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**AMENDED AND RESTATED
DECLARATION OF COVENANTS
AND RESTRICTIONS
OF
WYNDWOOD AT LAKE HIGHLAND**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS AND RESTRICTIONS FOR WYNDWOOD AT LAKE HIGHLAND is made this 10th day of April, 2003, by Village Partners, a Florida General Partnership whose address is 209 Town Center Blvd., Davenport, Florida 33896 ("Declarant").

WITNESSETH:

WHEREAS, Declarant holds title to the real property described in Article II of this Declaration; and

WHEREAS, Declarant intends to develop the real property as a residential single family attached home (townhome) community with various common properties for the benefit of the Properties, as hereafter defined; and

WHEREAS, Declarant has deemed it desirable for the maintenance and preservation of property values and amenities established pursuant to this Declaration to establish Wyndwood at Lake Highland Homeowners Association, Inc., a Florida not-for-profit corporation (the "Association") and to delegate and assign certain powers and duties of ownership, operation, administration, maintenance and repair of certain properties within Wyndwood at Lake Highland, the enforcement of covenants, restrictions and easements contained herein and the collection and disbursement of the assessments and charges hereinafter provided to the Association; and

WHEREAS, Declarant has previously recorded that certain Declaration of Covenants and Restrictions of Wyndwood at Lake Highland ("Original Declaration"), recorded at Official Records Book 5125, Page 0445, Public Records of Polk County, Florida; and

WHEREAS, Declarant desires to amend and restate said Original Declaration in its entirety.

NOW, THEREFORE, Declarant hereby declares that all of the real property described in Article II is and shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the easements, covenants, conditions, restrictions, reservations, liens and charges as hereinafter set forth all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said real property. Said easements, covenants, conditions, restrictions, reservations, liens and charges shall run with the real property described in Article II, shall be binding upon all parties having and/or acquiring any right, title or interest in the real property described therein or in any part thereof, and shall inure to the benefit of each and every person or entity, from time to time, owning or holding an interest in said real property.

ARTICLE I

DEFINITIONS

The following words and terms when used in this Declaration or any Supplemental Declaration hereto (unless the context shall clearly indicate otherwise) shall have the following meanings:

- A. "Architectural Review Committee" or ARC shall refer to the committee established by the Board and described in Article VII hereof.
- B. "Articles" and "By-Laws" shall mean the Articles of Incorporation and the By-Laws of the Association as they may exist from time to time.
- C. "Association" shall mean Wyndwood at Lake Highland Homeowners Association, Inc., a Florida non-profit corporation, its successors and assigns.
- D. "Board" shall mean the Board of Directors of the Association.
- E. "Builder" shall mean a construction company, contractor or other individual or entity holding title to a Lot for the purpose of resale in the ordinary course of business.
- F. "Cluster Building" or "Building" shall refer to the structure comprised of a group of townhome dwellings which are attached to each other and share common walls, roofs, etc.
- G. "Common Expenses" shall mean the actual and estimated expenditures, including reasonable reserves, for maintenance, operation and other services required or authorized to be performed by the Association with respect to Common Property, Open Spaces, Surface Water management Systems, Water Management Tracts or Public areas, all as may be found to be reasonably necessary by the Board pursuant to this Declaration, the By-Laws, and the Articles of Incorporation of the Association.

H. "Common Property" or "Common Area" shall mean and refer to all real and personal property from time to time intended to be owned, operated and maintained by the Association and devoted to the use and enjoyment of all Members of the Association, all at Common Expense. Common Property shall include, but not be limited to, easement areas which are held by the Association.

I. "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board and the Architectural Review Committee (as defined in Article VII, Section 2).

J. "Declarant" shall mean Village Partners, a Florida General Partnership, and its successors and assigns who take title to any portion of the Properties for the purpose of development and sale, but only if designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant.

K. "Declaration" shall mean and refer to this Declaration of Covenants and Restrictions of Wyndwood at Lake Highland and include the same as it may, from time to time, be amended.

L. "Dwelling" shall mean and refer to the individual townhome building constructed on each Lot and any extensions of said structure (i.e. garages, driveways, porches, etc.).

M. "Institutional Lender" shall mean and refer to the owner and holder of a Mortgage encumbering a Lot, which owner and holder of said Mortgage may be a bank, savings bank, mortgage company, life insurance company, federal or state savings and loan association, an agency of the United States government, private or public pension fund, Veteran's Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, a credit union, real estate or mortgage investment trust or a lender generally recognized in the community as an institutional lender.

N. "Lot" shall mean any parcel of land shown upon any recorded subdivision map or plat of the Properties upon which in the future will be located an attached or detached single-family residential dwelling.

O. "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Article III hereof.

P. "Mortgage" shall mean a permanent or construction mortgage, a deed of trust, a deed to secure debt, or any other form of security deed, including any collateral security documents executed in connection therewith.

Q. "Plat" shall mean and refer to the plat of _____ as recorded in Plat Book _____, Page _____, Public Records of Polk County, Florida, and any additional plats of properties annexed into the Association.

R. "Owner" shall mean and refer to the record owner of fee simple title to any Lot located within the Property. Owner shall not mean or refer to the holder of a Mortgage or security deed, its successors or assigns, unless and until such holder has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner.

S. "Properties" or "Property" shall mean and include the real property described in Exhibit "A" attached hereto and, when added in accordance with the terms and conditions hereof, shall also include real property which is in the future subjected to this Declaration under the provisions of Article II hereof.

T. "Dwelling" shall mean and refer to the building structure erected upon a Lot and any extensions of said structure (i.e. garages, driveways, porches, etc.).

U. "Supplemental Declaration" shall mean any supplement, amendment or modification of this Declaration.

V. "Surface Water management System" shall mean that portion of the Open Space consisting of swales, inlets, culverts, retention ponds, Lakes, water management tracts, outfalls, storm drains and the like, and all connecting pipes and easements, used in connection with the retention, drainage and control of surface water.

ARTICLE II

PROPERTY SUBJECT TO DECLARATION

Section 1. Property. The real property which is subject to this Declaration is all of the real property described in Exhibit "A" attached hereto and made a part hereof by reference and any additional property annexed as set forth below.

Section 2. Annexation and Withdrawal.

A. Until December 31, 2007, the Declarant may, without the consent or joinder of the Owners (subject to HUD/VA approval as set forth in Article XV, Section 11): (i) annex additional real property to the Properties or (ii) when necessary or desirable, withdraw from the provisions of this Declaration any of the Properties which continue to be owned by the Declarant and which have not been designated or dedicated as Common Property. Annexations or withdrawals under this Subsection A shall be accomplished by filing a Supplemental Declaration describing the real property to be annexed or withdrawn, as the case may be, and shall become effective when such Supplemental Declaration is recorded in the Public Records of Polk County, Florida. Declarant shall have the unilateral right to transfer to any other person or entity the right, privilege, and option to annex additional Property which is herein reserved to Declarant.

