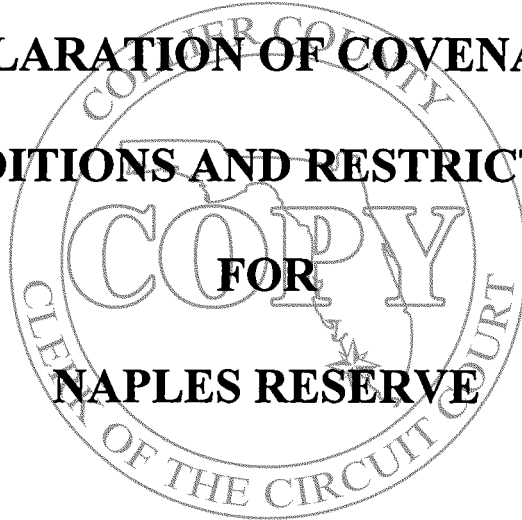


**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
NAPLES RESERVE**



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THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NAPLES RESERVE (“Declaration”) is made this 2nd day of August, 2013 by Donald Mears (the “Declarant”), and joined by Naples Reserve, LLC, a Florida limited liability company (the “Association”).

A. Declarant holds title to that certain real property located in Collier County, Florida as defined in this Declaration as the “Property.”

B. Declarant intends to develop the Property (including any Additional Property added thereto) in accordance with this Declaration as a master planned residential community to be known as “Naples Reserve.”

C. Declarant has caused an association named Naples Reserve Homeowners Association, Inc., to be formed for the purposes set forth in this Declaration and the Articles of Incorporation for the Association.

STATEMENT OF DECLARATION

The Property shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, reservations, assessments and other provisions set forth in this Declaration, which shall run with the Property, shall bind all parties having any right, title, or interest in any part of the Property, their successors and assigns, and shall inure to the benefit of each Owner (as hereinafter defined) thereof and which shall read as follows:

**ARTICLE I
DEFINITIONS**

1. Additional Property. “Additional Property” shall mean the real property described on Exhibit “B” attached hereto, which may be subjected to this Declaration by Declarant from time to time in accordance with the terms of this Declaration. Prior to the Turnover Date, Declarant may unilaterally modify Exhibit “B” as Declarant, in its sole and absolute discretion may determine appropriate.

2. Development Review Committee (“DRC”). “Development Review Committee (DRC)” shall mean the committee formed to promulgate design and development guidelines and

application and review procedures for new construction upon the Property and any modifications to improvements and to review and approve the plans for same.

3. Area of Common Responsibility. "Area of Common Responsibility" shall mean and refer to the Common Area, together with those areas, if any, which by the terms of this Declaration, a resolution of the Board of Directors of the Association, or an agreement, a Neighborhood or a governmental agency, shall become the responsibility of the Association, including without limitation canals, lakes, reservoirs and other public areas located within or adjacent to the Property designated by Declarant as part of the Area of Common Responsibility.

4. Articles. "Articles" shall mean and refer to the Articles of Incorporation of the Association, a copy of which is attached hereto as Exhibit "C", as the same may be amended from time to time.

5. Assessment. "Assessment" shall mean and refer to charges levied against Lots to fund Common Expenses, Neighborhood Expenses and any other expenses of the Association and shall include Common Assessments, Special Assessments, and Neighborhood Assessments.

6. Association. "Association" shall mean and refer to Naples Reserve Homeowners Association, Inc. and its successors or assigns. The Association is the master property owners' association for the entire Community.

7. Board of Directors or Board. "Board of Directors" or "Board" shall mean and refer to the governing body of the Association.

8. Builder. "Builder" shall mean a Person who acquires a Lot for the purpose of constructing and reselling a Unit thereon or a Person who constructs a Unit on an Owner's Lot.

9. By-Laws. "By-Laws" shall mean and refer to the By-Laws of the Association, a copy of which is attached hereto as Exhibit "D", as the same may be adopted or amended from time to time.

10. Common Area. "Common Area" or "Common Areas" shall mean all of the real property owned by the Association, plus all property designated as Common Areas in any future Supplemental Declaration or any portion of a plat or replat of the Property dedicated to or for the Association together with any improvements thereon and any personal property owned by the Association, and which are intended for the common use and enjoyment of all Members of the Association. Common Area shall also include the Exclusive Common Area unless the context otherwise requires. Common Area shall not include property owned and maintained by the District.

11. Common Assessments. "Common Assessments" shall mean those Assessments for which all Members of the Association are responsible to pay for Common Expenses.

12. Common Expenses. "Common Expenses" shall mean the actual and estimated costs and expenses incurred or to be incurred by the Association for the general benefit of all Owners, including any reasonable reserves for deferred maintenance, repairs or replacements, which the Board of Directors may find necessary and appropriate.

13. Community. “Community” shall mean the master planned community to be known as Naples Reserve.

14. Community-Wide Standards. “Community-Wide Standards” shall mean the standards of conduct, maintenance, or other activity generally prevailing throughout the Community. Such standard may be more specifically determined by the Board of Directors and the DRC.

15. Declarant. “Declarant” shall mean and refer to Naples Reserve, LLC, a Florida limited liability company, or one of its successors or assigns, provided such successor or assign is designated as the Declarant by the immediately preceding Declarant in a recorded instrument executed in accordance with the terms of this Declaration. The Declarant may assign all or part of its rights hereunder by a Supplemental Declaration.

16. Declaration. “Declaration” shall mean this document, as the same may be amended or supplemented from time to time.

17. District. “District” shall mean a one or more special service, utility, and taxing district(s) created as a special purpose unit of local government with jurisdiction within, adjacent to, and in the vicinity of the Property established in accordance with Chapter 190, Florida Statutes, which is/are vested with certain quasi-governmental powers and responsibilities within or adjacent to the Property.

18. Documents. “Documents” shall mean this Declaration, and the Articles, By-Laws, and Rules and Regulations of the Association.

19. Exclusive Common Area. “Exclusive Common Area” shall mean and refer to certain portions of the Common Area, including any improvements and fixtures thereon, the use of which has been granted exclusively or primarily to one or more, but less than all, Units for the common use and enjoyment of Owners of such Units. Such Exclusive Common Area shall be designated by a Supplemental Declaration.

20. Institutional Mortgagee. “Institutional Mortgagee” shall mean: (a) any generally recognized lending institution having a first mortgage lien upon a Lot or (b) such other lenders as the Board of Directors shall hereafter approve in writing which have acquired a first mortgage lien upon a Lot.

21. Lot. “Lot” shall be an inclusive term referring to a portion of the Property, whether developed or undeveloped, intended for development, use, and occupancy as a residence and shall, unless otherwise specified, include within its meaning by way of illustration, but not limitation, condominium units, villas, patio homes, and single-family homes, as well as vacant land intended for development as such, all as may be developed, used and defined as herein provided or as provided in a Supplemental Declaration covering all or a part of the Property. The term shall include all portions of the Lot owned as well as any structure thereon.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Lots designated for residential use for such parcel on the site plan approved by Declarant until such time as a subdivision plat

has been recorded in the public records of Collier County, Florida on all or a portion thereof. After a subdivision plat has been recorded on all or a portion thereof, the portion designated in that plat shall constitute a separate Lot or Lots as determined above and the number of Lots on the remaining land, if any, shall continue to be determined in accordance with this paragraph.

22. Master Plan. "Master Plan" shall mean and refer to the plan for the development of the Property, as the same may be amended or supplemented from time to time.

23. Member. "Member" shall mean and refer to a Person entitled to membership in the Association. All Owners shall be Members of the Association; provided, however, that there shall be no more than one Member for each Lot. In addition, Declarant shall also be a Member of the Association as described more fully in the "Classes of Membership" Section hereof and the By-Laws of Association.

24. Neighborhood. "Neighborhood" shall mean and refer to any Lots which are designated as a Neighborhood in a Supplemental Declaration, in which Owners may have common interests other than those common to all Owners, such as a common theme, entrance feature, development name and/or common area and facilities which are not available for use by all Owners.

25. Neighborhood Assessments. "Neighborhood Assessments" shall mean assessments levied by the Association against the Lots in a particular Neighborhood or Neighborhoods to fund Neighborhood Expenses, as more particularly described in the "Computation of Neighborhood Assessments" Section of this Declaration.

26. Neighborhood Expenses. "Neighborhood Expenses" shall mean and include those actual and estimated expenses incurred or to be incurred by the Association primarily for the benefit of the Owners of Lots within a particular Neighborhood or Neighborhoods, which may include a reasonable reserve for deferred maintenance, repairs, and replacements, all as may be specifically authorized from time to time by the Board of Directors of the Association as more particularly authorized herein.

27. Owner. "Owner" shall mean and refer to the record owner of fee simple title to a Lot (including Declarant, and Builders, but specifically excluding any party holding an interest merely as security for the performance of an obligation). The term Owner may also include any other Person who owns any portion of the Property other than the Association.

28. Person. "Person" means any individual, corporation or other legal entity.

29. Property. "Property" shall mean and refer to the real property legally described on Exhibit "A" attached hereto, together with such additional property as is hereafter subjected to this Declaration by a Supplemental Declaration.

30. Special Assessment. "Special Assessment" shall mean and refer to assessments levied in accordance with the "Special Assessment" Section hereof.

31. Supplemental Declaration. "Supplemental Declaration" shall mean a supplement to this Declaration executed by or consented to by Declarant in accordance with "the Supplemental Declarations" Section hereof.

32. Turnover Date. "Turnover Date" shall mean the date on which the Class "B" Membership ceases to exist and is converted to a Class "A" Membership, as further described in the "Turnover Date" Section hereof.

33. Unit. "Unit" shall mean and refer to any structure constructed on a Lot, including without limitation, single-family homes.

**ARTICLE II
GENERAL PLAN FOR DEVELOPMENT**

1. Plan for Development

(a) In General. Declarant presently plans to develop the Property as a multi-phased residential community and related recreational amenities and various common areas, in accordance with the Master Plan and subject to any required governmental approvals. Declarant also reserves the right to develop any portion of the Property for commercial uses in accordance with this Declaration, the Master Plan, and any applicable governmental approvals. Declarant reserves the right to modify the Master Plan in its sole discretion from time to time, without requiring the consent of the Association, any Owner, or any mortgagee of any Owner.

(b) Declaration; Association. This Declaration is not a declaration of condominium. No portion of the Property is submitted by this Declaration to the condominium form of ownership. Declarant has caused the Association to be formed to perform certain administrative and operational functions regarding the Property as set forth more fully in the Documents.

(c) Neighborhoods. Declarant intends that Lots may, but need not be, grouped together in residential Neighborhoods.

2. Supplemental Declarations. Supplemental Declaration may be executed and recorded in Collier County, Florida, containing provisions which: (a) assign a specific use to a portion of the Property; (b) designate a Neighborhood and any specific uses or provisions with respect to the Neighborhood; (c) impose additional restrictions or delete restrictions on a portion of the Property; (d) assign some or all of Declarant's rights and obligations hereunder; (e) subject some or all of the Additional Property to the effect of this Declaration; or (f) do anything else permitted by this Declaration. During the period of time that Declarant owns any portion of the Property, no Supplemental Declaration nor any other recorded declaration affecting any portion of the Property not owned by Declarant shall be valid unless the Declarant's joinder appears on such document.

3. Creation of Associations and Neighborhood Declarations. Declarant (or another Person with Declarant's prior written consent and joinder during the time that Declarant owns any of the Property), may record instruments subjecting a portion of the Property to a Neighborhood Declaration, upon which event such property shall then be subject to both this

Declaration and such Neighborhood Declaration. Such Neighborhood Declaration may also create a Neighborhood Association, and such Neighborhood Association may have the same, additional, or different rights, powers, duties or privileges with respect to such Neighborhood as the Association, in which event such Neighborhood may be subject to the jurisdiction of both the Neighborhood Association and the Association, and may cause the Owners of Lots within the Neighborhood to be members of the Neighborhood Association under such terms and conditions as may be provided therein, which may be the same as or substantially different from the terms and conditions of membership in the Association as provided herein. When in conflict, the Documents (as defined herein) shall prevail over the Neighborhood Declaration or other Neighborhood documents.

4. Annexation of Additional Property.

(a) Prior to the Turnover Date. Prior to the Turnover Date, Declarant shall have the right, privilege, and option, in its sole discretion, to subject any additional property to the provisions of this Declaration and to the administration of the Association by filing a Supplemental Declaration in Collier County, Florida. Such Supplemental Declaration shall not require the consent of any of the Owners, any mortgagee of any Owner, or the Association, but shall require the consent of the owner of such additional property, if the owner of such additional property is other than Declarant. Any such annexation shall be effective upon the filing of record of such Supplemental Declaration unless otherwise provided therein. Declarant shall have the right, in its sole discretion, to transfer to any other Person the right, privilege, and option to annex additional property which is reserved herein to Declarant, provided that such transfer is memorialized in a Supplemental Declaration.

(b) After the Turnover Date. Following the Turnover Date, Declarant shall have the unilateral right, privilege and option, until all of the Additional Property has been subjected to this Declaration, to subject to the provisions of this Declaration and the jurisdiction of the Association from time to time and at any time all or any portion of the Additional Property. Such annexation shall be accomplished by filing in the public records of Collier County, Florida, a Supplemental Declaration annexing such Additional Property. Such Supplemental Declaration shall not require the consent of any of the Owners, any mortgagee of the Owners or the Association, but shall require the consent of the owner of such property, if other than Declarant. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

Following the Turnover Date, the Association may not subject any property to the provisions of this Declaration and the jurisdiction of the Association without: (a) the affirmative votes of a majority of the Class "A" Members of the Association either in writing or present, in person or by proxy, at a meeting duly called for such purpose, (b) the consent of the owner of such property, (c) the consent of Declarant so long as Declarant owns any portion of the Property or the Additional Property.

5. Amendment of Article. This Article shall not be amended without the prior written consent of Declarant, so long as Declarant owns any portion of the Property or the Additional Property.

6. The District.

(a) Naples Reserve Community Development District. The Naples Reserve Community Development District (the "District") is a local, special purpose government authorized by Chapter 190, Florida Statutes, and is an alternative method for managing and financing infrastructure required to support community development. The improvements of the District will consist of roadways, a water management system (lake and water control structures), water, wastewater and irrigation re-use facilities, street lighting, landscaping, entry features, recreational facilities, privacy provisions and related improvements. The District will retain ongoing maintenance responsibilities for certain improvements and the District will dedicate the water, wastewater and irrigation re-use facilities to the Collier County Water and Sewer District for ownership, operation and maintenance. To build, acquire, construct and manage the infrastructure the District may issue tax-exempt bonds. Each property owner within the District will pay for a share of these improvements through a non-ad valorem assessment on his or her property. The Community is also subject to the District. This annual assessment is clearly noted on each property owner's tax bill from Collier County and applied towards repaying principal, interests, operation and maintenance costs.

(b) Management District. The District is governed by a Board of five (5) Supervisors elected initially by the property owners. Thereafter, the Board is elected by the majority vote of the electors within the District, in accordance with Chapter 190 of the Florida Statutes, commonly referred to as Community Development District legislation. All meetings and records of the District are open to the public pursuant to law. The documentation related to the establishment and operation of the Community Development District, including its budget is available for inspection at the District's office. Likewise, detailed information about the assessment allocation method and the function of the District is available at the District's office.

7. Establishment of Preferred Builder Program. Declarant has established a preferred builder program for the construction of homes within the Property. By acquiring title to any Lot, each owner acknowledges, covenants and agrees that the improvements will be constructed on such lot by a builder who is listed on the Declarant's list of approved builders, as such list may be amended from time to time at Declarant's sole and absolute discretion. All Builders will be obligated to pay a marketing and brokerage fee based on the total contract priced for the construction of any improvements on any lot to Naples Reserve, LLC. Notwithstanding the foregoing, the status as a preferred builder does not constitute a representation or warranty by Declarant, expressed or implied, of the ability, financial standing, reliability or any other matter related to the choice of a preferred builder to build an Owner's home. Declarant does not warrant the merchantability or habitability of any Builder's work product.

