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6/23/83

Rogers Engineering Co.
1105 SE 3RD AVE

83-044706

O.C.A.S. 32671

DECLARATION OF COVENANTS, EASEMENTS AND RESTRICTIONS
FOR ETHAN'S GLEN

This is a Declaration of Covenants, Easements and Restrictions made on or as of this 1ST day of AUGUST, 1983 by CONQUISTADOR DEVELOPMENT CORP., a Florida corporation (hereinafter referred to as "Developer").

W I T N E S S E T H :

WHEREAS, Developer is the owner of certain real property (hereinafter called the "Property:") situate in Marion County, Florida, more particularly described as:

All land included in and covered by the plat (hereinafter referred to as the "Plat") of ETHAN'S GLEN, according to map or plat thereof, as recorded in Plat Book W, on Page 24 & 25, of the Public Records of Marion County, Florida.

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

ARTICLE I
DEFINITIONS

Section 1. "Association" shall mean and refer to the non-profit corporation to be established by Developer known as ETHAN'S GLEN HOMEOWNERS ASSOCIATION, INC., its successors and assigns. The Articles of Incorporation and By-Laws of

the Association are attached hereto as Exhibit A and Exhibit B, respectively.

Section 2. "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 3. "Common Areas" shall mean and refer to all portions of the Property (including the improvements thereto) conveyed to the Association by Developer. Developer intends to convey the Private Drainage Area and the "Private Streets" shown on the Plat to the Association and may convey the Rec Area as hereafter provided; Developer also may convey to the Association other portions of the Property; upon such conveyance or conveyances, said properties will become part of the Common Areas.

Section 4. "Developer" shall mean and refer not only to CONQUISTADOR DEVELOPMENT CORP., a Florida corporation, but also any Successor Developer (hereafter defined).

Section 5. "Individual Purchaser" shall mean and refer to any person or entity other than a Successor Developer to whom Developer conveys a Townhouse or Villa (hereafter defined).

Section 6. "Lot" shall mean and refer to the parcels of land shown on the Plat which are numbered with Arabic numerals such as "1", "2" or "3".

Section 7. "Owner" shall mean and refer to the owner of the fee simple title to a Townhouse or Villa. When a Townhouse or Villa is owned by more than one person, the term "Owner" shall refer to all owners of that Townhouse or Villa collectively, and that Townhouse or Villa shall be deemed for the purposes of this Declaration to have only one Owner.

Section 8. "Party Wall" shall mean and refer to each wall built as part of the original construction of a Townhouse Building on the dividing line between Townhouses in the Building, and any wall replacing the same.

Section 9. "Planting Bed" shall mean and refer to the area that lies within three feet of the front exterior wall

of a Townhouse or Villa, within three feet of the side exterior walls of a Villa, and within three feet of the rear concrete patio slab of a Townhouse or Villa.

Section 10. "Private Drainage Area" shall mean and refer to that parcel designated on the Plat as "Private Drainage Area".

Section 11. "Private Streets" shall mean and refer to streets shown on the Plat.

Section 12. "Rec Area" shall refer to the parcel designated on the Plat as "Rec Area".

Section 13. "Successor Developer" shall mean and refer to any party designated as such by CONQUISTADOR DEVELOPMENT CORP., by written instrument recorded in the Public Records of Marion County, Florida.

Section 14. "Townhouse" shall mean and refer to each individual dwelling unit within a Townhouse Building which shares a Party Wall with another dwelling unit.

Section 15. "Townhouse Building" shall refer to a residential building constructed or to be constructed on each Lot (herein defined), comprised of several individual dwelling units which share one or more common walls with another dwelling unit.

Section 16. "Villa" shall mean and refer to a free standing residential dwelling unit erected or to be erected on a Lot, which does not share a common wall with any other dwelling unit.

ARTICLE II

PARTY WALLS

Section 1. General Rules of Law to Apply. The general rules of Florida law regarding party walls shall apply to each Party Wall, except as expressly modified by this Declaration. Each Owner of the Townhouses which share a Party Wall shall have a perpetual easement on and over the adjoining Lot at the location where the Party Wall is originally constructed by Developer, which easement shall be

for purposes of maintaining and reconstructing the Party Wall.