B. Subject to the consent of the Owner thereof, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Voting Members representing a majority of the Class A and Class B votes present at a meeting duly called in accordance with the By-Laws and shall require the written consent of the Declarant for so long as the Declarant owns any Property subject to this Declaration. The annexation of land under the Subsection B shall be accomplished by the recordation in the public Records of Polk County, Florida of a Supplemental Declaration describing the Property being annexed and signed by the President and Secretary of the Association and by the Owner of the Property being annexed. Any such annexation shall be effective upon recording unless otherwise provided therein.

C. No provision of this Declaration shall be construed to require Declarant or any other person or entity to annex or withdraw any real property to or from the scheme of this Declaration.

D. The Declarant shall not be required to follow any predetermined order of improvement and development within the Properties.

Section 3. Acquisition of Additional Common Property. Declarant may convey to the Association additional real property, improved or unimproved, which is, or which may become pursuant to Section 2.A. above, subject to this declaration, which real property, upon conveyance or dedication to the Association, shall be accepted by the Association as Common Property and thereafter shall be maintained by the Association at the Association's expense for the benefit of all its Members. In such event, the Association and all Members shall have easements to use and enjoy such Common Property.

Section 4. Further Restrictive Covenants. The Declarant may record further restrictive covenants, Declarations of Condominium or Cooperative, or Declaration of Covenants, Conditions and Restrictions pertaining to homeowners associations, or plats as to any of the Properties possessed by the Declarant.

Section 5. Amendment. This Article shall not be amended without the written consent of the Declarant for so long as the Declarant owns any Property which is subject to this Declaration.

ARTICLE III

ASSOCIATION

Section 1. Membership. Every Owner, including the Declarant shall be a Member of the Association, and by acceptance of a deed or other instrument evidencing ownership interest, each Owner accepts membership in the Association, acknowledges the authority of the Association as herein stated, and agrees to abide by and be bound by the provisions of this Declaration, the Articles of Incorporation (attached hereto as Exhibit "B"), the By-

Laws (attached hereto as Exhibit "C") and other rules and regulations of the Association. In addition to the foregoing, the family guests, invitees and tenants of said Owners shall, while in or on the Property, abide and be bound by the provisions of this Declaration, the Articles of Incorporation, the By-Laws and other rules and regulations of the Association.

Section 2. Allocation of Voting Rights.

A. The classes of voting shall be as follows:

Class A. Class A Members shall be all Owners, with the exception of Declarant and any builder, for so long as Declarant retains Class "B" voting rights. Each Class "A" Member shall have one (1) vote for each Lot owned by that Member.

Class B. The Class B Member shall be the Declarant, or its specifically designated (in writing) successor. The Class B Member shall be allocated a number of votes equal to three (3) votes for each Lot owned by it. The Class "B" Member shall be entitled to cast all of its votes in any vote or election held by the Association. Declarant shall retain its Class "B" voting status and rights for any Lots transferred to a Builder as defined herein. In such case, Declarant's Class "B" votes shall not be converted to Class "A" until such time as title is transferred from the Builder to a Non-Builder Owner. Class B membership shall cease and become converted to Class A membership upon turnover of the Association as set forth in Article IX.

B. When any Property entitling the Owner to Membership in the Association is owned of record in the name of two or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership, or in any other manner of joint or common ownership, or if two or more persons or entities have the same fiduciary relationship respecting the same Property, then unless the instrument or order appointing them or creating the tenancy otherwise directs and it or a copy thereof is filed with the secretary of the Association, such Owner shall select one official representative to qualify for voting in the Association and shall notify in writing the Secretary of the Association of the name of such individual. The vote of each official representative shall be considered to represent the will of all the Owners of that Property. In the circumstance of such common ownership, if the Owner fails to designate their official representative, then the Association may accept the person asserting the right to vote as the voting Owner until notified to the contrary by the other Owner(s). upon such notification the Owner may not vote until the Owner(s) appoint their official representative pursuant to this paragraph.

Section 3. Change of Membership.

A. Change of membership in the Association shall be established by recording in the Public Records of Polk County, Florida, a deed or other instrument conveying record fee title to any Residential Unit or Residential Property. The Owner designated by such instrument shall, by acceptance of such instrument, become a Member of the Association, and the membership of the prior Owner shall be terminated.

B. The interest, if any, of a Member in the funds and assets of the Association shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's real property. Membership in the Association by all Owners shall be compulsory and shall continue, as to each Owner, until such time as such Owner of record transfer or conveys his interest in the real property upon which his membership is based or until said interest is transferred or conveyed by operation of law, at which time the membership shall automatically be conferred upon the transferee. Membership shall be appurtenant to, run with, and shall not be separated from the real property interest upon which membership is based.

Section 4. Declarant's Rights to Appoint Directors. The Declarant shall be entitled to appoint all Members of the Board until turnover as set forth in Article X.

ARTICLE IV

FUNCTIONS OF ASSOCIATION

Section 1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep the Common Areas in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard. The Association shall not mortgage nor convey the Common Area or any portion thereof without the consent of two-thirds (2/3) of the Owners, however, this provision shall not apply to the Declarant.

Section 2. Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interest within the Properties conveyed to it by the Declarant.

Section 3. Services. The Association shall have the following powers and responsibilities:

A. Maintenance of all Common Property, Parks, Open Space, Surface Water Management Systems, buffer tracts, recreation areas, landscaping, irrigation systems, if any located within or in a reasonable proximity to the Properties where deterioration of any of the described items would adversely affect the appearance of the Properties or the operation of systems appurtenant to Wyndwood at Lake Highland. The Association shall adopt standards of maintenance and operation required by this and other subsections within this Section 3 which are consistent with the Community-Wide Standard.

B. Maintenance of any real property located within Wyndwood at Lake Highland upon which the Association has accepted an easement for said maintenance.

C. Insect, pest and aquatic control where necessary or desirable in the judgment of the Association to supplement the service provided by the state and local governments. The Association reserves a perpetual right on, over and under all Properties to dispense herbicides and pesticides and to take other action which in the opinion of the Association is necessary or desirable to control insects and vermin; provided, however, the Association shall not dispense herbicides or pesticides in designated conservation areas within the Property except as reasonably necessary to maintain health and safety conditions for residents of the Property and, in such event, shall use only herbicides or pesticides used or approved by state and local governments for controlling such problems in similar conservation areas and shall use only state licensed or state certified persons to dispense such chemicals. The provisions of this paragraph shall not be construed as an obligation on the part of the Association to provide such services.

D. Taking any and all actions necessary to enforce all covenants, conditions and restrictions affecting the Properties and to perform any of the functions or services delegated to the Association in any covenants, conditions or restrictions applicable to the Properties or in the Articles or By-Laws.

E. Conducting business of the Association, including but not limited to administrative services such as legal, accounting and financial, and communication services informing Members of activities, Notice of Meetings, and other important events.

F. Establishing and operating the Architectural Review Committee after turnover or in the event that the Association is delegated such purpose by the Declarant.

G. Adopting, publishing and enforcing such Rules and Regulations as the Board deems necessary.

H. Lighting of roads, sidewalks, walking and bike paths throughout the Properties as deemed necessary by the Board.

I. At the sole option and discretion of the Board, conducting recreation, sport, craft, and cultural programs of interest to Members, their families, tenants and guests and charging admission fees for the operation thereof.