**ARTICLE III
LAND DESIGNATION AND ADMINISTRATION**

1. In General. The Property may be subjected to designated uses in accordance with the terms of this Declaration, by any Supplemental Declaration or by any other reasonable means by Declarant. Declarant may, in its sole and absolute discretion, establish any use for the Property consistent with the terms of the Master Plan, this Declaration and applicable law. Without limiting the foregoing, the Property may be used in the following manner:

(a) Residential Areas. Residential areas shall be those areas used for residential use, which shall include Lots and improvements associated with residential purposes and uses including, but not limited to streets, driveways, sidewalks, entranceways, street lighting, open spaces, parking spaces, landscaping, swimming pools, other recreational facilities and other areas or amenities appurtenant to the Lots. Unless otherwise provided in a Supplemental Declaration, each Owner shall be responsible for the maintenance of his or her Lot.

(b) Common Area, Exclusive Common Area

i. In General. Every Owner shall have a right and non-exclusive easement of use, access and enjoyment in and to the Common Area, subject to this Declaration as it may be amended from time to time, and to any restrictions or limitations contained in any deed conveying such property to the Association. Any Owner may delegate his or her right of use and enjoyment in the Common Area to the members of his or her family, lessees and invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt.

Declarant shall determine the manner of making improvements to all Common Area and the use thereof so long as Declarant owns any portion of the Property or the Additional Property, and, thereafter, the Association shall have the same right provided the general quality of the Master Plan is not materially and detrimentally changed.

ii. Administration and Operation. The administration and operation of the Common Area shall be the responsibility of the Association, except that the Association with the prior consent of the accepting party may assign or delegate such responsibility, in whole or in part, exclusively or non-exclusively, and permanently or temporarily, for any portion of the Common Area to a Neighborhood, governmental entity or other Person determined to be appropriate by Declarant so long as Declarant owns any portion of the Property or the Additional Property.

iii. Certain Declarant Rights. Declarant shall have the right, so long as Declarant owns any portion of the Property or the Additional Property, to, in its sole and absolute discretion, alter the boundaries of the Common Area and construct, develop or modify the Common Area and any improvements, easements and use rights thereon or appurtenant thereto in a manner determined appropriate by Declarant, in its sole discretion, without the joinder or consent of any Person, including, without limitation, the Association, any Neighborhood, any Owners or any mortgagee of any Owner.

iv. Declarant Approval. The Association shall not abandon, partition, alienate, release, transfer, hypothecate, or otherwise encumber the Common Area so long as Declarant owns any portion of the Property or the Additional Property without the prior written approval of Declarant and, thereafter, without the prior approval of a majority of the votes eligible to be cast by the Class "A". The preceding sentence shall not prohibit the Association from granting such easements over, under and above Common Area as are reasonably necessary or appropriate for the development and operation of the Property in a manner consistent with the provisions of this Declaration, nor shall the foregoing prohibit the Association from encumbering Common Area provided such encumbrances are solely to secure loans obtained for improving

Common Area, and the lien of such encumbrance is not superior to the provisions of this Declaration.

v. Exclusive Common Area. Certain provisions of the Common Area may be designated as Exclusive Common Areas and reserved for the exclusive use of Owners and occupants of Lots within a particular Neighborhood or Neighborhoods. By way of illustration and not limitation, Exclusive Common Areas may include recreational facilities intended for the exclusive use of Owners within a particular Neighborhood or Neighborhoods, and supported exclusively by Neighborhood Assessments.

(c) Other Uses. Declarant may use any portion of the Property for commercial purposes. Any such use shall be designated by Declarant in a Supplemental Declaration, and Declarant may, in any such Supplemental Declaration, set forth any restrictions, conditions and covenants that run with such portion of the Property. Declarant may also set forth any rights and obligations of the Owner of such portion of the Property, and the manner in which such portion of the Property shall be administered and assessed under this Declaration. Notwithstanding the foregoing, a portion of the Property may be used as a sales center for the sale and resale of Lots and Units within the Community or other communities designated by Declarant and/or memberships. Declarant may assign, in whole or in part, its rights under this, Section 1(c).

(d) Cooperation with Community Development District(s). The Association shall have the power, and is hereby authorized, to contract with and to cooperate with the District, or any other such community development district, in order to ensure that their respective responsibilities are discharged. The Association is authorized to enter into agreements with any community development district(s) to construct, maintain, improve, replace, insure and perform other responsibilities as may be set forth in such agreement(s) with respect to signage, landscaping, or other functions which may be performed, in whole or in part, by such community development district(s). The expense of such activities may be allocated pursuant to an agreement with the appropriate community development district(s). The Association is further authorized to act on behalf of its Members to ensure that the level of services provided by any community development district, if created, is consistent with the Community-Wide Standard. Each Owner or Builder, by owning or accepting a deed or recorded contract of sale for any portion of the Property, is deemed to covenant and consent to the creation of one or more community development district(s) and to the execution of a separate document so consenting to its creation if requested to do so by the Declarant.

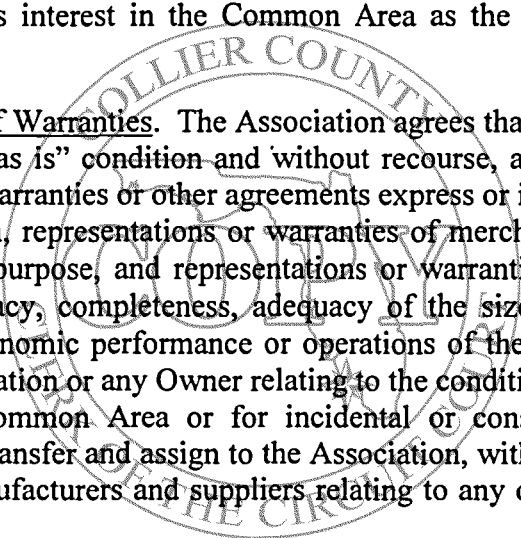
2. Disputes as to Use. If there is any dispute as to whether the designation of any portion of the Property complies with this Declaration, any Supplemental Declaration, or any other documents, then, so long as Declarant owns any portion of the Property or the Additional Property, the dispute shall be referred to Declarant. After Declarant no longer owns any portion of the Property or the Additional Property, the dispute shall be referred to the Association. The determination rendered by Declarant or the Association, as the case may be, shall be final and binding on all Persons involved in the dispute.

**ARTICLE IV
DEVELOPMENT OF COMMON AREAS**

1. Construction and Inspection of the Common Area. Declarant (or Builders) will construct, furnish and equip, at its (or their) sole cost and expense, the Common Area. Upon completion of construction of the Common Area, Declarant (or the Builder, as the case may be) will engage independent licensed inspectors to inspect any Common Area improvements to determine if they were built in substantial accordance with the applicable plans and specifications as modified by any change orders. Any repairs indicated by the inspection reports shall be completed by Declarant (or by the Builder if the improvements were constructed by a Builder), at its sole cost and expense.

2. Transfer of Common Area. On or before the Turnover Date, Declarant agrees to convey, transfer, assign and deliver to the Association, and the Association shall accept same from Declarant, Declarant's interest in the Common Area as the same exists on the date of conveyance.

3. Disclaimer of Warranties. The Association agrees that the Common Area shall be conveyed in its "where is, as is" condition and without recourse, and Declarant disclaims and makes no representations, warranties or other agreements express or implied with respect thereto, including without limitation, representations or warranties of merchantability or fitness for the ordinary or any particular purpose, and representations or warranties regarding the condition, design, construction, accuracy, completeness, adequacy of the size or capacity in relation to utilization or the future economic performance or operations of the Common Area. No claim shall be made by the Association or any Owner relating to the condition, operation, use, accuracy or completeness of the Common Area or for incidental or consequential damages arising therefrom. Declarant will transfer and assign to the Association, without recourse, all warranties which it receives from manufacturers and suppliers relating to any of the Common Area which exist and are assignable.



**ARTICLE V
USE RESTRICTIONS**

1. In General. The Property shall be used only for residential, recreational, and related business and commercial purposes, which purposes may include, without limitation, offices for any property manager retained by the Association or business, sales, real estate offices for Declarant or the Association, and other businesses which serve and are a part of the Community, as may more particularly be set forth in this Declaration and amendments hereto. Any Supplemental Declaration or additional covenants imposed on the property within any Neighborhood may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards. The Association, acting through its Board of Directors, shall have authority to make, and the Association acting through its Board of Directors shall have the authority to enforce, standards and restrictions governing the use of the Property in addition to those contained herein and in the Community-Wide Standards. Such regulations and use restrictions shall be binding upon all Owners, occupants, invitees and licensees. Notwithstanding anything

to the contrary herein, Declarant shall be exempt from application of the provisions of this Article.

(a) Accessory Structures. Doghouses, tool sheds or structures of a similar kind or nature are not permitted on any part of the Property.

(b) Air Conditioning Units. Except as may be permitted by the DRC, no window air conditioning units may be installed in any Unit.

(c) Animals and Pets. No animals, of any kind shall be raised, bred or kept on any portion of the Property, except that dogs, cats, fish, or other usual and common household pets may be permitted on a Lot. However, those pets which are permitted to roam free, or which, in the sole discretion of the Board of Directors, endanger the health and safety of the Members of the Association, make objectionable noise, or constitute a nuisance or inconvenience to the other Members of the Association shall be removed upon request of the Board of Directors. If the Owner fails to honor such request, the pet may be removed by the Board of Directors. No pets shall be kept, bred or maintained for any commercial purpose. Household pets shall at all times whenever they are outside the Owner's Unit be confined on a leash held by a responsible person.

(d) Antennas, Satellite Dishes. Placement of antennas, satellite dishes, or other apparatus for the transmission, reception, or communication of television, radio, satellite, or other signals are not permitted, except for one small receiver which may be located in the side or rear yard, installed adjacent to the residence, integrated with the residential structure and landscaping, and approved by the DRC. Unless otherwise provided by law, dishes shall not exceed 40 inches in diameter. Any such devices shall be screened or landscaped from view from the street and adjacent Units. The Association may, but shall not be required, to enter into a bulk rate cable television agreement to provide cable television service to all of the Lots as provided in the Article entitled "Cable Television" hereof.

(e) Artificial Vegetation, Exterior Decorations, and Similar Items. No artificial vegetation shall be permitted on any Lot. Exterior decorations, including without limitation, sculptures, fountains, flags, and similar items must be approved by the DRC.

(f) Clotheslines, Garbage Cans, Tanks. Clotheslines, garbage cans, storage tanks, mechanical equipment, including, without limitation, electrical meters, gas meters and air conditioning compressors, or other similar items shall be located or screened so as to be concealed from view of neighboring Lots, and streets. All rubbish, trash, and garbage shall be stored in appropriate containers with lids and regularly removed from the Property and shall not be allowed to accumulate thereon. All basketball hoops, backboards, storage tents, mechanical equipment, garbage can storage structures and other such items shall be subject to the approval of the DRC.

(g) Business Use. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in a Unit may conduct business activities within the Unit 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 Property; (c) the business activity does not involve persons coming

onto the Property who do not reside in the Property or door-to-door solicitation of residents of the Property; and (d) the business activity is consistent with the residential character of the Property and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Property, 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 therefor. Notwithstanding the above, the leasing of a Unit 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 Property or its use of any Units which it owns within the Property.

(h) Decks. Decks must be located at the rear of Units and must be approved by the DRC. The configuration, detail and railing design of a deck shall be harmonious with the architectural style of the Unit.

(i) Drainage. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person, other than Declarant, or the Association, may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves for itself, and the Association a perpetual easement across the Property for the purpose of altering drainage and water flow.

(j) Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot or Unit unless it is an integral and harmonious part of the architectural design of the Lot or Unit, as determined in the sole discretion of the DRC. Under no circumstances shall solar panels be installed so as to be visible from any street in the Community.

(k) Firearms. The discharge of firearms within the Property is prohibited. The term “firearms” includes “B-B” guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the By-Laws, the Association shall not be obligated to take action to enforce this Section.

(l) Golf Carts. Private golf carts will be permitted within the Community.

(m) Irrigation. No sprinkler or irrigation systems of any type which draw from any body of water within the Property shall be installed, constructed or operated by any Person, other than the Association, Declarant, without the prior written approval of the DRC. All parcels which are developed may be required to have an underground irrigation system. In the event effluent irrigation water is available, each Builder may, at its sole cost and expense, be required to connect the irrigation system for its parcel to the effluent source.

(n) Lighting. Each Builder may be required to install on any Units constructed by such Builder exterior lighting as determined by the DRC. Lots or Owners of the Lots or Units served by such lighting will be responsible for maintaining the lighting and the Association shall have the right, at Owner's cost and expense, to maintain such lighting in the event Owner fails to do so. All exterior lighting must be approved by the DRC prior to installation.

(o) Mailboxes and Exterior Hardware. The style and design of all mailboxes, lettering and numbering, and exterior hardware must be in accordance with the Design Guidelines.

(p) Maintenance of Lots.

i. Landscaping. No weeds, underbrush, or other unsightly growth shall be permitted to grow or remain upon any Lot, and no refuse or unsightly objects shall be allowed to be placed or suffered to remain upon any Lot. All landscaping, sprinkler systems and any property, structure, improvement and appurtenance shall be kept in good, safe, clean, neat and attractive condition.

ii. Painting. The exterior of all Units shall have a fresh coat of paint, applied evenly and no excessive cracks, peelings, or strippings shall be allowed to remain unremedied.

iii. Roofing. The roofs of all Units shall be maintained in a clean, neat and attractive condition with a full complement of roof tiles or shingles. Upon the failure to maintain the premises as aforesaid to the satisfaction of the Association, the Association may, but shall not be required to, enter upon such premises and make such improvements or corrections as may be necessary, the costs of which along with an administrative surcharge of ten percent (10%) of such amount shall be assessed against the affected Owners in accordance with the "Maintenance" Article hereof.

iv. Nuisance. No portion of the Property shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye, nor shall any substance, thing, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding Units. No noxious, illegal or offensive activity shall be carried on upon any portion of the Property.

v. Occupants Bound. All provisions of this Declaration, the By-Laws, the Articles and the Rules and Regulations or any use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants, guests and invitees of any Unit. Every Owner shall cause all occupants of his or her Unit to comply with this Declaration, the By-Laws, the Articles and the Rules and Regulations and shall be responsible for all violations and losses to the Common Area caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable

and may be sanctioned for any violation of this Declaration, By-Laws, Articles and Rules and Regulations.

vi. On-Site Fuel Storage. No on-site storage of gasoline or other fuels shall be permitted on any part of the Property except that the Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment. Notwithstanding this provision, fuel tanks for storage of fuel for ranges, ovens, dryers, water heaters, dwellings, pools, gas grills and similar equipment may be permitted if installed underground or appropriately screened and approved by the DRC.

vii. Parking. Vehicles shall be parked only in the garages or in the driveways, if any, serving the Units or in appropriate spaces or designated areas in which parking may or may not be assigned. Notwithstanding the above, no more than two (2) vehicles shall be parked in the driveway serving any Unit on a regular basis. For purposes of this paragraph, a car shall be deemed parked on a "regular basis" if parked in such driveway more than seventy-two (72) hours in any seven day period without prior approval of the Board of Directors. Garage doors shall remain closed at all times except during ingress and egress. Any vehicle which is parked in violation of this paragraph or parking rules promulgated by the Board may be towed in accordance with the By-Laws. Notwithstanding the foregoing, service and delivery vehicles may be parked in the driveway of a Unit during daylight hours for such period of time as is reasonably necessary to provide service or make a delivery to the Unit.