Section 2. Sharing of Repair and Maintenance. The cost of repair and maintenance of a Party Wall shall be borne equally by the Owners of the Townhouses which share such Party Wall. Notwithstanding the foregoing, to the extent the need for repair and maintenance is caused by or results from the intentional destruction or damage of the Owner, or residents or invitees of only one Townhouse, the Owner of that Townhouse shall be solely responsible for the cost of such repair and maintenance. Disputes regarding the proper apportionment of the costs of such repair and replacement between Owners shall be settled by arbitration by submitting the dispute to the Board of Directors, and the decisions of the Board of Directors shall be binding on those Owners.

Section 3. Construction and Repair. In all construction and repair work, due precaution and care shall be taken not to damage the property of the other Owner.

Section 4. Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, then the Party Wall shall be repaired or replaced by the Owners of the two Townhouses which share such Party Wall who shall contribute equally to the cost of restoration thereof, without prejudice however, to the right of the party or parties restoring the same to reimbursement from insurance.

Section 5. Implied Terms. No attempt shall be made in this Declaration to cover every possible contingency that may arise by virtue of the close proximity of the Townhouses and their common walls. All Owners, by accepting a deed or other interest in any Townhouse, agree that such additional covenants, restrictions, easements, and provisions shall be implied herein as are reasonable and necessary to carry out the intent of Developer to allow each Owner to enjoy the full use and benefit of his Townhouse, and to maintain same as a

residence as part of the Townhouse Building in which it is located.

ARTICLE III

MAINTENANCE AND REPAIR OBLIGATIONS

Section 1. Common Duties of Owners of Townhouses and Villas. Each Owner of a Townhouse or Villa will: (a) maintain the interior of his Townhouse or Villa; (b) maintain, repair and replace when needed all screens, windows, doors and air conditioning equipment that serve only his Townhouse or Villa; (c) maintain, repair and replace when needed all sewer, water, and electrical lines that serve only his Townhouse or Villa; (d) maintain any patio, outdoor concrete decking, driveways and sidewalks located on his Lot in a clean, good and orderly condition.

Section 2. Roof and Exterior Maintenance of Townhouses. The Association shall (a) maintain and replace when needed the roofs of Townhouses; (b) maintain and paint, as and when determined by the Board of Directors, the exterior of the Townhouse Buildings except those parts which the Owner is expressly required to maintain as set forth above in Section 1 of this Article.

Section 3. Roof and Exterior Maintenance of Villas. Each owner of a Villa shall also: (a) maintain and replace, when needed, the roof of his Villa; (b) maintain and paint, when needed, the exterior of his Villa.

Section 4. Maintenance of the Common Areas. The Association shall maintain all Common Areas (including grass and landscaping), and repair and replace all improvements located thereon when needed.

Section 5. Grounds Maintenance of Lots. The Association may, upon affirmative vote of the Board of Directors, elect to fertilize, water, mow, edge, clip, and otherwise maintain the grass and landscaping on the Lots, or any part thereof, so long as all Lots are maintained by the Association to the same extent and degree. For example, the

Board may elect to water and fertilize the grass but not mow it. Or, the Board may, for example, elect to maintain the grass on the front of Lots but not the rear. Such election or elections may be made or rescinded or modified from time to time at any special or regular meeting of the Board of Directors. The Board may elect not to maintain any portions of Townhouse or Villa Lots that are within a fenced or walled area, and such election shall be deemed to be in conformity with this Article even though the Association is maintaining the grass and landscaping on the remainder of the Lots. Each Owner shall maintain in "first class" condition (including watering, fertilizing, cutting, trimming and edging) those parts of his Lot that the Association does not maintain.

ARTICLE IV

MAINTENANCE EXPENSES

The expense for all maintenance performed by the Association (including all landscaping maintenance of Lots which the Board of Directors elects to perform) shall be a common expense of the Association, payable in advance as part of the "Annual Assessment" (hereafter defined) except that the cost of maintaining the exteriors and roofs of Townhouse Buildings shall not be a common expense but shall be part of the "Townhouse Building Assessment" (hereafter defined) collected only from Owners of Townhouses in the Townhouse Building requiring the maintenance.

ARTICLE V

INSURANCE

Section 1. Fire Insurance Policies.

(a) Common Areas. The Association shall maintain in its name as a common expense (collectible as part of the "Annual Assessment" as hereafter defined) appropriate hazard insurance on all improvements located on the Common Areas.