J. Constructing improvements on Common Property and easements as may be required to provide the services as authorized in this Article.

K. The Association may also provide exterior maintenance upon any dwelling which, in the Association's opinion, requires such maintenance because said dwelling is being maintained in a manner inconsistent with the Community-Wide Standard of the Properties. The Association shall notify the Owner in writing, specifying the nature of the condition to be corrected, and if the Owner has not corrected the condition within fifteen

(15) days after date of said Notice, the Association (after approval of a majority of the Board) may correct such condition. Said maintenance shall include but not be limited to painting, repairs, replacement and maintenance of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements.

For the purpose of performing the exterior maintenance authorized by this Article, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot located in Wyndwood at Lake Highland at reasonable hours on any day; provided however, the Association shall have the right of entry without notice if necessary to correct an emergency situation. The cost of such maintenance shall be assessed against the Lot upon which such

L. Establish use fees and promulgate rules and regulations respecting the use of Common Property and Association facilities by Members and persons other than Members.

M. Maintain portions of cluster buildings, dwellings and Lots as further set forth in Article XIII, below.

N. Hire professional property management.

Section 4. Conveyance by Association. The Association may convey lands or easements to the Declarant in connection with any replatting of any portion of the Property upon two-thirds (2/3) vote of the owners, not including the Declarant.

ARTICLE V

EASEMENTS

Section 1. Appurtenant Easements. Declarant grants to all Owners (and their guests, lessees and invitees) and to the Association as an appurtenance to and as part of the ownership held by such Owner, but subject to this Declaration, the Articles and By-Laws of the Association and the rules promulgated by the Association, a perpetual nonexclusive easement for ingress and egress over, across, and through and for the use and enjoyment of all Common Property, which Common Property. Such use and enjoyment to be shared in common with the other Owners, their guests, lessees, and invitees as well as the guests, lessees and invitees of the Declarant. Provided, with respect to the Common Property, the Declarant reserves the right (but not the obligation) to maintain and use all rights of way associated therewith, and to maintain and place Declarant's signs thereon. Each Owner shall have a joint and reciprocal easement of ingress and egress over an adjacent Lot with each adjacent Owner for the maintenance, repair and reconstruction of any party wall or for the maintenance, repair and reconstruction of any portion of an attached dwelling when access is required through an adjacent Lot. In addition, each of the respective Owners within a cluster building shall have a joint and reciprocal easement of access across each Lot upon which the cluster

dwelling is located for the installation, maintenance and use of conduits, plumbing, irrigation equipment, wiring, and other facilities for furnishing utility services and irrigation to each dwelling or Lot.

Section 2. Utility Easements. The Declarant reserves to itself (and its successors or assigns) for so long as the Declarant owns any of the Properties, and the Association thereafter, the non-exclusive right to grant easements to any private company, public or private utility or governmental authority providing utility and other services within the Properties and the Common Property upon, over, under and across the Properties, except that with respect to cable service, Declarant may grant exclusive rights and easements to a cable service provider of its choice. Said easements shall only be given for the purpose of maintaining, installing, repairing, altering and operating sewer lines, irrigation lines, water lines, waterworks, sewer works, force mains, lift stations, water mains, sewer mains, water distribution systems, sewage disposal systems, effluent disposal lines and systems, pipes, wires, fiber optics lines, power lines, telephone service, gas lines, syphons, valves, gates, pipelines, cable television service, alarm systems and all machinery and apparatus appurtenant thereof to all of the foregoing as may be necessary or desirable for the installation and maintenance of utilities and providing services to Owners, the Properties and Common Property. All such easements to be of a size, width and location as Declarant (or the Association, if the Association owns the Common Property), in its discretion, deems best but selected in a location so as to not unreasonably interfere with the use of any improvements which are now, or will be, located upon the Properties.

Section 3. Declarant Easements. Notwithstanding the easements granted to the Association, the Declarant hereby reserves to itself, its successors and assigns, and to such other persons as Declarant may from time to time designate in writing, a perpetual, privilege and right in and to, over, under, on and across the Common Property for ingress and egress as required by its officers, directors, employees, agents, independent contractors, invitees and designees; provided, however, that such access and use does not unnecessarily interfere with the reasonable use and enjoyment of these Properties and facilities by the Association and Owners. Declarant reserves the right to impose further restrictions and to grant or dedicate additional easements and rights-of-way on any of the Properties owned by Declarant. The easements granted by Declarant shall not structurally weaken any improvements or unreasonably interfere with the enjoyment of the Properties. Declarant reserves for itself, its successors and assigns, an exclusive easement for the installation and maintenance of security and television cables and wire within the rights-of-way, Common Property, and easement areas referred to hereinabove.

Section 4. Service Easements. Declarant hereby grants to delivery, pickup and fire protection services, police and other authorities of the law, United States mail carriers, representatives of electrical, telephone, cable television and other utilities authorized by the Declarant, its successors or assigns to service the Properties and to such other persons as the Declarant from time to time may designate, the nonexclusive, perpetual right of ingress and egress over and across the Common Property for the purposes of performing their authorized services and investigations.

Section 5. Right of Entry. The Association shall have the right, but not the obligation, to enter onto any Lot or dwelling in case of emergency, or to perform

functions related to safety or security which right may be exercised by the Board, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter to cure any condition which may increase the possibility of a fire or other hazard in the even an Owner fails or refuses to cure the condition upon request by the Board.

Section 6. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Lot and dwelling and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots and/or Properties, due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of an Owner, tenant, or the Association.

Section 7. Drainage Easements. Drainage flow shall not be obstructed or diverted from drainage easements. The Association may, but shall not be required to, cut drainways for surface water whenever such action may appear to the Association to be necessary to maintain reasonable standards of health, safety and appearance. These easements include the right to cut any trees, bushes or shrubbery, make any gradings of the soil or to take any other action reasonably necessary to install utilities and to maintain reasonable standards of health and appearance but shall not include the right to disturb any improvements erected within the Properties which are not located within the specific easement area designated on the plat or in this Declaration. Except as provided herein or required by a governmental authority, existing drainage and drainage channels (or areas reserved for such purposes) shall not be altered so as to divert the flow of water onto adjacent parcels or into sanitary sewer lines. The Association will have the sole control over elevations and slopes within drainage easements and no Owner may alter any such elevations except upon written consent of the Association.

Section 8. Conservation Easements. Declarant reserves the right to grant Conservation Easements to qualified grantees over and across Common Property, Open Space, Public Areas or Surface Water Management Systems.

Section 9. Ingress and Egress Easements. If ingress or egress to any Lot is through the Common Area, all easements in the Common Area shall be subject to any such ingress or egress easement of the Owner of such Lot(s).

Section 10. Extent of Easements. The rights and easements of enjoyment created in this Article V shall be subject to the following:

A. The right of the Declarant or the Association, in accordance with its By-Laws, to borrow money from any lender for the purpose of improving and/or maintaining the Parks, Surface Management Systems and Common Property and providing services authorized herein;

B. The right of the Association to suspend the rights and easements of enjoyment of any Member or any tenant of any Member for any period during which any assessment remains unpaid, and for any period, not to exceed sixty (60) days, for any infraction of its published rules and regulations, it being understood that any suspension for either non-payment of any assessment or breach of any rules and regulations of the Association shall not constitute a waiver or discharge of the Member's obligation to pay the assessment.

C. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility that may be situated on Common Property.

D. The right of Declarant or the Association to place (and remove after notice) any reasonable restrictions upon any roadways owned by them, including, but not limited to, speed bumps or access gates. The fact that such restrictions on the use of such roads shall be more restrictive than the laws of any state or local government having jurisdiction over the Properties shall not make such restrictions unreasonable.

ARTICLE VI

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligations of Assessments. The Declarant covenants, and each owner of any Lot shall by acceptance of a deed therefore, regardless of whether it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of this Declaration and to pay the Association: (1) Annual Assessments, (2) Special Assessments and (3) individual assessments collected from time to time as hereinafter provided. The Annual and Special Assessments together with such interest thereon and cost of collections provided herein shall be a charge and continuing lien as provided herein on the real property and improvements of the Owner against whom each such assessment is made. Each such assessment, together with such interest thereon and cost of collection shall also be the personal obligation of the person who was the Owner of such real property at the time when the assessment first became due and payable. In the case of co-ownership of a Lot, all of such Co-Owners shall be jointly and severally liable for the entire amount of the assessment.

The liability of assessments may not be avoided by waiver of the use or enjoyment of any Common Property or by the abandonment of the Property against which the assessment was made. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take

some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any inaction or action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

Section 2. Purpose of Annual Assessments. The Annual Assessments levied by the Association may be used for the improvement, maintenance, enhancement and operation of the Surface Water Management Systems and Common Property and to provide services which the Association is authorized or required to provide including, but not limited to, the payment of taxes and insurance thereon, construction, repair or replacement of improvements, payment of the costs to acquire labor, equipment, materials, management and supervision necessary to carry out its authorized functions, and for the payment of principal, interest and any other charges connected with loans made to or assumed by the Association for the purpose of enabling the Association to perform its authorized or required functions.

Section 3. Annual Assessments. It shall be the duty of the Board, at least thirty (30) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include reserve funds as may be determined to be necessary by the Board.

The annual assessment to be levied for the coming year against each Lot subject to assessment as set forth below shall be computed by dividing the budgeted Common Expenses by the number of Lots subject to this Declaration. Except as provided in Section 5 below, Declarant shall have no responsibility to pay assessments on any Lot. The Board shall cause a copy of the Common Expense budget and Notice of the amount of the Annual Assessment to be levied against each Lot for the following year to be delivered to each Owner fifteen (15) days prior to the due date of the first installment of the assessment.

In the event that the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

Section 4. Special Assessments. In addition to the Annual Assessments authorized by Section 3 hereof, the Association may levy in any assessment year a Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

Section 5. Assessments of Declarant or Builder. Notwithstanding any provision of this Declaration, or the Association's Articles of Incorporation or By-Laws to the contrary, for as long as there is Class B membership in the Association, the Declarant and/or Builder may, rather than paying regular or special assessments, at its sole option, with respect to any Lot owned by the Declarant or Builder, fund the difference ("deficit funding") between the amount of assessments levied on all Lots subject to assessment and the amount of

actual expenditures required to operate the Association during the fiscal year. Any deficit funding pursuant to this Section shall be shared by Declarant and Builder in proportion to the Lots owned by each respectively, exclusive of Lots owned by other Lot Owners, pursuant to the following formula:

$$\text{Declarant \% of deficit} = \frac{\text{\# Lots owned by Declarant}}{\text{Total Lots owned by Declarant and Builder}} \times 100$$

$$\text{Builder \% of deficit} = \frac{\text{\# Lots owned by Builder}}{\text{Total Lots owned by Declarant and Builder}} \times 100$$

Section 6. Date of Commencement of Annual Assessments; Due Dates. The Annual Assessments provided for herein shall commence as to each Lot on the first day of following an owner's acquisition of title.

Section 7. Initial Assessment. In addition to annual and special assessments, the Association shall charge and collect an initial, one time, membership fee from each Owner in the amount of \$350.00 per lot for all initial transfers to builders from the Declarant and in the amount of \$175.00 per Lot for all subsequent transfers to any new Owner. Said membership fee shall be due and collectable at the time of transfer of record title to a Lot.

Section 8. Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; The Lien; Remedies of Association. If any assessment is not paid on the date due, then such assessment shall become delinquent and the entire assessment shall, together with interest thereon and cost of collection thereof as hereinafter provided, become due and payable and be a continuing lien on the Lot which shall bind such Lot in the hands of the then Owner, the Owner's heirs, devisees, personal representatives and assigns. In addition, the Association shall have the right to charge a late fee in addition to interest as determined by the Board of Directors. The obligation of the Owner to pay such assessment, however, shall remain a personal obligation. The Association may record a notice of lien for delinquent assessments in the public records and foreclose the lien in the same manner as a mortgage. Upon recording, the lien shall secure the amount of the delinquency stated therein and all unpaid assessments thereafter until satisfied of record.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of the delinquency at the highest rate allowed by Florida law, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Property, and there shall be added to the amount of such assessment all reasonable attorneys' fees and costs incurred in the collection process.

The Association, acting on behalf of the Owners, shall have the power to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same.

Section 9. Subordination of the Lien to the Mortgages; Mortgagees' Rights. The lien of the assessments provided for herein is subordinate to the lien of any first Mortgage given to an Institutional Lender now or hereafter placed upon a Lot; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such Property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such Property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer or management agent of the Association setting forth whether such assessment has been paid as to any particular Lot. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty and No/100 Dollars (\$50) for the issuance of such certificate.

Section 10. Exempt Property. The following Property subject to this Declaration shall be exempted from all assessments, charges and liens created herein: (a) all Properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Property; (c) all Property dedicated for recreational use; (d) Property which is used in the Surface Water Management Systems.

Section 11. Individual Assessment. In addition to the Annual Assessments authorized by Section 3 hereof, the Association may levy an individual assessment against any individual Lot to recover any charges or losses incurred by the Association as a result of the actions or inactions of a particular Owner, or resulting from an individual Owner's failure to comply with the terms of this Declaration or the Association's governing documents. Individual assessments shall be payable in such manner and at such times as determined by the Board.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Enforcement of Architectural Standards. The Board shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Sections 2 and 3 of this Article VII. This Article shall not be amended without the written consent of the Declarant for so long as the Declarant owns any Property which is subject to this Declaration.

No construction, which term shall include within its definition, staking, clearing, excavation, grading, and other site work, no exterior alteration or modification of existing improvements, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article until the requirements of each have been fully met, and until the approval of the appropriate entities has been obtained.

All structures constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or other person found to be qualified by the Architectural Review Committee ("ARC").

Section 2. Architectural Review Committee. There is hereby established an Architectural Review Committee which shall have exclusive jurisdiction over all construction on any portion of the Properties and whose duties, powers and responsibilities shall be as follows:

A. The ARC shall consist of two (2) or more persons designated by the Declarant. At such time as Declarant no longer owns any real property within the Properties (or earlier if the Declarant shall surrender this right in a written instrument in recordable form executed by Declarant), the Declarant shall assign to the Association the rights, powers, duties and obligations of the ARC, whereupon the Board shall appoint three (3) or more persons as the Members of the ARC.