viii. Playground, Play Equipment, Strollers. All bicycles, tricycles, scooters, skateboards, and other play equipment, wading pools, baby strollers and similar items shall be stored so as not to be visible from streets or property adjacent to the Unit. No such items shall be allowed to remain in the open so as to be visible from adjacent property when not in use. Notwithstanding the above, the Board of Directors may, but shall not be obligated, to permit swing sets and similar permanent playground equipment to be erected within the Community provided they are approved by the DRC. Any playground or other play areas or equipment furnished by the Association or erected within the Community shall be used at the risk of the user, and the Association shall not be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

ix. Pools. No above-ground pools shall be erected, constructed or installed on any Lots, except that above ground spas and jacuzzis may be permitted as approved by the DRC.

x. Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors, vehicles primarily used or designed for commercial purposes, pick-up trucks, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or in the common parking area, if any, designated by the Association. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted within the Community, except within enclosed garages. For purposes hereof, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without the prior approval of the Board of Directors. Notwithstanding the foregoing, service and

delivery vehicles may be parked in the driveway of a Lot during daylight hours for such period of time as is reasonably necessary to provide service or make a delivery to a Lot. Any vehicle which is parked in violation of this paragraph may be towed by the Board of Directors at the Owner's expense. This paragraph shall not apply to any commercial vehicles providing service or making deliveries to or on behalf of the Association, Declarant or their designees.

xi. Roadways, Sidewalks, Driveways. All utilities within the Property shall be installed underground, unless otherwise specifically permitted by Declarant or the DRC. Utility lines, including without limitation cable television and gas, may only be installed, repaired or replaced under existing roadways, sidewalks and driveways by a method which will not disturb the paved surface of such roadway, driveway or sidewalk. This restriction is intended to preserve the aesthetic nature of the paved surfaces.

xii. Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

xiii. Signs and Flagpoles. No sign, billboard or advertisement shall be erected except as otherwise specifically permitted by the DRC. The Board of Directors shall have the right to erect signs as it deems appropriate, in its discretion.

xiv. Subdivision of Unit and Timesharing. No Lot shall be subdivided or its boundary lines changed except by Declarant or with the prior written approval of the Board of Directors of the Association. No Unit shall be made subject to any type of timeshare program, interval ownership or similar program whereby the right to exclusive use of the Unit rotates among multiple owners or members of the program on a fixed or floating time schedule over a period of years, except that Declarant hereby reserves the right for itself and its assigns to operate such a program with respect to Units which it owns. This paragraph shall not prohibit ownership of a Unit by up to four (4) joint tenants or tenants-in-common.

xv. Tents, Trailers and Temporary Structures. Except as may be permitted by the DRC, during initial construction within the Community, no tent, utility shed, shack, trailer or other structure of a temporary nature shall be placed within the Community.

xvi. Tree Removal. No trees, other than diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, shall be removed unless approved by the DRC. Any stumps resulting from trees being damaged by acts of God must be removed. This Section shall not apply to Declarant.

xvii. Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Community, except as otherwise specifically permitted by Declarant or the DRC.

xviii. Walls and Fencing. Except as otherwise specifically permitted by the DRC, walls and fencing on a Lot shall not be permitted.

xix. Wells. No private wells are permitted on any Lot without the prior written approval of Declarant or the DRC.

xx. Wetlands, Lakes and Water Bodies. Certain lakes or lake areas will allow recreational uses including battery powered boats. All other wetlands, lakes, ponds, and streams within the Property, if any, shall be storm water retention facilities or aesthetic amenities only, and no other use thereof, including, without limitation, fishing, swimming, boating, playing, or use of personal flotation devices, shall be permitted unless otherwise permitted by Declarant or the Board of Directors. Neither the Declarant, the Association shall be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of lakes, ponds, streams or shoreline within the Property. No docks, piers, or other structures shall be constructed on or over any body of water within the Property, except such as may be constructed by Declarant, the Association, or as approved pursuant to the "Developmental Standards and Review" article of this Declaration. The elevation of the land shall not be altered and fill shall not be used to extend the boundaries of a Lot or to change the bulkhead line on any Lot bounded by a wetland, lake, or other body of water unless approved in accordance with the "Developmental Standards and Review" article of this Declaration. This paragraph shall not restrict the use of water for Property.

xxi. Window Coverings. All windows on any structure which are visible from the street or dwellings on other Units shall have window coverings which have a white or off-white backing or blend with the exterior color of the dwelling, as determined in the sole discretion of the DRC after application pursuant to Article VI hereof. Reflective window coverings are prohibited.

2. Leasing of Units. Units may not be leased, sub-leased, or rented to any person or persons other than the Owner for a period of less than thirty (30) consecutive days whereby the Owner receives any consideration or benefit thereof, including, but not limited to, a fee, service, gratuity, or emolument.

3. Exculpations and Approvals. Declarant, the Association, the DRC, and any of their agents may grant, withhold or deny their consent, permission or approval in any instance when their consent, permission or approval is permitted or required at their sole discretion and without any liability of any nature or kind to any Owner or any other Person for any reason whatsoever, and shall be indemnified and held harmless by such Owner or other Person from any and all damages resulting therefrom, including, but not limited to, court costs and reasonable attorneys' fees. Every consent, permission or approval by Declarant, the Association, the DRC, or any of their agents under this Declaration shall be in writing, and binding upon all Persons.

4. Community-Wide Standards, Rules and Regulations. The Association, through the Board, shall have the right to promulgate and impose further Community-Wide Standards or any rules and regulations of the Association and thereafter to modify, alter, amend, rescind and augment any of the same with respect to the use, operation and enjoyment of all or a portion of the Property, the Common Area, the Exclusive Common Area and any improvements located thereon including, but not limited to, establishing reasonable fees for the use of facilities and establishing hours and manner of operation.

**ARTICLE VI
DEVELOPMENTAL STANDARDS AND REVIEW**

1. In General. All construction improvements and modifications shall comply with the Master Plan, the applicable building regulations and standards established by the applicable governmental authority from time to time as well as the terms and conditions set forth in this Declaration. EACH OWNER AND BUILDER ACKNOWLEDGES THAT PRIOR TO SUBMITTING AN APPLICATION FOR A BUILDING PERMIT FOR ANY CONSTRUCTION OR IMPROVEMENT, THE PLANS FOR SUCH CONSTRUCTION OR IMPROVEMENT SHALL BE SUBJECT TO THE REVIEW AND APPROVAL OF THE DRC.

2. Developmental Standards. No construction (which term shall include, without limitation, staking, clearing, excavating, grading, and other site work), no exterior alteration, improvement 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 below have been fully met, and until the approval of the DRC has been obtained pursuant to this Section. The Board of Directors may establish reasonable fees to be charged by the committees on behalf of the Association for review of an application for approval hereunder, which fees, if established, shall be paid in full prior to review of any application hereunder. All structures constructed on any portion of the Property shall be designed by and built in accordance with the approved plans and specifications.

This Article shall not apply to any construction on or improvements or modifications to the Common Area made by or on behalf of the Association or to the activities of Declarant. The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the DRC established in this Article. This Article may not be amended without the Declarant's prior written consent so long as the Declarant owns any portion of the Property or the Additional Property.

The Developmental Review Committee shall have exclusive jurisdiction to review and approve all original construction on any portion of the Property. Declarant retains the right, so long as Declarant owns any portion of the Property or the Additional Property, to appoint all members of the DRC, which shall consist of not less than three, nor more than five, persons. Upon the expiration of such right, the Board of Directors shall appoint the members of the DRC.

The DRC shall prepare and promulgate on behalf of the Board of Directors design and development guidelines and application and review procedures ("Design Guidelines"). Copies of the Design Guidelines shall be available from the DRC for review. The DRC shall have sole and full authority to prepare and to amend the Design Guidelines. The Design Guidelines shall be available to Owners and Builders who seek to engage in development of or construction upon all or any portion of the Property, and such Owners and Builders shall conduct their operations strictly in accordance therewith. A non response by the DRC within the review timeframe as outlined in the Design Guidelines Manual shall not be deemed an approval. Approvals will be issued in writing and shall in no way relieve the Owner or Builder of this responsibility and liability for adherence to any applicable ordinances and codes. By acquiring title to a Lot, each Owner acknowledges that, prior to acquiring such title, such Owner obtained

and reviewed a current copy of the Design Guidelines from the DRC, and agrees that the construction of any improvements on such Owners Lot shall be subject to the terms, provisions and procedures thereof. In addition to the foregoing, the DRC shall also have the authority to promulgate Landscape Design Criteria, which Criteria shall also be considered by the DRC when reviewing the proposed construction of a dwelling on any Lot. By acquiring title to a Lot, each Owner acknowledges that, prior to acquiring title to such Lot, such owner has obtained and reviewed a current copy of the Landscape Design Criteria from the DRC and acknowledges and agrees the development of such Owner's Lot shall also be subject to the terms and provisions thereof.

3. No Waiver of Future Approvals. The approval of the DRC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or other matters whatever subsequently or additionally submitted for approval or consent.

4. Variance. The DRC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require. Such variances may only be granted, however, when unique circumstances dictate and no variance shall be effective unless it is reduced to writing. No variance shall stop the DRC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

5. No Liability. No review or approval by the DRC shall imply or be deemed to constitute an opinion by the DRC, nor impose upon the DRC, the Association, Declarant or any other party, any liability for the design or construction of building elements, including, but not limited to, structural integrity or life and safety requirements. The scope of any such review and approval by the DRC is limited solely to whether the respective plans or work meet certain requirements, standards, and guidelines relating to aesthetics and the harmony and compatibility of proposed improvements in the Community. No review or approval will be for any other Person or purpose, and no Person other than the DRC shall have any right to rely thereon, and any review or approval by the DRC will create no liability whatsoever of the DRC, Declarant or the Association to any other Person or party whatsoever.

6. Compliance. Any Owner, Builder, or contractor, subcontractor, agent or employee of an Owner or Builder who fails to comply with the terms and provisions of the guidelines and procedures promulgated by the DRC may be fined and/or excluded by the Board of Directors from the Property without liability to any Person, subject to the notice and hearing procedures contained in the By-Laws, and any improvements constructed in violation of this Section may be razed by the Association without payment or liability to any Person.

**ARTICLE VII
NEIGHBORHOODS**

1. Neighborhoods. A parcel of land intended for development as residential area may constitute a Neighborhood, subject to further division into more than one Neighborhood upon further development. Neighborhoods may be designated by Supplemental Declarations in accordance with Paragraph 2 and 3 of Article II. The Lots within a particular Neighborhood may be subject to additional covenants and/or the Owners may be members of a Neighborhood Association in addition to the Association, but no such Neighborhood Association shall be required except in the case of a condominium or as otherwise required by law. Each Neighborhood, upon the affirmative vote, or written consent, or a combination thereof, of a majority of Owners within the Neighborhood, may request that the Association provide a higher level of service or special services for the benefit of Lots in such Neighborhood, the cost of which shall be assessed against the benefited Lots as a Neighborhood Assessment. The Association may, but is not required to, provide such higher level of services. The Board of Directors of the Association may consult on an advisory basis with the Neighborhood on maintenance of Exclusive Common Area and other issues affecting the Neighborhood.

2. Exclusive Common Area.

(a) Neighborhood Expense. The cost and expense of the Exclusive Common Area shall be borne by the Owners of Lots located in the Neighborhood benefited by such Exclusive Common Area, as set forth in a Supplemental Declaration, a Neighborhood Declaration, or otherwise.

(b) Operation of Neighborhood. A Neighborhood shall have the right, subject to Declarant's prior consent, to contract with the Association to provide for the operation and maintenance of its Exclusive Common Area.

3. Certain Rights of Association Regarding Neighborhoods.

(a) Enforcement. If any Neighborhood fails to comply with this Declaration or any of the other Documents, the Association shall have the right and power, but neither the duty nor the obligation, to enforce the provisions of this Declaration or to perform the Neighborhood's duties and responsibilities, or to seek judicial relief or remedy to require compliance with same, and to obtain payment of the cost of such performance or enforcement, plus a reasonable administrative charge equal to ten percent (10%) of such amount.

(b) Special Assessments. The Association shall have the right, in addition to any other rights of the Association, to specially assess the members of a Neighborhood and such Neighborhood for expenses incurred by the Association for such Neighborhood.

(c) Entry Rights. The Association shall have the right, for itself, its designee, or any agent or employee, to enter upon any property administered by a Neighborhood to carry out the provisions of the Documents, and the same shall not constitute a trespass.

(d) Right to Maintain Exclusive Common Area. The Association shall have the right to maintain the Exclusive Common Area of a Neighborhood, including in particular, all

landscaping within the Neighborhood, and may assess the cost of such maintenance as a Neighborhood Expense.

**ARTICLE VIII
MEMBERSHIP AND VOTING RIGHTS**

1. Classes of Membership and Voting Rights. There shall be two classes of membership in the Association as follows:

(a) Class "A" Membership. Each Owner of a Lot, other than Declarant, shall be a Class "A" Member. Each Class "A" Member shall be entitled to one (1) vote for each Lot owned by the Member.

(b) Class "B" Membership. Declarant shall be a Class "B" Member until the Turnover Date, after which time Declarant shall be a Class "A" Member for so long as it owns one or more Lots. The Class "B" Member shall be entitled to five (5) votes for each Lot owned by the Class "B" Member. After Declarant is converted to a Class "A" Member, it shall be entitled to one (1) vote for each Lot it owns. The Class "B" Member shall be entitled to appoint all of the members of the Board of Directors until the Turnover Date as specified in the By-Laws.

2. Joint Ownership. Voting rights may be exercised by a Member or the Member's spouse. In any situation where more than one Person holds an interest in a Lot, the vote for that Lot shall be exercised by any such Person; provided, however, the Persons holding the interest in the Lot can notify the Secretary of the Association, in writing, prior to or during any meeting of the manner in which the vote for the Lot is to be exercised and, in the absence of such notice, the Lot's vote shall be suspended if more than one Person seeks to exercise it. The voting rights of a Member that is a company or other form of entity ownership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary.

3. Turnover Date. The Turnover Date shall occur on the earlier of the following conditions:

(a) three (3) months after the sale of ninety percent (90%) of all the Lots permitted for the Property to Persons other than Declarant or Builders; or

(b) such earlier date, as determined by the Class "B" Member, in its sole and absolute discretion.

(c) The Declarant shall continue to be able to appoint one member of the Board of Directors as long as the Declarant holds for sale in the ordinary course of business at least five percent (5%) of the Lots in all phases of Naples Reserve. After the Declarant relinquishes control of the Association, the Declarant may exercise the right to vote all of its voting interests in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board of Directors.

**ARTICLE IX
ASSESSMENTS**

1. Affirmative Covenant to Pay Assessments. There is hereby imposed upon each Owner and each Lot, the affirmative covenant and obligation to pay to the Association all Assessments with respect to the Lot. Each Owner, by acceptance of a deed or other instrument of conveying title to a Lot, whether or not it is so expressed in such deed or instrument, shall be obligated and agrees to pay all Assessments, regardless of their nature, including, but not limited to, any then past due Assessments in accordance with the provisions of this Declaration, and consents and agrees to the lien rights hereunder against the Lot. The liability for Assessments is personal to the Owner and may not be avoided by waiver of the use or enjoyment of Common Area or Exclusive Common Area, or by abandonment of the Lot for which the Assessments are made. Neither the liability for Assessments, nor the amount of Assessments, shall be reduced or avoided due to the fact that all or any portions of the Common Area, Exclusive Common Area or other portions of the Property are not completed. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or the Board of Directors to take some action or perform some function required to be taken or performed by the Association or the Board of Directors under this Declaration, the By-Laws or the Articles, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any action taken to comply with any law or with any order or directive of any municipal or other governmental authority.

