

LEGISLATIVE #

170660A

This instrument prepared by,
or under the supervision of
(and after recording, return to):

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Holland & Knight LLP
Real Estate Department
50 North Laura Street, Suite 3900
Jacksonville FL 32202

(Reserved for Clerk of Court)

DECLARATION OF CONDOMINIUM

OF

CORNERSTONE, A CONDOMINIUM

THE CITY OF GAINESVILLE, a Florida municipal corporation, hereby declares:

1. Introduction and Submission.

1.1 The Land. The Developer (as hereinafter defined) owns the fee title to those certain lands lying in Alachua County, Florida, and more particularly described in Exhibit "1.1" attached hereto and by reference made a part hereof. The term "Land" is more particularly defined in Section 2.19 below.

1.2 Submission Statement. The Developer desires to create a phased condominium on the Land and on the Subsequent Phase Land, pursuant to the Act as it exists on the date hereof and as it may be hereafter amended. Except as set forth in this Section 1.2, the Developer hereby submits the Land to the condominium form of ownership and use in the manner provided for in the Act as exists on the date hereof and as it may be hereafter amended or renumbered. This is a phased condominium as contemplated by Section 718.403 of the Act. However, the land designated as Subsequent Phase Land is not being subjected to this Declaration at this time and shall neither be a part of the Condominium or subject to this Declaration unless and until this Declaration is amended by the Developer to add such Subsequent Phase Land, and therefore until an amendment is recorded may be changed, occupied, and encumbered free and clear of the terms and conditions hereof. Without limiting any of the foregoing, no property, real, personal or mixed, not located within or upon the Land as aforesaid shall for any purposes be deemed part of the Condominium or be subject to the jurisdiction of the Association (as hereinafter defined), the operation and effect of the Act or any rules or regulations promulgated pursuant thereto, unless expressly provided.

1.3 Name. The name by which this Condominium is to be identified is CORNERSTONE, A CONDOMINIUM, with a mailing address of 2153 SE Hawthorne Road, Gainesville, Florida 32641, and hereinafter called the "Condominium."

2. DEFINITIONS. The terms used in this Declaration and in its exhibits shall have the respective meanings ascribed to them in the Act and as follows, except where the context clearly requires otherwise.

2.1 “Act” means the Florida Condominium Act (Chapter 718 of the Florida Statutes) as it exists on the date hereof and as it may be hereafter amended.

2.2 “Approved Design Plans” means the plans submitted and approved pursuant to applicable county or municipal laws, ordinances, codes, regulations or requirements affecting any portion of the Condominium Property, including, without limitation, the City of Gainesville and Alachua County, with respect to the construction of Unit Owner Improvements on a Unit.

2.3 “Articles” or “Articles of Incorporation” mean the Articles of Incorporation of the Association, as amended from time to time.

2.4 “Assessment” means a share of funds required for payment of Common Expenses or other expenses of the Association which are from time to time assessed against the Unit Owner.

2.5 “Association” means Cornerstone Condominium Association, Inc., a Florida not-for-profit corporation, the sole entity responsible for the operation of the Condominium.

2.6 “Association Property” means that property, real and personal, which is owned or leased by the Association for the use and benefit of its members.

2.7 “Board of Directors” or “Board” means the board of administration, from time to time, of the Association. Directors must be natural persons who are 18 years of age or older. Any person who has been convicted of any felony by any court of record in the United States and who has not had his or her right to vote restored pursuant to law in the jurisdiction of his or her residence is not eligible for membership on the Board of Directors (provided, however, that the validity of any action of the Board of Directors is not affected if it is later determined that a member of the Board of Directors is ineligible for membership of the Board of Directors due to having been convicted of a felony).

2.8 “Bylaws” means the Bylaws of the Association, as amended from time to time.

2.9 “Common Elements” means the portion of the Condominium Property not included in the Units, together with the easement rights defined in Section 3.3 herein.

2.10 “Common Expenses” shall include all those items specifically authorized under Section 718.115(1)(a) of the Act, whether incurred before or after the date control is transferred from the Developer to the Unit Owners. The Common Expenses shall be those expenses directly related to this Condominium together with expenses of the Association related to the Condominium Property or Common Elements within this Condominium in which all members of the Association have use rights.

2.11 “Common Surplus” means the amount of all receipts or revenues, including assessments, rents, or profits, collected by the Association which exceeds Common Expenses.

2.12 “Condominium” shall have the meaning given to it in Section 1.3. This Condominium is a land condominium consisting of Units which are distinct parcels of real property which will be improved with a concrete pad and underground utilities, intended only for commercial use in accordance with existing applicable governmental, zoning and land use regulations.

2.13 “Condominium Parcel” means a Unit, together with the undivided share in the Common Elements appurtenant to the Unit.

2.14 “Condominium Property” means the lands, leaseholds and personal property that are subject to condominium ownership, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with the Condominium, and includes the Subsequent Phase Land, if and when it is subjected to this Declaration of Condominium in accordance with Article 14 below.

2.15 “Declaration” or “Declaration of Condominium” means the instrument or instruments by which the Condominium is created, as they may be from time to time amended.

2.16 “Developer” means the City of Gainesville, a Florida municipal corporation, its successors and assigns.

2.17 “District” has the meaning set forth in Section 12.1.

2.18 “Institutional Mortgagee” means a bank, credit union, an insurance company, a pension fund, a real estate investment trust, a mortgage banker, or other like business entities holding a mortgage on a Unit and insurers or guarantors of same.

2.19 “Land” means the surface of the parcel of real property described on Exhibit “1.1” hereto, and shall include the concrete slab constructed on the land and the subterranean space lying below such surface.

2.20 “Limited Common Elements” means those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of all other Units. References herein to Common Elements shall also include all Limited Common Elements unless the context would prohibit or it is otherwise expressly prohibited.

2.21 “Limited Common Expenses” shall include (1) all expenses incurred by the Association for the insurance, operation, maintenance, repair or replacement of those Limited Common Elements that are to be operated, maintained, repaired or replaced by the Association, including all parking spaces, (2) any reserves required by the Act or otherwise established by the Association with respect to the Limited Common Elements; and (3) any unpaid share of Limited Common Expenses. The Association shall use the provisions of Section 718.116 of the Act to collect the Limited Common Expenses in the same manner as Assessments are collected.

2.22 “Limited Common Surplus” means the amount of all receipts or revenues collected by the Association that relates to Limited Common Elements, which exceeds Limited Common Expenses.

2.23 “Special Assessment” means any Assessment levied against Unit Owners other than the Assessment required by a budget adopted annually. An amendment to an annual budget is not considered a Special Assessment.

2.24 “Storm Water Management System” means a system which is designed and constructed or implemented to control discharges which are necessitated by rainfall events, incorporating methods to collect, convey, store, absorb, inhibit, treat, use or reuse water to prevent or reduce flooding, overdrainage, environmental degradation, and water pollution or otherwise affect the quantity and quality of discharges, as more particularly described in Article 12 below.

2.25 “Subsequent Phase Land” or “Phase II” shall mean and refer to the land more fully described on Exhibit “1.2” attached hereto, which may be subjected to this Declaration of Condominium. Provided however, until such time as the Subsequent Phase Land or any part thereof is added to this Declaration of Condominium by recording an amendment, such Subsequent Phase Land shall be free and clear of all terms and conditions of this Declaration of Condominium.

2.26 “Unit” means a part of the Condominium Property which is subject to exclusive ownership. The term “Unit” and “Lot” may be used interchangeably to refer to a Unit in the Condominium.

2.27 “Unit Owner” means the Unit Owner as defined by the Act. The Unit Owner shall automatically be a member of the Association.

2.28 “Unit Owner Improvements” means all buildings, structures, improvements, fixtures or facilities placed upon a Unit pursuant to Approved Design Plans.

2.29 “Utility Service” as used in the Act, as construed with reference to this Condominium, and as used in this Declaration and Bylaws shall include exterior lighting and garbage disposal.

2.30 “Voting Certificate” means a document which designates one of the record title owners, or the corporate, partnership, or entity representative who is authorized to vote on behalf of a Unit owned by more than one owner or by any entity.

2.31 “Voting Interest” means the voting rights distributed to the Association members pursuant to Section 718.104(4)(j) of the Act.