B. The ARC shall have the right of specific approval or veto of all architectural, engineering, platting, planning and landscaping aspects of any improvement or development of individual units or buildings as well as the general plan for development of any individual Lot or subdivision, tract or parcel of land within the Properties. All construction and development within the Properties is subject to local governmental control; however, the ARC may, in its sole discretion, impose standards of architectural and landscaping design, or the general plan for development, which standards are greater or more stringent than standards prescribed in applicable building, zoning, and planning or other local governmental codes.

C. No building, sign, decorative or ornamental sculpture, outside lighting, fence, hedge, wall, walk, dock or other structure or planting shall be constructed, erected, planted or removed until the plans and specifications showing the nature, kind, shape, height, materials, floor plans, color scheme and the location of same shall have been submitted to and approved in writing by the ARC. Refusal of approval of plans, specifications or location may be based upon any grounds, including purely aesthetic considerations, which the ARC, in its sole discretion, deems sufficient.

D. All plans for the construction of any improvements within the Properties shall contain a drainage plan.

E. As part of the application process, three (3) complete sets of plans and specifications prepared by an architect or other person found to be qualified by the ARC shall be submitted for approval by written application on such form as may be provided or required by the ARC. In the event the information submitted to the ARC is, in its opinion,

incomplete or insufficient in any manner, it may request and require the submission of additional or supplemental information.

F. The ARC shall have the right to refuse to approve any plans and specifications which are not suitable or desirable, in its sole discretion, for aesthetic or any other reasons. In approving or disapproving such plans and applications, the ARC shall consider the suitability of the proposed building, improvements, and structure or landscaping and materials of which the same are to be built, the site upon which it is proposed to be erected, the harmony thereof with the surrounding area and the effect thereof on adjacent or neighboring Property.

G. Unless specifically excepted by the ARC, all improvements for which approval of the ARC is required under this Declaration shall be completed within a reasonable time from the date of commencement of said improvements or within the time set by the ARC in the event that the approval is so conditioned.

H. In the event the ARC shall fail to specifically approve or disapprove the plans and specifications submitted in final and complete form or to request additional information reasonably required within thirty (30) days after submission, such plans and specifications shall be deemed approved.

I. There is specifically reserved unto the ARC the right of entry and inspection upon any Lot for the purpose of determination by the ARC whether there exists any construction of any improvement which violates the terms of any approval by the ARC or the terms of this Declaration or any other covenants, conditions and restrictions to which its deed or other instrument of conveyance makes reference. The Association is specifically empowered to enforce the provisions of this Declaration by any legal or equitable remedy, and in the event it becomes necessary to resort to litigation to determine the propriety of any constructed improvements, or to remove any unapproved improvements, the prevailing party shall be entitled to recovery of all court costs, expenses and reasonable attorneys' fees in connection therewith.

J. The Association shall indemnify and hold harmless the ARC from all costs, expenses and liabilities including attorneys' fees incurred by virtue of any Member of the ARC's service as Member of the ARC.

K. A majority of the ARC may take any action of the committee and may designate a representative to act for it. In the event of death, disability or resignation of any Member of the ARC, the Board shall designate a successor. The ARC shall be selected by and shall serve at the pleasure of the Board of Directors.

L. The ARC may adopt such further rules and regulations as it deems necessary to carry out its functions and purposes hereunder.

M. The ARC has the right, but not the obligation, to grant waivers for minor deviations and infractions of this Declaration. The granting of any waiver for any portion

of the Properties may be given or withheld in the ARC's sole discretion and prior grant of a similar waiver shall not impose upon the ARC the duty to grant new and additional requests for such waivers.

N. The Association, Declarant, ARC or any officer, employee, director or member thereof shall not be liable for damages to any persons submitting plans and specifications for approval, or to any other Owner, by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval, disapproval or failure to approve any plans and specifications. Every person who submits plans and specifications for approval agrees, by submission of such plans and specifications, that it will not bring any action or suit against the Association, Declarant, ARC or ARC Members to recover any such damages.

Section 3. Modifications. The ARC shall promulgate detailed standards and procedures governing modifications to existing Lots or structures, consistent with local government standards and codes. In addition thereto, the following shall apply: Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the ARC for approval as to quality of workmanship and design and as to harmony of external design with existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of a dwelling or to paint the interior of the dwelling any color desired. In the event that the ARC fails to approve or to disapprove such plans or to request additional information reasonably required within thirty (30) days after submission, the plans shall be deemed approved.

ARTICLE VIII

RESTRICTIONS

Section 1. Compliance by Owners: Initial Rules and Regulations. Every Owner shall comply with the restrictions and covenants set forth herein and any and all rules and regulations adopted by the Board.

A. Residential Use. All Lots shall be used for residential dwelling units and related recreational facilities only and for no other purposes. Notwithstanding anything herein to the contrary, Declarant shall be entitled to build and maintain sales models and offices. Uses which do not conform to Polk County zoning ordinances will not be permitted.

B. Temporary Buildings. No tents, trailers, vans, shacks, tanks, or temporary or accessory buildings or structures shall be erected or permitted to remain on the Properties; however, the foregoing shall not restrict or prevent the construction and maintenance of temporary sales models and such other temporary facilities as are essential to the development, construction and sale of the housing facilities created,

provided that such are in compliance with appropriate governmental requirements applicable thereto.

C. Trash and Garbage. No lumber, metals, bulk materials, refuse or trash shall be kept, stored, or allowed to accumulate on the Properties except building materials during the course of construction of any approved structure. If trash or other refuse is to be disposed of by being picked up and carried away on a regular and recurring basis, containers may be placed in the open after dark on the day before the pick-up is to be made or on such day and at such place as will be accessible to persons making such pick-up. Such containers may not be placed in the open on the day preceding the pick-up. At all other times, such containers shall be stored so that they cannot be seen from surrounding property. The Architectural Control Committee, in its discretion, may adopt and promulgate reasonable rules and regulations relating to the size, shape, color and type of containers permitted and the manner of storage of the same.

D. Burial of Pipe and Tanks. No water pipe, gas pipe, sewer pipe, drainage pipe or storage tank shall be installed or maintained on the Properties above the surface of the ground, except hoses. No Property shall be used for the purpose of boring, mining, quarrying, exploring for or removing oil and other hydrocarbons, minerals, gravel or earth. Provided, however, that nothing contained herein shall prohibit or restrict removal of fill or earth materials to construct or create approved drainage structures or landscaped berms.

E. Nuisance. Nothing shall be done on the Properties which is illegal or which may be or may become an annoyance or nuisance to the subdivision and its residents.

F. Weeds and Underbrush. No weeds, underbrush, or other unsightly growths, including unkempt lawns, shall be permitted to grow or remain upon the Properties and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon.

G. Vehicle Parking. The Board may promulgate rules which restrict, limit or prohibit the use of any driveway or parking area which may be in front of, adjacent to or part of any Lot or dwelling as a parking place for personal passenger vehicles, commercial vehicles, trailers, recreational vehicles, self-propelled motor homes, motorcycles and boats. Such rules, if and when promulgated, shall have the same force and effect as if promulgated and initially made a part of this Declaration. No unregistered or inoperable vehicle or trailer may be visible in such a manner as from any point on adjacent property or the street. No vehicle of any kind may be disassembled, serviced or repaired on the Properties.

