure, which assessments also are secured by the lien foreclosed and accounted on a prorated basis and paid as of the date the Owner's title is divested by foreclosure. The Association has the right and power to bid at the foreclosure or other legal sale to acquire the Lot, Unit or Parcel foreclosed, or to acquire such Lot, Unit or Parcel by deed or other proceeding in lieu of foreclosure, and thereafter to hold, convey, lease, rent, encumber, use and otherwise deal with such Lot, Unit or Parcel as its owner for purposes of resale only. If any foreclosure sale results in a deficiency, the court having jurisdiction of the foreclosure may enter a personal judgement against the Owner for such deficiency.

Section 14. Subordination of Lien. Except where a Notice of Lien has been recorded in the public records prior to the recording of a valid First Mortgage, the lien for any assessment provided in this Article is subordinate to the lien of any such First Mortgage. Sales or transfer of any Lot, Unit or Parcel does not affect the assessment lien. The Association may give any lienholder of record 30 days' notice within which to cure such delinquency before instituting foreclosure proceedings against the Lot, Unit or Parcel. Any lienholder holding a lien on a Lot, Unit or Parcel may pay, but is not required to pay, any amounts secured by the lien established by this Article; and upon such payment, such lienholder will be subrogated to all rights of the Association with respect to such lien, including priority.

Section 15. Homesteads. By acceptance of a deed to any Lot, Unit or Parcel, each Owner is deemed to acknowledge conclusively and consent that all assessments established pursuant to this Article are for the improvement and maintenance of any homestead thereon and the Association's lien has priority over any such homestead.

Section 16. Reserve Fund. The Association shall maintain a Reserve Fund to be used solely for making expenditure in connection with the Common Properties ("Reserve Fund"). The Board shall determine the appropriate level of the Reserve Fund based on a periodic review of the useful life of the improvements to the Common Properties and equipment owned by the

Association as well as periodic projections of the cost of anticipated major repairs or improvements to the Common Properties, the purchase of equipment to be used by the Association in connection with its duties hereunder, or performance of required maintenance. Each budget shall disclose the amount of the General Assessment which shall be added to the Reserve Fund.

Section 17. Reimbursement of Fee for Worthless Check. In the event the Association incurs any bank service charge or fee as a result of depositing a worthless or otherwise uncollectible check issued to the Association for the payment of any assessment or other sum due to the Association, the issuer of such worthless or otherwise uncollectible check shall reimburse the Association for such service charge or fee incurred.

Section 18. Fines. The Association may levy a fine against any Owner for each violation of any provision of this Declaration, the By-Laws, or any rules or regulations promulgated by the Board, and shall not exceed the greater of \$50.00 for the first offense, \$100.00 for a second similar offense. Prior to imposing any fine, the Owner shall be afforded an opportunity for a hearing after reasonable notice to the Owner of not less than fourteen (14) days, which notice shall include (I) a statement of the date, time and place of the hearing, (ii) a statement of the provisions of the Declaration, By-Laws or rules and regulations which have allegedly been violated, and (iii) a short and plain statement of the matters asserted by the Association. The Owner shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association. At the hearing, the Board shall conduct a reasonable inquiry to determine whether the alleged violation in fact occurred, and if the Board so determines, it may impose such fine as it deems appropriate by written notice to the Owner. If the Owner fails to attend the hearing as set by the Board, the Owner shall be deemed to have admitted the allegations contained in the notice to the Owner. Any fine imposed by the Board shall be due and payable within ten (10) days after written notice of the imposition of the fine, or if a hearing is timely requested within ten (10) days after written notice of the Board's decision at the hearing. Any fine levied against an Owner shall be deemed a Specific Assessment, and if not paid when due all of the provisions of this Declaration relating to the late payment of General Assessment shall be applicable. Notwithstanding the foregoing, the Association shall not have the right to impose any fine against Developer.