3. DEVELOPMENT PLAN. The subject condominium is described and established as follows:

3.1 Survey. The survey of the Land is attached hereto as Exhibit “2.1” and by reference made a part hereof.

3.2 Plans. The improvements upon the Land are or will be constructed substantially in accordance with the plot plan and graphic description of the improvements attached hereto as Exhibit “2.1”, together with the certificate of surveyor attesting to the substantial completion of the improvements.

3.3 Easements.

(a) Utility Easements. Easements are reserved in favor of the Association through the Condominium Property as may be required for Utility Service or ingress and egress to serve the Condominium adequately, and the Association may grant permits, licenses and easements over, under or upon the Condominium Property for Utility Service, ingress and egress, or other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium.

(b) Cross Easements. Easements are hereby created in favor of all Unit Owners in any condominium or other development of any kind which may from time to time grant reciprocal easements to the Unit Owners of this Condominium, for pedestrian and vehicular ingress and egress and for ingress and egress to provide power, electric, telephone, sewer, water and other Utility Services or any one or all of the foregoing. Developer, for itself, its nominee and the Association, reserves the right to impose upon the Common Elements henceforth and from time to time such reasonable easements and cross easements for any of the foregoing purposes at it deems to be in the best interest of and necessary

and proper for the owners of Units in this Condominium or such other condominiums or developments of any kind as may from time to time grant reciprocal cross easements to the Unit Owners of this Condominium; provided that the Developer may not permit the use of the Common Elements for commercial purposes if doing so creates an unreasonable burden on the Unit Owners or the Condominium.

(c) Easements for Encroachments. All the Condominium Property shall be subject to the easements for encroachments which now exist or hereafter exist, caused by settlement or movement of a building, or caused by minor inaccuracies in building or rebuilding not to exceed five (5) feet, which encroachments shall be permitted to remain undisturbed and shall continue until such encroachments no longer exist.

(d) Ingress and Egress Easement. Each Unit Owner shall have a non-exclusive easement for ingress and egress between said Unit and the public roads and streets serving the Condominium over the walks, drives, parking areas, exterior access and other portions of the Common Elements of the Condominium. In addition, there shall be reserved to the Association and to all other Unit Owners, a non-exclusive easement for ingress and egress over and across the walks and/or drives which may cross any specific Unit, as reflected on the survey map and/or plot plan attached hereto as Exhibit "2.1".

(e) Easement for Maintenance and Repairs. The Association has an easement for an irrevocable right of access to each Unit during reasonable hours, when necessary for:

- (i) the maintenance, repair or replacement of any Common Element;
- (ii) making emergency repairs necessary to prevent damage to the Common Elements or to another Unit; or
- (iii) the maintenance, repair or replacement of landscaping, drives, patios and similar improvements located outside of the demising walls of the Unit Owner Improvements but within the legal description of any Unit pursuant to Section 5 below.

(f) Easements as Appurtenances. The easements and other rights created herein for a Unit Owner shall be appurtenant to the Unit of that owner and all conveyances of title to the Unit shall include a conveyance of the easements and rights as are herein provided, even though no specific reference to such easements and rights appears in any such instrument.

3.4 Unit Boundaries. Each Unit is separately described on Exhibit "2.1" and includes all the Land lying within the boundaries of the Unit, as described.

3.5 Amendment of Plans.

(a) Alteration of Units.

(i) Unit Owner Improvements may not be changed except through Approved Design Plans. The Unit may not be changed without approval of the Association. No alteration of individual Units shall encroach upon Common Elements nor upon other Units. No Units may be subdivided. This shall not be construed to prevent joint ownership of a Unit or simultaneous use by more than one party. The Developer reserves the right to make changes to Units during construction as long as those changes do not decrease the size of any Unit below a minimum size as specified elsewhere in this Declaration.

(ii) Except as elsewhere reserved to Developer, neither any Unit Owner nor the Association shall make any alterations to a Unit, or remove any portion of such Unit or do anything that would jeopardize the safety or soundness of the Unit, or impair any easement, unless such work is to be done and the approval of the Association obtained in accordance with the provisions of Article 9 below. The Association may require that a copy of plans for all such approved work, prepared by an architect or other professional licensed to practice in the State of Florida, shall be filed with the Association as part of the approval process.

(b) Amendment of Declaration. A change in the boundaries between Units shall be set forth in an amendment to this Declaration. Plans of the Units concerned showing the Units after the change in boundaries and prepared by an engineer licensed to practice in the State of Florida shall be attached to the amendment as exhibits, together with the certification of an engineer required by the Act. Any change in the size of the Units will result in a change in the apportionment of shares in the Common Elements appurtenant to those Units, as each Unit has appurtenant to it a share of the Common Elements based upon the total square footage of the applicable Unit in uniform relationship to the total square footage of all Units. Therefore, such an amendment shall be signed and acknowledged by all Unit Owners; and if Developer is not such an owner, the amendment also shall be approved by the Board of Directors of the Association. Such an amendment also shall be signed and acknowledged by all lienors, and mortgagors of the Units concerned.

3.6 Time-Share Estates. No time-share estates will or may be created with respect to Units in any phase of this Condominium.

4. THE UNITS. The Units are described more particularly and the rights and obligations of their owners are established as follows:

4.1 Unit Numbers. Phase I of the Condominium consists of five (5) Units, which are identified as set forth on the geographic description of the improvements attached hereto as Exhibit "2.1".

4.2 Appurtenances to Units. The owner of each Unit shall own a share and certain interest in the Condominium Property, which share and interest is appurtenant to the several Units as:

(a) Common Elements and Common Surplus. An undivided share in the Land and other Common Elements and the Common Surplus for each Unit as is set forth in Exhibit "3.1".

(b) Association Membership. The membership of each Unit Owner in the Association and the interest of each owner in the funds and assets held by the Association.

(c) Vote. Each Unit shall be entitled to a Voting Interest based upon the total square footage of the applicable Unit in uniform relationship to the total square footage of all Units, said vote to be cast by the Unit Owner, unless otherwise assigned by a Voting Certificate, in the manner prescribed by the Bylaws of the Association.

4.3 Liability for Common Expenses. Each Unit Owner shall be liable for a proportionate share of the Common Expenses, such share being the same as the undivided share in the Common Elements appurtenant to its Unit.

5. MAINTENANCE, ALTERATION, AND IMPROVEMENT. Responsibility for the maintenance of the Condominium Property, and restrictions upon its alteration and improvement, shall be as follows:

5.1 Units.

(a) By the Association. The Association shall maintain, repair, and replace as a Common Expense of this Condominium all incidental damage caused to a Unit by such work as is described above or caused to a Unit in the course of the Association's maintenance and operation of the Common Elements shall be repaired promptly at the expense of the Association. Except as expressly provided in Section 5.1(b)(iv) below, the Association shall have no other maintenance, repair or replacement obligations with respect to the Units.

(b) By the Unit Owner. Each Unit Owner shall maintain and operate his or her Unit in a condition and quality as was initially completed, ordinary wear and tear excepted. In addition, all Unit Owner Improvements placed or constructed by the Unit Owner on the Unit shall be maintained and operated in accordance with the City of Gainesville master plan for the Condominium. The responsibilities of the Unit Owner include, without limitation, the following:

(i) All supply lines, drain lines, conduit or other utility or service line exclusively serving the individual Unit under which the lines are buried or across or over which the lines travel for the purpose of serving one Unit.

(ii) To maintain, repair and replace at its expense all portions of its Unit. Such shall be done without disturbing the rights of other Unit Owners.

(iii) It is noted that any Unit Owner Improvements, whether or not permanently affixed, are not a part of the Unit, but are property that will be the responsibility of the Unit Owner to maintain, repair and replace. All Unit Owner Improvements placed or constructed by the Unit Owner on the Unit shall be maintained and operated in accordance with the City of Gainesville master plan for the Condominium and all applicable zoning and land use regulations.

(iv) Notwithstanding the foregoing, the Association shall be responsible for the maintenance, repair and replacement of any landscaping, drives, patios and similar improvements located outside of the demising walls of the Unit Owner Improvements but within the legal description of any Unit. The costs of such maintenance, repair and replacement shall be a Common Expense of the Association.