2. Creation of Assessments. There are hereby created Assessments for expenses of the Association as the Board of Directors may authorize from time to time to be commenced at the time and in the manner set forth in the "Payment of Assessments" Section below. There shall be three (3) types of Assessments:

(a) Common Assessments. Common Assessments shall be levied equally on all Lots.

(b) Neighborhood Assessments. Neighborhood Assessments (if any) shall be levied equally on all Lots within the Neighborhood or Neighborhoods for whose benefit Neighborhood Expenses are incurred as provided in the "Computation of Neighborhood Assessments" Section, below; and

(c) Special Assessments. Special Assessments shall be levied as provided in the "Special Assessments" Section below.

3. Payment of Assessments. Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, an acceleration of the annual Common Assessment and any Neighborhood Assessment for delinquents. Unless the Board of Directors provides otherwise, the Common Assessment and any Neighborhood Assessment shall be paid in advance on a quarterly basis. 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 of the Association, setting forth whether such Assessment has been paid in respect of any particular Lot. Such certificate shall be conclusive evidence that the Assessment stated therein has been paid to the Association. The Association

may require the advance payment of a reasonable processing fee for the issuance of such certificate.

4. Computation of Common Assessment. It shall be the duty of the Board of Directors to prepare a budget annually covering the estimated Common Expenses of the Association for the ensuing fiscal year (including the capital replacement reserve provided for in the section entitled "Reserve Budget"). The Common Assessment levied against each Lot which is subject to the Common Assessment shall be computed by dividing the budgeted Common Expenses by the total number of Lots which are subject to Common Assessments plus the total number of Lots reasonably anticipated to become subject to Common Assessments during the fiscal year. The budget and the amount of the Common Assessment shall be determined by the Board of Directors in their sole and absolute discretion. The Board of Directors shall cause a copy of the Common Expense budget and notice of the amount of the Common Assessment to be levied for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Notwithstanding the foregoing, in the event the Board fails for any reason 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; provided, however, that upon the adoption of a new budget, the same shall be deemed retroactive to the beginning of the then current budget year and each Owner shall pay the increase, if any, in the Common Assessment for the beginning of such year at the time the next installment is due.

5. Computation of Neighborhood Assessments. It shall be the duty of the Board of Directors annually to prepare a separate budget covering the estimated Neighborhood Expenses to be incurred by the Association for each Neighborhood on whose behalf Neighborhood Expenses are expected to be incurred for the ensuing fiscal year. The Board of Directors shall be entitled to set such budget only to the extent that this Declaration or a Supplemental Declaration specifically authorizes the Board of Directors to assess certain costs as a Neighborhood Assessment. Any Neighborhood may request that additional services or a higher level of services be provided by the Association, and in such case, any additional costs shall be added to the Neighborhood's budget. This budget may include a capital contribution establishing a reserve fund for repair and replacement of capital items within the Neighborhood, as appropriate. The Neighborhood Assessment levied against each Lot in that Neighborhood which is subject to the Neighborhood Assessment shall be computed by dividing the budgeted Neighborhood Expenses for that Neighborhood by the total number of Lots within such Neighborhood which are subject to the Neighborhood Assessments plus the total number of Lots in that Neighborhood reasonably anticipated to become subject to the Neighborhood Assessments during the fiscal year. The Board of Directors shall cause a copy of such budget and notice of the amount of the Neighborhood Assessment to be levied on each Lot for the coming year to be delivered to each Owner of a Lot in the benefited Neighborhood at least thirty (30) days prior to the beginning of the fiscal year. In the event the Board of Directors fails for any reason 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.

6. Special Assessments.

(a) As To All Members. The Board of Directors, upon the affirmative vote of a majority of votes cast by the Members of the Association and the consent of the Class "B" Member so long as the Class "B" Membership exists, may levy Special Assessments for capital improvements and repairs from time to time. No membership vote shall be required for Special Assessments due to budget shortfalls in any year, as a result of an emergency to protect, preserve or repair the Common Area from any casualty or threat thereof, or as otherwise provided in subsection (b) hereof. Special Assessments pursuant to this paragraph shall be payable in such manner and at such times as determined by the Board of Directors, and may, if the Board of Directors so determines, be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

(b) Less Than All Members. Without a membership vote, the Association may levy a Special Assessment against any Member individually and against such Member's Lot to reimburse the Association for costs incurred in bringing a Member and the Lot or Unit into compliance with the provisions of the Declaration, any amendments thereto, the Articles, the By-Laws, the Community-Wide Standards or the Rules and Regulations, which Special Assessment may be levied upon the vote of the Board of Directors after notice to the Member and an opportunity for a hearing. The Association may also levy, without a membership vote, a Special Assessment against the Lots in any Neighborhood to reimburse the Association for costs incurred in bringing the Neighborhood into compliance with the provisions of this Declaration, any amendments thereto, any Supplemental Declaration, if applicable, and the Articles, the By-Laws, the Community-Wide Standards or the Rules and Regulations, which Special Assessment may be levied upon the vote of the Board of Directors after notice to the Members from such Neighborhood and an opportunity for a hearing. In the event the Association enters into a bulk rate cable television agreement for the Community, the Association may without a vote of the members assess all Lots for which a certificate of occupancy has been issued for cable television service. For any Special Assessment levied for failure to comply with the Documents, the Association may add an administration charge equal to ten percent of such amount.

7. Declarant's Obligation for Assessments. Beginning on the date of the recordation hereof, and continuing so long as Declarant owns one or more Lots, Declarant shall (in lieu of paying Assessments on Lots owned by Declarant) pay the difference, if any, between the amount of Assessments payable by Owners other than Declarant and the actual Common Expenses incurred by the Association for each Assessment period unless Declarant otherwise elects to pay Assessments on its unsold Lots as described more fully below. If Declarant determines not to pay the difference between the amount of Assessments payable by Owners other than Declarant and the actual Common Expenses, then Declarant shall pay Assessments for the Lots which Declarant owns. Unless Declarant otherwise notifies the Board of Directors in writing at least sixty (60) days prior to the end of the fiscal year, Declarant shall be deemed to have elected to continue paying on the same basis as the preceding fiscal year. Declarant's obligations hereunder may be satisfied in the form of a cash subsidy or by "in kind" contributions of services or materials, or a combination of the same.

8. Establishment of Lien. Any and all Assessments, together with interest at a rate not to exceed the highest rate allowed by applicable usury law as computed from the date the delinquency first occurs, and such late charges and fines as may be established by the Board of Directors and costs and reasonable attorneys' fees may, upon compliance with applicable law,

become a lien upon the Lot against which each Assessment is made and any other assets of the Owner. Each Assessment, together with interest, late charges, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Person who was the Owner of such Lot at the time the Assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance.

The Association, acting on behalf of its Members, shall have the power to bid for the Lot or the other portions of the property so affected at a foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which the Lot or the other property so affected is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no Assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual Assessment, its equal pro rata share of the Assessment that would have been charged such Lot had it not been acquired by the Association. Suit to recover a money judgment for unpaid Common Expenses and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same.

9. Reserve Budget. The Board of Directors shall include in the budget each year a capital replacement reserve, which reserve shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Declarant shall be exempt from the payment of reserve Assessments.

10. Capital Contribution. The Association will establish a Working Capital Fund ("Working Capital Fund"). Each Owner will, upon closing on a Lot, be required to pay a capital contribution to the Association in an amount to be determined by the Board of Directors from time to time, but in no event less than an amount equal to three (3) months of the Common Assessments for that year. This contribution shall be payable at the time the sale of the Lot is closed. The contribution required by this paragraph shall constitute an assessment against the Lot and shall be subject to the same lien rights as any other Assessment under this Declaration. Notwithstanding any provision herein to the contrary, with respect to Builders, the Declarant shall have the right, but not the obligation, to waive all or any portion of the aforementioned capital contribution that would otherwise be due and payable by such Builder to the Association upon the acquisition by a Builder of any Lot or tract of land within the Property that will be platted into Lots.

11. Exempt Property. Notwithstanding anything to the contrary herein, all Common Area, Exclusive Common Area, all property owned by Declarant and all property dedicated by Declarant to utility companies or governmental authorities shall be exempt from payment of Common Assessments, Neighborhood Assessments, and Special Assessments.

ARTICLE X MAINTENANCE

1. Association's Responsibility. The Association shall maintain and keep in good repair the Areas of Common Responsibility, such maintenance to be funded as herein provided. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement of roadways, waterways, preserves, landscaping, flora, fauna, structures and improvements which form the Common Area, and such portions of any additional property included within the

Area of Common Responsibility as may be dedicated by this Declaration, a resolution of the Board, or by an agreement for maintenance by the Association. Notwithstanding anything to the contrary contained herein, to the extent that the Community's entrance feature, including landscaping improvements, signage or other improvements is located in whole or in part on any Lot on the Property, this area shall be deemed to be part of the Area of Common Responsibility for all purposes hereunder and the Association and its agents and designees shall have an easement over and across the Lot for ingress and egress to perform maintenance on this portion of the Area of Common Responsibility.

All costs associated with maintenance, repair and replacement of Areas of Common Responsibility shall be a Common Expense to be allocated among Lots as part of the Common Assessment. All costs associated with maintenance, repair and replacement of Exclusive Common Area of a particular group of Lots shall be an expense of and shall be assessed against the Lots which are benefited by Exclusive Common Area.

The Association shall also be responsible for exterior grounds maintenance within any Neighborhood and maintenance, repair and replacement of other property within any Neighborhood to the extent designated in any Supplemental Declaration affecting the Neighborhood. As provided in this Declaration, or any other written agreement, the Association may also assume maintenance responsibilities with respect to any Neighborhood in addition to those designated by Supplemental Declaration.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard. The costs of such maintenance shall be allocated among the benefited Lots as a Common Assessment, Neighborhood Assessment, or Special Assessment against a particular Lot, as the Board of Directors determines appropriate.

2. Owner's Responsibility. Each Owner shall maintain his or her Lot, Unit and all parking areas and other improvements in connection therewith in accordance with the "Use Restrictions" hereof and the Community-Wide Standards.

3. Landscape Maintenance. In accordance with the "Community-Wide Standards" Section hereof, the Board of Directors may adopt Community-Wide Standards regarding landscape maintenance and irrigation, including but not limited to frequency and quantity of maintenance and frequency, quantity and time of day of irrigation. All such Community-Wide Standards shall be adopted in accordance with good agronomical practices. The Association may, but shall not be required to, provide landscape maintenance services to Lots on a voluntary contract basis. If an Owner fails to maintain the Owner's Lot in accordance with the Community-Wide Standards the Association, at its option, may maintain such Lot. The cost of landscape services shall be allocated among the Lots being maintained as a Special Assessment.

4. Assessments. All maintenance required by the sections entitled "Owners Responsibility and Landscape Maintenance" hereof shall be performed in a manner consistent with the Community-Wide Standards. If any Neighborhood or Owner fails to perform its or his or her maintenance responsibility in accordance with the Community-Wide Standards, the

Association may perform it and assess all costs incurred by the Association plus an administrative surcharge equal to ten percent (10%) of the amount assessed against the Lot and the Owner thereof as a Special Assessment. Prior to entry, the Association shall afford the Owner ten (10) days' written notice to remedy a condition inconsistent with the Community-Wide Standards, except when entry is required due to an emergency.

5. Assignment of Responsibilities as to Environmental Areas. Within and adjacent to the Community there are various types of property which may include wetlands, drainage area, conversation areas, open spaces and buffers upon which restrictions, monitoring requirements, or other obligations may be imposed by local, state, federal or other governmental agencies. The Declarant may from time to time and at any time deed, convey, transfer, or assign any or all of the foregoing areas or responsibilities to the Association and/or the District, which shall accept, own, maintain, and preserve the foregoing areas in accordance with the requirements of such agencies. All such areas that are conveyed to the Association shall become a portion of the Common Area, and the ownership, operation, and maintenance thereof shall be a Common Expense. Alternatively, the Declarant may deed, convey, transfer, or assign any or all of the foregoing areas or responsibilities to another community association, tax-exempt foundation, or similar type entity with which the Association shall cooperate, perform the responsibilities and obligations as set forth therein, and share in the costs pursuant to a covenant to share costs or contributions from any transfer fees collected by the Association, if applicable.

Any of the properties and responsibilities within, adjacent to, or benefiting the Community such as wetlands, drainage areas, conservation areas, open spaces, signage, landscaping, and buffers may be included within the jurisdiction of the District. The Association shall cooperate with and perform the responsibilities delegated to it by the District.

6. Sanctions. Sanctions under the Documents may include reasonable monetary fines (as determined by the Board of Directors) and exclusion from the Property of any Builder, contractor, subcontractor, agent or other invitee who fails to comply with the provisions of the Documents. The Board of Directors shall, in addition, have the power to seek relief in any court for violations of the Documents or to abate nuisances.

**ARTICLE XI
INSURANCE AND CASUALTY LOSSES**

1. Insurance. The Board of Directors, or its duly authorized agent, 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 of the replacement cost of any repair or reconstruction in the event of damage or destruction from any insured hazard.

In addition to casualty insurance on the Common Area, the Association may, in its discretion or upon request of a Neighborhood, obtain and continue in effect adequate blanket all-risk casualty insurance, if reasonably available, on all insurable improvements on the Exclusive Common Area within the Neighborhood. If all-risk insurance is not reasonably available, then fire and extended coverage may be substituted. Such coverage may be in such

form as the Board of Directors deems appropriate for one hundred percent (100%) of the replacement cost of all structures to be insured. The costs thereof shall be charged to the Owners of Lots within the benefited Neighborhood as a Neighborhood Assessment.

Insurance obtained on the improvements within any Neighborhood, whether obtained by the Neighborhood or the Association, shall at a minimum comply with the applicable provisions of this Article, including the provisions of this Article applicable to policy provisions, loss adjustment, and all other subjects to which this Article applies with regard to insurance on the Common Area. All such insurance shall be for the full replacement cost. All such policies shall provide for a certificate of insurance to be furnished to the Association and to the Neighborhood.

The Board of Directors shall 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. The public liability policy shall have the liability limits established by the Board of Directors from time to time.

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

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefited parties, as further identified in subsection (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company authorized to do business in the State of Florida.

(b) All policies on the Common Area shall be for the benefit of the Association, its Members and Institutional Mortgagee, if any, as their interests may appear; all policies secured at the request of a Neighborhood shall be for the benefit of the Neighborhood, if any, the Owners of Lots within the Neighborhood, and their Institutional Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association on the Property shall be vested in the Board of Directors; provided, however, no Institutional Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Members, occupants, or their Institutional Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified Persons.

(f) The Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

i. a waiver of subrogation by the insurer as to any claims against the Board of Directors, the Association's manager, Members, and their respective tenants, servants, agents, and guests;

ii. a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

iii. a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of any one or more individual Members;

iv. a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand, in writing, delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Member, or Institutional Mortgagee;

v. that any "other insurance" clause in any policy exclude individual Members' policies from consideration; and

vi. that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or nonrenewal.

In addition to the other insurance required by this Section, the Board of Directors shall obtain, as a Common Expense, worker's compensation insurance, if and to the extent required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds, if reasonably available. The amount of fidelity coverage shall be determined in the director's best business judgment but, if reasonably available, may not be less than three months' Assessments on all Lots, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or nonrenewal.