ARTICLE X: MISCELLANEOUS PROVISIONS RESPECTING MORTGAGES

The following provisions are intended for the benefit of each holder of a recorded First Mortgage encumbering a Lot, Unit or Parcel (and the Dwelling thereon, if any) ("First Mortgagee") and the extent if at all, that any other provisions of this Declaration conflict with the following provisions, the following provisions shall control:

(a) Upon request in writing to the Association identifying the name and address of the First Mortgagee or the insurer or guarantor of a recorded First Mortgage on a Lot, Unit or Parcel ("Insurer or Guarantor") and the number or address of the Lot, Unit or Parcel on which it has (or insures or guarantees) the First Mortgage, the Association shall undertake to furnish to each First Mortgagee, Insurer or Guarantor, as the case may be, timely written notice of: (i) any condemnation of casualty loss that affects either a material portion of the Property or the Lot, Unit or Parcel securing its mortgage, (ii) any 60-day delinquency in the Unit or Parcel on which

it holds the mortgage, (iii) a lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association, and (iv) any proposed action that requires the consent of a specified percentage of the First Mortgagees.

(b) Any First Mortgagee of a Lot, Unit or Parcel who comes into possession of the said Lot, Unit or Parcel pursuant to the remedies provided in the mortgage, or deed-in-lieu of foreclosure shall, to the extent permitted by law, take such property free of any claims for unpaid assessments and charges in favor of the Association against the mortgaged Lot, Unit or Parcel which became due prior to (i) the date of the transfer of title or (ii) the date on which the holder comes into possession of the respective Lot, Unit or Parcel, whichever occurs first; provided, however, that this provision shall not apply to unpaid assessments and charges for which the Association has recorded a Notice of Lien in the public records prior to the recording of the applicable First Mortgage.

(c) Upon request in writing; each First Mortgage, Insurer or Guarantor shall have the right;

(i) to examine current copies of this Declaration, the By-Laws, rules and regulations and the books and records of the Association during normal business hours;

(ii) to receive, without charge and within a reasonable time after such request, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Owners at the end of each of its respective fiscal years; provided, however, that in the event an audited financial statement is not available, any First Mortgagee shall be entitled to have such an audited statement prepared at its expense;

(iii) to receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

(iv) to receive written notice of any decision by the Owners to make a material amendment to this Declaration, the By-Laws or the Articles;

(v) or receive written notice of any proposed action which would require the consent of a specified percentage of First Mortgagees.

(d) No provision of this Declaration or the Articles of the Association or any similar instrument pertaining to the Property or the Lots, Units or Parcels therein shall be deemed to give an Owner or any other party priority over the rights of the First Mortgagees pursuant to their mortgages in the case of distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of the Lots, Units or Parcels and/or the Common Property, or any portion thereof or interest therein. In such event, the First Mortgagees, Insurers or Guarantors of the Lots affected shall be entitled, upon specific written request, to timely written notice of any such loss.

ARTICLE XI: LIMITATION OF RESIDENTIAL CONTRACTORS/BUILDERS

CHCC shall be the exclusive residential contractor, or builder, upon the Lots, Units and Parcels of the Property. No Dwelling may be constructed upon any Lot, Unit or Parcel unless constructed by CHCC.

**ARTICLE XII: DAMAGE, DESTRUCTION, CONDEMNATION
AND RESTORATION OF IMPROVEMENTS**

Section 1. Damage, Destruction and Restoration. In the event the improvements forming a part of the Common Property, or any portion thereof, shall suffer damage or destruction from any cause and the proceeds of any policy or policies insuring against such loss or damage, and payable by reason thereof, plus the applicable Reserve Fund maintained by the Association, shall be sufficient to pay the cost of repair, restoration or reconstruction, then such repair, restoration or reconstruction shall be undertaken and the insurance proceeds and, if necessary, the applicable Reserve Fund shall be applied by the Board or the applicable Reserve Fund shall be applied by the Board or the payee of such insurance proceeds in payment therefor; provided, however, that in the event the insurance proceeds and the applicable Reserve Funds are insufficient to reconstruct the damaged or destroyed improvements to the Common Property and the Owners through a special assessment (or some other applicable means) and all other parties in interest do not voluntarily make provisions for reconstruction within one-hundred eighty (180) days from the date of damage or destruction, then such repair, restoration, or reconstruction shall not be undertaken. In the event such repair, restoration or reconstruction is not undertaken, the Board shall determine whether the net proceeds of insurance policies shall be (i) considered revenue of the Association, or (ii) divided among all Owners in proportion to their voting rights. If such distribution occurs when the Association has both Class A and Class B members, then such distribution shall be made on the basis as if all Owners are Class A members.