The following initial rules have been adopted:

i) Prohibited Vehicle. No "Prohibited Vehicle" shall be parked or stored on any of the Common Properties or Common Areas or stored on any of the Common Properties or Common Areas or on any road or Lot within the Property. For purposes of this Section, a "Prohibited Vehicle" is:

(a) a truck, delivery van, service van or bus (except that trucks not in excess of $\frac{3}{4}$ ton are permitted, provided they have no camper top, bed enclosure, or other appendage attached to it);

(b) a commercial vehicle (i.e., one not designed and used for normal personal/family transportation) and any vehicle bearing lettering, graphics or other commercial insignia;

(c) a recreational vehicle (RV) including a camper, mobile and motor home, all terrain vehicle (ATV or ATC) or dune buggy;

(d) a trailer of any type;

(e) a boat; or

(f) a derelict vehicle, including a vehicle with no current license plate or a vehicle incapable of self propulsion.

For purposes of this section, a "Prohibited Vehicle" shall not be deemed to be any commercial or public service vehicle present in the property while performing services for or on behalf of residents or the Declarant.

H. Antennas. Any Owner desiring to receive either Direct Broadcast Satellites (DBS), Direct Satellite System (DSS), Multichannel Multipoint Distribution (wireless cable) providers (MMDS) and Television Broadcast Stations (TVBS) are restricted to the placement of a satellite dish no more than one (1) meter in diameter, installed as near to the dwelling as reasonably feasible. The dish shall be reasonably screened from view from surrounding properties. All other types of antenna, or satellite dish installations are prohibited except those reception devices that are protected under federal law or regulations.

I. Drainage. No changes in elevations of Property subject to these restrictions shall be made which will cause undue hardship to adjoining property or be inconsistent with the approved drainage plans for the community or any part thereof.

J. Underground Wires. No lines or wires for communication or the transmission of electrical current or electromagnetic pulses shall be constructed, placed or permitted to be placed on Residential Property unless the same shall be underground.

K. Animals. No horses, cattle, swine, goats, poultry, fowl, or any other animals not commonly considered household pets shall be kept on the Properties. Under no circumstances shall any commercial or business enterprises involving the use, care or treatment of animals be conducted on the Properties without the express prior written consent of the Board. All pets shall be kept on a leash when not on the pet owner's Lot or Unit and no pet shall be allowed to roam unattended. The Association may, from time to time, publish and impose reasonable regulations setting forth the type and number of animals that may be kept on the Properties. There shall be a limit of three (3) household

easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Lots and dwellings owned by the Declarant and any clubhouse or community center which may be owned by an Association, as models, sales offices, and for lodging and entertainment, respectively, of sales prospects and other business invitees. Builders and Declarant shall have a non-exclusive easement upon and across the Properties for the purpose of installing sales trailers, and maintaining and carrying on construction and sales activities.

(b) No person or entity shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

(c) All forms of deeds, and contracts for sale for the subdivision and sale of property in the Properties by any Owner shall be subject to the prior approval of Declarant, which approval shall not be unreasonably withheld. Declarant shall deliver Notice to any Owner of Declarant's approval or disapproval of all such materials and documents within fifteen (15) days of receipt of such materials and documents, and, if disapproved, set forth the specific changes requested. If Declarant fails to do so within such fifteen (15) day period, Declarant shall be deemed to have waived any objections to such material and documents and to have approved the foregoing. Upon disapproval, the foregoing procedure shall be repeated until approval is obtained or deemed to be obtained.

(d) Until turnover, the Board or the Association shall have no authority to, and shall not, undertake any action which shall:

(1) decrease the level of maintenance services of the Association performed by the initial Board as specified in the Articles of Incorporation of the Association;

(2) change the membership of the ARC or diminish its powers as stated herein;

(3) alter or amend any Declaration, any subsequent amendment thereto, the Articles or By-Laws of the Association;

(4) terminate or waive any rights of the Association under this Declaration;

(5) accept the conveyance, lease, Mortgage, alienation or pledge of any real or personal property of the Association;

(6) terminate or impair in any fashion any easements, powers or rights of the Declarant;

pets per Lot, excluding birds and fish. Owners shall be responsible to clean up all pet waste on the properties.

L. Business. No trade or business will be conducted or carried on upon the Properties or in any building or other structure erected thereon, except that an Owner or occupant may conduct business activities within the dwelling so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (b) the business activity conforms to all zoning requirements for the Properties; (c) the business activity does not involve persons coming onto the Properties who do not reside in the Properties or door-to-door solicitation of residents of the Properties; and (d) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefore. Notwithstanding the above, the leasing of a dwelling shall not be considered a trade or business within the meaning of this Section. This Section shall not apply to any activity conducted by the Declarant with respect to its development and sale of the Properties or its use of any Units which it owns within the Properties.

M. Maintenance or Parking Areas, Etc. All setback areas, yards, walkways, driveways and parking areas and drainage swales shall be maintained and kept in a neat and clean condition free of refuse and debris.

N. Maintenance of Landscaped Areas. All landscaped areas (to the paved public right of way) shall be maintained in live, healthy and growing condition, properly watered and trimmed. Any planting of grass, shrubs or trees which become dead or badly damaged shall be replaced with similar, sound, healthy plant materials.

O. Maintenance of Landscaping to Public Right of Way or Water's Edge. Any Owner that owns or has the maintenance responsibility for Property adjoining any

public right of way or water body shall maintain the landscaping to the public right of way or water's edge regardless of the Property boundaries on the plat.

P. Cable Television. Declarant (or its successor or assigns) shall have the right to install, or enter into contracts for the installation of, a cable television system providing cablevision entertainment to the Lots. Any agreement for services may provide that basic services shall be mandatory for all Lot Owners. In connection with the installation, maintenance and operation of such systems the Declarant reserves access, installation

and service easements over, across and under Common Property and Residential Property necessary to provide such cable television services to all Owners of Lots; provided, however, such easements shall be reasonably located by the Declarant so as to not unreasonably impair the value of use of the Property or the Lots.

Q. Fences. The composition, location and height of fences and walls must be approved by the ARC prior to installation in accordance with standards and requirements set by the ARC from time to time. The ARC is under no obligation whatsoever to approve any fences.

R. Mailboxes. All mailboxes must be must be of a type as approved by the ARC.

S. Trees. Removal of existing trees and shrubbery from any Lot shall not be permitted (except within the foundation perimeter line for the dwelling) without ARC approval and without replacing with landscaping of an equivalent or higher quality.

T. Air Conditioners. No window air conditioning units shall be permitted. Permanently mounted wall air conditioning units shall not be permitted unless first approved by the ARC.

U. Signs. No sign of any kind shall be displayed to the public view on any Lot or dwelling, except those which shall be in compliance with the guidelines established by the ARC. The ARC shall have the right to establish guidelines so as to require a uniform standard for signs in the Properties.