(b) Villas. The Owner of each Villa must maintain at his expense his own hazard insurance policy on his

Villa. In the event a Villa shall suffer damage or destruction, the Owner thereof shall promptly repair, restore and reconstruct same in accordance with the original design and color scheme, using the insurance proceeds payable by reason thereof to pay the cost of such repair, restoration and reconstruction.

(c) Townhouses. The Owner of each Townhouse must maintain at his expense a hazard insurance policy on his Townhouse. All hazard insurance policies on Townhouses must name the Association as the loss payee. No mortgagee on a Townhouse shall have the right to have insurance proceeds applied to pay the mortgage; rather, such proceeds shall be used for reconstruction and restoration as hereafter provided. In the event a Townhouse shall suffer damage or destruction, the Association may settle the insurance claim for damage to the Townhouse on behalf of the Owner, and the proceeds shall be paid to the Association and used to promptly repair, restore and reconstruct the Townhouse in accordance with the original design. Any excess insurance proceeds remaining after the restoration and reconstruction is complete shall be payable jointly to the Owner and any mortgagee named in the policy. If the insurance proceeds are not sufficient to reconstruct and restore a Townhouse, the Owner of the Townhouse shall furnish the deficiency to the Association upon demand.

Section 2. Liability Insurance. The Association shall also maintain appropriate liability coverage on all Common Areas. Each Owner of a Townhouse or Villa shall obtain and at all times maintain liability insurance for his Townhouse or Villa and Lot.

Section 3. Amount. The amount and coverage of the insurance maintained by the Association shall be determined by the Board of Directors and the cost of the insurance

maintained by the Association shall be paid by the Association as a common expense collectible as part of the Annual Assessment. The amount of hazard insurance carried by the Owner of a Townhouse on his Townhouse must equal the full insurable value of the Townhouse as determined by the Board of Directors.

ARTICLE VI

ARCHITECTURAL CONTROL

Section 1. Architectural Committee. An architectural committee (the "Architectural Committee") shall be created which shall originally consist of two (2) representatives appointed by Developer. Developer may remove any representative appointed by it at any time and designate a substitute committee member. Developer shall have the right to designate the two (2) members of the Architectural Committee until such time as it conveys the last remaining to an Individual Purchaser. When Developer is no longer entitled to appoint the representatives to the Architectural Committee, thereafter, the Architectural Committee shall consist of the Board of Directors.

Section 2. Alterations and Additions. No improvements or structure of any kind (including but not limited to a building, fence, wall, roof, screen, patio, walkway, or drive) other than those originally constructed by Developer or its designee shall be constructed or maintained on a Lot unless plans and specifications for same showing its nature, kind, size, materials, color and location have been approved in writing by the Architectural Committee. Nor shall any alteration or color change be made to any Townhouse or Villa without such approval by the Architectural Committee. Such approval by the Architectural Committee may be denied without cause, in the sole discretion of the Architectural Committee. No such approval shall be required for improvements and modifications made inside a Townhouse or Villa which are not visible from outside. Nothing, shall be affixed or displayed

by an Owner on the exterior of a Townhouse Building or Villa or any walls or fences located on a Lot other than that which is originally constructed by Developer or its designee, except with the written consent of the Architectural Committee as heretofore required for improvements, which consent may be denied without cause, in the sole discretion of the Architectural Committee. No plants of any kind shall be placed on a Lot by any Owner without written approval of the Architectural Committee, except that no such approval shall be required for plants placed in a Planting Bed by the Owner of the Lot within which the Planting Bed is located.

ARTICLE VII

USES

Section 1. Permitted Uses. No Townhouse or Villa shall be used other than for residential purposes. In addition:

a. No noxious or offensive activity shall be carried on upon any Lot or within any Townhouse or Villa, nor may any Townhouse or Villa be used in any way or for any purpose which may unreasonably disturb the occupancy of any other Townhouse or Villa or which constitutes a nuisance to such occupants.

b. No business activities of any kind whatever shall be conducted in the Townhouse or Villa or on a Lot; provided, however, the foregoing shall not apply to construction, maintenance, and sales activities of Developer, his agents and assigns, during the construction and sale period.

c. No Townhouse or Villa shall be rented or used for transient or hotel purposes, which is defined as: (i) rental for any period less than thirty (30) days, or (ii) rental under which occupants are provided customary hotel services, such as room service for food and beverages, maid service, and like services; otherwise, Townhouses or Villas may be rented for residential purposes.