ARTICLE XIII: TERMINATION OF THE DECLARATION

Section 1. Termination. At a meeting of all Owners called for such for such purpose, upon the affirmative vote of one hundred percent (100%) of all the Owners, the Owners may elect to terminate this Declaration and dissolve the Association in accordance with the provisions of the By-Laws. Within ten (10) days after the date of the meeting at which such action was approved, the Board shall give written notice of such action to Developer, all First Mortgagees, Insurers, and Guarantors entitled to notice under Article X of this Declaration. Such action shall be binding upon all Owners, and it shall thereupon become the duty of every Owner to execute and deliver such instruments to perform all acts in manner and from as may be necessary to effect such termination and dissolution.

ARTICLE XIV: OPERATION AND ACTION

Section 1. Operation. The provisions of this Declaration are self-executing and will run with the land and be binding upon all persons and their respective heirs, successors, and assigns, having any right, title or interest therein, or any part thereof.

Section 2. Action. All actions to be taken by the Association under this Declaration shall be taken by the Board of Directors without a vote of the membership unless a vote of the membership is specifically required by the terms of this Declaration, the Articles of Incorporation or the By-Laws.

ARTICLE XV: GENERAL PROVISIONS

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Section 1. Enforcement. Unless expressly provided otherwise, the Association, the Developer or any Owner, has the right to enforce, by any appropriate proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens, charges, rules and regulations now or hereafter imposed by, or pursuant to, the provisions of this Declaration. If the Association or any person entitled to enforce any of the provisions of this Declaration is the prevailing party in any litigation involving this Declaration or any rule or regulation, such party shall recover from the losing party all costs and expenses incurred, including reasonable attorneys' fees for all trial and appellate proceedings, if any. If the Association is the prevailing party against any Owner, such costs and expenses, including reasonable attorneys' fees, payable to the prevailing party, may be assessed against such losing Owner's Lot, Unit or Parcel as provided in Article IX. Failure by the Association or by any Owner to enforce any covenant, restriction, rule or regulation will not constitute a waiver of the right to do so at any time.

The Southwest Florida Water Management District shall have the right to enforce, as required by law, by a proceeding at law or in equity, the provisions contained in the Covenants and Restrictions which relate to the maintenance, operation and repair of the surface water or stormwater management system.

Section 2. Amendment

A. Notwithstanding any contrary or limiting provision in this Declaration, the Developer may amend this Declaration by an instrument executed with the formalities of a deed without the approval or joinder of any other party at any time which Developer shall have title to one or more Lots, Units or Parcels.

B. This Declaration may be amended: (i) on or before January 1, 2012, by an instrument executed by the Association with the formalities from time to time required of a deed and approved by not less than ninety percent (90%) of all Owners and (ii) thereafter by an instrument so executed by the Association and approved by not less than seventy percent (70%) of all Owners. No amendment is effective until an amendment document is executed by the president or vice president and the secretary of the Association certifying that the requisite percentage of Owners approved the amendment, and such amendment document is recorded in the public records of Citrus County, Florida. Notwithstanding the foregoing, no instrument of amendment shall be effective while there is Class B membership unless the Class B Member shall approve and join in such instrument.

C. Any amendment to this Declaration which alters any provision relating to the surface water or stormwater management system, beyond maintenance in its original condition, including the water management portions of the common areas, as required by law, must have the prior approval of the Southwest Florida Water Management District.