2. Damage and Destruction.

(a) Filing Claims. Immediately after damage or destruction by fire or other casualty to all or any part of the Property covered by insurance written in the name of the Association, the Board of Directors 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 repair or reconstruction of the damaged or destroyed property. Repair or

reconstruction, as used in this paragraph, means repairing or restoring the property 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) Repair and Reconstruction. Any damage or destruction to the Common Area or to Exclusive Common Area shall be repaired or reconstructed unless the Class "B" Member and at least seventy-five percent (75%) of the total votes eligible to be cast by the Class "A" Members of the Association if Common Area is damaged (or at least seventy-five percent (75%) of the total votes eligible to be cast by the Class "A" Members of the Neighborhood whose Exclusive Common Area is damaged) 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 funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Institutional Mortgagee shall have the right to participate in the determination of whether the damage or destruction to Common Area, Exclusive Common Area or Lots shall be repaired or reconstructed. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area or Exclusive Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Property shall be restored to their natural state and maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

3. Disbursement of Proceeds. If the damage or destruction 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 or the Exclusive 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 Members and their Institutional Mortgagees as their interests 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 Institutional Mortgagee of a Lot and may be enforced by such Institutional Mortgagee.

4. Repair and Reconstruction. If the damage or destruction to the Common Area or to Exclusive 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 of Directors shall, without the necessity of a vote of the Members, levy a Special Assessment against all Members on the same basis as provided for Common Assessments, provided, if the damage or destruction involves the Exclusive Common Area, only the Members of Lots in the affected Neighborhood shall be subject to Assessment therefor. 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 this Declaration or any amendments hereto, there shall be no judicial partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Property or any part thereof seek any judicial partition unless the Property has been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property, nor from acquiring title to real property which may or may not be subject to this Declaration.

**ARTICLE XIII
CONDEMNATION**

Whenever all or any part of the Common Area shall be taken, or conveyed under threat of condemnation by the Board of Directors by any authority having the power of condemnation or eminent domain, each Member shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as trustee for all Members to be disbursed as follows:

(a) If the taking involves a portion of the Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking Declarant (as long as Declarant owns any portion of the Property) and members representing at least sixty-seven percent (67%) of the total vote of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or restored, the above provisions of the "Landscape Maintenance" and "Assessments" Sections of the "Maintenance" Article regarding the disbursement of funds, and any required Assessments, in respect to casualty damage or destruction which is to be repaired shall apply.

(b) If the taking does not involve any improvements on the Common Area, or if there is a decision made not to repair or restore, then such award or net funds shall be disbursed to the Association and used for such capital improvements as the Board of Directors of the Association shall determine.

**ARTICLE XIV
EASEMENTS AND OTHER RIGHTS**

1. Access to the Property. It is the intent of Declarant that Declarant, the Association, any Neighborhood, and the Owners shall be provided ingress and egress to the Property or portions thereof, in connection with exercising the rights and in carrying out the obligations set forth in the Documents, and any Supplemental Declaration. Declarant may, by separate instruments to be recorded in Collier County, grant exclusive and non-exclusive easements on, upon, over, across, through and under the Property for, among other things, the following purposes: (a) use of Common Area for all proper and normal purposes set forth herein; (b) ingress, egress and access to and from, through and between the Property; (c) inspecting any construction, proposed construction or improvements; (d) repairing or maintaining the Property, and any facilities or improvements thereon; (e) installing and

maintaining the Community's utilities and drainage facilities; (f) encroachments for minor inaccuracies in survey, construction or reconstruction or due to settlement or movement; (g) errant golf balls; (h) maintenance, installation, construction and repair of utilities and facilities; and (i) a right of access to each Lot in favor of the Association or a Neighborhood for maintaining, repairing, replacing and preserving the Common Area. Notwithstanding the absence of a separate recorded document, the rights set forth in this Section shall still exist for the purposes intended in the Documents or as provided in any Supplemental Declaration.

2. Easement for Community Development District. The Declarant hereby grants, and every Unit, the Common Area, and all Lots and Neighborhoods are hereby burdened with, perpetual, non-exclusive easements to the extent reasonably necessary for ingress, egress, and access to properties and facilities of the Districts which may be created, and for the installation, maintenance, repair and replacement thereof. However, these easements shall not include a right to enter any enclosed structure on a Unit or to unreasonably interfere with the use of any Unit. Any damage resulting from the exercise of such easement shall promptly be repaired by, and at the expense of, the Person exercising the easement.

3. Cross Easements for Drainage. The Declarant hereby grants, in every Unit, the Common Area and all Lots and Neighborhoods are hereby burdened with perpetual non exclusive cross easements for drainage pursuant to the surface water management system created by Declarant as maintained, improved, repaired and/or replaced by the South Florida Water Management District, any community development district, Declarant and/or the Association in compliance with the applicable governmental regulations.

ARTICLE XV

TELECOMMUNICATIONS AND SURVEILLANCE SYSTEMS; LIMITED ACCESS

Declarant reserves unto itself and its designees, successors, assigns and licensees the right to enter into one or more contracts for the provision of one or more master telecommunications receiving and distribution systems and electronic surveillance systems (all or any part of which shall be referred to herein as the "System") for all or any part of the Community. The exact description, location and nature of the System has not yet been fixed or determined. Declarant will reserve for itself and its designees, successors, assigns and licensees a perpetual and exclusive right, privilege, easement and right-of-way across, over and upon the Property for the installation, construction and maintenance of the System together with a perpetual and exclusive right, privilege and easement of unlimited ingress and egress, access, over and upon the Property for installing, constructing, inspecting, maintaining, altering, moving, improving and replacing facilities and equipment constituting the System. If and to the extent services provided by the System are to serve all of the Lots, then the cost of the System may be a Common Expense of the Association and shall be included in the Common Assessment. If any services provided by the System are provided only to some but not all of the Lots, then the cost of any such services may be an expense for the benefit of the Lots so served and shall be assessed as a Special Assessment against such Lots.

The Association may, but shall not be obligated to, maintain or support certain activities within the Community designed to limit access to the Property and make the Property safer than it otherwise might be. Neither the Association, Declarant, nor any successor of Declarant shall

in any way be considered insurers or guarantors of security within the Property, and neither the Association, Declarant, nor any successor of Declarant shall be held liable for any loss or damage by reason or failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners and occupants of any Unit, and the tenants, guests and invitees of any Owner, as applicable, acknowledge that the Association and its Board of Directors, Declarant, any successor of Declarant and the DRC do not represent or warrant that any fire protection system, burglar alarm system or other security system designated by or installed according to guidelines established by Declarant or the DRC may not be compromised or circumvented, that any fire protection or burglar alarm systems or other security systems will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise, nor that fire protection or burglar alarm systems or other security systems will in all cases provide the detection or protection for which the system is designed or intended. Each Owner, and occupant of any Unit, and each tenant, guest and invitee of any Owner, as applicable, acknowledges and understands that the Association, the Board of Directors, Declarant, or any successor of Declarant are not insurers and that each Owner and occupant of any Unit and each tenant, guest and invitee of any Owner assumes all risks for loss or damage to persons, to Units and to the contents of Units and further acknowledges that the Association, the Board of Directors, Declarant, or any successor of Declarant have made no representations or warranties, nor has any Owner, occupant, tenant, guest or invitee relied upon any representations or warranties, expressed or implied, including any warranty or merchantability or fitness for any particular purpose, relative to any fire and/or burglar alarm systems or other security systems recommended or installed or any security measures undertaken within the Community.

**ARTICLE XVI
DECLARANT'S RIGHTS**

1. Purpose. The purpose of this Article is to set forth certain Declarant rights, and to refer, for ease of reference to, certain other Declarant rights set forth in this Declaration. The purpose of this Article shall in no way be a limitation of any rights of Declarant otherwise set forth in this Declaration.
2. Duration of Rights. The rights of Declarant set forth in this Declaration that refer to this Article shall extend for a period of time ending when Declarant no longer owns any portion of the Property or the Additional Property or such earlier date as determined by Declarant, in its sole discretion.
3. Declarant's Rights in the Association. Prior to and after the Turnover Date and until Declarant no longer owns any portion of the Property or the Additional Property, whether Declarant exercises the right to appoint a majority of the Board of Directors or not, the Board shall have no authority to, and shall not, without the written consent of Declarant, which may be withheld for any or no reason whatsoever, undertake any action which shall:
 - (a) prohibit or restrict in any manner the sales and marketing program of Declarant, or the leasing activities of Declarant;
 - (b) decrease the level of maintenance services of the Association performed by the Board of Directors;

- herein;
- (c) change the membership of the DRC or diminish its powers as stated
- (d) alter or amend this Declaration, the Articles or the By-Laws;
- (e) terminate or waive any rights of the Association under this Declaration;
- (f) convey, lease, mortgage, alienate or pledge any easements, Common Area or Exclusive Common Area;
- (g) accept the conveyance, lease, mortgage, alienation or pledge of any real or personal property to the Association;
- (h) terminate or cancel any easements granted hereunder or by the Association;
- (i) terminate or impair in any fashion any easements, powers or rights of Declarant hereunder;
- (j) restrict Declarant's rights of use, access and enjoyment of any of the Property; or
- (k) cause the Association to default on any of its obligation under any contract or this Declaration.

In any such matter, Declarant's consent shall be exercised by its representative on the Board or other Person designated to so act by Declarant.

4. Right of Declarant to Disapprove Actions. From the Turnover Date and until the Declarant no longer owns any portion of the Property or the Additional Property, Declarant shall have a right to disapprove actions of the Board and any committees, as is more fully provided in this Section. This right shall be exercisable only by Declarant, its successors, and assigns who specifically take this power in a recorded instrument, or who becomes a successor Declarant pursuant to a recorded assignment or court order. No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy or program be implemented until ten (10) days following Declarant's receipt of notice of the action taken at the meeting held pursuant to the terms and provisions hereof. At any time prior to the expiration of such ten (10) day period, Declarant may exercise its right to disapprove actions of the Board and any committees and the Association shall not take any action or implement any policy, program or rule or regulation previously approved by the Association.

This right to disapprove shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association. Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

5. Recognition by Owners of Declarant's Rights to Develop and Construct Improvements on the Property. Each Owner on his, her or its own behalf and on behalf of such Owner's heirs, personal representatives, successors, mortgagees, lienors and assigns acknowledges and agrees that the completion of the development of the Community may occur over an extended period of time and that incident to such development and the construction associated therewith the quiet use and enjoyment of the Property and each portion thereof may be temporarily interfered with by the development and construction work occurring on those portions of the Property and the Additional Property owned by Declarant or its successors and assigns. Each Owner, on behalf of such Owner's heirs, assigns, personal representatives, successors, mortgagees, and lienors does hereby waive all claims for interference with such quiet enjoyment and use as a result of the development and construction of any portion of the Property or the Additional Property. Each Owner on behalf of such Owner's heirs, personal representatives, successors, mortgagees, lienors and assigns agrees that the development, construction and completion of the Property and the Additional Property may interfere with such Owner's original and existing views, light and air and diminish the same and each such Owner or such Owner's behalf and on behalf of such Owner's heirs, assigns, personal representatives, successors, mortgagees, and lienors does hereby release Declarant and its successors in interest and others involved from all claims that they may have in connection therewith.

6. Declarant's Rights in Connection with Development. Declarant and its successors or assigns will undertake the work of constructing buildings, dwellings and improvements related thereto. The completion of that work and the sale, resale, rental and other disposal of Lots is essential to the establishment and welfare of the Community. In order that said work may be completed and the Community established as a fully occupied Community as rapidly as possible, no Owner or the Association shall do anything to interfere with Declarant's or any Builder's activities. Without limiting the generality of the foregoing, nothing in this Declaration or the Articles or the By-Laws or any amendment thereto shall be understood or construed to prevent Declarant, its successors or assigns, or its or their contractors or subcontractors and their representatives from:

(a) doing on any property owned by them whatever they determine to be necessary or advisable in connection with the completion of said work, including without limitation, the alteration of its construction plans and designs as Declarant or any Builder deems advisable in the course of development (all models or sketches showing plans for future development may be modified by Declarant at any time and from time to time, without notice); or

(b) erecting, constructing and maintaining on any property owned or controlled by Declarant, or its successors or assigns or its or their contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business of completing said work and establishing Naples Reserve as a community and disposing of the same by sale, lease or otherwise; or

(c) conducting on any property owned or controlled by Declarant or its successors or assigns, its or their business of developing, subdividing, grading and constructing improvements on such property and of disposing of Lots therein by sale, resale, lease or otherwise.

Declarant expressly reserves the right to grant easements and rights-of-way over, under and through the Common Areas so long as Declarant owns any portion of the Property or the Additional Property primarily for development and/or resale; provided, no such easement shall materially interfere with the use of Common Area by the Members.

7. Future Easements and Modifications. Declarant reserves the right to grant, modify or enter into easements, dedications, agreements, licenses, restrictions, reservations, covenants and rights of way, to modify the boundary lines and to plat or replat portions of the Property and the Additional Property, for development of the Community. The Association and each Owner and mortgagee of a portion of the Property agree to execute and deliver any and all agreements, documents, plats and instruments which are necessary or desirable to accomplish the same.

8. Construction; Marketing. In recognition of the fact that Declarant will have a continuing and substantial interest in the development and administration of the Property and the Additional Property, Declarant hereby reserves for itself, its successors, designees and assigns, the right to grant easements over, under and through and use the Common Area and use all other portions of the Property owned by Declarant or the Association in conjunction with and as part of its program of selling, leasing, constructing, marketing, and developing any property owned or controlled by Declarant or its successors, designees or assignees including, but not limited to, the right to carry on construction and to enter and transact business, maintain models and sales, resales and rental offices, place signs, employ sales rental personnel, show Lots and Units owned by Declarant, and use portions of the Property, Lots, Units and other improvements owned by Declarant or the Association for purposes set forth above and for storage of construction materials and for construction and assembling construction components without any cost to Declarant and its successors, nominees and assigns for such rights and privileges.

In addition Declarant, its successors, designees and assigns, shall have the right to construct, maintain and use sales, resales, rental, and construction offices within the Community. Any models, sales areas, sales, resales or rental center, parking areas, construction office, signs and any other designated areas or other property pertaining to the sale, construction and marketing efforts of Declarant shall not be part of the Common Area or Exclusive Common Area and shall remain the property of Declarant or its nominees, as the case may be.

Declarant shall have the right to construct, maintain and repair structures and landscaping and other improvements to be located on any portion of the Property owned by Declarant or the Association, as Declarant deems necessary or appropriate for the development of any portion of the Property or the Additional Property. Declarant's use of any portion of the Property or the Additional Property as provided in this Section shall not be a violation of the Documents. Notwithstanding anything to the contrary herein, the right of Declarant to maintain a resale office on any portion of the Property or the Additional Property owned by Declarant or the Association and to use the Common Area in connection therewith shall be for a term coterminous with the term of the Declaration and shall not terminate at the expiration of the time described in the "Duration of Rights" Section 2 above.

9. Scope. The rights and privileges of Declarant, its successors, designees and assigns, as herein set forth or referred to above are in addition to and in no way limit any other

rights or privileges of Declarant, its successors, designees and assigns, under any of the Documents. The provisions above, like other provisions of this Declaration, grant or reserve rights to and for Declarant that may not be suspended, superseded or modified in any manner unless same is consented to by Declarant, and such rights may be assigned in writing by Declarant in whole or in part as Declarant deems appropriate. As used in this Declaration, the words "its successors or assigns" specifically do not include purchasers of Lots unless specifically designated as such in a Supplemental Declaration.