d. No animals or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, that they are limited in number so as not to cause a nuisance or disturbance to others, and that they are not permitted to run loose.

e. No boat, truck, trailer, camper, recreational vehicle, inoperative vehicle, unregistered vehicle or similar vehicle shall be stored, temporarily or permanently, on any Lot or in the Common Areas; provided, however, that this subsection shall not pertain to any construction related trucks, equipment or other vehicles used by Developer or any Successor Developer in the construction of Townhouses or Villas or any of Developer's or Successor Developer's contractors or subcontractors.

f. Nothing shall be permitted to be displayed from the inside of windows or within a patio area that has a deleterious effect upon any other Townhouse or Villa. No material shall be affixed to the inside of glass windows or glass doors which is visible from outside a Townhouse or Villa.

g. No sign or billboard of any kind shall be erected or maintained on any Townhouse, Villa or Lot except (i) one sign of a licensed real estate broker not more than four square feet advertising the Townhouse or Villa for rent or sale, (ii) signs used by Developer or its designee to advertise the Townhouses and Villas for sale during the construction and initial sales period, and (iii) such signs, if any, as may be approved by the Architectural Committee.

h. All equipment, garbage cans, wood piles, and any other items stored outside shall be kept screened by adequate planting or fencing so as to conceal them from

view of the other Townhouses and Villas and public view. All rubbish, trash and garbage shall be regularly removed from each Lot and shall not be allowed to accumulate thereon; provided, however, that this subsection shall not apply to any construction materials used by Developer, its Successor Developer, or any contractors or sub-contractors of Developer or its Successor Developer in the construction of Townhouses.

Section 2. Construction. Anything herein to the contrary notwithstanding, nothing in this Article or elsewhere in this Declaration shall in any way limit, restrict, impair or interfere with Developer's right to construct or sell Townhouses and Villas at any time or to conduct all activities which are in the opinion of the Developer helpful with respect to such construction or with respect to selling such Townhouses and Villas, including but not limited to the right to maintain a construction trailer or trailers on the Property, a sales office, a model, and promotional signs.

ARTICLE VIII

USE OF REC AREAS

Section 1. Owners' Right of Enjoyment. Every Owner shall have a right to use the recreational facilities located in the Rec Area for the purpose for which they were intended by Developer, which right shall be appurtenant to and shall pass with the title to every Townhouse and Villa, subject to the following:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Rec Area;

(b) the right of the Association to suspend the right to use of the recreational facilities by an Owner for any period during which any assessment against his Townhouse or Villa remains unpaid and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to make reasonable rules governing the use of the Rec Area and recreational facilities;

(d) the right of the Association to dedicate or transfer all or any part of the Rec Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by a two-thirds (2/3) vote of its members; no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of Association members has been recorded in the Public Records of Marion County, Florida.

Section 2. Delegation of Use. Any Owner may delegate his right of enjoyment to the Rec Area and recreational facilities to persons who reside in his or her Townhouse or Villa.

ARTICLE IX

EASEMENTS

Section 1. Easement for Encroachments. Each Townhouse Lot shall be subject to an easement for any encroachment by an adjoining Townhouse created by construction, settling and overhangs, as designed or constructed by the Developer or its designee. An easement for the benefit of the encroaching Townhouse for said encroachments and for the maintenance of same shall exist so long as the encroachment exists.

Section 2. Easements Over Lots for Utilities and Services. There is hereby created in favor of the Developer and the Association, and their designees and assigns, upon, across, over and under each Lot perpetual easements for installation, replacing, repairing and maintaining utilities and a common sprinkler system needed to serve all improvements on that Lot and other Lots, and to properly water the grass and landscaping on that Lot and other Lots. The easements shall be for all reasonable utility needs,

including but not limited to waterlines, sprinkler lines, valves, sprinkler heads, sewer drainage, gaslines, telephone lines, electrical lines, a master television antenna system or cable television system. By virtue of this easement, it shall be expressly permissible for the Developer, the Association and any utility company to erect and maintain the necessary lines and equipment on all Lots. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines or other utilities may be installed or replaced on a Lot, except in the locations where the lines were initially installed by the Developer or its designee, unless the Owner of the Lot consents, and further, no easement shall exist under any Townhouse or Villa as originally constructed by Developer. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, each Owner by acceptance of a deed to a Lot agrees to execute such document.