Section 3. Special Amendment. Anything herein to the contrary notwithstanding, and subject to the requirement of First Mortgagee approval set forth in Article X where applicable, Developer reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends the Declaration and any provision therein (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform)

functions similar to those currently performed by such entities; (ii) to induce any of such agencies or entities to make, purchase, sell, insure, guarantee or otherwise deal with first mortgages covering Lots, Units, or Parcels; (iii) to correct clerical or typographical errors in this Declaration; or (iv) to bring this Declaration into compliance with applicable laws, ordinances or governmental regulations. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Lot, Unit or Parcel and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Developer to make, execute and record Special Amendments. The right and power to make Special Amendments hereunder shall terminate on December 31, 2008.

Section 4. **Severability.** Invalidation of any particular provision of this Declaration by judgement or court order will not affect any other provision, all of which shall remain in full force and effect; provided, however, any Court of competent jurisdiction is hereby empowered, to the extent practicable, to enforce any otherwise invalid provision contained in this Declaration when necessary to avoid a finding of invalidity while effectuating Owner's intent of providing a comprehensive plan for the use, development, sale and beneficial enjoyment of the Property.

Section 5. **Joinder.** Should title to any Lot, Unit or Parcel of the Property have been conveyed by Developer prior to the recording of this Declaration, such owners of Lots, Units or Parcels by their signature to a Joinder shall be deemed to have joined with Developer in the recording of this Declaration and shall have subordinated their right, title and interest in the Lot, Unit or Parcel to the terms hereof and declare that their property shall be subject to this Declaration as fully as if title had been taken by them subsequent to the recording hereof.

Section 6. **Covenant Running with Property.** The Covenants and Restrictions of this Declaration shall run with and be binding upon the Property, and shall remain in force and be enforced by the Board of Directors and Owners, their heirs, successors and assigns, for a term of twenty-five (25) years after the date this Declaration is recorded in the public records and shall be automatically renewed for successive periods of ten (10) years unless the Owners upon the affirmative vote of the holders of ninety-five (95%) of the votes decide within six (6) months of such renewal date, not to renew these covenants and restrictions and a certificate executed by the president or vice-president and secretary of the Association certifying to such vote is recorded in the public records.

Section 7. **Interpretation.** Unless the context expressly requires otherwise: (i) the use of the singular includes the plural and vice versa; (ii) the use of one gender includes all genders; (iii) the use of the terms "including" or "include" is without limitation; (iv) the use of the terms "Lot," "Unit" or "Parcel" includes any portion applicable to the context, any and all improvements, fixtures, trees, vegetation and other property from time to time situated thereon, and any and all appurtenant rights; and (v) the words "must", "should", and "will" have the same legal effect as the word "shall". This Declaration should be interpreted, construed and enforced in a reasonable, practical manner to effectuate its purpose of protecting and enhancing the value, marketability, and desirability of the Lots, Units and Parcels by providing a common plan for their development and enjoyment. The various headings used in this Declaration are for indexing and organizational purposes only and are not to be used to interpret, construe, apply, or enforce its substantive provisions.

Section 8. Mortgage and Sale of Common Property. The Association shall not abandon, partition, subdivide, encumber, sell or transfer any Common Property owned by the Association without the approval of at least two-thirds (2/3) of the votes of the Class A members. If ingress or egress to any portion of the Property is through any Common Property, any conveyance or encumbrance of such Common Property shall be subject to an appurtenant easement for ingress and egress in favor of the Owner(s) of such portion of the Property, unless alternative ingress and egress is provided to the Owner(s).

Section 9. Performance of Association's Duties by Developer. Developer shall have the right from time to time, at its sole discretion, to perform at Developer's expense the duties and obligations required hereunder to be performed by the Association, and in connection therewith to reduce the budget of the Association and General Assessment payable by the owners' provided, however, that any such performance on the part of Developer may be discontinued by Developer at any time, and any such performance shall not be deemed to constitute a continuing obligation on the party of the Developer.