(v) To promptly report to the Association any defect or need for repairs for which the Association is responsible.

5.2 Common Elements.

(a) By the Association. The maintenance and operation of the Common Elements shall be the responsibility of the Association and a Common Expense of this Condominium. Notwithstanding any other provisions hereof, Common Elements shall include all portions of a Unit which contribute to the support of other Units, such as, but not limited to, water mains and electric conduit. Also to be maintained by the Association are main lines lying beneath or on or above Units, supplying utilities, water, sewer, telephone, or other connections to other Units.

(b) Alteration and Improvement. After the completion of the improvements included in the Common Elements contemplated by this Declaration, there shall be no substantial alteration or further substantial improvement of the real property constituting the Common Elements without the prior approval as provided by the Bylaws. There shall be no changes in the shares and rights of a Unit Owner in the Common Elements altered or further improved, whether or not the Unit Owner contributes to the cost of such alteration or improvement.

(c) Enlargement. Land or other property interests acquired by the Association may be added to the Land or other property interests submitted to condominium ownership hereby. This may be done by an amendment to this Declaration that includes the description of the interests in the property being added to the Common Elements, that submits same to the Declaration and which shall vest title to the property added to the Common Elements in the Unit Owners as a part of the Common Elements, without naming them and without further conveyance, in the same proportions as the undivided shares in the Common Elements that are appurtenant to the Units owned by them. Such enlargement of the Common Elements shall be effective upon the recording in the public records of Alachua County, Florida, of a certificate for the Association certifying that the amendment was adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed.

(d) Land Not Incorporated. Any land acquired by the Association that is not incorporated as a part of the Common Elements by amendment of this Declaration may be sold, mortgaged or otherwise disposed of by the Association with the prior approval of not less than two-thirds (2/3) of the Unit Owners. This approval shall be evidenced by a certificate stating that the approval was duly given, which certificate shall be executed by the officers of the Association with the formalities of a deed and delivered to a purchaser or mortgagee of such land.

(e) Personal Property. Any personal property acquired by the Association may be sold, mortgaged or otherwise disposed of by the Association without approval of the Unit Owners.

6. ASSESSMENTS. The making and collecting of Assessments against Unit Owners for Common Expenses shall be pursuant to the Bylaws and subject to the following provisions:

6.1 Share of Common Expenses. Each Unit Owner shall be liable for a proportionate share of the Common Expenses and shall share in the Common Surplus, such share being the same as the undivided share in the Common Elements appurtenant to the Units owned by him. A Unit Owner, regardless of how title is acquired, including without limitation, a purchaser at a judicial sale, shall be liable for all Assessments coming due while he is the owner of a Unit. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the latter for its share of the Common Expenses up to the time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor.

6.2 Non-Waiver. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by abandonment of the Unit for which the Assessment is made.

6.3 Liability of Developer. The Developer shall be liable for and shall pay all Assessments for Common Expenses assessed against any Unit owned by the Developer commencing on the date this Declaration is recorded in the public records of Alachua County, Florida.

6.4 Operating Capital. Each purchaser of a Unit from the Developer will pay to the Association a contribution towards operating capital of the Association, as may be determined by the Association from time to time.

6.5 Interest, Application of Payments. Assessments and installments on Assessments that are paid on or after thirty (30) days following the date when due shall bear interest at eighteen percent (18%) from the date when due until paid. In addition, the Association is authorized to impose an administrative late fee in addition to the interest, in an amount not to exceed the greater of \$25.00 or five percent (5%) of the installment for each delinquent installment that is paid late. All payments upon account shall be applied first to interest, then to administrative late fees, then to costs and attorney's fees for collection and then to the Assessment payment first due.

6.6 Default in Payment of Assessments for Common Expenses and/or Limited Common Expenses. Assessments and installments thereof not paid within thirty (30) days from the date when they are due shall bear interest at the highest rate permitted by law from the date due until paid and shall be subject to an administrative late fee in an amount not to exceed the greater of \$25.00 or five percent (5%) of each delinquent installment. The Association has a lien on each Condominium Parcel to secure the payment of Assessments. Except as set forth below, the lien is effective from, and shall relate back to, the date of the recording of this Declaration of Condominium. However, as to a first mortgage of record, the lien is effective from and after the date of the recording of a claim of lien in the public records of Alachua County, Florida, stating the description of the Condominium Parcel, the name of the record owner and the name and address of the Association. The lien shall be evidenced by the recording of a claim of lien in the public records of Alachua County, Florida. To be valid, the claim of lien must state the description of the Condominium Parcel, the name of the record owner, the name and address of the Association, the amount due and the due dates, and the claim of lien must be executed and acknowledged by an officer or authorized officer of the Association. The claim of lien shall not be released until all sums secured by it (or such other amount as to which the Association shall agree by way of settlement) have been fully paid or until it is barred by law. No such lien shall be effective longer than one (1) year after the claim of lien has been recorded unless, within that one (1) year period, an action to enforce the lien is commenced. The one (1) year period shall automatically be extended for any length of time during which the Association is prevented from filing a foreclosure action by an automatic stay resulting from a bankruptcy petition filed by the Unit Owner or any other person claiming an interest in the Unit. The claim of lien shall secure (whether or not stated therein) all unpaid Assessments, which are due and which may accrue subsequent to the recording of the claim of lien, and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorneys' fees incurred by the Association incident to the collection process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien in recordable form. The Association may bring an action in its name to foreclose a lien for unpaid Assessments in the manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments without waiving any claim of lien. The Association is entitled to recover its reasonable attorneys' fees incurred either in a lien foreclosure action or an action to recover a money judgment for unpaid Assessments.

As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid and after thirty (30) days' prior written notice to the applicable Unit Owner and the recording of a claim of lien, the Association may accelerate and declare immediately due and payable all installments of Assessments for the remainder of the fiscal year. In the event that the amount of such installments changes during the remainder of the fiscal year, the Unit Owner or the Association, as appropriate, shall be obligated to pay or reimburse to the other the amount of increase or decrease within ten (10) days of same taking effect.

In accordance with the provisions of Section 718.303(3)(a) of the Act, the Association may suspend, for a reasonable period of time, the right of a Unit Owner, or a Unit Owner's tenant, guest, or invitee, to use the Common Elements, Limited Common Elements, and Association Property for failure to comply with any provision of this Declaration of Condominium, the Articles of Incorporation of Bylaws or rules of the Association. This paragraph does not apply to Limited Common Elements intended to be used only by that Unit, Common Elements needed to access the Unit, utility services provided to the Unit or parking spaces.

6.7 Notice of Intention to Foreclose Lien. No foreclosure judgment may be entered until at least thirty (30) days after the Association gives written notice to the Unit Owner of its intention to foreclose its lien to collect the unpaid Assessments. If this notice is not given at least thirty (30) days before the foreclosure action is filed, and if the unpaid Assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the Association shall

not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address, and upon such mailing, the notice shall be deemed to have been given. If after diligent search and inquiry the Association cannot find the Unit Owner or a mailing address at which the Unit Owner will receive the notice, the court may proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this Article are satisfied if the Unit Owner records a Notice of Contest of Lien as provided in the Act.

6.8 First Mortgagee. The liability of the holder of a first mortgage on a Unit (each, a "First Mortgagee"), or its successors or assigns, who acquires title to a Unit by foreclosure or by deed in lieu of foreclosure for the unpaid Assessments (or installments thereof) that became due prior to the First Mortgagee's acquisition of title is limited to the lesser of:

(a) The Unit's unpaid Common Expenses and regular periodic Assessments which accrued or came due during the twelve (12) months immediately preceding the acquisition of title and for which payment in full has not been received by the Association; or

(b) One percent (1%) of the original mortgage debt.

As to a Unit acquired by foreclosure, the limitations set forth in clauses (a) and (b) above shall not apply unless the First Mortgagee joined the Association as a defendant to the foreclosure action. Joinder of the Association, however, is not required if, on the date the complaint is filed, the Association was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.

A First Mortgagee acquiring title to a Unit as a result of foreclosure or deed in lieu thereof may not, during the period of its ownership of such Unit, whether or not such Unit is unoccupied, be excused from the payment of some or all of the Common Expenses coming due during the period of such ownership.