Section 3. Easement Over Private Streets. There is hereby created upon, across and over all parts of the Private Streets, in favor of the Developer, the Association, and all Owners, their tenants, family members, guests, licensees, and invitees, a perpetual non-exclusive easement for ingress and egress by pedestrian and vehicular traffic, to and from each and every Townhouse and Villa and the Common Areas. This easement may be used by all contractors and other parties designated by Developer to erect improvements in the Property. Every deed to a Lot shall automatically be deemed to have conveyed to the grantee therein such an easement for ingress and egress. There is also hereby created in favor of Developer, the Association and their designees perpetual easements under the Private Streets for maintaining utility lines to serve the Lots and Common Areas.

Section 4. Drainage Easements. There is also hereby created in favor of Developer and all Owners a perpetual

non-exclusive right to drain storm water from all Lots and the Common Areas over and under Lots and the Private Streets and into the Private Drainage Area. The Private Drainage Area conveyed to the Association shall be maintained by the Association as a retention pond, and the Association shall be responsible for its maintenance. These drainage easements shall not, however, run under or through any Townhouse or Villa as originally constructed by Developer. No Owner shall do anything on his Lot which will interfere with the drainage of water as provided by Developer as part of the original construction.

ARTICLE X

PARKING

Section 1. Non-Exclusive Right to Park. Vehicular parking shall be allowed only in those Common Areas which are designated for parking by the Board of Directors. The Board of Directors shall have the power, in its sole discretion, to assign two (2) parking spaces to the residents of each Townhouse or Villa. The residents of each Townhouse and Villa are limited to two (2) vehicles per Townhouse or Villa.

ARTICLE XI

CONVEYANCES OF COMMON AREAS

Section 1. Title. Prior to the conveyance of the first Lot to an Individual Purchaser, Developer shall convey to the Association fee simple title to that portion of the Private Streets providing access to that Lot. Prior to the conveyance to an Individual Purchaser of the last Lot owned by Developer, the Developer shall convey to the Association fee simple title to all portions of the Private Streets not previously conveyed to it, as well as fee simple title to the Private Drainage Area and to the Rec Area. The title to all such property shall be conveyed by warranty deed, free and clear of any liens or mortgages. The property so conveyed by Developer to the Association shall become part of the Common Areas. However, Developer hereby reserves (and shall be

deemed to have reserved in the deed) unto itself and all Owners and the heirs, successors, assigns, licensees, invitees and agents of Developer and the Owners the easements for utilities, services, ingress and egress and drainage as set forth above.

ARTICLE XII

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Villa or a Townhouse, including Developer and any Successor Developer, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Villa or Townhouse.

Section 2. The Association shall have two (2) classes of voting membership:

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

(2) Class B. The Class B member shall be the Developer, who shall be entitled to three (3) votes for each Villa or Townhouse owned and ten (10) votes for each Lot which Developer owns and on which there are no completed Villa or Townhouse. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

- (b) five (5) years from the date of the conveyance
of the first Lot to an Individual Purchaser;
or
- (c) at the election of Developer.

ARTICLE XIII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Villa or Townhouse by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) "Annual Assessments" (as hereafter defined) established by the Board of Directors, (b) "Special Assessments" (as hereafter defined) for capital expenditures approved and established by the Board of Directors, and (c) "Compliance Assessments" (as hereafter defined). In addition, each Owner of a Townhouse (but not a Villa) by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association all "Townhouse Building Assessments" (as hereafter defined) for the Townhouse Building in which his Townhouse is located. Such assessments to be established and collected as hereinafter provided. The Annual, Special Compliance and Townhouse Building Assessments, together with interest, costs, and reasonable attorney's fees incurred by the Association in collecting them, shall be (a) a charge and continuing lien upon the Lot against which each such assessment is made; and (b) the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to the previous Owner's successors in title unless expressly assumed by them.