Section 10. Assignment of Developer's Rights. Any or all of the rights, privileges, or options provided to or reserved by Developer in this Declaration, the Articles or the By-Laws, may be assigned by Developer, in whole or in part, as to all or any portion of the Property, to any person or entity pursuant to an assignment recorded in the public records of Citrus County, Florida. Any partial assignee of any of the rights of Developer shall not be deemed the Developer, and shall have no other rights, privileges or options unless otherwise specifically assigned. No assignee of Developer shall have any liability for any acts of Developer or any prior Developer unless such assignee is assigned and agrees to assume such liability.

ARTICLE XVI: CLUB MEMBERSHIP

Section 1. Definitions. Unless the context expressly requires otherwise, the following terms mean as follows wherever used in this Article:

(a) "Club" means Citrus Hills Golf and Country Club, the club/association established by Citrus Hills Golf and Country Club, Inc., a Florida corporation, and/or its successors and assigns.

(b) "Family Social Member" means a Charter Social Member, of the Family type, of the Club, as defined and determined by the Club in its Charter Membership Plan, Rules and Regulations, as they may be amended from time to time.

(c) "Qualified Owner" means any Person who from time to time holds record title to any Lot, Unit or Parcel, upon which there is a completed Dwelling (as determined by the issuance of a Certificate of Occupancy by a governmental entity). If more than one Person holds such title, all such persons are Qualified Owners, jointly. This expressly does not include the Developer.

Section 2. Mergers, Sales, Etc. Upon the assignment, sale, merger, consolidation, or other transfer of Club to another person or entity, the Club's rights may, by operation of law, be transferred to the assignee, transferee, surviving or consolidated corporation. The surviving or consolidated corporation shall thereafter operate as the Club under this Club Declaration and administer the rights and privileges established by this Club Declaration upon the Property. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants established by this Club Declaration.

Section 3. Membership. Every Qualified Owner shall be a Family Social Member of Citrus Hills Golf and Country Club, subject to and bound by the Club's Articles, By-Laws, Rules and Regulations, and this Club Declaration, as they may be amended from time to time. The foregoing does not include Persons who hold an interest merely as security for the performance of an obligation. A Qualified Owner of more than one Lot, Unit or Parcel shall be a Family Social Member for each Lot, Unit or Parcel owned by such Person. Membership shall be appurtenant to, and may not be separated from ownership of any Lot, Unit or Parcel which is subject to assessment, and it shall be transferred only by conveyance of that Lot, Unit or Parcel. This membership may be satisfied by the Qualified Owner being a "higher" level Member. That is, they may be a Tennis Member, Golf Member, or any other membership level which is inclusive of the Family Social Membership.

Section 4. Rights and Obligations of the Club. The Club shall govern, make rules and regulations, control and manage the Club, its members and its property pursuant to the terms and provisions of the Club's Articles, By-Laws, Membership Plan, Rules and Regulations, as amended from time to time.

Section 5. Covenant for Assessments.

(a) Each Qualified Owner of any Lot, Unit or Parcel by acceptance of a deed to such Lot, Unit or Parcel whether or not it is so expressed in such deed, is deemed to covenant to pay to the Club, or the Association for the benefit of Citrus Hills Golf and Country Club, Inc.: (i) the dues, fees and/or assessments, as established by the Club, from time to time; and, (ii) any and all special assessments, fines, or penalties, assessed by the Club, pursuant to its Articles, By-laws, Membership Plan, and Rules and Regulations, as amended from time to time; and, (iii) all interest, late fees and taxes, if any, that from time to time as may be imposed upon all or any portion of the dues, fees or assessments of the Club. All of the foregoing, together with all costs and expenses of collection, including reasonable attorneys' fees, shall be a continuing charge on the land secured by a continuing lien upon the Lot, Unit or Parcel against which each assessment is made. Each such assessment, together with all costs and expenses of collection, including reasonable attorneys' fees, also is the personal obligation of the Person or Persons who was or were the Owner(s) of such Lot, Unit or Parcel when such assessment became due. Any one or all of the foregoing described assessments shall be referred to in this Article as "Club Assessments." Unless collected by the Club, the Association shall collect these Club Assessments for the benefit of the Club.