7. THE ASSOCIATION. The operation of the Condominium shall be by the Association, which shall fulfill its functions pursuant to the following provisions:

7.1 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable to Unit Owners for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or by other Unit Owners or persons.

7.2 Restraint Upon Assignment of Shares in Assets. The share of a Unit Owner in the funds and assets and property rights of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to its Unit.

7.3 Approval or Disapproval of Matters. Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting, that decision shall be expressed by the same person who would cast the vote of that Unit Owner if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

8. INSURANCE. The insurance, other than title insurance, that shall be carried with respect to the Association Property, Condominium Property and the property of the Unit Owners shall be governed by the following provisions:

8.1 Authority to Purchase; Named Insured. All insurance policies carried by the Association shall be purchased by the Association. The named insured shall be the Association individually and as agent for the Unit Owners, without naming them, and as agent for their mortgagees. Provision shall be made for the issuance of mortgagee endorsements and memoranda of insurance to the mortgages of Unit Owners. All policies shall provide that payments for losses shall be paid to the Association, or if required by the holder of a mortgage on one of the Units, an insurance trustee designated by the Association, and all policies and their endorsements shall be deposited with the Secretary of the Association, or if applicable to the insurance trustee.

8.2 Coverage by the Association.

(a) Liability. Comprehensive general public liability and automobile liability insurance covering loss or damage resulting from accidents or occurrences on or about or in connection with the insured property or adjoining driveways and walkways, subject to this Declaration of Condominium, or any work, matters a things related to the insured property, with such coverage as shall be required by the Board of Directors of the Association, but with combined single limit liability for bodily injury and property damage of not less than \$1,000,000 for each occurrence of general liability and combined single limit liability for bodily injury and property damage of not less than \$1,000,000 for each occurrence of automobile liability. The Association may also obtain and maintain liability insurance for its directors and officers and for the benefit of the Association's employees, in such amounts and under such terms and conditions as the Association deems appropriate to its sole and absolute discretion.

(b) Worker's Compensation. Workers' compensation and other mandatory insurance, when applicable.

(c) Errors and Omissions or Directors and Officers Liability Insurance. The Association shall obtain and maintain liability, errors and omission coverage or directors and officers liability insurance on behalf of each of the officers and directors of the Association.

(d) Fidelity Insurance or Fidelity Bonds. The Association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse Association funds, which shall include, without limitation, those individuals authorized to sign Association checks and the president, secretary and treasurer of the Association. The insurance policy or fidelity bond shall be in such amount as shall be determined by a majority of the Board of Directors, but must be sufficient to cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The premiums on such bonds and/or insurance shall be paid by the Association as a Common Expense.

(e) Other. Such other insurance as the Board of Directors of the Association shall from time to time determine to be desirable.

8.3 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

8.4 Association Responsibility; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the Unit Owners and their mortgagees, as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to an insurance trustee designated by the Board of Directors, or if none, to the Association. The duty of the insurance trustee, or the Association, if an insurance trustee is not appointed, shall be to receive and hold the insurance proceeds and other funds that are paid to it for the purpose elsewhere stated in this

instrument and for the benefit of the Unit Owners and their mortgages in the following shares, but which shares need not be set forth on the records of the insurance trustee.

(a) Unit Owners. An undivided share for such Unit Owner, that share being the same as the undivided share in the Common Elements appurtenant to its Unit.

(b) Mortgages. In the event a mortgagee endorsement of an insurance policy has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of proceeds made to the Unit Owner and mortgagee, pursuant to provisions of this Declaration.

8.5 Distribution of Proceeds. Proceeds of insurance policies received by the insurance trustee or the Association shall be distributed to or for the benefit of the beneficial owners in the manner hereafter provided in Article 9.

8.6 Association as Agent. The Association is irrevocably appointed agent for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium Property, to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

9. RECONSTRUCTION AND REPAIR AFTER CASUALTY.

9.1 Determination whether to reconstruct or repair. Whether or not the Common Elements or Units damaged by casualty shall be reconstructed and repaired shall be determined in the following manner:

(a) Common Element. If the damaged improvement is a Common Element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

(b) Improvements to Units.

(i) If the damaged improvement is the Unit or to the concrete slab located thereon, then the Unit Owner shall be obligated to reconstruct the pad, unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated,

(ii) The Unit Owner, within sixty (60) days following the casualty, shall clear its Unit of all debris from the casualty and shall begin the work to reconstruct the concrete slab in the manner in which the original construction plans show it was constructed or pursuant to new plans which have been approved by the architectural review committee in the manner described herein. In any event, all required work shall be completed within eighteen (18) months from the casualty.

(iii) If the Unit Owner fails to clear the debris and reconstruct the slab, as required, the Association may undertake the work and the Unit Owner shall be personally obligated to pay for same. Additionally, the Association shall have a non-condominium lien on such Unit Owner's Unit for the cost of such work, which lien may be enforced and foreclosed in the manner in which mortgages are foreclosed in Florida. Such lien, in addition to securing the costs of the work described,

shall also secure all costs of collection and enforcement, including, but not limited to the Association's attorney's fees.

(c) Certificate. The insurance trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.

9.2 Plans and Specifications. Any reconstruction and repair must be substantially in accordance with the plans and specifications for the original improvements, portions of which are attached as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association, which approval shall not be unreasonably withheld.

9.3 Responsibility. If the damage is not the result of a casualty for which the Association has secured insurance coverage and is only to those parts of one Unit for which the responsibility of maintenance and repair is that of the Unit Owner, then the Unit Owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

9.4 Estimates of Costs. Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility for reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

9.5 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair for which the Association is responsible, or if at any time during that work or upon completion of the work the funds available for the payment of the costs of reconstruction and repair are insufficient, Assessments shall be made by the Association against all Unit Owners in sufficient amounts to provide for the payment of such costs. Such Assessments shall be made in proportion to the Unit Owner's share in the Common Elements.

9.6 Construction Funds. The funds for reconstruction and repair after a casualty, which will consist of proceeds of the insurance and the sums collected from Assessments against Unit Owners on account of the casualty, whether held by an insurance trustee or by the Association, shall be disbursed in the following manner:

(a) Minor Damage. If the estimated costs of reconstruction and repair that is the responsibility of the Association do not exceed \$25,000.00, the funds shall be disbursed in payment of these costs upon the order of the Association; provided, however, if requested by a mortgagor that is a beneficiary of an insurance policy, the proceeds of which are included in the funds, then such funds shall be disbursed in the manner provided for reconstruction and repair of major damage.

(b) Major Damage. If the estimated costs of reconstruction and repair that is the responsibility of the Association exceed \$25,000.00, the funds shall be disbursed in payment of these costs in the manner required by the Board of Directors of the Association; provided, however, that an architect or engineer qualified to practice in the State of Florida and employed by the Association to supervise the work shall approve all disbursements as being due and properly payable.

(c) By Unit Owners. The portion of insurance proceeds representing damage for which the responsibility for reconstruction and repair is the responsibility of the Unit Owners shall be distributed to the Unit Owners, or, if there is a mortgagee endorsement as to the Unit, the distribution shall be paid to the Unit Owner and the mortgagee jointly, and they may use the proceeds as they may determine.

(d) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance remaining after payment of the costs for which the funds are collected, the balance shall be distributed to the beneficial owners of the funds; provided, however, that the part of a distribution to a Unit Owner that is not in excess of Assessments paid by such owner into the funds shall not be made payable to any mortgagee.

(e) Certificate. Notwithstanding the provisions of this instrument, the insurance trustee shall not be required to determine whether or not sums paid by the Unit Owners upon Assessments shall be deposited by the Association with the insurance trustee, nor to determine whether the disbursement is to be made from the construction funds nor to determine the payee nor the amount to be paid. Instead, the insurance trustee may rely upon a certificate of the Association made by its president and secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is required in this instrument to be named as payee, the insurance trustee shall also name the mortgagee as a payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund so requires, the approval of an architect named by the Association shall be obtained prior to disbursement in payment for costs of reconstruction and repair.

10. USE RESTRICTIONS. The use of the Condominium Property shall be in accordance with the following provisions as long as the Condominium exists and the Common Elements in useful condition exist upon the Land.