ARTICLE XVII GENERAL PROVISIONS

1. Term. The covenants and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and shall be enforceable by Declarant, the Association or the Owner of any portion of the Property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date of the recording of this document, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument in writing, signed by a majority of the then owners of the lots, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants, in whole or in part or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

2. Amendment. Until the Turnover Date, Declarant may amend this Declaration in its sole and absolute discretion. After the Turnover Date, Declarant may amend this Declaration in its sole and absolute discretion at any time if such amendment is: (i) necessary to bring any provisions hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on a Lot; (iii) required by an institutional lender or a government mortgage agency or purchaser of mortgage loans, to enable the same to make, insure or purchase mortgage loans on a Lot; (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on a Lot subject to this Declaration; or (v) to correct any stenographic, scrivener's or surveyor's error or any error of a like nature; provided, however, any such amendment shall not adversely affect the title to a Lot unless the Owner thereof shall consent thereto in writing.

After the Turnover Date and so long as it still owns any part of the Property or the Additional Property for development, Declarant may amend this Declaration in its sole and absolute discretion for any other purpose, provided the amendment has no materially adverse effect upon the rights of any Owner of a Lot.

After the Turnover Date, (i) any non-Declarant initiated amendment, or (ii) any Declarant initiated amendment which has a materially adverse effect upon the rights of an Owner of a Lot, shall require the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of members representing sixty-seven percent (67%) of the total votes in the Association (other than Declarant), and the consent of Declarant so long as Declarant owns any portion of the Property or the Additional Property. However, the percentage of votes necessary to amend a specific clause shall be not less than the prescribed percentage of affirmative votes

required for action to be taken under that clause. No amendment may remove, revoke, or modify any right or privilege without the written consent or the assignee of such right or privilege.

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

4. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of the votes eligible to be cast in the Association. This Section shall not apply, however, to: (i) actions brought by the Association to enforce the provisions of this Declaration; (ii) the imposition and collection of Assessments as provided in the "Assessments" Article hereof; (iii) proceedings involving challenges to ad valorem taxation; or (iv) counterclaims brought by the Association in proceedings instituted against it. In the event any claim is made against Declarant by the Association or any litigation is instituted against Declarant or any of its affiliates by the Association, then the Association shall assess all Members (other than the Declarant) for the costs of claim or litigation, including without limitation attorneys' fees incurred, and funds from Common Assessments shall not be used for any such claim or litigation. In any judicial or administrative proceeding, the prevailing party shall be entitled to receive reasonable attorneys' fees costs.

5. Notice of Transfer of Lot. In the event that any Owner desires to sell or otherwise transfer title of his or her Lot, such Owner shall give the Board of Directors at least fourteen (14) days' prior written notice of the name and address of the purchaser or transferee, the date on which such transfer of title is to take place, and such other information as the Board of Directors may reasonably require. The transferor shall remain jointly and severally liable with the transferee for all obligations of the Owner or the Lot, including payment of all Assessments, accruing prior to the date of transfer. Until written notice is received as provided in this Section, the transferor and transferee shall be jointly and severally liable for Assessments accruing subsequent to the date of transfer. In the event that upon the conveyance of a Lot, an Owner fails in the deed of conveyance to reference the imposition of this Declaration on the Lot, the transferring Owner shall remain liable for Assessments accruing on the Lot after the date of conveyance.

6. Use of Words "Naples Reserve". No Person shall use the words "Naples Reserve" or any derivative thereof in any printed or promotional material without the prior written consent of Declarant. However, Owners may use the term "Naples Reserve" in printed or promotional materials where such term is used solely to specify that a particular property is located within the Community.

7. Assignment of Rights. Declarant shall have the right, in its sole and absolute discretion, to assign all or part of its rights under this Declaration.

8. Notice of Mortgagee Action. In the event any Owner desires to mortgage his or her Lot, such Owner shall require that the mortgage specifically provide that in the event of foreclosure or the exercise of any remedy set forth in the mortgage, the mortgagee shall acquire the Lot subject to this Declaration.

9. Independent Builders. The Property is a master planned community being developed by the Declarant. The individual buildings constructed within the Property may be constructed by Declarant, Builders or others who are independent contractors who purchase Lots from Declarant. If a building is constructed by a person or entity other than Declarant, Declarant shall have no liability whatsoever for such Builder's activities, whether direct or indirect, including, without limitation, marketing or construction of the building or actions of any principal, officer, trustee, partner, agent or subcontractor.

10. Occupants Bound. All provisions of the Documents including the Community-Wide Standards and use restrictions promulgated pursuant thereto, which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of his or her Unit. Every Owner shall cause all occupants of his or her Unit to comply with this Declaration, the Articles, the By-Laws, the Rules and Regulations and the Community-Wide Standards adopted pursuant thereto, and shall be responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Documents and the Community-Wide Standards adopted pursuant thereto.

11. No Easement for View. Each Owner further acknowledges that neither Declarant, nor any builder, nor any Person acting on behalf of Declarant or any Builder, has made or is authorized to make, any representation or commitment that any view or any other vistas shall be preserved, protected or remain unobstructed, and there are no express or implied easements for view purposes appurtenant to any Lot.

12. Power of Attorney. Each Owner hereby unconditionally and irrevocably appoints the Association and the Declarant as its true and lawful attorney-in-fact, coupled with an interest, to execute any and all documents and take any and all actions necessary or desirable to fulfill the purposes and intentions of this Declaration.

13. Headings. The headings and references to Articles and Sections herein are for convenience of reference only and shall not limit or otherwise affect in anyway the meaning or interpretation of this Declaration.

ARTICLE XVIII MORTGAGEE PROVISIONS

The following provisions are for the benefit of Institutional Mortgagees. The provisions of this Article apply to both this Declaration and to the Articles, notwithstanding any other provisions contained therein.

1. Notices of Action. An Institutional Mortgagee who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the number of the Lot or Unit as the case may be, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Property or which affects any Lot on which a first mortgage is held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by any Owner of a Lot subject to the mortgage of such eligible holder; or

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

2. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any mortgage encumbering such Owner's Lot.

**ARTICLE XIX
CABLE TELEVISION**

1. CATV Agreement. The Association may, but shall not be required to, enter into a bulk rate cable television agreement ("CATV Agreement") for the Community. If a CATV Agreement is entered into, all Lots for which a certificate of occupancy has been issued shall be charged for basic cable service as part of the Common Assessment, regardless of whether the Owner desires cable television service. In addition, tier, remotes, pay channels and other services may be offered by the cable provider on an individual subscriber basis.

2. Easements. Declarant and the Association shall have the right to grant easements to the cable provider for installation, maintenance and repair of the cable television system, including without limitation head-ends, wiring, switches and amplifiers. The cable provider shall also have the right to use easement area dedicated for utilities. Notwithstanding anything to the contrary, the cable provider shall retain ownership of all cable television equipment installed within the Community.

3. Prewire. The cable provider may be permitted to supply cable wire for each Unit constructed within the Community for cable television service at its sole cost and expense. Each Owner acknowledges that the prewire installed within the Unit shall be and remain personal property of the unit purchaser. The cable provider shall have no ownership interest in the prewire and the right of use thereof shall remain solely with the Owner. Upon termination of the CATV Agreement, the cable provider will not remove any portion of the prewire within the Unit.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this ____ day of _____, 2013.

Signed, Sealed and Delivered
in the Presence of:

SFI Naples Reserve, LLC
a foreign limited liability company

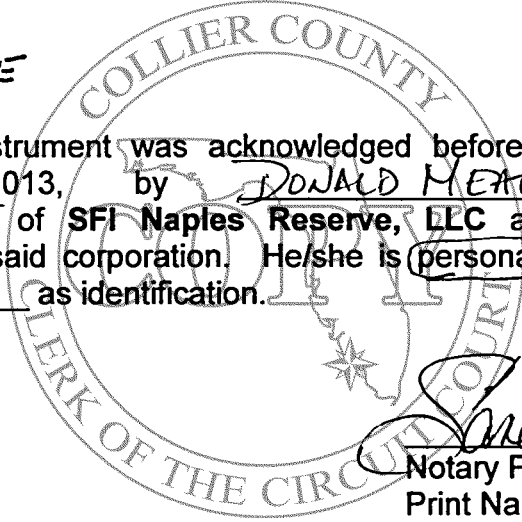
Christina Tatham
Print Name: Christina Tatham

By: [Signature]
Print Name: DONALD MEARS
Its: V.P.

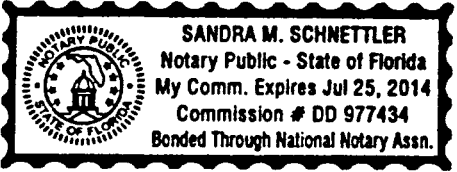
Jennifer Strickland
Print Name: Jennifer Strickland

STATE OF FLORIDA
COUNTY OF COLLIER
SEMINOLE

The foregoing instrument was acknowledged before me this 2nd day of AUGUST, 2013, by DONALD MEARS, as VICE PRESIDENT of SFI Naples Reserve, LLC a Florida limited liability company, on behalf of said corporation. He/she is personally known to me or has produced N/A as identification.



Sandra M. Schnettler
Notary Public
Print Name: SANDRA M. SCHNETTLER
My Commission Expires: 7/25/2014
(Notary Seal)



LEGAL DESCRIPTION

ALL OF SECTION 1, TOWNSHIP 51 SOUTH, RANGE 26 EAST, COLLIER COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING AT THE SOUTHWEST CORNER OF SECTION 1, TOWNSHIP 51 SOUTH, RANGE 26 EAST, COLLIER COUNTY, FLORIDA;
THENCE N.00°40'55"E. FOR 2,749.79 FEET TO THE WEST QUARTER (1/4) CORNER OF SAID SECTION 1;
THENCE N.00°40'07"E. FOR 2,801.80 FEET, TO THE NORTHWEST CORNER OF SAID SECTION 1;
THENCE S.89°36'17"E. FOR 2,690.60 FEET, TO THE NORTH QUARTER (1/4) CORNER OF SAID SECTION 1;
THENCE N.89°57'27"E. FOR 2,708.42 FEET, TO THE NORTHEAST CORNER OF SAID SECTION 1;
THENCE S.00°19'59"W. FOR 2,764.12 FEET, TO THE EAST QUARTER (1/4) CORNER OF SAID SECTION 1;
THENCE S.00°19'23"W. FOR 2,763.64 FEET, TO THE SOUTHEAST CORNER OF SAID SECTION 1;
THENCE S.89°55'32"W. FOR 2,716.41 FEET, TO THE SOUTH QUARTER (1/4) CORNER OF SAID SECTION 1;
THENCE S.89°55'38"W. FOR 2,716.33 FEET, TO THE POINT OF BEGINNING OF THE PARCEL DESCRIBED HEREIN.**

CONTAINING 29,971,643 SQUARE FEET OR 688.1 ACRES, MORE OR LESS.

SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

BEARINGS ARE BASED ON THE SOUTH LINE OF THE SOUTHWEST QUARTER (1/4) OF SECTION 1 AS BEING S89°55'38"W, FLORIDA STATE PLANE COORDINATE SYSTEM, EAST ZONE, 1983 NORTH AMERICAN DATUM, (1999) ADJUSTMENT.

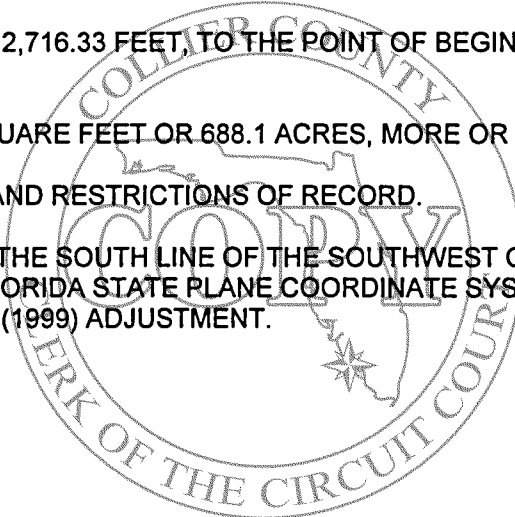


Exhibit "A"

Exhibit "B"

Legal Description of the Additional Property

No potential additional property at this time.



Exhibit "B"

**ARTICLES OF INCORPORATION
OF
NAPLES RESERVE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME**

The name of the corporation is Naples Reserve Homeowners Association, Inc. (the "Association").

**ARTICLE II
PERIOD OF DURATION**

The Association shall have perpetual duration.

**ARTICLE III
PURPOSES AND POWERS**

The Association is organized as a not-for-profit corporation under the laws of the State of Florida, for the purpose of performing certain functions for the common good and general welfare of the residents and property owners within the Naples Reserve residential community in Collier County, Florida (the "Community").

The Community will consist of that certain property as is more particularly described in that certain Declaration of Covenants, Conditions and Restrictions for Naples Reserve

(the "Declaration") to be executed by Naples Reserve, LLC, a Florida limited liability company as "Declarant", and recorded in the public records of Collier County, Florida. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Declaration.

The Association shall have and may exercise all powers necessary or convenient to effect this purpose as set forth above, including, to the extent, and only to the extent, necessary to carry out such purpose, the following powers and duties:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association (including Common Area);

Exhibit "C"

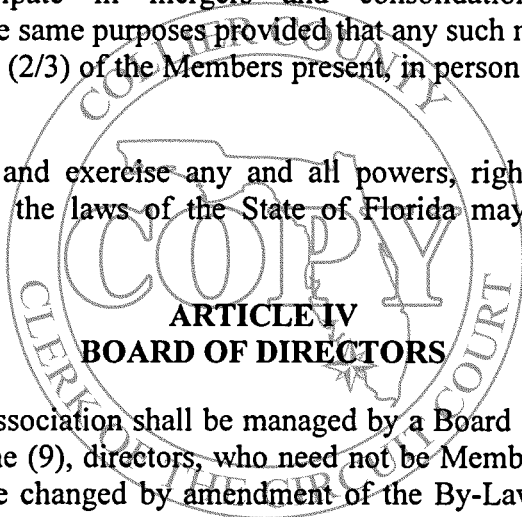
(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of two-thirds (2/3) of the Members present, in person or by proxy, and voting at a duly held meeting, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members; provided that such dedication or transfer shall have the assent of two-thirds (2/3) of the Members present, in person or by proxy, and voting at a duly held meeting;

(f) participate in mergers and consolidations with other non-profit associations organized for the same purposes provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the Members present, in person or by proxy, and voting at a duly held meeting; and

(g) have and exercise any and all powers, rights and privileges which an association organized under the laws of the State of Florida may now or hereafter have or exercise.



**ARTICLE IV
BOARD OF DIRECTORS**

The affairs of the Association shall be managed by a Board of Directors of not less than three (3), nor more than nine (9), directors, who need not be Members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The initial Board of Directors shall consist of three members, who shall be as follows:

<u>NAME</u>	<u>ADDRESS</u>
1. Donald E. Mears	3232 W. Lake Mary Blvd. Ste. 1410-Lake Mary, FL. 32746
2. Jim Moyle	17420 Sterling Lake Dr. Ft. Myers, FL. 33967
3. Dan Melaugh	1114 Ave of the Americas New York, N.Y. 10036

The initial Board of Directors shall serve until their successors are appointed or elected in accordance with the By-Laws of the Association.

**ARTICLE V
INITIAL REGISTERED OFFICE AND REGISTERED AGENT**

The initial registered office of the Association shall be 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103. The initial registered agent at such address shall be Richard D. Yovanovich, Esq.

**ARTICLE VI
OFFICERS**

The initial officers of the Association shall be as selected by the Board of Directors in accordance with the By-Laws of the Association.

**ARTICLE VII
INCORPORATOR**

The names and addresses of the Incorporator in the State of Florida are:

<u>NAME</u>	<u>ADDRESS</u>
Donald E. Mears, Jr.	3232 W. Lake Mary Blvd. Ste. 1400 Lake Mary, Florida 32746

**ARTICLE VIII
MEMBERSHIP AND VOTING RIGHTS**

The Association shall have two (2) classes of membership, Class "A" Membership, and Class "B" Membership, as follows:

(a) Class "A" Membership. Class "A" Members shall be all Owners of fee title to Lots other than Declarant. Class "A" Members shall be entitled to one (1) vote for each Lot in which they hold fee title.