Section 2. Annual Assessment. "Annual Assessment" shall refer to the assessment established on an annual basis by the Board of Directors, based upon the anticipated common

expenses for the next ensuing twelve months. The Annual Assessment shall be used to pay (a) all Association expenses of owning, operating and maintaining the Common Areas, including but not limited to insurance on the Common Areas, taxes on the Common Areas, and maintenance of the Common Areas, (b) all Association expenses for maintaining the grass and landscaping on Lots to the degree elected by the Board of Directors as provided above, and (c) other Association expenses other than those for capital expenditures to be covered by Special Assessments and/or Townhouse Building Assessments. Annual Assessments shall be fixed at a uniform rate for all Townhouses and Villas and shall be collected in advance in monthly installments. Until January 1st of the year immediately following the conveyance of the first Townhouse or Villa to an Individual Purchaser, the maximum Annual Assessment shall be Seven Hundred Dollars and no cents DOLLARS (\$ 700.00) per year per Townhouse or Villa. From and after January 1st of the year immediately following the conveyance of the first Townhouse or Villa to an Individual Purchaser, the maximum Annual Assessment may not be increased each calendar year by more than fifteen (15%) percent above the maximum assessment for the previous year, without assent of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum without the need for a special meeting or vote of the members. The Board of Directors may, in their sole discretion, establish and determine as part of the Annual Assessments the amount of a reserve fund for the purposes of future maintenance, replacement and repair of all improvements in Common Areas such as the pavement, rec building and pool. Any assessment installment not paid within thirty (30) days after the due date shall bear interest from the due date at the highest rate allowed by

law. The Association may bring an action at law against the Owner personally obligated to pay the same, or may foreclose the lien against the Townhouse or Villa. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Townhouse or Villa. Annual Assessments provided for herein shall commence as to each Townhouse or Villa on the date which that Townhouse or Villa is conveyed to an Individual Purchaser. The first such Annual Assessment for each Townhouse or Villa shall be prorated according to the number of months remaining in the calendar year at the time of the first conveyance of that Townhouse or Villa to an Individual Purchaser. Any Townhouse or Villa not conveyed to an Individual Purchaser shall not be subject to assessment so long as Developer provides the Association with the difference between the total amount of Annual Assessments charged to Individual Purchasers and the actual annual operating costs of the Association. The Board of Directors shall fix the amount of the Annual Assessment against each Townhouse and Villa at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. The due date for fixing the Annual Assessment dates shall be established from time to time by the Board of Directors.

Section 3. Special Assessments for Capital Improvements. "Special Assessment" shall mean assessments established from time to time by the Board of Directors for capital improvements. Special Assessments shall be in addition to the Annual Assessments authorized above. Special Assessments shall be only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or replacement of a capital improvement upon the Common Areas which cannot be paid from reserves collected as part of the regular Annual Assessments. Special Assessments may be used to construct, reconstruct or replace

pavements, utility lines, buildings, fixtures and personal property located in or on the Common Areas. provided, that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose. Special Assessments shall be fixed uniformly against all Townhouses and Villas and shall be payable when and as specified by the Board of Directors.

Section 4. Compliance Assessment Lien. Each Owner shall comply, or cause compliance, with all covenants, requirements, and obligations contained in this Declaration including, without limitation, the obligations with regard to any Party Wall and the maintenance obligations of an Owner contained herein, the obligation to maintain insurance contained herein, and the obligation to repair all damage or destruction to his Townhouse or Villa contained herein. Upon the failure of an Owner to comply with any of his obligations hereunder, the Association, in addition to any other enforcement rights it may have hereunder, may take whatever action it deems appropriate to cause compliance, including without limitation cleaning, repair, maintenance, and reconstruction activities, and the removal of improvements or any other action required to cause compliance with the covenants, requirements and obligations contained herein. All costs incurred by the Association in causing such compliance shall be deemed a "Compliance Assessment" against the Lot of the non-complying Owner, and shall be immediately due and payable from the non-complying Owner to the Association.

Section 5. Townhouse Building Assessment. A "Townhouse Building Assessment" shall refer to an assessment levied against the Owners of Townhouses in a particular Townhouse Building for the cost of exterior maintenance needed from time to time to the outside of a Townhouse Building or its roof, such as painting or roof replacement. Townhouse Building Assessments shall be based on the actual or

estimated cost of such maintenance work and shall be collectible only from the Owners of the Townhouses located in the Townhouse Building requiring the maintenance. A Townhouse Building Assessment shall be assessed equally against each Townhouse in that Townhouse Building and shall be secured by a lien in the same manner as the other assessments.