(b) The Assessments paid to the Club (whether or not through the Association) may not be used in a manner prohibited by the Club.

(c) The initial Club Assessment (for the minimum Family Social Membership level) shall be \$250.00, plus applicable sales tax, per year, per Lot, Unit or Parcel, and will remain in effect until a different Club Assessment is determined as provided in the Club's Articles, By-laws, Membership Plan and Rules and Regulations, as properly amended from time to time. The Club Assessment amount shall be collected as a specific assessment, in accordance with the provisions of the Covenants and Restrictions.

(d) Payment of the Club Assessment as to each Lot, Unit or Parcel owned by a Qualified Owner commences on the first day of being a Qualified Owner, with a pro-ration of the current Club Assessment, based on the day of becoming a Qualified Owner, and shall be paid to the Club or the Association so that it may pay the obligation to the Club. The Club Assessment may then and thereafter be billed to the Qualified Owner as a special assessment.

(e) By acceptance of a deed to any Lot, Unit or Parcel, each Qualified Owner is deemed to acknowledge conclusively and consent that all Club Assessments established pursuant to this Article are for the improvement, benefit, and maintenance of any homestead thereon and the lien for Assessments has priority over any such homestead, and rights of homestead.

Section 6. Covenant Running with Property. The covenants and restrictions of this Article shall run with and be binding upon the Property, and shall remain in force and be enforceable, for a term of Twenty-Five (25) years after the date this Declaration is recorded in the public records and shall be automatically renewed for successive periods of ten (10) years, unless: (i) ninety-five (95%) of the then-record title owners of the Property, along with the Club, affirmatively decide within six (6) months of such renewal date not to renew these covenants and restrictions and a certificate executed by the owners of the Property and the Club, certifying such decision is recorded in the public records; (ii) the Club, its successors and assigns, shall fail to exist; or, (iii) the Club shall no longer have available, make available or offer memberships.

IN WITNESS WHEREOF, the Developer has caused this Declaration to be executed by its duly authorized agent(s) on this 5th day of June, 2001.

Signed, sealed and delivered
in the presence of:

CITRUS HILLS INVESTMENT
PROPERTIES, a Florida
general partnership

[Signature]
Witness: LISA M BAZEMORE

By: [Signature]
Name: Stephen A. Tamposi
Title: Authorized Agent

[Signature]
Witness: Debra K Mangrum

By: [Signature]
Name: John E. Pastor
Title: Authorized Agent


[Signature]
Witness: LISA M BAZEMORE

[Signature]
Witness: Debra K Mangrum

STATE OF FLORIDA
COUNTY OF CITRUS

The foregoing instrument was acknowledged before me this 5th day of June, 2001 by Stephen A. Tamposi and John E. Pastor, as Authorized Agents of Citrus Hills Investment Properties, a Florida general partnership, on behalf of the partnership, both of whom are personally known to me.

[Signature]
Notary Public

 Lisa M Bazemore
My Commission CC692067
Expires December 6, 2001

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EXHIBIT A

The following described lots, units, tracts or parcels:

**Block A, Lots 1 through 21;
Block B, Lots 1 through 47;
Block C, Lots 1 through 11;
Block D, Lots 1 through 34;
Block E, Lots 1 through 34; and
Block F, Lots 1 through 19,**

all of BELMONT HILLS UNIT 1 subdivision, as platted in Plat Book 16, Pages 102 through 108, Public Records of Citrus County, Florida.

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EXHIBIT B

The following described lots, units, tracts or parcels situated in BELMONT HILLS UNIT 1 subdivision, according to the plat thereof recorded in Plat Book 16, Pages 102 through 108, inclusive, of the Public Records of Citrus County, Florida:

- Tract 2, 3, and 4;**
- DRAs 1A, 3, 4, 5, and 6;**
- E. Whirl Away Circle**
- E. Seattle Slew Circle**
- E. Gate Dancer Circle**
- S. Needles Pt.**
- E. Sea Biscuit Place**
- S. Majestic Ridge Pt.**
- S. Cannonade Pt.**
- S. Secretariat Pt.**
- S. Polestar Pt.**
- S. Run for the Rose Drive (north of its intersection with Crown of Roses Loop).**

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VERIFIED BY:

AK

D.C.

**AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
BELMONT HILLS**

Recorded in O.R. Book 1312, Pages 0095 - 0124, et al., as previously amended and restated, of the Public Records of Citrus County, Florida

WHEREAS, Citrus Hills Investment Properties, a General Partnership, is the developer of Belmont Hills subdivision, which properties are duly platted of record in Citrus County, Florida, and;

WHEREAS, Citrus Hills Investment Properties has previously caused to be recorded a Declaration of Covenants, Conditions and Restrictions for the subdivision in the Public Records of Citrus County, Florida, in O.R. Book 1312, Pages 0095 through 0124, inclusive, and as amended from time to time, (herein "Belmont Hills Declaration")and;

WHEREAS, Citrus Hills Investment Properties, the Declarant herein desires to amend the Belmont Hills Declaration to create and reflect an easement for the erection and maintenance of a fence along and near the rear and side lot lines of several lots within the subdivision; and,

WHEREAS, Citrus Hills Investment Properties, the Declarant herein does hold title to a sufficient number of Lots as required by Article XV, Section 2 of the Belmont Hills Declaration,

NOW THEREFORE, Citrus Hills Investment Properties, by and through its Authorized Agents, does hereby amend subsection (g) to Article II, Section 5, of the Belmont Hills Declaration, to create and acknowledge an easement for the purpose of allowing Belmont Hills Property Owners Association, Inc. to erect and maintain a fence upon and near certain rear and side Lot lines, to wit:

(g) Easement to Erect and Maintain a Fence. An easement is hereby created for the benefit of Association, for the express purpose of allowing Association, its successors and assigns, to erect and maintain a decorative fence along the rear and side Lot lines of certain Lots, as follows:

The rear two and one-half feet (2 ½') of the following Lots of Belmont Hills Unit 1: Block A, Lots 1 through 21; Block B, Lots 1 through 32; Block C, Lots 1 through 11; Block D, Lots 2 through 34, 45, 46 and 47; Block E, Lots 1 through 34; and, Block F, Lots 1 through 7; and,

The side two and one-half feet (2 ½') of the following Lots of Belmont Hills Unit 1: Northern side of Lot 3, Block A; Eastern side of Lots 13 and 14, Block A; Western side of Lot 31, Block B; Western side of Lot 1, Block D; Southern side of Lots 25 and 47, Block D; Northwestern side of Lot 34, Block D; and, Northern side of Lot 8, Block F.

IN WITNESS WHEREOF, Citrus Hills Investment Properties, a Florida general partnership, has hereunto set its hand this 20th day of August, 2001.

[SIGNATURES AND NOTARY CLAUSE ON FOLLOWING PAGE]

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Citrus Hills Investment Properties,
a Florida general partnership

By: Stephen A. Tamposi
Stephen A. Tamposi
Authorized Agent

Debra K. Mangrum
Witness DEBRA K. MANGRUM
Eric D. Abel
Witness ERIC D. ABEL

By: John E. Pastor
John E. Pastor
Authorized Agent


Debra K. Mangrum
Witness DEBRA K. MANGRUM
Eric D. Abel
Witness ERIC D. ABEL

STATE OF FLORIDA
COUNTY OF CITRUS

Before me personally appeared Stephen A. Tamposi and John E. Pastor, as Authorized Agents of Citrus Hills Investment Properties, both of whom are personally known to me.

WITNESS my hand and official seal, this 20th day of August, A.D. 2001.

Lisa M. Bazemore
Notary Public

 Lisa M. Bazemore
My Commission CC692067
Expires December 6, 2001

Eric D. Abel
This instrument prepared by
Eric D. Abel, General Counsel
Citrus Hills Investment Properties
2476 N. Essex Avenue.
Hernando, FL 34442

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