10.1 Units. Each of the Units is a parcel of real property, improved with a concrete slab and underground utilities.

(a) General Restrictions:

(i) No temporary buildings, trailers or residential accommodations may be placed on, stored, erected or otherwise kept on any Unit without prior written approval of the Association, except construction trailers located during the course of construction of improvements on a Unit in accordance with such Unit Owner's rights as set forth in this Declaration.

(ii) No building, structure or other improvement shall be located on any Unit, except in compliance with the Comprehensive Plan and the Unified Land Development Code for Alachua County, Florida.

(iii) No screen rooms, utility or storage sheds, carports, metal awnings or any type of temporary or permanent extended overhangs or attached structures may be added or installed without the prior written approval of the Association and must have a roof line which is contiguous to the original building, and must be kept clean, neat and orderly with no visible rust, all as determined by the Association.

(iv) No fence or wall of any kind shall be erected. Nothing in this Declaration shall be construed to disallow the building of a perimeter fence around the Land or any portion thereof by the Developer or the Association or to prohibit enclosure of a dumpster in a manner approved by the Association.

(v) Any concrete pad other than as installed by the Developer, as well as additions to concrete pads, must be approved in writing by the Association, as to size, design and construction prior to the commencement of any construction thereof

(vi) The Association shall be responsible for maintenance of all landscaping and no Unit Owner should proceed with installation of any landscaping without the prior approval of the Association.

(vii) No Unit or portion thereof shall be used for the deposit, accumulation or storage of building materials, appliances, equipment, motor vehicles or personal property, except for use in construction of approved improvements on that Unit, and in such case, shall not remain there more than thirty (30) days before commencement nor more than thirty (30) days after completion of such construction.

(viii) No vehicles of any sort shall be parked in front of any Unit except on such portions of the Common Elements designated for such purposes.

(ix) No unlicensed vehicles, boats or trailers shall be stored on any Unit. Visible repair of motor vehicles or outboard motors, or building, rebuilding or storage of boats or recreational vehicles shall not be permitted on any exterior portion of any Unit or on any portion of the Common Elements.

(x) Tree removal from any Unit is prohibited, except upon prior written approval of the Association. The Association may adopt a written policy on trees as part of the rules and regulations.

(xi) No television antennae or satellite reception devices shall be visible from the street, or adjacent Unit and, if installed, shall be concealed in a manner which has been approved by the Association.

(xii) No signage may be displayed or located on any Unit except signs in compliance with all applicable governmental, zoning and land use regulations with respect to the Condominium.

(xiii) The Association shall be responsible to provide dumpsters or other central collection facilities for all trash and garbage pickup and shall make such rules as are reasonably necessary to ensure that the use of same shall be done in an orderly and sanitary manner.

(xiv) No animals of any may be kept on any Unit, other than service animals in the performance of their duties.

(xv) No mailbox, paper box or other receptacles of any kind for the use in the delivery of mail or newspaper, magazines or similar material shall be erected or located on any Unit.

(xvi) No banners, flags or other written or graphic displays, except seasonal displays, subject to any Rules and Regulations that may be adopted by the Association and except for signs pursuant to paragraph (xii) above, may be displayed on or about a Unit.

(xvii) The sale of alcohol for consumption, ammunition, firearms and firearm parts and accessories and the operation of a tattoo parlor or any retail store selling sexually oriented materials or services is specifically prohibited within the Condominium.

(b) Construction Restrictions.

(i) Individual Unit landscaping plans, subject to the Association's approval, must take into consideration the storm water drainage for the Lot to insure that the natural drainage is not obstructed.

(ii) Construction workers will be allowed on the Condominium Property between 7:00 a.m. and 6:00 p.m.

(iii) Vehicles belonging to the Developer and/or Association and their employees will be allowed to park on the paved roadway notwithstanding the provisions in (a) above.

10.2 Common Elements. The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Units.

10.3 Nuisances. No nuisances shall be allowed upon the Condominium Property, nor any use or practice that is the source of annoyance to occupants or which interferes with the peaceful possession and proper use of the Condominium Property by its occupants. All parts of the Condominium shall be kept in a clean and sanitary condition and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of its Unit or make any use of the Common Elements which will increase the cost of insurance upon the Condominium Property above that required where the Unit is used for approved purposes.

10.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property nor any part of it; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for the maintenance and repair of the Condominium Property concerned.

10.5 Parking Areas.

(a) All designated parking areas on the Condominium Property shall be used exclusively for the parking of automobiles, bicycles, licensed motorcycles and other basic transportation. Boats, boat trailers, ATV, off-road vehicles, and utility trailers of any sort may not be parked on the Common Elements.

(b) All parking by Unit Owners shall be on a first-come, first-served, unreserved basis; except that the Association may allocate parking among the Units by designating to each Unit one (1) parking space per three hundred (300) square feet of such Unit's square footage and shall permit ten percent (10%) of such allocated spaces to be "reserved" by the respective Unit Owner with appropriate signage (the "Reserved Parking"); provided that the Association shall have no obligation to police any reserved spaces but shall assign a right of enforcement to each Unit Owner with respect to such Unit Owner's Reserved Parking.

(c) All Reserved Parking shall be a Limited Common Element to the Unit for which such Reserved Parking has been "reserved". Notwithstanding the foregoing, the Association shall maintain, replace and repair the Reserved Parking and all costs associated with such maintenance, replacement and repair shall be treated as a Common Expense.

10.6 Regulations. Reasonable regulations concerning the appearance and use of Condominium Property may be made and amended from time to time by the Association in the manner provided by its Articles of Incorporation and Bylaws. Copies of those regulations shall be furnished by the Association to all Unit Owners and occupants of the Condominium.

10.7 Proviso. Provided, however, that until Developer has completed all of the contemplated improvements and closed sales of all of the Units in the Condominium, including any additional phases thereof, neither the Unit Owners nor the Association nor the use of the Condominium Property shall interfere with the completion of the contemplated improvements and the sale of the Units. Developer may make such use of the unsold Units and Common Elements without charge as may facilitate the completion and sale, including, but not limited to, maintenance of a sales office, the showing of the property, the occupancy of the property by a potential purchaser, and the display of signs.

11. COMPLIANCE AND DEFAULT. Each Unit Owner and the Association shall be governed by and shall comply with the terms of the Declaration of Condominium, Articles of Incorporation of the Association and Bylaws and Rules and Regulations adopted pursuant to those documents, and all of those documents and regulations as they may be amended from time to time. The Association and Unit Owners shall be entitled to the following relief in addition to the remedies provided in the Act:

11.1 Negligence. A Unit Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by its negligence or by that of any member of its family or its or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association.

11.2 Fines. In addition to any and all other remedies available to the Association, a fine or fines may be imposed upon a Unit Owner for failure of a Unit Owner, its tenants, guests, invitees or employees, to comply with any covenant, restriction, rule a regulation herein or Bylaws or Rules and Regulations of the Association, provided the following procedures are adhered to:

(a) Notice: The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include: (i) a statement of the date, time and place of the hearing; (ii) a statement of the provisions of the Declaration of Condominium, Bylaws, or rules which have allegedly been violated; and (iii) a short and plain statement of the matters asserted by the Association.

(b) Hearing: The non-compliance shall be presented to a committee of other Unit Owners, who shall hear reasons why penalties should not be imposed. The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the committee. A written decision of the committee shall be submitted to the Unit Owner or occupant by not later than twenty-one (21) days after the meeting, if the committee does not agree with the fine, the fine may not be levied.

(c) Fines: The Board of Directors may impose fines against the applicable Unit up to the maximum amount permitted by law from time to time. At the time of the recordation of this Declaration of Condominium, the Act provides that no fine may exceed \$100.00 per violation, or \$1,000.00 in the aggregate.

(d) Violations: Each separate incident which is grounds for a fine shall be the basis of one separate fine. In the case of continuing violations, each continuation of same after a notice thereof is given shall be deemed a separate incident.

(e) Payment of Fines: Fines shall be paid not later than thirty (30) days after notice of the imposition thereof.

(f) Application of Fines: All monies received from fines shall be allocated as directed by the Board of Directors.

(g) Non-exclusive Remedy: These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending Unit Owner or occupant shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such Unit Owner or occupant.

11.3 Cost and Attorney's Fees. In any proceeding arising because of an alleged failure of a Unit Owner or the Association to comply with the terms of the Act, this Declaration, the Articles of Incorporation of the Association, the Bylaws or the Rules and Regulations, and those items as they may be amended from time to time, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be awarded by the court.

11.4 No Waiver of Rights. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Act, this Declaration, the Articles of Incorporation of the Association, the Bylaws or the Rules and Regulations shall not constitute a waiver of the right to do so thereafter.

12. STORMWATER MANAGEMENT SYSTEM.

12.1 Permit. The Condominium has been developed in accordance with the requirements of Permit Number 51899-3 issued by the St. Johns River Water Management District (the "District"). The District permit is sometimes referred to as the "Permit". The plan for the development of the Condominium includes the construction of the Stormwater Management System in accordance with all applicable permits issued by the District, which may include, without limitation, retention lakes, swales, conduits, weirs, pipes, pumps, and berms across the Condominium Property and the Association Property.

12.2 Blanket Easement. Developer hereby reserves for itself, its successors and assigns, and grants to the Association and its designees, a perpetual, nonexclusive easement over and across all areas of the Stormwater Management System and all drainage areas for the drainage of stormwater from the Condominium for access to operate, maintain and repair the Stormwater Management System.

12.3 Maintenance.

(a) The Association covenants and agrees for itself, its successors and assigns, that it (and its successors and assigns) shall have the perpetual maintenance obligation for all portions of the Association Property designated as drainage areas, wetland creation areas, wetland areas and Stormwater Management System, in accordance with all governmental, quasi-governmental and District rules and regulations and any permits, including the Permit. The Association is granted a perpetual, nonexclusive easement for ingress and egress, at all reasonable times and in a reasonable manner, over and across the Stormwater Management System to operate, maintain, and repair the Stormwater Management System as required by the Permit. Such right expressly includes the right to cut any trees, bushes or shrubbery, to make any gradings of soil, construct or modify any berms on the Condominium Property or Association Property, providing maintenance and erosion control to the embankments of such retention areas or take any other action reasonably necessary, following which Developer or the Association shall restore the affected property to its original condition as nearly as practicable; provided however, that neither the

Developer nor the Association shall be required to replace or repair fences, walks, structures, landscaping, or other Improvements which are removed or damaged.

(b) Such maintenance shall include the exercise of practices which allow the Stormwater Management System to provide drainage, water storage, conveyance, or other surface water or stormwater management capabilities in accordance with all the permits, statutes, rules, and regulations pertaining to stormwater management, drainage, and water quality promulgated by the District, Florida Department of Environmental Protection, and all other local, state and federal authorities having jurisdiction. Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified, as approved in writing by the District.

(c) Any repair or reconstruction of the Stormwater Management System shall be as permitted, or if modified as approved in writing by the District.

12.4 Use and Access. Use of the surface waters of any portion of the Stormwater Management System is subject to the restrictions set forth in this Declaration. Further, subject to the provisions of the applicable permits, including the Permit, Developer and the Association shall have the right to adopt reasonable rules and regulations from time to time in connection with the use of the stormwater of any portion of the Stormwater Management System, and shall have the right to deny such use to any person who, in the opinion of Developer or the Association, may create or participate in a disturbance or nuisance on any part of the Stormwater Management System. The use of such stormwater by the Owners shall be subject to and limited by the rules and regulations of Developer and the Association, all permits issued by governmental authorities (including the Permit), and any rights granted to other persons pursuant to the rules and regulations of Developer and the Association. Only Developer and the Association shall have the right to pump or otherwise remove any water from any part of the Stormwater Management System for purposes of irrigation or any other use. No gas or diesel driven watercraft shall be operated on any portion of the Stormwater Management System, including the retention lakes. No person shall alter the drainage flow of the Stormwater Management System, including buffer areas or swales, without the prior written approval of the District.

12.5 LIABILITY. NEITHER DEVELOPER NOR THE ASSOCIATION SHALL HAVE ANY LIABILITY WHATSOEVER TO OWNERS, GUESTS, TENANTS, OR INVITEES IN CONNECTION WITH THE RETENTION LAKES AND DRAINAGE EASEMENTS OR ANY PART OF THE STORMWATER MANAGEMENT SYSTEM. EACH OWNER, FOR ITSELF AND ITS GUESTS, TENANTS, OR INVITEES, RELEASES DEVELOPER AND THE ASSOCIATION FROM ANY LIABILITY IN CONNECTION THEREWITH. NEITHER DEVELOPER, THE ASSOCIATION, NOR ANY OF THEIR SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE WATER QUALITY OR LEVEL IN ANY LAKE, POND, RETENTION AREA, CANAL, CREEK, MARSH AREA, STREAM OR OTHER WATER BODY WITHIN OR ADJACENT TO THE PROPERTY, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR ENTITY AS REFERENCED HEREIN. FURTHER, ALL OWNERS AND USERS OF ANY PORTION OF THE PROPERTY LOCATED ADJACENT TO OR HAVING A VIEW OF ANY OF THE AFORESAID AREAS SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED TO, OR USE OF, SUCH PROPERTY, TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY RELATED TO ANY CHANGES IN THE QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME ALLIGATORS AND OTHER WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES CONTAINED WITHIN OR ADJACENT TO

THE PROPERTY AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE. ALL PERSONS ARE HEREBY NOTIFIED THAT LAKE BANKS AND SLOPES WITHIN CERTAIN AREAS OF THE PROPERTY MAY BE STEEP AND THAT DEPTHS NEAR SHORE MAY DROP OFF SHARPLY. BY THEIR ACCEPTANCE OF A DEED TO, OR USE OF, ANY LOT WITHIN THE PROPERTY, ALL OWNERS OR USERS OF SUCH PROPERTY SHALL BE DEEMED TO HAVE AGREED TO HOLD HARMLESS THE LISTED PARTIES FROM ALL LIABILITY OR DAMAGES ARISING FROM THE DESIGN, CONSTRUCTION, OR TOPOGRAPHY OF ANY LAKE BANKS, SLOPES, OR BOTTOMS.

12.6 Wetlands and Jurisdictional Lands. This Declaration is subject to the rights of the State of Florida over portion of the Condominium or Association Property which may be considered wetlands, marshes, sovereignty or jurisdictional lands, and every Owner and the Association shall obtain any permit necessary prior to undertaking any dredging, filling, mowing, improving, landscaping, or removal of plant life existing on the Condominium or Association Property.

12.7 Rights of the District. Notwithstanding any other provisions contained elsewhere in this Declaration, the District shall have the right to enforce, by a proceeding at law or in equity, the provisions contained in this Declaration which relate to the maintenance, operation, and repair of the Stormwater Management System. No person shall alter the drainage flow of the Stormwater Management System, including any buffer areas or swales, without the prior written approval of the District. Any amendment to this Declaration which affects the rights of the District or alters the Stormwater Management System, beyond maintenance in its original condition, including the water management portions of the Condominium or Association Property, must have prior written approval of the District. In the event that the Association is dissolved or liquidated, prior to such dissolution or liquidation, the responsibility relating to the Stormwater Management System must be assigned to and accepted by an entity approved in writing by the District.

12.8 Indemnity. Developer may be required to assume certain duties and liabilities for the maintenance of the Stormwater Management System or drainage system within the Property under the permits, or certain agreements with governmental agencies. The Association further agrees that subsequent to the recording of this Declaration, it shall hold Developer harmless from all suits, actions, damages, liabilities and expenses in connection with loss of life, bodily or personal injury or property damage arising out of any occurrence in, upon, at or from the maintenance of the Stormwater Management System occasioned in whole or in part by any action, omission of the Association or its agents, contractor, employees, servants, or licensees but not excluding any liability occasioned wholly or in part by the acts of the Developer, its successors or assigns. Upon completion of construction of the Stormwater Management System or drainage system Developer shall assign all its rights, obligations and duties thereunder to the Association. The Association shall assume all such rights, duties and liabilities and shall indemnify and hold Developer harmless therefrom.