Section 6. Subordination of the Lien to Mortgages. The lien of all assessments provided for herein shall be subordinate to the lien of any first mortgage held by an institutional mortgagee (a mortgage holder in the business of making, guaranteeing, or purchasing mortgages), including but not limited to banks, savings and loans, mortgage companies, VA, FHA, FNMA, or FHLMC. The sale or transfer of any Townhouse pursuant to mortgage foreclosure by an institutional mortgagee or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, but no such sale or transfer shall relieve a Townhouse or Villa from liability for any assessments which thereafter become due or from the lien thereof. Likewise, no such sale or transfer shall relieve an Owner from his personal liability for the assessment.

ARTICLE XIV

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Joint and Several Obligations. Each and every obligation of an Owner hereunder shall be the joint and

several obligation of each owner of a fee simple interest in that Townhouse or Villa, and any demand, notice or other communication or action given or taken hereunder or pursuant hereto to or by one of such joint Owners shall be deemed given, taken or received by all such joint Owners.

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

Section 4. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless terminated by agreement of the Owners of three-fourths (3/4) of the Townhouses and Villas. However, anything in this paragraph or in this Declaration to the contrary notwithstanding, all easements provided for herein shall be perpetual, and shall not be terminated by termination of the covenants and restrictions.

Section 5. Amendments. This Declaration may be amended by a duly executed and recorded instrument signed by the Owners of no less than three-fourths (3/4) of the Townhouses and Villas and by three-fourths (3/4) of the first mortgagees with mortgages on Townhouses and Villas, provided, that any such amendment must also be approved by the Developer so long as Developer either owns a Townhouse or Villa. Amendments to the Articles of Incorporation and By-Laws for the Association shall not be considered amendments to this Declaration, and shall be accomplished in the manner set forth in said Articles and By-Laws. Notwithstanding the foregoing, and in addition thereto, the consent of all Owners and Developer shall be required for any amendment to this Declaration which effects a change in (1) the method of dividing the assessments, (2) the provisions dealing with insurance or

reconstruction after casualty, (3) the provisions dealing with the duration or amendment of this Declaration, or (4) any easement provided for herein. A holder or insurer of a first mortgage on any Townhouse or Villa, upon written request to the Association (which request shall state the name and address of such holder or insurer and a description of the Townhouse or Villa), shall be entitled to timely written notice of any proposed amendment to this Declaration.

Section 6. Notices. Notices to Developer must be given by certified mail, return receipt requested, to:

Robert A. Mantovani
3101 S.W. College Road,
Suite 201
Ocala, Florida 32674

Developer may designate a different address to be used hereunder, recording a notice so stating in the Public Records of Marion County, Florida.

Section 7. Captions. The paragraph captions are for convenience only, and shall not be deemed to in any way affect or limit the interpretations or content of the paragraphs.

Section 8. Reduction. If any covenant, restriction, easement or provisions contained in this instrument is invalid or unenforceable because its duration as provided above herein exceeds a permissible or reasonable duration under any statute or rule of law or equity, then it is expressly agreed by the Developer, and any party having any interest in a Townhouse or Villa, that the duration of said covenant, restriction, easement or provision shall automatically be limited and reduced, ipso facto, to such duration as will be deemed permissible or reasonable under the applicable statute or rule of law or equity.

Section 9. FHA/VA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: (a) submission to this Declaration

of additional properties other than additional Phases shown on the Plat, (b) dedication of Common Areas to the public, and (c) amendment of this Declaration.

IN WITNESS WHEREOF, the Developer herein, CONQUISTADOR DEVELOPMENT CORP., has caused this instrument to be executed on its behalf as of the 1st day of August, 1983.

Signed and acknowledged in the presence of:

CONQUISTADOR DEVELOPMENT CORP.

Robert A. Mantovani, Secretary

By: Miguel A. Ferrer
Miguel A. Ferrer, Pres.

STATE OF Florida
COUNTY OF Marion

Before me, the subscriber, a notary public in and for said county, personally appeared Miguel A. Ferrer, the President of CONQUISTADOR DEVELOPMENT CORP., a Florida corporation, who acknowledged the signing of the foregoing instrument to be his free act and deed on behalf of such corporation for the uses and purposes set forth therein.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed my official seal on the 1st day of August, 1983.

[Signature]
Notary Public

Notary Public, State of Florida at Large
My Commission Expires May 26, 1985

My Commission Expires:

May 26, 1985

FWC2/kk

RECORDED AND INDEXED
SEP 20 3 39 PM '83
MARION COUNTY
FLORIDA
[Signature]