(b) Class "B" Membership. The Class "B" Member shall be Declarant. The Class "B" Member shall be entitled to five (5) votes for each Lot owned by Declarant. The Class "B" Member shall be entitled to appoint all of the members of the Board of Directors prior to the Turnover Date (as defined in the Declaration). On the Turnover Date, the Class "B" Membership shall terminate and, notwithstanding anything else contained herein, Declarant shall become a Class "A" Member and shall be entitled to one (1) vote for each Lot owned by Declarant.

**ARTICLE IX
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

The Association shall indemnify its directors and officers and may indemnify its employees and agents, to the fullest extent permitted by law, from and against any and all of the expenses or liabilities incurred in defending a civil or criminal proceeding, or other matters, including advancement of expenses prior to the final disposition of such proceedings and amounts paid in settlement of such proceedings, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, article, agreement, vote of Members or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person and an adjudication of liability shall not affect the right to indemnification for those indemnified. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer of the Association may be entitled.

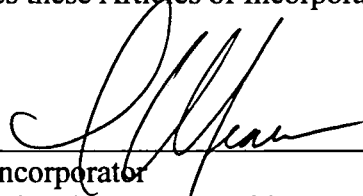
**ARTICLE X
AMENDMENT OR DISSOLUTION OF INCORPORATION**

Prior to the Turnover Date, these Articles of Incorporation may be amended at the sole discretion of the Class "B" Member. After the Turnover Date, any amendment of these Articles of Incorporation shall require the assent of seventy five percent (75%) of the entire Membership. In addition, any proposed amendment to these Articles of Incorporation which would affect surface water management system (including environmental conservation areas in the water management portions of the Common Areas), must be submitted to the South Florida Water Management District or its successors for a determination of whether the amendment necessitates a modification of a surface water management permit.

**ARTICLE XI
DISSOLUTION AND DISPOSITION OF ASSETS UPON DISSOLUTION**

The Association may be dissolved only if such dissolution is approved by a vote of seventy-five percent (75%) of the entire Membership. Prior to the Turnover Date, the dissolution of the Association shall require the written consent of Declarant. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated and conveyed to one or more appropriate public agencies on the express condition that such assets shall be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be conveyed to a nonprofit corporation, nonprofit association, nonprofit trust or other nonprofit organization on the express condition that such assets shall be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association.

IN WITNESS WHEREOF, the undersigned executes these Articles of Incorporation.



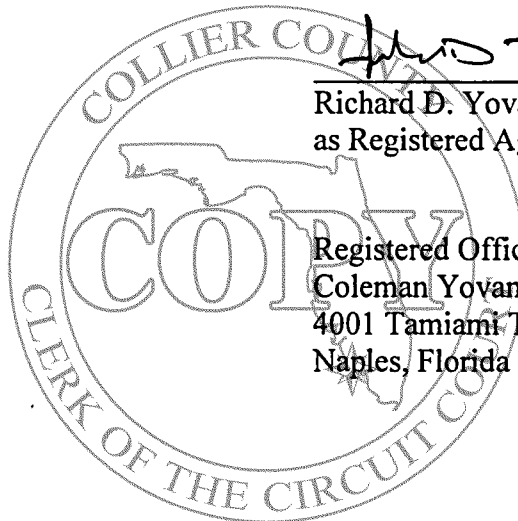
Incorporator
Printed Name: Donald E. Mears
Date: August 22, 2013

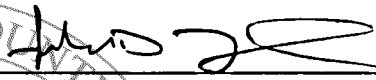


**CONSENT TO APPOINTMENT AS REGISTERED AGENT
FOR
NAPLES RESERVE
HOMEOWNERS' ASSOCIATION**

The undersigned, Richard D. Yovanovich, Esq., hereby consents to his appointment as a registered agent for the above named association for the purpose of complying with the provisions of the laws of the State of Florida regarding the appointment of a registered agent. The undersigned hereby, further acknowledges that the address supplied below is the correct address for the registered office of the Naples Reserve Homeowners Association.

This consent is made this 9 day of August, 2013.




Richard D. Yovanovich, Esq.
as Registered Agent

Registered Office:
Coleman Yovanovich & Koester, P.A.
4001 Tamiami Trail North, Suite 300
Naples, Florida 34103

BY-LAWS
OF
NAPLES RESERVE
HOMEOWNERS ASSOCIATION, INC.

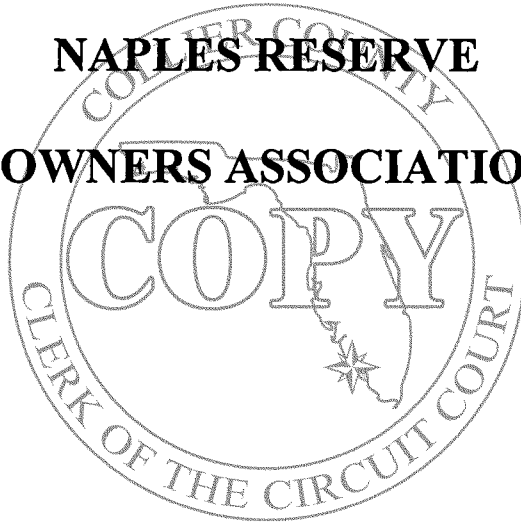


Exhibit "D"

**ARTICLE I
IDENTITY**

1. Name

The name of the corporation is Naples Reserve Homeowners Association, Inc. (the "Association").

2. Principal Office

The initial principal office of the Association is at located at 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.

3. Adoption

These By-Laws have been adopted as the By-Laws of the Association.

4. Definitions

Terms used in these By-Laws which are defined in the Declaration of Covenants, Conditions and Restrictions for Naples Reserve (the "Declaration") shall have the same meaning in these By-Laws as in the Declaration.

**ARTICLE II
POWERS AND DUTIES OF THE ASSOCIATION
AND THE EXERCISE THEREOF**

The Association shall have all powers granted to it by Florida law, the Declaration, the Articles of Incorporation, and these By-Laws. All granted powers shall be exercised by the Board of Directors unless the exercise thereof is otherwise restricted in the Declaration, the Articles, these By-Laws or by applicable law.

**ARTICLE III
MEMBERSHIP**

1. Membership; Voting

The Association shall have two (2) classes of membership, Class "A" Membership, and Class "B" Membership, as follows:

(a) Class "A" Membership. Class "A" Members shall be all Owners of fee title to Lots. Class "A" Members shall be entitled to one (1) vote for each Lot in which they hold fee title.

(b) Class "B" Membership. The Class "B" Member shall be Declarant. The Class "B" Member shall be entitled to five (5) votes for each Lot owned by Declarant. The Class "B" Member shall be entitled to appoint all of the members of the Board of Directors prior to the Turnover Date (as hereafter defined). On the Turnover Date, the Class "B" Membership shall

terminate and Declarant shall become a Class "A" Member and shall be entitled to one (1) vote for each Lot owned by Declarant.

Voting rights may be exercised by a Member or the Member's spouse. In any situation where more than one Person holds an interest in a Lot, the vote for the respective Lot shall be exercised by any such Person; provided, however, the Persons holding the interest in the Lot shall notify the Secretary of the Association, in writing, prior to or during any meeting of the manner in which the vote for the Lot is to be exercised and, in the absence of such notice, the Lot's vote shall be suspended if more than one Person seeks to exercise it. The voting rights of a Member that is a company or other form of entity shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary.

The Association may suspend the voting rights of any Member for nonpayment of regular annual or periodic assessments that are delinquent in excess of ninety (90) days.

2. Turnover Date

The Turnover Date shall occur on the earlier of the following conditions:

- (a) three months after the sale of ninety percent (90%) of the Lots permitted for the Property to Persons other than Declarant or Builders; or
- (b) such earlier date as determined by the Class "B" Member, in its sole and absolute discretion.

The Declarant shall continue to be able to appoint one member of the Board of Directors as long as the Declarant holds for sale in the ordinary course of business at least five percent (5%) of the Lots in all phases of Naples Reserve. After the Declarant relinquishes control of the Association, the Declarant may exercise the right to vote all of its voting interests in the same manner as any other Member, except for purposes of reacquiring control of the Association or selecting the majority of the members of the Board of Directors.

**ARTICLE IV
MEMBERS' MEETINGS**

1. Date and Place of Meetings

Meetings of the Members shall be held on the date and at such place in Collier County, Florida or such other place as may be designated by the Board of Directors from time to time.

2. Annual Meetings

Each year after the Turnover Date, an annual meeting shall be held for the purpose of receiving reports of officers, committees, and others, to elect members of the Board of Directors and to conduct such other business as may be properly brought before the meeting.

3. Special Meetings

The President of the Association may call special meetings of the Members. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or, if after the Turnover Date, upon a petition signed by ten percent (10%) of the total votes of the Members of the Association. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

4. Notice of Meetings

Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member, not more than fifty (50), nor less than ten (10), days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association.

Waiver of notice of a meeting of the Association shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Association, either before or after such meeting. Attendance at a meeting by a Member, either in person or by proxy, shall be deemed a waiver by such Member of notice of the time, date, place, and purpose thereof, unless such Member or his or her proxy, as the case may be, specifically objects to lack of proper notice at the time the meeting is called to order.

5. Quorum

Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of a majority of the votes eligible to be cast by Members shall constitute a quorum at any meeting of the Association.

6. Adjournment of Meetings

If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members entitled to vote who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed in Article IV, Section 4 hereof.

7. Vote Required

When a quorum is present at any meeting, a majority of the votes present, whether in person or by proxy, shall decide any question brought before the meeting, unless the Declaration, the Articles of Incorporation, these By-Laws or any applicable law provides otherwise.

8. Proxies

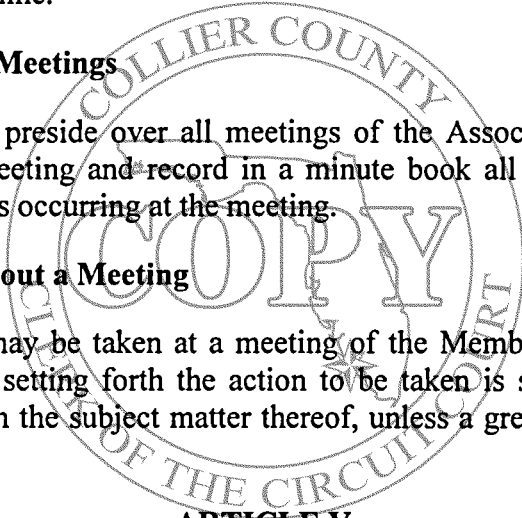
Members may vote by proxy. Proxies must be in writing, dated, signed and filed with the Secretary at the time of or before the appointed time of a meeting of the Owners. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his Lot, upon receipt by the Secretary of notice of the death or judicially declared incompetence of an Owner, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy. The Board of Directors, may from time to time, establish such other or additional requirements for proxies as it shall determine.

9. Conduct of Meetings

The President shall preside over all meetings of the Association. The Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted and all transactions and proceedings occurring at the meeting.

10. Action Without a Meeting

Any action which may be taken at a meeting of the Members may be taken without a meeting if written consent setting forth the action to be taken is signed by a majority of the Members entitled to vote on the subject matter thereof, unless a greater percentage is otherwise required by these By-Laws.



**ARTICLE V
BOARD OF DIRECTORS**

1. Number of Directors

The governance and administration of the affairs of the Association shall be vested in a Board of Directors. The number of directors of the Association shall be not less than three (3) nor more than nine (9). The initial Board shall consist of the three (3) persons named in the Articles of Incorporation.

2. Election or Appointment of Directors

Prior to the Turnover Date, the Class "B" Member shall appoint all of the members of the Board of Directors. Subsequent to the Turnover Date, each Class "A" Member shall be entitled to cast one (1) vote for each Lot for each director to be elected. The Declarant shall continue to appoint one (1) member of the Board of Directors as long as the Declarant holds for sale in the ordinary course of business at least five percent (5%) of the Lots in all phases of the Community. Immediately prior to the Turnover Date, the Declarant shall call a Turnover Meeting at which the following shall occur: (a) all of the existing directors except one shall resign; (b) the Class "A"

Members shall elect eight (8) directors as described in Section 3; and (c) the Class "B" Membership shall terminate and be converted to a Class "A" Membership. The Declarant shall be considered a Member entitled to one (1) vote for each Lot owned by Declarant as a Class "A" Member. The Declarant may, in its sole and absolute discretion, permit the Members to elect directors earlier than the conditions set forth above.

3. Designation of Term

Immediately prior to the Turnover Date, the Class "A" Members shall elect eight (8) directors to take office on the Turnover Date. Of the eight (8) directors elected, three (3) directors shall be designated to serve on the Board of Directors commencing on the Turnover Date for three (3) years, three (3) directors shall be designated to serve on the Board of Directors commencing on the Turnover Date for two (2) years and two (2) directors shall be designated to serve on the Board of Directors commencing on the Turnover Date for one (1) year. Each year after the Turnover Date, the Class "A" Members will elect directors to replace those whose terms are expiring. The newly elected directors will serve for three-year terms.

4. Qualifications for Election

Except with respect to directors appointed by Declarant, all directors shall be Members.

5. Nomination of Directors

Immediately prior to any election by the Members, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and at least three (3) Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than ninety (90) days prior to each annual meeting of the Members. The members of the Nominating Committee serve for a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it, in its sole discretion, determines appropriate, but in no event less than the number of positions to be filled. At least sixty (60) days prior to the annual meeting, the Nominating Committee shall recommend the names of Members selected by a majority vote of the Nominating Committee to be submitted to the Members for election to the Board of Directors.

Ten percent (10%) or more of the total votes eligible to be cast by Members who are not members of the Nominating Committee may also nominate candidates for election to the Board of Directors by petition signed by them and filed with the Secretary at least thirty (30) days prior to the annual meeting. The names of any nominees, after having been certified by the Secretary or any other officer, that they are qualified for election and have been nominated in accordance with the provisions of these By-Laws shall be included in any proxy mailing to the Members. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Nominations may also be made from the floor at the annual meeting of Members.

6. Removal of Directors and Vacancies

Any director appointed by Declarant may be removed, with or without cause, only by Declarant. Any director elected by the Class "A" Members at large may be removed, with or without cause, by the vote of the Class "A" Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be appointed by Declarant, or elected by the Class "A" Members, as the case may be, to fill the vacancy for the remainder of the term of such director.

Any director elected by the Members who has three (3) consecutive unexcused absences from Board meetings, as determined by the Board, or who is delinquent in the payment of any Assessment or other charges due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the remaining directors. In the event of the death, disability, removal, or resignation of a director, the members of the Board may elect a successor to fill the vacancy for the remainder of the term of such director.

7. Compensation

No director shall receive a salary or any other compensation whatsoever from the Association for acting as such, but shall be entitled to be reimbursed for expenses reasonably incurred on behalf of the Association.

8. Fiduciary Duty

The directors shall act in good faith in a manner they reasonably believe to be in the best interests of the development of the Naples Reserve residential community (the "Community") and the goals of the Association.