V. Lighting. No exterior lighting fixtures shall be installed on any Lot without adequate and proper shielding of fixtures. No lighting fixture shall be installed that may be or become an annoyance or a nuisance to the residents of adjacent Lots;

W. Non-Waiver. No delay in enforcing these covenants and restrictions as to any breach or violation thereof shall impair, damage or waive the right of the Association to enforce the same, to obtain relief against or recovery for continuation or repetition of such breach or violation or of any similar breach or violation thereof at a later time or times.

X. Window Treatments. All dwellings shall maintain appropriate window treatments at all times on windows that are visible from off of the Lot. Such treatments shall be of a type in keeping with the Community-Wide Standard.

Y. Basketball Goals. No permanent basketball goals, nor any type of basketball goal that is affixed to the Lot or dwelling, shall be allowed on a Lot. Temporary, portable basketball goals shall be allowed, however, any such portable goal shall be stored away from view at all times when not in use and no such goal shall be used in the street or on the lawn.

Z. Flags. Owners may display one portable, removable, United States flag on their Lot if displayed in a respectful manner. No other flags shall be permitted unless approved by the ARC or otherwise protected under federal or state law or regulations.

Section 2. Enforcement. Failure of the Owner to comply with such restrictions, covenants, or rules and regulations shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof, including costs and attorneys' fees incurred in bringing such actions, and if necessary, costs and attorneys' fees for appellate review. The Association shall have the right to suspend use of Common Areas for any Owner violating these Covenants and Restrictions for a period of time which is the longer of sixty (60) days or the term of continued violation.

Section 3. Fines. In addition to all other remedies, the Association may impose a fine or fines upon an owner, tenant, guest, invitee or employee for failure to comply with this Declaration, or any rule or regulation promulgated hereunder, provided the following procedures are adhered to:

(a) Notice: The Association shall notify the owner or other party of the infraction or infractions. Included in the notice shall be the date and time of a special hearing at which the fine or fines will be addressed. Such notice shall be provided to the offending party at least fourteen (14) days prior to such hearing.

(b) Hearing: The hearing as set forth above shall be before a committee of at least three (3) members of the Association appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an officer, director, or employee. If the committee, by majority vote, does not approve of a proposed fine or suspension, it may not be imposed.

(c) Penalties: The Association may impose a fine against the offending party in an amount not to exceed \$100.00 per violation. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, except that no such fine shall exceed \$1000.00 in the aggregate.

(d) Payment of Penalties: Fines shall be paid not later than five (5) days after notice of the imposition of the fine.

(e) Collection of Fines: Fines shall be treated as an assessment subject to the provisions for the collection of assessments.

(f) Nonexclusive Remedy: These fines shall not be construed to be exclusive, and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled.

ARTICLE IX

TURNOVER

Section 1. Time of Turnover. The turnover of the Association by the Declarant shall occur at the turnover meeting described in Section 2 below which meeting shall take place within three (3) months of the occurrence of the following events, whichever occurs earliest:

A. January 1, 2007.

B. Upon voluntary conversion to Class A membership by the Declarant.

C. When seventy-five percent (75%) of the Lots (as amended and supplemented from time to time) have been conveyed to Owners other than the Declarant or Builders.

Section 2. Procedure of Calling Turnover Meeting. The purpose of the turnover meeting shall be to elect directors to the Association. No more than sixty (60) days and no less than thirty (30) days prior to the turnover meeting, the Association shall notify in writing all Class A Members of the date, location, and purpose of the turnover meeting.

Section 3. Procedure for Meeting. The turnover meeting shall be conducted in accordance with the most recent revision of Robert's Rules of Order.

Section 4. Declarant's Rights. The Declarant shall be entitled to appoint all Members of the Board until the Time for Turnover as set forth in Article X. After turnover of the Association by the Declarant, the Declarant shall have the right to appoint at least one Member of the Board as long as the Declarant holds for sale in the ordinary course of business at least five percent (5%) of the Lots (as amended and supplemented from time to time). Notwithstanding anything contained herein, the limitations described by Article X shall remain applicable.

ARTICLE X

DECLARANT'S RIGHTS

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Lots shall continue, Declarant shall have the following rights described in this Article, and the following restrictions described in this Article shall remain in effect:

(a) Declarant may maintain and carry on upon portions of the Common Property such facilities and activities as may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have a non-exclusive

(7) restrict the Declarant's right of use, access and enjoyment of any of the Properties; or

(8) cause the Association to default on any obligation of it under any contract or this Declaration, unless the Declarant consents in writing to the prohibited action. The Declarant's consent shall be exercised by its appointee on the Board or other person designated to so act by Declarant.

Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right of the Declarant beyond that contained herein.

This Article may not be amended without the express written consent of the Declarant.

ARTICLE XI

INSURANCE AND CASUALTY LOSSES

Section 1. Insurance. The Association's Board or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk casualty insurance, if reasonably available, for all insurable improvements on the Common Area. If blanket all risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. This insurance shall be in an amount sufficient to cover one hundred percent (100%) of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

The Association shall maintain appropriate property casualty insurance coverage in adequate amount to cover the cost of repair or replacement of all structures and items located within the cluster buildings for which the Association has maintenance and repair responsibility as set forth in Article XIII, including, but not limited to, all roofs and underlying roof components. If such coverage is unavailable, the Association shall notify each Owner and each Owner shall thereafter be required to purchase said coverage.

Each Owner shall maintain at all times appropriate property casualty insurance coverage on his dwelling in such amounts sufficient to cover the cost of repair or reconstruction of the dwelling in the event of casualty loss.

To the extent available on commercially reasonable terms and conditions, the Board must also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents.

Premiums for all insurance on the Common Area shall be Common Expenses of the Association and shall be included in the Annual Assessment. The policy may contain a

A. Roofs. The Association shall maintain, repair and replace the roofs on each cluster building and the cost thereof shall be a common expense of the Association. The term "roof" as used herein shall include shingles and all underlying structures creating the roof (trusses, etc.).

B. Landscaping. The Association shall exclusively provide landscaping maintenance and service for each Lot. Such service will be mandatorily provided and the cost of such services shall be a common expense of the Association. Each owner shall bear the cost of acquiring and replacing grass and any plantings (trees, flowers, etc.) that is/are in need of replacement and the cost of irrigation. Any such replacement by an owner with anything other than identical plantings shall be subject to review and approval of the ARC. The Association shall have the right to require the removal, at the owners expense, of any plantings which interfere with, or unreasonably interfere with, the provision of this service. In addition, the Association and its agents shall have an easement of access over each Lot for the purpose of controlling the irrigation system on each Lot. This access shall include the right to control irrigation, including setting water timers, etc.

ARTICLE XIV

PARTY WALLS

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

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

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

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

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

ARTICLE XV

GENERAL PROVISIONS

Section 1. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be enforceable by the Association, the Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, for a period of thirty (30) years from the date this Declaration is recorded. Upon the expiration of said thirty (30) year period, this Declaration shall be automatically renewed and extended for successive ten (10) year periods. The number of ten (10) year renewal periods hereunder shall be unlimited with this Declaration being automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if during the last year of the initial thirty (30) year period, or during the last year of any subsequent ten (10) year renewal period, Voting Members representing three-fourth (3/4) of the votes of the Association vote in favor of terminating this Declaration at the end of its then current term.