13. AMENDMENTS. Except as elsewhere provided, this Declaration of Condominium may be amended in the following manner:

13.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

13.2 Resolution. A resolution for the adoption of a proposed amendment may be proposed by either the Board of Directors of the Association or by the members who are Unit Owners in this Condominium at a meeting called for this purpose. Directors and members not present in person or by

proxy at the meeting considering the amendment may submit, in writing, his or her approval or disapproval of the action taken, provided that this approval or disapproval shall not be used as a vote for or against the action taken and may not be used for the purpose of establishing a quorum. Except as elsewhere provided, such approvals must be either by:

(a) Approval by the owners of two-thirds (2/3) of the Units in this Condominium; or

(b) If there is an omission or error in this Declaration of Condominium, or in other documents required by law to establish the Condominium, the Association may correct the error or omission by an amendment to the Declaration, or the other documents required to create a Condominium, and such amendment need only be approved by a majority of the Board of Directors when proposed by Directors or a majority of the Voting Interests when proposed by members of the Association. This procedure for amendment cannot be used if such an amendment would materially or adversely affect property rights of Unit Owners, unless the affected Unit Owners consent in writing. This subsection does not restrict the powers of the Association to otherwise amend the Declaration, or other documentation, but authorizes a simple process of amendment requiring a lesser vote for the purpose of curing defects, errors, or omissions when the property rights of Unit Owners are not materially or adversely affected.

(c) In addition to any other method of amending this Declaration provided for elsewhere herein, Developer reserves the right and power to record a special amendment (“Special Amendment”) to this Declaration at any time and from time to time which amends this Declaration (i) to comply with any governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities, (ii) to induce any of such agencies or entities to make, purchase, sell, insure, or guarantee first mortgages covering Unit ownerships, (iii) to bring this Declaration into compliance with the Act, or (iv) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Developer to make or consent to a Special Amendment on behalf of each Unit Owner, mortgagee or other lienholder. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of the power of the Developer to make, execute and record Special Amendments. The reserved rights of the Developer under this Article shall terminate at the first to occur of turnover of control of the Association or seven (7) years from the date of recording of the Declaration.

13.3 Proviso. Provided, however that no amendment shall discriminate against any Unit Owner nor against any Unit or class or group of Units, unless the Unit Owner so affected shall consent; and no amendment shall change any Unit, nor decrease the share in the Common Elements appurtenant to it, nor increase the Unit Owner’s share of the Common Expenses, unless the record owner of the Unit concerned and all record owners of mortgages upon that Unit shall join in the execution of the amendment. Provided further that any amendment to this Declaration altering any provision relating to the Stormwater Management System is subject to the requirements of Section 12.7 above.

13.4 Execution and Recording. An amendment adopted in any manner shall be evidenced by attaching a copy of the amendment to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of Alachua County, Florida.

14. SUBSEQUENT PHASE LAND.

14.1 Description of Subsequent Phase Land. The Developer is developing this Condominium in phases as authorized by Section 718.403 of the Act. The Land, as described in Exhibit "1.1" constitutes Phase I of the Condominium. The Developer may, but has no obligation to, add all or a part of the Subsequent Phase Land to the Declaration of Condominium, as described in Exhibit "1.2", within seven (7) years after the date of the recording of the certificate of a surveyor and mapper pursuant to Section 718.104 of the Act or the recording of an instrument that transfers title to a Unit in the Condominium which is not accompanied by a recorded assignment of Developer rights in favor of the grantee of such Unit, whichever occurs first, unless the Unit Owners vote to approve an amendment extending the 7-year period pursuant to Section 718.403 of the Act. Developer reserves the absolute right, in its sole discretion, to decide whether or not to add all or any portion of the Subsequent Phase Land to the Condominium. In any event, the time period within which Phase II must be added to the Condominium may not exceed the period set forth in this Article 14. Such amendment shall be signed by the Developer and shall not require the joinder of or approval of any person or entity, other than a mortgagee of the Subsequent Phase Land being subjected to the Declaration. Attached to the amendment when it is recorded shall be a survey and plot plan of the improvements for the phase being subjected to this Declaration of Condominium, showing the approximate location of all of the proposed Units that may be ultimately contained within the Condominium. The Developer reserves the right to make non-material changes to the legal description of the Subsequent Phase Land. If the Developer determines to add a subsequent phase, there will be a maximum of one (1) additional phase. The Developer's present plan is that if it constructs Phase II, it will consist of one (1) Unit. The number of Units in Phase II is expected to be one (1).

14.2 Percentage Shares. The undivided share in the Common Elements, Common Expenses, and Common Surplus appurtenant to each Unit shall be calculated in accordance with the relationship between the square feet contained within such Unit and the total amount of square feet in all the Units in the Condominium. If all or part of the Subsequent Phase Land is added to the Condominium, the undivided share in the Common Elements, Common Expenses and Common Surplus will be calculated in the above-referenced manner, except that the total square footage of the Condominium will include all the Units in each Phase which is subjected to the Declaration of Condominium. Further, each Unit in any of the Subsequent Phase Land shall have the right to use the Common Elements in accordance with this Declaration.

14.3 Rights of Subsequent Phase Owners.

(a) If any Subsequent Phase Land is not added to the Condominium, all or a portion of such land may be developed as a residential or commercial development which is separate and apart from this Condominium, whether as a condominium or non-condominium development.

(b) If any or all of the Subsequent Phase are added to the Condominium, each Unit Owner in such Phase shall be a member of the Association and be entitled to vote in accordance with Section 4.2(c) of this Declaration.

(c) No timeshare estates will be created with respect to any Units in either phase of the Condominium.

14.4 Addition of Subsequent Phase Land. The Developer shall notify the Unit Owners of the decision not to add any Subsequent Phase to the Condominium. Notice of the decision not to add the Subsequent Phase shall be given to each Unit Owner by certified mail to the Unit Owner's address or at its last known address or by e-mail. If any Subsequent Phase is not added to the Condominium, the Unit Owners in the Phase subject to the Declaration of Condominium shall be entitled to one hundred percent (100%) ownership of all Common Elements of the Condominium Property then subject to the Declaration

of Condominium. Developer reserves the absolute right, in its sole discretion, to decide whether or not to add the Subsequent Phase Land to the Condominium. Therefore, notwithstanding anything herein to the contrary, no portion of the Subsequent Phase Land shall be (i) encumbered or in any way affected by this Declaration of Condominium, or (ii) be part of the Condominium, unless and until such portion of the Subsequent Phase Land is added to the Declaration of Condominium by recordation of an amendment executed by the Developer in the public records of Alachua County, Florida.

15. **TERMINATION.** The Condominium may be terminated in the manner provided by the Act from time to time.

16. **ADDITIONAL PROVISIONS.**

16.1 **Notices.** All notices to the Association required or desired hereunder or under the Bylaws of the Association shall be sent by certified mail (return receipt requested) to the Association in care of its office at the Condominium, or to such other address as the Association may hereafter designate from time to time by notice in writing to all Unit Owners. Except as provided specifically in the Act all notices to any Unit Owner shall be sent by first class mail to the Condominium address of such Unit Owner, or such other address as may have been designated by him or her from time to time, in writing, to the Association. All notices to mortgagees of Units shall be sent by first class mail to their respective addresses, or such other address as may be designated by them from time to time, in writing to the Association. All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of a change of address, which shall be deemed to have been given when received, or five (5) business days after proper mailing, whichever shall first occur.

16.2 **Litigation.** No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless same is approved by a vote of seventy-five percent (75%) of the Unit Owners. This Section 16.2 shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration of Condominium (including, without limitation, the foreclosure of liens), (b) the imposition of assessments as provided in Article 6 proceedings involving challenges to ad valorem taxation or (c) counterclaims brought by the Association in proceedings instituted against it. Notwithstanding the provisions of Article 12 of this Declaration of Condominium, this Section 16.2 shall not be amended unless such amendment is made by the Developer or is approved by the percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

16.3 **Interpretation.** Except where otherwise provided herein, the Board of Directors shall be responsible for interpreting the provisions hereof and of any of the Exhibits attached hereto. Such interpretation shall be binding upon all parties unless wholly unreasonable. An opinion of legal counsel that any interpretation adopted by the Association is not unreasonable shall conclusively establish the validity of such interpretation.

16.4 **Mortgages.** Anything herein to the contrary notwithstanding, the Association shall not be responsible to any mortgagee or lienor any Unit hereunder, and may assume the Unit is free of any such mortgagee or liens, unless written notice of the existence of such mortgage or lien is received by the Association.

16.5 **Exhibits.** There is hereby incorporated in this Declaration of Condominium all materials contained in the Exhibits annexed hereto, except that, as to such Exhibits, any conflicting provisions set forth therein as to their amendment, modification, enforcement and other matters shall control over those hereof.

16.6 Signature of President and Secretary. Wherever the signature of the President of the Association is required hereunder, the signature of a vice president may be substituted therefor, and wherever the signature of the Secretary of the Association is required hereunder, the signature of an assistant secretary may be substituted therefor, provided that the same person may not execute any single instrument on behalf of the Association in two separate capacities.

16.7 Governing Law. Should any dispute or litigation arise between any of the parties whose rights or duties are affected or determined by this Declaration of Condominium, the Exhibits annexed hereto or applicable Rules and Regulations adopted pursuant to such documents, are the same may be amended from time to time, said dispute or litigation shall be governed by the laws of the State of Florida.

16.8 Severability. The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase or word, or other provision of this Declaration of Condominium, or the Exhibits hereto, including the Articles of Incorporation of the Association, the Bylaws, and Rule and Regulations of the Association, shall not affect the validity of the remaining portions.

16.9 Waiver. The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Act, this Declaration of Condominium, the exhibits annexed hereto, or the Rules and Regulations adopted pursuant to said documents, as the same may be amended from time to time, shall not constitute a waiver of their right to do so thereafter.

16.10 Ratification. Each Unit Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a Unit, by reason of his or her occupancy, shall be deemed to have acknowledged and agreed that all of the provisions of this Declaration of Condominium, and the Articles and Bylaws of the Association, and applicable Rules and Regulations, are fair and reasonable in all material respects.

16.11 Execution of Documents: Attorney-in-Fact. Without limiting the generality of other Articles of this Declaration of Condominium and without such other Articles limiting the generality hereof, each Unit Owner, by reason of the acceptance of the deed to such owner's Unit, hereby agrees to execute, at the request of the Developer, all documents or consents which may be required by all governmental agencies to allow the Developer and its affiliates to complete the plan of development of the Condominium as such plan may be hereafter amended, and each such Unit Owner further appoints hereby and thereby the Developer as such Unit Owner's agent and attorney-in-fact to execute, on behalf and in the name of such Unit Owners, any and all of such documents or consents. This power of attorney is irrevocable and coupled with an interest. The provisions of this Article may not be amended without the consent of the Developer.

16.12 Gender Plurality. Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all or no genders.

16.13 Captions. The captions herein and in the Exhibits annexed hereto are inserted only as a matter of convenience and for ease of reference and in no way define or limit the scope of the particular document or any provision thereof.

16.14 Liability. Notwithstanding anything contained herein or in the Articles of Incorporation, Bylaws, any rules and regulations of the Association or any other document governing or binding the Association (collectively, the "Association Documents"), the Association, except to the extent specifically provided to the contrary herein, shall not be liable or responsible for, or in any manner a guarantor or

insurer of, the health, safety or welfare of any Unit Owner, occupant or user of any portion of the Condominium and/or Association Property including, without limitation, Unit Owners and their guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing:

(a) it is the express intent of the Association Documents that the various provisions thereof which are enforceable by the Association and which govern or regulate the uses of the Condominium Property have been written, and are to be interpreted and enforced, for the sole purpose of enhancing and maintaining the enjoyment of the Condominium Property and the value thereof;

(b) the Association is not empowered, and has not been created, to act as an entity which enforces or ensures the compliance with the laws of the United States, State of Florida, county and/or any other jurisdiction or the prevention of tortious activities; and

(c) the provisions of the Association Documents setting forth the uses of assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the uses of assessment funds and not as creating a duty of the Association to protect or further the health, safety or welfare of any person(s), even if assessment funds are chosen to be used for any such reason.

Each Unit Owner (by virtue of such owner's acceptance of title to a Unit) and each other person having an interest in or lien upon, or making use of, any portion of the Condominium Property (by virtue of accepting such interest or lien or making such use) shall be bound by this provision. Notwithstanding the foregoing, nothing contained herein shall relieve the Association of its duty of ordinary care, as established by the Act, in carrying out the powers and duties set forth herein. As used in this Section 16.14, "Association" shall include within its meaning all of Association's directors, officers, committee and board members, employees, agents, contractors (including management companies), subcontractors, successors, nominees and assigns. The provisions hereof shall also inure to the benefit of Developer.

Signature page follows.

IN WITNESS WHEREOF, the Developer has executed this Declaration on the day and year first above written.

Signed, sealed and delivered in the presence of:

CITY OF GAINESVILLE, a Florida municipal corporation

Print Name: _____

By: _____

Name: _____

Print Name: _____

Title: Mayor

(SEAL)

STATE OF FLORIDA
COUNTY OF ALACHUA

The foregoing instrument was acknowledged before me on _____, 20__, by Lauren Poe, as Mayor of the City of Gainesville, a Florida municipal corporation and political subdivision of the State of Florida, on behalf of the City. He is personally known to me.

(Signature of Notary Public, State of Florida)
(Print, Type, or Stamp Commissioned Name of Notary Public)

My commission expires:

EXHIBIT "1.1"

The Land

A portion of Lot 105, LESS the West 20 feet for right-of-way, NEW GAINESVILLE, a subdivision per Plat Book "A", Page 66 of the Public Records of Alachua County, Florida, less lands described as Parcel 1 in the lot split to be recorded in said Public Records, being more particularly described as follows:

Commence at the Southwest corner of Lot 105, NEW GAINESVILLE, a subdivision as per Plat Book 'A', Page 66, of the Public Records of Alachua County, Florida; thence run N89°08'02"E a distance of 20.00 feet to the Point of Beginning; thence run N00°37'01"W a distance of 786.32 feet; thence run N58°43'38"E a distance of 26.83 feet to the South right-of-way line of Hawthorne Road, A.K.A State Road Number 20; thence run S60°55'34"E along said right-of-way a distance of 164.31 feet; thence run S29°05'11"W a distance of 200.00 feet; thence run S60°47'53"E a distance of 189.00 feet; thence run N28°55'56"E a distance of 160.50 feet; thence run S00°42'37"E a distance of 589.78 feet to the North right-of-way line of S.E. 8th Avenue; thence run S89°08'02"W, along said North right-of-way line, a distance of 309.59 feet to the Point of Beginning.

EXHIBIT 1.2

Subsequent Phase Land

A portion of Lot 105, LESS the West 20 feet for right-of-way, NEW GAINESVILLE, a subdivision per Plat Book "A", Page 66 of the Public Records of Alachua County, Florida, being more particularly described as follows:

Commence at the Southwest corner of Lot 105, NEW GAINESVILLE, a subdivision as per Plat Book 'A', Page 66, of the Public Records of Alachua County, Florida; thence run N89°08'02"E a distance of 20.00 feet; thence run N00°37'01"W a distance of 786.32 feet; thence run N58°43'38"E a distance of 26.83 feet to the South right-of-way line of Hawthorne Road, A.K.A State Road Number 20; thence run 60°55'34"E along said right-of-way a distance of 164.31 feet to the Point of Beginning; thence continue S60°55'34"E along said right of way a distance of 165.71 feet; thence run S00°42'38"E a distance of 46.00 feet; thence run S28°55'56"W a distance of 160.50 feet; thence run N60°47'53"W a distance of 189.00 feet; thence run N29°05'11"E a distance of 200.00 feet to the Point of Beginning.

EXHIBIT "2.1"

Survey / Plot Plan

EXHIBIT 2.2

Subsequent Phase Survey / Subsequent Phase Plot Plan

EXHIBIT “3.1”

**Allocation of Percentage Share of Ownership of Common Elements
and Common Surplus and of Responsibility for Common Expenses
(Phase I Only)**

Unit Number	Square Footage	Percentage Share
“B”	14,187	19.77%
“C”	27,465	38.27%
“D”	8,374	11.67%
“E”	10,196	14.21%
“F”	11,539	16.08%
TOTAL	71,760	100%