9. Powers and Duties

The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and as provided by law may do all acts other than those acts which may be done and exercised exclusively by the Members. In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to and be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;
- (b) making assessments to defray the Common Expenses and other assessments authorized by the Declaration, establishing the means and methods of collecting such assessments, and establishing the period of payment for assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association as determined by the Board,

including maintenance or provision of services which are generally provided by a municipality, such as maintenance of grassed or landscaped areas along dedicated rights-of-way, maintenance of street lights and community signage, garbage pick-up and maintenance of roadways within the Community;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(f) making and amending use restrictions, rules and regulations, and design guidelines;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) enforcing by legal means the provisions of the Declaration, any Neighborhood Declaration, these By-Laws, and the use restrictions, rules and regulations, and design guidelines adopted pursuant to any of the foregoing, and bringing any proceedings which may be instituted on behalf of or against the Owners, their respective invitees or licensees concerning the Association;

(i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(j) providing services to all areas for which the Association is obligated to provide services;

(k) paying the cost of all services, if any, rendered to the Association or its Members which are not directly chargeable to Owners of particular Lots;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, and specifying the maintenance and repair expenses and any other expenses incurred;

(m) depositing Association funds into interest bearing accounts; and

(n) contracting with any Person for the performance of various duties and functions.

The Board shall have the power to enter into common management agreements and other agreements with trusts, condominium associations, Neighborhood Associations, Declarant and such other persons as it determines appropriate from time to time. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity. To the extent permitted by law, the Board shall have the power to delegate its functions to designees

of the Board, such as, without limitation, a management agent, committees established by the Board, and employees and independent contractors of the Association.

**ARTICLE VI
MEETINGS OF BOARD OF DIRECTORS**

1. Organizational Meeting

The organizational meeting of the first elected Board of Directors shall be held within ten (10) days after the annual meeting of the Members at which the Directors were elected at such time and place as shall be fixed by the Board of Directors.

2. Regular Meetings

Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but commencing with the Turnover Date. At least four (4) regular meetings shall be held during each fiscal year with at least one (1) meeting per quarter; provided, however, that the annual meeting shall constitute a regular meeting. Notice of the time and place of any meeting, other than an annual meeting, shall be communicated to the directors not less than ten (10) days prior to the meeting.

3. Special Meetings

Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by any five (5) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by personal delivery, first class mail or telephone at least ten (10) days prior to the date of the meeting, unless the special business is of a nature which, in the President's discretion, requires more immediate action, and then a minimum of twenty-four (24) hours' notice shall be deemed sufficient.

4. Waiver of Notice

Any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as when taken at a meeting duly held after regular call and notice if (a) a quorum is present and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

5. Quorum of Board of Directors and Required Vote

At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors except as otherwise provided in the Declaration, the Articles of Incorporation or these By-Laws. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not

less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. Directors may not vote by proxy or by secret ballot at Board meetings, except that secret ballots may be used for the election of officers.

6. Conduct of Meetings

The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

7. Open Meetings

All meetings of the Board shall be open to all Members, except for meetings between the Board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested by a director and granted by the President. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Members, when such action is necessary in the reasonable judgment of the President.

8. Notice to Members of Board Meetings

Notices of all Board meetings must be posted in a conspicuous place in the community at least 48 hours in advance of the meeting, except in an emergency. As an alternative to the posting of notice, notice of each Board meeting may be mailed or delivered to each Member of the Association at least seven days before the meeting, except in an emergency, or notice of the meeting may be published.

9. Telephone Meetings

Any regular or special meeting of the Board of Directors may be held by telephone conference, at which each participating director can hear and be heard by all other participating directors.

10. Action Without a Meeting

Any action to be taken at a meeting of the directors or any action that may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as an unanimous vote.

**ARTICLE VII
OFFICERS**

1. Officers

The officers of the Association shall be a President, Vice President, Secretary, and Treasurer to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary or President and Treasurer may not be held by the same person.

2. Appointment, Term of Office and Vacancies

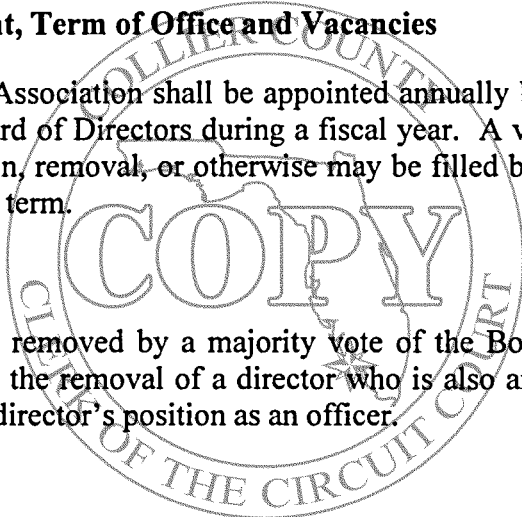
The officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors during a fiscal year. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

3. Removal

Any officer may be removed by a majority vote of the Board of Directors in the sole discretion of the Board and the removal of a director who is also an officer shall automatically act as a removal from such director's position as an officer.

4. Resignation

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified in the notice and unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.



**ARTICLE VIII
DUTIES OF OFFICERS**

The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as are from time to time specifically conferred or imposed by the Board of Directors.

1. President

The President shall be the chief executive officer of the Association and shall:

- (a) act as presiding officer at all meetings of the Members and the Board of Directors;

(b) call special meetings of the Members and the Board of Directors;

(c) sign, with the Secretary or Treasurer if the Board of Directors so requires, all checks, contracts, promissory notes, leases, subleases and other instruments on behalf of the Association, except those which the Board of Directors specifies may be signed by other persons;

(d) perform all acts and duties usually required of a chief executive to ensure that all orders and resolutions of the Board of Directors are carried out; and

(e) act as an ex-officio member of all committees and render an annual report at the annual meeting of Members.

2. Vice President

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

3. Secretary

The Secretary shall have the following duties and responsibilities:

(a) attend all regular and special meetings of the Members and the Board of Directors and keep all records and minutes of proceedings thereof or cause the same to be done;

(b) have custody of the corporate seal, if any, and affix the same when necessary or required;

(c) attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings and keep membership books; and

(d) have custody of the minute book of the meetings of the Board of Directors and the meetings of the Members and act as agent for the transfer of the corporate books.

4. Treasurer

The Treasurer shall:

(a) receive monies as shall be paid into his hands for the account of the Association and disburse funds as may be ordered by the Board of Directors, taking proper vouchers for disbursements and be custodian of all contracts, leases and other important documents of the Association which he shall keep safely deposited;

(b) supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association and deliver the books to his successor;

(c) prepare and distribute to all of the members of the Board of Directors prior to each annual meeting and whenever else required a summary of the financial transactions and condition of the Association from the preceding year;

(d) make a full and accurate report on matters and business pertaining to his office to the Members at the annual meeting and make all reports required by law; and

(e) act as the chairman of the Finance Committee.

The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Association. In the event the Association enters into a management agreement, it shall be proper to delegate any or all of the Treasurer's functions to the management agent as is deemed appropriate by the Board of Directors.

**ARTICLE IX
COMMITTEES**

1. Standing Committees

Each year after the Turnover Date, the President, subject to the approval of the Board of Directors, shall designate the chairman (who shall be a director) and members of each of the following committees:

(a) Grounds Committee. The Grounds Committee shall advise the Board of Directors on matters concerning maintenance of Common Area. No live trees shall be moved from Common Area nor shall any alteration or improvement be made to Common Area except with the approval of the Board of Directors and in accordance with the Declaration.

(b) Finance Committee. The Finance Committee shall in general supervise, direct and control all matters pertaining to Association finances including, but not limited to, the placing of insurance, the filing of tax returns, the payment of taxes, the preparation of the annual operating budget for approval by the Board of Directors, preparation of current reports for the Board of Directors and the Association's financial condition and the issuance to Members of a condensed quarterly operating statement. The Finance Committee shall have the power, with the approval of the Board of Directors, to direct the Association, to employ at the expense of the Association, such clerical aid and assistance as may be necessary to handle the accounts.

(c) Newsletter Committee. The Newsletter Committee shall supervise and control the preparation of a newsletter for distribution to all Members.

(d) Legal and By-Laws Committee. The Legal and By-Laws Committee shall be charged with the publication and interpretation of the rules and regulations, these By-Laws, and the Declaration and, in general, with all matters of a legal nature pertaining to the Association.

2. Ad Hoc Committees

The President, subject to the approval of the Board of Directors, may, from time to time, appoint such ad hoc committees, with such powers and composition as the President, with the approval of the Board of Directors, shall determine.

3. Powers of Committees

The several committees shall act only as committees and the individual members thereof shall have no power or authority to act on behalf of the Board or the Association.

**ARTICLE X
DISCIPLINE**

1. Enforcement

The Board of Directors shall have the power to impose reasonable fines not to exceed One Hundred Dollars (\$100.00) per violation or such other maximum amount as may be permitted by the Florida Statutes currently in effect, which shall constitute an automatic and continuing lien upon a Lot of the violating Owner, to suspend an Owner's right to use the Common Area, and to preclude contractors, subcontractors, agents and other invitees of an Owner or occupant from the Community for violation of any duty imposed under the Declaration or these By-Laws; provided, however, that nothing herein shall authorize the Association or the Board of Directors to limit an Owner's or occupant's ingress and egress to or from a Lot. In the event that any occupant of a Lot violates the Declaration or these By-Laws, and a fine is imposed, the fine shall first be assessed against the occupant residing therein; provided, however, that if the fine is not paid by the occupant within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association. The failure of the Board of Directors to enforce any provision of the Declaration or By-Laws shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

2. Notice

Prior to imposition of any fine or sanction hereunder for any reason other than nonpayment of assessments or other charges, the Board of Directors or its delegate shall serve the accused with written notice describing (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, (c) a period of not less than fourteen (14) days within which the alleged violator may present a written request to the Board of Directors for a hearing affording the accused a reasonable opportunity to be heard; and (d) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge has been requested within fourteen (14) days of the notice. The requirements of this Section 2 do not apply to the imposition of sanctions or fines upon any Owner because of the failure of the Owner to pay assessments or other charges when due.

3. Hearing

If a hearing is requested within the allotted fourteen (14) day period, the hearing shall be before a committee of at least three Members appointed by the Board who are not officers,

directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director or employee, or as otherwise provided by Florida Statutes. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the accused appears at the meeting. The committee shall decide by majority vote whether or not the proposed fine or suspension shall be imposed. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board of Directors may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the fourteen (14) day period. Any suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions by any Person.

4. Additional Enforcement Rights

Notwithstanding anything to the contrary herein contained, the Association may elect to enforce any provisions of the Declaration or these By-Laws by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

ARTICLE XI FISCAL MANAGEMENT

1. Fiscal Year

The fiscal year of the Association shall commence upon the first (1st) day of January and conclude on the thirty-first (31st) day of December.

2. Depositories

The funds of the Association shall be deposited in such accounts as may be selected by the Board of Directors, including checking and savings accounts in one (1) or more banks and/or savings and loan associations, Certificates of Deposit, U.S. Treasury Bills and money market accounts with an investment firm or firms, all in accordance with resolutions approved by the Board of Directors. The funds shall be used only for lawful purposes of the Association.

3. Expenses

The receipts and expenditures of the Association may be credited and charged to accounts as the Board of Directors may determine, in accordance with good accounting practices as set forth in Article XI, Section 7, below.

4. Reserve Accounts

The Association shall establish and maintain an adequate reserve account for the periodic maintenance, repair and replacement of Common Area.

5. Budget

The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the expenses of the Association for the fiscal year and to provide and maintain funds for the accounts established by the Board of Directors (including a capital replacement reserve), in accordance with good accounting practices as set forth in Article XI, Section 7, below.

6. Fidelity Bonds

The Association shall, if reasonably available, purchase blanket fidelity bonds for all directors, officers and employees of the Association and for any management agent who controls or disburses funds of the Association and any contractor handling or responsible for Association funds. The following provisions shall govern the Association's purchase of the bonds:

- (a) Each fidelity bond purchased by the Association shall name the Association as an obligee of the bond.
- (b) The premiums for bonds shall be paid by the Association.
- (c) The fidelity bonds shall be in the amount determined from time-to-time by the Board of Directors.
- (d) Each bond shall include a provision requiring ten (10) days' written notice to the Association before the bond can be canceled or substantially modified for any reason.

7. Accounts and Reports

The following standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting (exclusive of depreciation and amortization), as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by any officer, director or employee of the Association from vendors, independent contractors, or others providing goods or services to

the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

(e) any financial or other interest which any officer, director or employee of the Association may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and

(f) an annual report consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. If determined by the Board of Directors, the annual report referred to above shall be prepared on an audited basis by a Certified Public Accountant selected by the Board of Directors. If unaudited financial statements are used, the unaudited financial statements will be certified by an officer of the Association.

8. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by the President and Secretary or by such other members of the Board or officers of the Association as may be designated by resolution of the Board of Directors.

9. Books and Records

The Declaration, Articles of Incorporation, By-Laws, membership register, books of account and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any mortgagee, Owner or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as an Owner at the office of the Association. Such records shall include a record of receipts and expenditures and accounts for each Owner, which accounts shall designate the names and addresses of the Owners, the due dates and amount of each Assessment, the amounts paid upon the account and the balance due. Accounts of Owners shall only be available for inspection by the Board, the officers and the Owner or such Owner's mortgagee. Minutes of grievance hearings will not be released to any person other than the person subject to the disciplinary action. Books and records of the Association may be kept at the Association office at the Property or off-site at the office designated by Declarant.

The Board shall establish reasonable rules with respect to: (1) notice to be given to the custodian of the records; (2) hours and days of the week when an inspection may be made; and (3) payment of the cost of reproducing copies of documents requested.

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

10. Insurance

The Association shall procure, maintain and keep in full force and effect insurance as may be required by the Declaration to protect the interests of the Association and the Owners.

**ARTICLE XII
MISCELLANEOUS**

1. Parliamentary Rules

Robert's Rules of Order (then current edition) shall govern the conduct of Association proceedings when not in conflict with applicable law, the Articles of Incorporation, the Declaration, or these By-Laws.

2. Construction

If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Declaration and/or these By-Laws, the provisions of Florida law, the Declaration, the Articles of Incorporation, and these By-Laws (in that order) shall prevail.

3. Validity

If any By-Law or rule or regulation is adjudicated to be invalid, such fact shall not affect the validity of any other By-Law or rule or regulation.

4. Notices

Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first-class, postage prepaid: (a) if to an Owner or Member, at the address which the Owner or Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Lot of the Owner or Member; or (b) if to the Association or the Board of Directors, then at the principal office of the Association or at such other address as shall be designated by the Association or the Board of Directors in writing and given to the Owners or Members in accordance with this Section.

5. Amendments

Until the Turnover Date, Declarant may amend these By-Laws in its sole and absolute discretion. After the Turnover Date, Declarant may amend these By-Laws at any time and from time to time, in its sole and absolute discretion, if such amendment is (a) necessary to bring any provisions hereof into compliance with any applicable governmental statute, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on a Lot; (c) required by an institutional lender or a government mortgage agency or purchaser of mortgage loans to enable the same to make, insure or purchase mortgage loans on a Lot; (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on a Lot subject to the Declaration; or (e) correct

any stenographic, scrivener's or surveyor's error or any error of a like nature; provided, however, any such amendment shall not adversely affect the title to a Lot, unless the Owner thereof shall consent thereto in writing.

After the Turnover Date and so long as it still owns any part of the Property or the Additional Property (as described in the Declaration) for development, Declarant may amend these By-Laws in its sole and absolute discretion for any other purpose; provided, however, that such amendment shall not materially and adversely affect the rights of any Owner of a Lot without the approval of such Owner.

After the Turnover Date, (a) any non-Declarant initiated amendment, or (b) any Declarant initiated amendment which has a materially adverse effect upon the rights of an Owner of a Lot, shall require the affirmative vote (in person or by proxy) or the written consent, or any combination thereof, of Members representing sixty-seven percent (67%) of the total votes in the Association (other than Declarant), and the consent of Declarant, so long as Declarant owns any portion of the Property or the Additional Property. However, the percentage of votes necessary to amend a specific clause shall be not less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