Written notice of any meeting at which such proposal to terminate this Declaration is to be considered, setting forth the fact that such a proposal will be considered, shall be given at least sixty (60) days in advance of said meeting. In the event that the Association votes to terminate this Declaration, the President and Secretary of the Association shall execute a certificate which shall set forth the resolution of termination adopted by the Association, the date of the meeting of the Association at which such resolution was adopted, the date that notice of such meeting was given, the total number of votes of Members of the Association, the total number of votes necessary to adopt a resolution terminating this Declaration, the total number of votes cast in favor of such resolution, and the total number of votes cast against such resolution.

Said certificate shall be recorded in the Public Records of Polk County, Florida, and may be relied upon for the correctness of the facts contained therein as they relate to the termination of this Declaration. Termination of the Association shall not have the effect of terminating easements herein provided or granted prior to such termination, or terminating contractual rights created prior to termination which from the context of the contract were meant to survive termination.

Section 2. Amendments by Members. This Declaration may be amended in whole or part upon the affirmative vote of 2/3 of the total lot owners present in person or by proxy at a duly called meeting of the Association. No such amendment shall be effective until such time as it is recorded in the Public Records of Polk County, Florida.

Notwithstanding anything above contained to the contrary, no amendment shall be valid without the consent of the Declarant as long as there remains a Class B membership. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege. No amendment may impair the validity or priority of the lien of any Mortgages held by a Mortgagee or

impair the rights granted to Mortgagees herein without the prior written consent of such Mortgagees.

Section 3. Amendment by Declarant. Until such time as turnover occurs pursuant to Article IX herein, the Declarant specifically reserves for itself, its successors and assigns, and to the Association, the absolute and unconditional right to alter, modify, change, revoke, rescind, or cancel any or all of Declaration or the restrictive covenants contained in this Declaration or hereinafter included in any subsequent Declaration provided that in doing so, Declarant shall not adversely affect the rights of Owners and the Association under this Declaration.

Section 4. Enforcement. Enforcement of these covenants, conditions and restrictions shall be by any proceeding at law or in equity and may be instituted by the Declarant, its successors or assigns, the Association, its successors or assigns, the Windwood Bay Homeowners Association, Inc. in relation to its rights as set forth in Article VI, Section 11 herein, or any Owner against any person or persons violating or attempting to violate or circumvent any covenant, condition or restriction, either to restrain violation or to recover damages, and against the land and to enforce any lien created by these covenants; and failure by the Association or any Owner or the Declarant to enforce any covenant, condition or restriction herein contained for any period of time shall in no event be deemed a waiver or estoppel of the right to enforce same thereafter.

Section 5. Severability. Should any covenant, condition or restriction herein contained, or any Article, Section, Subsection or sentence, clause, phrase or term of this Declaration be declared to be void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable and which shall remain in full force and effect.

Section 6. Interpretation. The Board shall have the right except as limited by any other provisions of this Declaration or the By-Laws to determine all questions arising in connection with this Declaration and the construe and interpret its provisions, and its good faith, determination, construction or interpretation shall be final and binding. In all cases, the provisions of this Declaration shall be given that interpretation or construction that will best tend toward the consummation of the general plan of improvements.

Section 7. Authorized Action. All actions which the Association is allowed to take under this instrument shall be authorized actions of the Association as approved by the Board in the manner provided for in the By-Laws of the Association, unless the terms of this instrument provide otherwise.

Section 8. Prohibited Actions. Notwithstanding anything contained herein to the contrary, the Association will perform no act nor undertake any activity which will violate its non-profit status under applicable federal or state law, nor shall the Association perform any acts which violate federal, state or local law.

Section 9. Singular, Plural and Gender. Whenever the context so permits, the use of the singular shall include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

Section 10. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Properties.

Section 11. HUD/VA. Notwithstanding anything else contained in this Declaration to the contrary, as long as there exists a Class B membership, the following actions will require prior HUD/VA approval:


- a) Annexation of any additional properties;
- b) Dedication of any common properties;
- c) Any amendment of this Declaration.

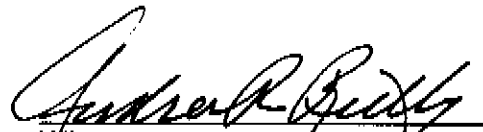
IN WITNESS WHEREOF, this Amended and Restated Declaration is executed on the date as set forth above.

**Village Partners,
A Florida General Partnership**

**BY: Investors Realty Limited, Inc.
A Florida Corporation, its General Partner**

BY: Heidi Marling, President

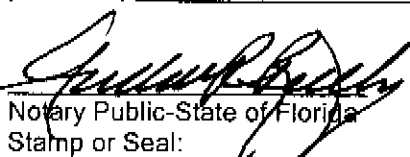

Heidi J. Marling, President

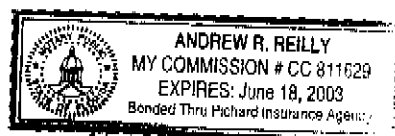

Witness
Print name: **ANDREW R. REILLY**


Witness
Print name:

STATE OF FLORIDA
COUNTY OF FOLK

THE FOREGOING instrument was acknowledged before me this 10th day of APRIL, 2003 by Heidi Marling, who is personally known to me or produced identification (type of identification produced) _____.


Notary Public-State of Florida
Stamp or Seal:



reasonable deductible, and, in the case of casualty insurance, the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's loss bears to the total.

Section 2. Damage and Destruction.

A. Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of the repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

B. Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Voting Members representing at least seventy-five percent (75%) of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area shall be repaired or reconstructed.

C. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association in a neat and attractive consistent with the Community-Wide Standard.

D. Immediately after damage or destruction by fire or other casualty to all or any part of a dwelling or cluster building covered by insurance written in the name of an Owner, the Owner shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of the repair or reconstruction of the damaged or destroyed items, which information shall be provided to the Association. Each Owner must repair or reconstruct his dwelling to the condition that the dwelling was in prior to the casualty, unless such repair or reconstruction is impossible from an engineering standpoint. In such case, said owner shall make such repairs or reconstruction as necessary to preserve any party walls and the integrity of the cluster dwelling and adjacent, attached, dwellings.

Section 3. Disbursement of Proceeds. If the damage or destruction of common areas for which the proceeds of insurance policies are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repair or reconstruction to the Common Area shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining after making such settlement as is necessary and appropriate with the affected Owner or Owners and their Mortgagee(s) as their interest may appear, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of any Mortgagee and may be enforced by such Mortgagee.

Section 4. Repair and Reconstruction. If the damage or destruction to the Common Area for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall levy a Special Assessment against all Owners on the same basis as provided for Annual Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE XII

NO PARTITION

Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person or entity acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property or from acquiring title to real property which may or may not be subject to this Declaration.

ARTICLE XIII

BUILDING AND DWELLING MAINTENANCE

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

Section 2. Association Maintenance Responsibilities. In addition to the common areas and common property, the Association shall only be responsible for the maintenance, repair and upkeep of the following located upon a Lot: