

**AMENDED DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF PALOMA COMMUNITY
ASSOCIATION, INC.**

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**AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
PALOMA COMMUNITY ASSOCIATION, INC.**

This Amended and Restated Declaration of Covenants, Conditions and Restrictions is hereby made by Paloma Community Association, Inc., a not-for-profit Florida corporation, whose mailing address is 26091 Grand Prix Drive, Bonita Springs FL 34135.

WITNESSETH:

AMA Tesone Development, LLC, a Florida limited liability company, submitted certain real property to a common plan of development by recording that certain Amended and Restated Master Declaration of Covenants, Conditions, Easements and Restrictions for Monaco as Instrument Number 2009000022490 in the Public Records of Lee County, Florida (the “Original Declaration”).

South Lee Investments, LLC, a Florida limited liability company, became the Declarant under the Original Declaration pursuant to that certain Assignment of Developer’s rights and Obligations, dated December 2010, and recorded as Instrument Number 2010000301420 of the Public Records of Lee County, Florida.

D.R. Horton, Inc., a Delaware corporation became the Declarant under the Amended and Restated Declaration of Covenants, Conditions, and Restrictions of Paloma pursuant to that certain Assignment of Declarant’s Rights, dated October 2012 and recorded as Instrument Number 2012000232588 of the Public Records of Lee County, Florida.

Paloma Community Association, Inc., a not-for-profit Florida corporation, assumed the control and operation of the community from D.R. Horton, Inc., on December 28, 2018.

This Amended Declaration of Covenants, Conditions and Restrictions of Paloma is executed and recorded pursuant to Section 14.3 of the Declaration for the purpose of combining, amending the Original Declaration and subsequent amendments as set forth herein.

All of the land within the Plat of Villages at Old Cypress—Phase 1, according to the Plat thereof, recorded as Instrument Number 200800255890 in the Public Records of Lee County (Florida) shall be held, sold, conveyed, leased, mortgaged and otherwise dealt with subject to the protective covenants, conditions, restrictions, reservations, easements, liens and charges as hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability, and plan of development for the same. Said covenants, conditions, restrictions, reservations, easements, liens and charges shall run with the real property described and shall be binding upon all parties having and/or acquiring any right, title or interest in said property or any portion thereof, and shall inure to the benefit of each and every person or party, from time to time, owning or holding an interest in said property.

Said Declarations were subsequently promulgated and amended as follows:

Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Monaco, recorded as Instrument Number 2009000022490 in the Public Records of Lee County, Florida (the "Original Declaration");

Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Paloma, dated December 2010 and recorded as Instrument Number 2010000301420 of the Public Records of Lee County, Florida.

Amended and Restated Declaration of Covenants, Conditions, Easements and Restrictions for Paloma, dated October 2012 and recorded as Instrument Number 2012000232588 of the Public Records of Lee County, Florida,

Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Paloma, dated February 19, 2013 and recorded as Instrument Number 201300043139 of the Public Records of Lee County, Florida.

First Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Paloma, dated April 10, 2013 and recorded as Instrument Number 2013000084872 of the Public Records of Lee County, Florida.

Second Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Paloma, dated June 30, 2016 and recorded as Instrument Number 2016000141539 of the Public Records of Lee County, Florida.

Certificate of Amendment to the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Paloma, dated April 16, 2020 and recorded as Instrument Number 2020000132401 of the Public Records of Lee County, Florida.

Certificate of Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Paloma, dated April 20, 2022 and recorded as Instrument Number 2022000132637 of the Public Records of Lee County, Florida.

Certificate of Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Paloma, dated April 27, 2023 and recorded as Instrument Number 2023000151206 of the Public Records of Lee County, Florida.

ARTICLE I **DEFINITIONS**

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

Section 1. "Articles" mean and refer to the Articles of Incorporation of the Paloma Community Association, Inc., a not-for-profit Florida corporation, attached hereto as **Exhibit "B"**, and all exhibits which are attached thereto and made a part thereof, and shall include such amendments, if any, as may be adopted, from time to time, pursuant to the terms thereof.

Section 2. "Assessment" or "Special Assessment" refers to a fee that the Association charges to members of the community to cover unexpected or unbudgeted costs.

Section 3. “Association” or “homeowners association” means a Florida corporation responsible for the operation of a community pursuant to Chapter 720 Florida Statutes in which the voting membership is made up of parcel owners, and in which membership is a mandatory condition of parcel ownership, and which is authorized to impose assessments that, if unpaid, may become a lien on the parcel. And, in this document means specifically the Paloma Community Association, Inc., a not-for-profit Florida corporation, its successors and assigns.

Section 4. “Board of Directors” (“Board”) means a group of individuals who are elected to govern and oversee the organization’s operations. The Board is responsible for setting the organization’s mission, strategy, and goals, and ensuring that the organization operates in compliance with their fiduciary duty. The Board is also responsible for ensuring the organization’s financial stability and sustainability. All authority and obligations of the Association are exercised by the Board of Directors unless the Governing Documents or the law requires approval of the Members.

Section 5. “Builder” means any person or entity that built homes or other structures in the community.

Section 6. “Bylaws” mean the Bylaws of Paloma Community Association, Inc., attached hereto as **Exhibit “C”** and all exhibits attached thereto and made a part thereof, and shall include such amendments, if any, as may be adopted, from time to time, pursuant to the terms thereof.

Section 7. “Common Area” means all real property within a community which is owned or leased by the Association or dedicated for use or maintenance by the association or its members, including, regardless of whether title has been conveyed to the Association.

Section 8. "Common Expense(s)" mean expense(s) of, and in connection with, the maintenance, repair or replacement of the Common Areas and the performance of the responsibilities and duties of the Association, including (without limitation) expenses for the improvement, maintenance or repair of the improvements, lawn, foliage and landscaping not located on a Lot except for lawn maintenance or other services provided under the landscaping contract and expenses of, and in connection with, the maintenance, repair or continuation of the ponds, waterways , swimming pool, Clubhouse, and all expenses incurred to procure liability, hazard and any other insurance with respect to the Common Areas and all expenses incurred in the administration of the Association.

Section 9. “Community” means the real property that is or will be subject to a declaration of covenants which is recorded in the county where the property is located. The term “community” includes all real property, including undeveloped phases, that is or was the subject of a development-of-regional-impact development order, together with any approved modification thereto.

Section 10. “Condominium” shall mean a Condominium created by the recording of a Declaration of Condominium recorded in the Public Records of the County, which is located within the Community and

all Common Elements, Limited Common Elements and Units therein. If more than one (1) Condominium is created which is located within the Community, the term Condominium shall refer to each Condominium.

Section 11. "Condominium Association" means a Condominium Association created in connection with the operating of each Condominium located within the Community.

Section 12. "County" shall mean Lee County, Florida.

Section 13. "Covenants, Conditions and Restrictions" are the contractual obligations of the HOA and form part of the association's governing documents. It contains guidelines and rules on how the Association and its Board of Directors should govern the association and contains guidelines and rules on the obligations or the Owners.

Section 14. "Declaration" means this instrument, together with the exhibits attached hereto and made a part hereof, and shall include such amendments, if any, as may be adopted, from time to time, pursuant to the terms hereof.

Section 15. "Dwelling" means a constructed Home, Villa or Condominium Unit within the Community.

Section 16. "Family" or "Single Family" shall refer to any one of the following:

1. One natural person.
2. Two or more natural persons who commonly reside together as a single housekeeping unit, each of whom is related by blood, marriage, or adoption to each of the others.
3. Two or more natural persons who commonly and regularly reside together as a single housekeeping unit and who also function together as an integrated economic unit.

The reference of "natural" herein is intended to distinguish between an individual and a corporation or other artificial entity.

Section 17. "Governing Documents" means: (a) the recorded declaration of covenants for a community and all duly adopted and recorded amendments, supplements, and recorded exhibits thereto; and (b) the Articles of Incorporation and Bylaws of the homeowners' association and any duly adopted amendments thereto and Board adopted Rules.

Section 18. "Home" is a detached single-family dwelling constructed upon and including a Lot which is or may be conveyed to an Owner for occupancy and used as a single-family dwelling.

Section 19. "Lot" is a designated lot within the property described on the Plat or any property annexed thereto and becoming a part of the Property conveyed or to be conveyed to an Owner upon which there has been constructed a Home or Villa.

Section 20. "Material Alteration" is defined as a modification, addition, or change that palpably or perceptively varies or changes the form, shape, elements or specifications of a building or common area

from its original design or plan, or existing condition, in such a manner as to appreciably affect or influence its function, use, or appearance.

Section 21. “Member” is every person or entity who is a Member in the Association.

Section 22. “Owner” is the record owner, whether one of more persons or entities, of the fee simple title to any Lot or Unit which is a part of the Property, including contract sellers, but excluding those parties having such interest merely as security for the performance of any obligation.

Section 23. “Paloma” or “Community” means the planned community planned for development upon the property described in Exhibit “A” or any property annexed as provided herein; the said being within Lee County, Florida.

Section 24. “Plat” is the Plat of the Property recorded as Instrument Number 2008000255890 in the Public Records of Lee County, Florida, as the same may be amended or re-platted from time to time.

Section 25. “Property” is the property described in Exhibit “A” and such additions thereto as may hereinafter be brought within the jurisdiction of the Association and subject to the terms of this Declaration.

Section 26. “Rules” are collectively the rules and regulations which the Board of Directors may promulgate or impose and thereafter modify, alter, amend, rescind and augment any of the same with respect to the use, operation, and enjoyment of the Property.

Section 27. “Unit” or “Condominium Unit” means any portion of the Condominium within the Community subject to the recorded Declaration of Condominium which is, or may be, conveyed to an Owner for use and occupancy as a single-family residential dwelling.

Section 28. “Villa” means attached single family Lot within the Community which is or may be conveyed to an Owner for the use and occupancy as a single-family residential dwelling.

Section 29. “SFWMD” means the South Florida Water Management District as described in Article XIII of the Declaration.

The foregoing definitions shall be applicable to this Declaration and to any supplemental declaration hereto or any amendment to this Declaration, unless otherwise expressly provided herein or herein.

The laws and Statutes in effect in April 2023 are the laws and Statutes applicable to the Community and only where a specific reference in the Governing Documents is made to a law or Statute as being “amended from time to time” will such amended law or Statute control. The intent of this provision is to make it clear that substantive, as opposed to purely procedural, amendments to laws or Statutes after April 2023 **do not** apply to the Community or the Governing Documents unless 1. The law or Statute is expressly made retroactive upon adoption, 2. The law or Statute is purely procedural or 3. The Governing Documents expressly incorporate the amended law or Statute.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Legal Description. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County, and is the property described in **Exhibit "A"**, and such additions as may hereafter be brought within the jurisdiction of the Association and subject to the terms of this Declaration, less the portions thereof dedicated and/or conveyed to other entities.

Section 2. Application of Declaration. The Property shall be held, transferred, sold, conveyed and occupied subject to the terms and conditions of this Declaration, and any and all supplements and lawful amendments hereto and any and all supplements and lawful amendments thereto. By receipt of delivery of a deed to any of the Property or other instrument evidencing ownership, whether or not it shall be so expressed in any such deed or other conveyance or adjudication, each Owner hereby agrees to abide by and accept title to such portion of the Property and all terms and provisions of this Declaration.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot or Unit which is subject to the covenants, conditions, restrictions, reservations easements, liens and charges of this Declaration, including contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot or Unit owned. Membership shall be appurtenant to the Lot or Unit and may not be separated from ownership of the Lot or Unit. Ownership of a Lot or Unit shall be the sole qualification for membership. The Owner of record of each Lot or Unit shall be subject to assessment by the Association, as hereinafter provided, and shall be subject to enforcement by the Association in accordance with the terms and provisions of this Declaration.

Section 2. Voting Rights. Owner(s) shall be entitled to one (1) vote for each Lot or Unit in which they hold the interest required for membership by Article III. When more than one (1) person or entity holds such interest in any Lot or Unit, all such persons shall be Members. The vote for such Lot or Unit can be allocated among the owners, but in no event shall more than one (1) vote be cast with respect to any Lot or Unit.

ARTICLE IV
PROPERTY RIGHTS

Section 1. Membership Easements of Enjoyment. Every Member shall have a right and easement of enjoyment in and to the non-exclusive use of the Common Area, and such easement shall be appurtenant to and shall pass with the title to every Lot and Unit, subject to the following provisions:

- A. The right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money for the purpose of improving the Common Area, and in aid thereof to mortgage said Common Area and the rights of such mortgagee in said Common Area shall be subordinate to the rights of the Owners hereunder. No such rights to mortgage shall be effective unless an instrument shall be signed by two-thirds (2/3) of the Members.
- B. The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes, and subject to such conditions as may be agreed to by the Members, or to mortgage all or any part of the Common Area. No such dedication, transfer or mortgage, shall be effective unless an instrument signed by Members entitled to cast two-thirds (2/3) of the votes has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than sixty (60) days in advance of the duly called meeting at which the vote on such dedication or transfer is held;
- C. The right of the Association to establish, from time to time, certain easements over the Common Area for utilities, broadband communications, cable television and other common service purposes;
- D. The right of the Association to charge reasonable fees for the use of designated facilities (if any) of the Common Area;
- E. Existing easements and agreements of record;
- F. Easements referred to in Article IX hereof;
- G. The right to the use and enjoyment of the Common Area and facilities thereon shall extend to all Members and their family, tenants, contract purchasers and invited guests, provided there is delegation of the right of enjoyment in accordance with the Bylaws and subject to regulation, from time to time, by the Association in its Rules;
- H. Access to certain Common Area within the Property may not be obtained from an Owner's or Member's Lot, the Condominium or other Common Area or publicly

dedicated streets or properties. Thus, to obtain access to certain Common Area for which access cannot be obtained from the Owner's or Member's Lot, other common area or publicly dedicated streets or property, the Owner or Member shall need to obtain the permission of a Lot Owner whose Lot is contiguous to said common area. The fact that a Member or Owner shall not have access to certain Common Areas from his Lot, the Condominium, Common Area or publicly dedicated streets or properties does not allow an owner to escape liability for assessments provided for in Article V of this Declaration; and the other provisions of this Declaration, the Articles and Bylaws.

Section 2. Common Area.

- A. Maintenance. The Association shall be responsible for the maintenance of the Common Areas, including, but not limited to, the maintenance of the recreational facilities, in a continuous and satisfactory manner in good order, condition and repair. In addition, the Association shall replace as scheduled any and all improvements situated on the Common Areas including, but not limited to, all landscaping, paving drainage structures, street lighting fixtures, signs, irrigation systems, sidewalks, and other structures, including guard gates and entry features, but excepting any public utilities. The Association shall be authorized, but not required, to provide other services, such as installation and maintenance of security gates (manned and/or unmanned), operation of a guardhouse, the employment of stationary or patrolling security guards within the Community and emergency repairs and other work on Lots reasonably necessary for the proper maintenance and operation of the Community, including, but not limited to party wall repairs, and shall have easement rights necessary to perform same. All work pursuant to this Section and all expenses hereunder shall be paid for by the Association through assessments as provided in this Declaration; provided, however, that the cost of any maintenance, repair or replacement caused by the negligent conduct of an Owner or its guest, tenants or other invitees or by failure of an Owner to comply with the lawfully adopted rules and regulations of the Association shall be levied as a Special Assessment against such Owner individually. No Owner may waive or otherwise escape liability for the assessments for such maintenance by non-use of the Common Areas or abandonment of his right to use the Common Areas.
- B. Rules and Regulations. The Association, through its Board, may make and enforce reasonable rules and regulations governing the Common Areas, all real estate and

properties, and the association in general, which rules and regulations shall be consistent with the rights and duties established by this Declaration. Sanctions may include reasonable monetary fines, loss of privileges to use the amenities and to enter the subdivision through the residents' gate, and suspension of the right to vote. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided herein and in the Bylaws of the Association.

- C. Material Alteration Requirement. A material alteration to a Common Area requires Owner vote if that alteration would result in a cost greater than five percent (5%) of the total annual budget of the Association.

Section 3. No Dedication to Public Use. Nothing contained in this Declaration shall be construed or be deemed to constitute a dedication express or implied, of any part of the Common Area, except for access to and from and throughout the property described in the Plat or any additions thereto.

Section 4. Incorporation of Easements by Reference. Reference in the respective deeds of conveyance, or any mortgage or trust deeds or other evidence of obligation, to the easements and covenants herein described shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees or trustees of said parcels as fully and completely as though said easements and covenants were fully recited and set forth in their entirety in such documents.

Section 5. Surface Water Management. It is acknowledged that the surface water management, drainage and storage system for the Property is one integrated system and, accordingly, those portions contained within the Property shall be deemed Common Area and an easement is hereby created over the entire Property for the surface water drainage and storage, and for the installation and maintenance of the surface water management, drainage and storage system for the Property; provided, however, that such easement shall be subject to improvements constructed within the Property as permitted by controlling governmental authorities from time to time. If, pursuant to the permitting requirements of any governmental authority, the surface water management system for the Property is required to provide drainage for any other property, such other property shall have an easement for drainage purposes into the surface water management system for the Property. The surface water management, drainage, and storage system of the Property shall be developed, operated, and maintained in conformance with the requirements of, and any permits or approvals issued by SFWMD and any other controlling governmental authority. Except as hereafter provided, the Association shall maintain, as a regular expense, the entire surface water management, drainage and storage system for the Property, including, but not limited to, all lakes and canals, swale areas, retention areas, culverts, pipes, pumps, catch basins, and related appurtenances and any littoral zones in any lakes or other waterway, regardless of whether or not same are natural or man-made

within the Property or are owned by the Association. Such maintenance shall be performed in conformance with the requirements of any governmental authority, and an easement for such maintenance is hereby created. The Association will have the right, but not the obligation, to maintain any portion of the surface water management, drainage, and storage system for the Property which is owned and/or maintained by any controlling governmental authority, or which is outside of the Property. The Association will have the right to enter into agreements with any controlling governmental authority or any other property owner or association for the common maintenance of the surface water management, drainage, and storage system serving the Property and any other property. The Property shall be required to accept surface water drainage from any other property pursuant to the requirements of any controlling governmental authority and an easement for such drainage is hereby created, and in connection therewith the Association will have the right, but not the obligation, to maintain any portion of the surface water management system for such other property reasonably required in connection with the maintenance or operation of the surface water management system for the Property.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments to be Paid to the Association. Each Owner of any Lot or Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance (including any purchaser at a judicial sale), is deemed to covenant, which covenant shall run with the land and be binding on every Owner, and agrees to pay to the Association: (1) any regular assessments or charges (including payment of property taxes which may be assessed against Common Area or any personal property which may in the future be owned by the Association) for common expenses of the Association ("Common Assessments"); and (2) any special assessments for improvements, or to fund any deficits between the amount collected for regular assessments in accordance with the capital annual budget and the amount determined necessary by the Association for the proper management and maintenance of the Common Area, together with other costs and/or expenses levied or imposed against the Association or property of the Association ("Special Assessments"); and (3) any individual assessments or charges incurred by the Association on behalf of one or more Lots or Units but not all Lots or Units ("Individual Assessments"). In addition to Common Assessments, Special Assessments and Individual Assessments, each Villa Owner covenants to pay its proportionate share of all expenses incurred by the Association directly related to its obligations for repair, replacements and maintenance of the Villa Lots as set forth in this Declaration ("Villa Assessments"). In addition to Common Assessments, Special Assessments and Individual Assessments, each Home Owner covenants to pay its proportionate share of all expenses incurred by the Association directly related to its obligations for repair,

replacements and maintenance of the Home Lot as set forth in this Declaration (“Home Assessments”). All such Common Assessments, Special Assessments, Individual Assessments, Villa Assessments, and Home Assessments shall be referred to collectively herein as “Assessments”, which shall be fixed, established and collected, from time to time, as hereinafter provided. Assessments, together with such interest thereon and costs of collection thereof, including attorney’s fees, as hereinafter provided, and any applicable late fee imposed by the Board of the Association shall be a charge on the Property and shall be a continuing lien relating back to the date of recordation of the Original Declaration upon any Lot against which each such assessment is made and said lien may be enforced as provided in Section 720.3085 Florida Statutes. Each such Assessment together with interest, costs (including applicable late fees), and reasonable attorneys’ fees for its collection, including attorneys’ fees involved at all appellate levels and whether or not suit is instituted, shall also be the personal obligation of the person or entity who was the Owner of the Lot or Unit at the time when the Assessment becomes due.

Section 2. Purpose of Assessments. The Common Assessments to be levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Property and shall specifically include, but not be limited to: payment of all water charges for the Lots and Common Area billed through the master water meter; any fees due under a bulk service agreement entered into on behalf of the Owners by the Association; the maintenance of the Common Area; the payment of taxes and insurance for the Common Area; payment for the improvement and maintenance of the Common Area; and services and facilities related to the use and enjoyment of the Common Area. Special Assessments shall be used to fund capital improvements, deficits in the collection of regular assessments to cover operating expenses of the Association, and other purposes deemed necessary by a majority vote of Owners of the Association as set forth in Section 4 hereof. Individual Assessments shall be for the costs incurred by the Association which, by nature, are applicable only to one or more Lots or Units, but less than all Lots or Units. By way of example and not limitation, in the event an Owner fails to maintain their lot in a manner required by the Governing Documents, the Association shall have the right, through its agents and employees, to enter upon the Lot or Condominium and to repair, restore, and maintain the Dwelling as required by the Governing Documents. The costs of any such repair, restoration and/or maintenance, plus the reasonable administrative expenses of the Association and any costs incurred in bring a Dwelling into compliance with the governing Documents shall be an Individual Assessment. The Villa Assessments shall be levied against Villa Lot Owners only and shall include any costs directly related to the Villa Lots only to the exclusion of the other Owners and shall specifically include exterior painting and cleaning of the Villa Lots and routine cleaning and repair of the Villa roofs (including any reserves established by the Association), each of which shall be the responsibility of the Association. The Home Assessments shall be levied against the Home Lot Owners only and shall include any costs directly related

to the Home Lots only to the exclusion of the other Owners and shall specifically include costs related to the lawn and landscape maintenance of the Home Lots.

Section 3. Basis of Annual Assessments. The annual Assessment shall be determined in accordance with the Articles of Incorporation and Bylaws of the Association taking into account current maintenance costs and future needs of the Association. The estimated operating budget for the Association shall include an itemized budget for Common Assessments (payable by all Owners), Villa Assessments (payable by Villa Owners only), and Home Assessments (payable by Home Owners only) as well as a total amount of annual Assessments to be paid by each Owner. Each Owner acknowledges the Association is responsible for the repair and maintenance of capital improvements that may result in a Special Assessment due to reserves not being collected or collected in an amount not sufficient to fund the repair. Any reserve accounts may be established by the Members of the Association upon the affirmative approval of a majority of the total voting interests of the Association obtained by a vote of the Members at a duly called meeting of the membership or by the written consent of a majority of the total voting interests of the Association. The approval action of the membership must state that reserve accounts shall be provided for in the budget and must designate the components for which the reserve accounts are to be established. Upon approval by the membership, the Board shall include the required reserve accounts in the budget in the next fiscal year following the approval and each year thereafter. Once reserves are established as provided in this subsection, the reserve accounts must be funded or maintained or have their funding waived in the manner provided by Chapter 720, Florida Statutes.

Section 4. Uniform Rate of Assessment. All Assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly or annual basis or as determined by the Board. Payments of all Assessments will be made directly to the Association or its designated management company and, in no instance, shall any mortgagees have the obligation to collect Assessments.

Section 5. Special Assessment for Capital Improvements. In addition to the annual Assessments authorized above, the Association may levy in any assessment year, a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, PROVIDED that any such Special Assessments shall have the assent of a majority of the votes of the Members who are present and voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than fourteen (14) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 6. Quorum for Any Action Authorized Under Section 5. At each meeting called, as provided in Section 5 hereof, the presence of the meeting of Members or of proxies entitled to cast thirty

percent (30%) of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, the meeting may be continued, subject to the notice requirements set forth in Section 4 and, the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The Board shall fix the amount of the annual Assessments against each Lot at least thirty (30) days in advance of each annual Assessment period. Written notice of the annual Assessment for each Dwelling shall be sent to every Owner subject thereto together with the due date of such Assessments established by the Board. The Board, if necessary to ensure cash flow, may institute reasonable late payment fees for monthly payment of the annual Assessment. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within ten (10) days (or such other period of time established by the Board) after the due date, an administrative late fee of the greater of twenty-five dollars (\$25) or 5% of the amount of the installment that is past due together with interest in an amount equal to the maximum rate per annum allowable by law beginning from the due date until paid in full may be levied. The Association, acting through its Board, may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot to which the Assessment is levied, and interest, costs and reasonable attorneys' fees, including at all appellate levels and whether or not suit is instituted, in collection or enforcement shall be added to the amount of such Assessment. Additionally, the Board may, at its discretion, accelerate the Assessments then due from a delinquent Owner for the next twelve (12) months. The Association may also notify any mortgagees or lenders of Owner, any co-borrowers and/or guarantor(s) without recourse to the Association of delinquencies in the payment of Assessments. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his or her Lot. All payments on accounts shall be first applied to fines levied in accordance with the terms of the Declaration, interest accrued by the Association, then to any administrative late fees, then to collection costs and attorney fees, and then to the delinquent Assessments. The allocation of payments described herein shall apply notwithstanding any restrictive endorsement, designation or instruction placed on or accompanying a payment. Additionally, if a Dwelling is occupied by a Lessee and the Owner is delinquent in the payment of Assessments, the Association may demand from the Lessee payment to the Association of all monetary

obligations, including without limitation, Assessments due from the Owner to the Association, So long as the Owner remains delinquent, future rent payments due to the Owner may be collected by the Association and shall be credited to the monetary obligations of the Owner to the Association, If, within fourteen (14) days from written demand of the Association, the Lessee provides the Association with written evidence of making prepaid rent payments, the Lessee shall receive credit for the prepaid rent for the applicable period of such prepaid rent.

Section 9. Individual Assessment Against a Particular Owner of Lot. In the event an Owner of any Lot or Unit in the Property shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board, the Association, after approval by a majority of the Board, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot, and the exterior of the buildings and any other improvements erected thereon. The costs of such exterior maintenance to which such Lot is subject; and said Assessment shall be enforced in the same manner as provided for in Section 8.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be superior to all other liens except ad valorem tax liens and the liens of any bona fide Institutional First Mortgage to an Institutional First Mortgagee recorded prior to any lien for assessments by the Association; provided, however, that said mortgage liens are first liens against the property encumbered thereby, subject only to tax liens, and secure indebtedness payable in monthly, quarterly or annual payments over a period of not less than ten (10) years.

Section 11. Exempt Property. The following Property subject to this Declaration shall be exempt from the assessments created herein: (a) any portion of the Property dedicated to and accepted by a local public authority; (b) the Common Area of the Association and the Condominium; (c) any portion of the Property which is designated and/or reserved for easements; and (d) any portion of the Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Florida; however, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Surface Water Management System. The Association is responsible for assessing and collecting fees for the operation, maintenance, and, if necessary, replacement of the surface water management system which is part of the Common Area. Fees shall be assessed and collected through annual Assessments or other Assessments, if necessary.

ARTICLE VI

CAPITAL CONTRIBUTION

Section 1. Capital Contribution on Conveyance of Title By Owner. At the time of the closing of a Dwelling by an Owner, the transferee shall pay to the Association a sum equal to one thousand dollars

(\$1,000) charged by the Association at the time of conveyance as Capital Contribution. These monies shall be the Association's property and shall be held by the Association through its Board of ~~Directors~~, pursuant to the powers described in the Articles and Bylaws. The Capital Contribution shall be deemed ordinary association income and need not be separated from or held or applied differently than Assessments. No refund of a Capital Contribution will be made on re-sale.

On sale and re-purchase within the community within two years from date of original purchase, no second capital contribution is required.

No Capital Contribution shall be charged to an Institutional First Mortgagee that takes title to a Dwelling pursuant to a foreclosure action or deed in lieu of foreclosure or to an Owner that transfers title into a trust or other entity for estate planning purposes where the Owner remains the primary beneficiary.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. Architectural Control Committee. The Board may assign all of its responsibilities under Article VII to an Architectural Control Committee ("ACC") to be appointed by the Board.

Section 2. Review of Proposed Construction. Subject to Section 3 below, no improvement or alteration of any kind, including, but not limited to, a fence, wall or other addition, structure, or equipment (including landscaping, antennas, awnings, and shutters) shall be installed, painted, erected, removed or maintained within the Property until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to, and approved in writing by, a majority of the Board. The Board shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alterations or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area of the Property and that the appearance of any improvement or other structure affected thereby will be in harmony with surrounding structures and improvements and is otherwise desirable. The Board may condition its approval of proposals and plans and specifications as it deems appropriate and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Board may also issue rules or guidelines setting forth procedures for the submission of plans for approval. The Board may require such detail in plans and specifications submitted for its review as it deems proper, including, without limitation, floor plans, site plans, drainage plans, elevation drawings and descriptions or samples of exterior materials and colors. Until receipt by the Board of any required plans and specifications, the Board may postpone review of any plans submitted for approval. The Board shall have forty-five (45) days after delivery of all required materials to approve or reject any such plans. If an Owner's plans are not approved

or disapproved within such forty-five (45) day period, said plans shall be deemed approved. All changes and alterations shall be subject independently to all applicable governmental laws, statutes, ordinances, rules, regulations, orders and decrees. Any alteration or modification to the location and/or placement of exterior walls of any Home shall be further conditioned on compliance with the County ordinances and the obtaining of applicable governmental approvals, if any.

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

Section 4. Liability of the Board and the ACC. No member of the Board or the ACC shall be liable to any Owner or other person by reason of mistake in judgment, failure to point out deficiencies in plans, or any other act or omission in connection with the approval of any plans. Any Owner submitting plans hereunder, by the submitting of same, agrees (i) not to seek any damages or make any claim arising out of approval of plans hereunder, and (ii) to indemnify and hold the Board, the ACC and the Association harmless from any cost, claim, damage, expense or liability whatsoever, including attorneys' fees and costs at all tribunal and appellate levels (whether or not suit is instituted), arising out of the approval of any plans regardless of the negligence of the committee members, their representatives, or appointing entity.

Section 5. Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

- A. Upon the completion of any work for which approved plans are required hereunder, the applicant for such approval ("Applicant") shall give written notice of completion to the Board.
- B. Within thirty (30) days thereafter, the Board (or its duly authorized representative) may inspect such completed work. If the Board finds that such work was not affected in substantial compliance with the approved plans, it shall notify the Applicant in writing of such noncompliance within such thirty (30) day period, specifying the particulars of noncompliance and shall require the Applicant to remedy the same.
- C. If an Applicant is notified of any noncompliance, the Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date of announcement of the Board ruling. If Applicant does not comply with the Board ruling within such period, the Board, at its option, may either remove the noncomplying improvement or remedy the noncompliance (an easement therefore being hereby created) and Applicant shall reimburse the Association, upon demand, for all expenses

incurred in connection therewith. This amount, together with interest thereon at the rate of eighteen percent (18%) per annum from the date the noncompliance was to have been remedied or removed, the maximum late fee allowed under Florida Statutes for each month that a violation exists if payment is not made within thirty (30) days after announcement, and all costs and reasonable attorneys' fees incurred by the Association in collection, enforcement or abatement, as appropriate (including attorneys' fees incurred at all appellate levels and whether or not suit is instituted) and shall be a personal obligation of Owner and shall not pass to the successors in title of Owner unless expressly assumed by such successors. Such amount (including interest, costs, late fees and attorneys' fees as provided above) shall also be a continuing lien and run with the land on the Owner's Property if not paid within thirty (30) days after notice enforceable in the same manner in which mortgages are enforced by foreclosure or by bringing an action at law or equity against the Owner.

- D. If for any reason the Board fails to notify the Applicant of any noncompliance within forty-five (45) days after receipt of written notice of completion from the Applicant, the improvement shall be deemed to have been made in accordance with the approved plans.

Section 6. Variances. The Board may authorize variances from compliance with any of the architectural provisions of this Declaration when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variance must be evidenced in writing and must be signed by at least two (2) members of the Board. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall it affect, in any way, the Owner's obligation to comply with all governmental laws and regulations affecting his use of the Lot and Home, including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by any governmental or municipal authority.

ARTICLE VIII

USE RESTRICTIONS

Section 1. No Dwelling shall be used for purposes other than residential purposes. No building

shall be erected, altered, placed or permitted to remain on any Lot other than a single family attached, detached, or condominium dwelling. Each Dwelling shall be occupied by only one Family, its servants and guests, as a residence and for no other purpose.

Section 2. No structure of a temporary character, trailer, basement, tent, shack, barn, shed or other out-building shall be used on any Lot at any time as a residence or appendage to such residence, either temporary or permanent.

Section 3. No noxious or offensive activity shall be carried on upon any Lot or within a Dwelling, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood within the Plat, or any matter which affects the health, safety or welfare of the owners or occupants of the Property, in the Association's reasonable discretion.

Section 4. No livestock or poultry shall be kept, maintained, or bred on any Lot or in any Dwelling or elsewhere within the Property, except for fish in an aquarium and birds in cages maintained in the interior of the Home and not more than a total of two (2) domestic pet dogs (other than pitbull dogs or other dogs which, in the reasonable determination of the Board of Directors, are determined to be a threat to the safety of the occupants of the Property which shall not be allowed under any circumstances in the Property) or two (2) domestic pet cats shall be permitted to be kept in a Dwelling or Lot, provided such animals are not kept, bred, or raised for commercial purposes. Notwithstanding the foregoing, the Board of Directors shall specifically have the power to either permit additional domestic dogs or cats to be kept as pets by an Owner if, in the determination of the Board, such pets shall not cause or be deemed by the Board to constitute a nuisance to any other Owner in the determination of the Board. Each person bringing or keeping a pet or qualified assistance animal within the Property shall be absolutely liable to the Association, other Owners and their invitees for any damage to persons or property caused by any pet brought upon or kept upon the Property and, it shall be the duty and responsibility of each such Owner to clean up after such animals which have deposited droppings or otherwise used any portion of the Property or public street abutting or visible from the Property. Pets and qualified assistance animals belonging to Owners or invitees of any Owner must be kept within an enclosure or on a leash held by a person capable of controlling the animal. No pets or qualified assistance animals shall be "tied out" in a yard or on a porch or patio and left unattended for any extended period of time. The Association shall have the right to promulgate Rules relating to pets or qualified assistance animals and the right to restrict or require removal any such pets or qualified animals determined by the Board to constitute a nuisance.

Section 5. No sign of any kind shall be displayed for public view on any Lot or from a Unit, except one sign to advertise that the property is for sale or rent, which sign cannot be more than 18" x 24" and is to be placed in a window or within the landscape beds. In addition, security company signage is permitted within ten (10) feet of the Unit within the landscape beds.

Section 6. No Lot shall be used or maintained as a dumping ground for rubbish. All trash and garbage shall be regularly removed from each Lot or Unit and shall not be allowed to accumulate thereon. Trash, garbage or other waste shall be kept in sanitary, covered containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. In no event shall such equipment and/or containers be visible from the Common Area streets, from neighboring Property or within property contained in the Plat, except for a reasonable time immediately prior to and after scheduled trash collection, and in all events in compliance with the County Code.

Section 7. No garments, rugs, towels or blankets or any other materials may be hung or exposed from the windows or from the front façade of any Dwelling. No outside clotheslines or other facilities for drying or airing clothes shall be erected in the front yard, side yard or back yard of any Dwelling unless it cannot be seen from the parcel's frontage or an adjacent parcel, adjacent common area or community golf course. All personal property of Owners or other occupants shall be stored inside; provided, however, patio furniture or other personal property which is specifically for the use and enjoyment of designated outdoor areas of the Dwelling shall be permitted.

Section 8. There shall be no parking on any portion of any sidewalk which is not part of a designed driveway, grass or street within the Property. Temporary street parking is permitted during the day only if the conditions of the Parking section of the ACC Guidelines and Community Rules and Restrictions are met and there is a sincere need to park on the street for situations such as house painting, roof repairs, driveway sealing and other instances that might cause limited access or damage to vehicles. An Owner may park in the Dwelling's garage or in the driveway on the Lot. Car covers are prohibited and license tags on all vehicles must be current. No vehicle which cannot operate on its own power shall remain in the Community for more than twenty-four (24) hours, except in the garage of a Dwelling. No repair or maintenance, except emergency repairs of vehicles, shall be made unless in the garage of a Dwelling. No vehicles shall be stored on blocks. No tarpaulin covers on vehicles shall be permitted anywhere within the public view. Any trailer, commercial vehicle, recreational vehicle, boat, rowboat, canoe, jet ski or boat trailer shall not be permitted to be parked outside of an enclosed garage. This restriction shall not be deemed to limit service vehicles whose purpose is to perform maintenance and delivery service to the Owners or the Association during normal working hours or for work performed for the Association which are necessary in the development, maintenance and delivery service to the Owners or the Association during normal working hours or for work performed for the Association which are necessary in the development, maintenance or management of the Association. The term "commercial vehicle" includes trucks and vehicular equipment or other vehicles which are used or which are ordinarily intended to be used for commercial purposes or which contain materials regularly used in trade or business. No vehicles displaying commercial advertising shall be parked within the public view. Automobiles issued by the County or other

governmental entity (i.e., police cars), such automobile shall not be deemed to be a commercial vehicle and may be parked in the garage or driveway of the Lot. No vehicle shall be used as a domicile or residence either temporarily or permanently. No all-terrain vehicles (ATVs), golf carts, scooters or mini motorcycles are permitted at any time on any paved surfaced forming a part of the Common Areas. Subject to applicable laws and ordinances, any vehicle parked in violation of these or other restrictions contained herein, the Association is authorized to order the towing of any vehicle (at said vehicle owner's expense) for a violation of this Section if a vehicle remains in violation of this Section for a period of twenty-four (24) hours from the time a notice of violation is placed on the vehicle or if such a vehicle was cited for such violation within the preceding fourteen (14) day period. Each Owner by acceptance of title to a Dwelling irrevocably grants the Association and its designated towing service the right to enter a Lot and tow vehicles in violation of this Declaration. Neither the Association nor the towing company shall be liable to the owner of such vehicle for trespass, conversion or otherwise, nor guilty of any criminal act, by reason of such towing or removal and once the notice is posted, neither its removal, nor failure of the owner to receive it for any other reason, shall be grounds for relief of any kind. By accepting title to a Dwelling, the Owner provides to the Association the irrevocable right to tow or remove vehicles parked on the Owner's Lot and Common Area which are in violation of this Declaration. An affidavit of the person posting the foresaid notice stating that it was properly posted shall be conclusive evidence of proper posting.

Section 9. No septic tanks or individual wells will be permitted on any Lot or Condominium Property.

Section 10. No garage may be improved for purposes of making same a living area, nor shall garage doors be removed except for replacement (in which case the Owner must obtain approval of any replacement door from the ACC. No garage may be used for the operation of a business or for any commercial purpose of any kind.

Section 11. No external window covering, reflective window covering or iron or decorative bars (either interior or exterior) may be placed or permitted to remain on any window of any building without the prior written approval of the ACC. Window treatments shall consist of drapery, blinds, decorative panels, or other window covering, and no newspaper, aluminum foil, sheets or other temporary window treatments are permitted, except for periods not exceeding one (1) week after an Owner or tenant first moves into a Dwelling or when permanent window treatments are being cleaned or repaired. No security bars shall be placed on the windows of any Dwelling without prior written approval of the ACC. No awnings, canopies or shutters shall be affixed to the exterior of a Dwelling without the prior written approval of the ACC. No reflective tinting or mirror finishes on windows shall be permitted unless approved by the ACC. Window treatments facing the street shall be of a neutral color, such as white, off-white or wood tones. Window or wall air-conditioner units are prohibited.

Section 12. Other than as provided herein, no flags or banners other than a Flag permitted by Chapter 720.304, Florida Statutes, or other local, state or federal law, which must be displayed in a respectful manner and which is subject to reasonable standards for size, placement and safety as may be adopted by the Association will be permitted. Notwithstanding the above and subject to the criteria provided in this Section, a nonpolitical flag or banner (military, college or university, etc.) will be permitted.

Section 13. In the event that a Home, Villa or other improvement is damaged or destroyed by casualty loss or other loss, then the Owner thereof shall commence to rebuild or repair the damaged Home, Villa or improvement in accordance with this Declaration. Damage and destruction to the Units shall be governed by the Condominium Declaration. As to any such reconstruction of a destroyed Home, Villa or improvements, the same shall only be replaced as approved by the ACC. Notwithstanding anything to the contrary herein, to the extent that insurance coverage obtained and maintained by the Association covers such casualty destruction, the Owner of such damaged or destroyed Home or Villa shall not perform any activities that would negate such coverage or impair the availability of such coverage.

Section 14. No commercial or business activity shall be conducted in the Community that disrupts the residents, including without limitation, within any Dwelling. Notwithstanding the foregoing, and subject to applicable statutes and ordinances, an Owner may maintain a home business office within a Home for such Owner's personal use; provided, however, business invitees, customers, and clients shall not disrupt the residential nature of the Community unless the Board provides otherwise in the Rules and Regulations. No Owner may actively engage in any solicitations for commercial purposes within the Community. No solicitors of a commercial nature shall be allowed within the Community, without the prior written consent of Association. No daycare center or facility may be operated out of a Dwelling. No garage sales are permitted, except as permitted by the Association.

Section 15. No exterior visible antennae, radio masts, towers, poles, aerials, satellite dishes, or other similar equipment shall be placed on any home, Villa, Unit or Lot without the prior written approval thereof being first had and obtained from the ACC as required by this Declaration. The ACC may require, among other things, that all such improvements be screened so that they are not visible from adjacent Homes, Villas, Units or from the Common Areas. No Owner shall operate any equipment or device which will interfere with the radio or television reception of others. All antennas not covered by the Federal Communications Commission ("FCC") rules are prohibited. Installation, maintenance, and use of all antennas shall comply with restrictions adopted by the Board and shall be governed by the then current rules of the FCC.

ARTICLE IX
EASEMENTS

Section 1. Easements are reserved over each Lot and the Common Area for public service purposes including, but not limited to, police protection, fire protection, emergency services, postal service and meter reading.

Section 2. Easements for ingress and egress and for the installation and maintenance of all utilities, surface water management and drainage facilities and landscaping are reserved on and over each Lot, the Common Area and common elements of the Condominium. The right is reserved to the Association to create additional utility easements by separate instrument as may be required from time to time.

Section 3. The Association shall have the responsibility to maintain all drainage easements, drainage facilities and drainage pipes and equipment within the Property and the expense for same will be a common expense of the Association.

Section 4. An easement is reserved over the Property, including each Lot and common elements of the Condominium, in favor of the Association for maintenance of the Common Area and to allow the Association to fulfill any and all of its maintenance obligations hereunder.

Section 5. Each common wall shared by two Villa Owners shall be a party wall for the perpetual benefit of and use by the Owners of each respective Villa Lot. Each such Villa Lot and Owner is hereby granted an easement for the existence of the party wall to the extent it encroaches on the adjoining Lot, whether encroachment exists as a result of initial construction, reconstruction or natural settling or shifting.

ARTICLE X
COVENANTS FOR HOME MAINTENANCE

Section 1. Maintenance of Homes. Each Home Owner shall be responsible for the maintaining, repairing, and replacing of the Home and all other improvements situated on his Lot in a clean, sanitary, neat, safe and orderly condition, including, without limitation, all obligations for structural maintenance, repair or replacement of walls, windows and roofs, including gutters, downspouts and skylights, and maintenance, repair or replacement of the dwelling and related improvements including, but not limited to, any stucco repairs, any structural repairs, any windows, window screens, patio screens, screened enclosures, balcony railings, tiles, if any, front doors, side doors, rear doors, and/or the framing or casings of any of the foregoing air-conditioning or water softening fixtures or equipment, or any equipment, facilities or other items whatsoever installed within or placed upon any Home Lot by any Owner, including its agents, or other designees, and/or any other maintenance obligations designated as the Owners' responsibilities, from

time to time, in the Declaration or the Rules. The Lot Owner shall obtain the written consent of the Association prior to making any modifications requiring approval under Article VII hereof. It will also be the duty of each Lot Owner to maintain in good repair any driveway serving a single Lot. If any Lot Owner breaches these covenants, the Association may enforce these covenants in accordance with the provisions of this Declaration.

Section 2. Maintenance of Villas. Each Villa Owner shall be responsible for the maintaining, repairing, and replacing of the Villa and all other improvements situated on his Lot in a clean, sanitary, neat, safe and orderly condition including, without limitation, all obligations for structural maintenance, repair or replacement of walls and windows, replacements of roofs, including gutters, downspouts and skylights, and maintenance, repair and replacement of mailboxes. Further, the Villa Lot Owner shall be responsible for maintenance, repair or replacement of the dwelling and related improvements, including, but not limited to, any stucco repairs, any structural repairs, any windows, window screens, patio screens, screened enclosures, balcony railings, tiles, if any, front doors, side doors, rear doors, and/or the framing or casings of any of the foregoing, any air-conditioning or water softening fixtures or equipment, or any equipment, facilities or other items whatsoever installed within or placed upon any Villa Lot by any Owner, including its agents, or other designees, and/or any other maintenance obligations designated as the Owners' responsibilities, from time to time, in the Declaration or the Rules. The Lot Owner shall obtain the written consent of the Association prior to making any modifications requiring approval under Article VII and Article VIII hereof. It will also be the duty of each Lot Owner to maintain in good repair any driveway servicing a single Lot. If any Lot Owner breaches these covenants, the Association may enforce these covenants in accordance with the provisions of this Declaration. Except as otherwise provided herein, each Owner shall bear the responsibility to repair and maintain the unfinished surface of the exterior portion of the party wall which is located within his residence. Both owners shall equally share the cost of repair and maintenance of the structural and interior portions of the party wall. However, if either Owner's negligence or willful misconduct causes damage to the party wall, such Owner shall bear the entire cost of repair. Each Owner shall have the right to enter the adjacent Villa Lot, including the residence located thereon, where necessary in connection with the repair or maintenance of a party wall, upon reasonable prior notice to the affected Owner(s) and at reasonable times and an easement for same is hereby created. Any repair or reconstruction shall utilize substantially similar materials, design and location as originally existed. No openings may be cut in the party wall or structural changes made thereto, unless agreed upon by Owners sharing the party wall.

Section 3. Lawn Maintenance. It shall be the duty of the Association to contract with a qualified third party to cut the grass and provide other limited services (as detailed on the Paloma Community website, www.palomafll.com) for each Home and Villa Lot Owner's Lot, the cost of such grass maintenance

on the Owner's property being assumed by the Association for the benefit of the entire Property as if same were Common Area, and such costs being considered with the budget as part of grounds' maintenance. The Home and Villa Lot Owners shall not plant any trees or shrubbery on his Lot without first obtaining the prior written consent of the Association. The Association is hereby granted an easement over and across the Home and Villa Lot Owner's Lots for the purpose of cutting the grass and performing other limited services through a qualified third party, and the Owner shall not place any obstruction, fence, wall, tree or shrubbery on such ground without the consent of the Association, the same consent being conditioned on the association having free access to the property for the purpose of maintaining and cutting the grass. The Condominium Association shall be solely responsible for the maintenance of all grass located within the Condominium or upon common elements of the Condominium; provided, however, if the Condominium Association shall fail to maintain the same, the Association shall have the right but not the obligation to enter the Condominium Property and maintain the grass and charge the Unit Owners the cost of such work as an Individual Assessment.

Section 4. Irrigation. It shall be the duty of the Association to maintain the irrigation system for the Community, including irrigation of Common Areas, Lots and Condominium. Said irrigation system will be installed throughout the Community on Lots, within Common Areas, and the Condominiums; the cost of such maintenance of the irrigation system being assumed by the Association for the benefit of the entire Property as if same were Common Area, and such costs being considered with the budget as part of grounds' maintenance. The Association is hereby granted an easement over and across the Home and Villa Lots and the Condominium common elements for the purpose of installing and maintaining the irrigation system. Neither the Lot Owners nor the Condominium Association or Unit Owners shall place any obstruction, fence, wall, tree or shrubbery over the irrigation system without the consent of the Association. An Owner or the Condominium Association shall be responsible for payment of any costs related to the repair and/or replacement necessary as a result of any damage done to the irrigation system, whether on the Owner's Lot or the Common Area, caused by Owner or the Condominium Association, any member of Owner's family, any guests, invitees, tenants, contractors, workers or agents of Owner.

Section 5. Landscaping. The Association shall be responsible for the maintenance of all landscaping within any landscape easement or common area. Such maintenance shall include routine trimming, weeding and pruning of the landscaping. Each Owner shall be solely responsible for all maintenance of any landscaping installed on the Lot by the Owner. The Association is hereby granted an easement over and across an Owner's Lot for the purpose of maintaining the landscaping in accordance herewith. Owners hereby acknowledge the landscape material on the Property and within any landscape easement is intended to fulfill required landscape buffers of adjacent properties. Owners shall not cut or remove any landscape materials on landscape easements, landscape materials installed at the direction of

the Association or any landscape materials required to remain pursuant to a permit or other governmental regulation. Any Owner violating the restrictions of this section resulting in landscaping needing to be repaired or replaced will be charged the cost of such work. The Condominium Association shall be responsible for all landscape maintenance within the Condominium Property, such cost an expense being billed to the Unit owners pursuant to the terms of the Declaration of Condominium; provided, however, if the Condominium Association shall fail to maintain the same, the Association shall have the right, but not the obligation, to enter the Condominium Property to maintain the landscaping and charge the Unit Owners the cost of such work as an Individual Assessment.

Section 6. Insurance. Each Owner of a Lot shall obtain insurance coverage upon the Lot insuring the Home or Villa and any improvements located thereon in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs. Such coverage shall afford protection against (i) loss or damage by fire, hurricane, tornado, windstorm, or other hazards covered by a standard extended coverage endorsement, and (ii) such other risks as, from time to time, shall be customarily covered with respect to similar construction, location, and use as the Home or Villa including, but not limited to, vandalism and malicious mischief. If an Owner shall fail to purchase such insurance, the Association shall have the right, but not the obligation, to obtain such insurance and shall assess the Owner for the cost of same in accordance as a specific assessment as defined herein. The Condominium Association and each Unit Owner shall obtain and maintain insurance coverage in accordance with Chapter 718, Florida Statutes, and the Declaration of Condominium.

Section 7. Exterior Painting and Cleaning. Each Lot Owner shall be responsible for exterior painting and cleaning of the Home and improvements thereon as required by the Association in accordance with this section. The Association shall be responsible for exterior painting and cleaning of the Villa Lots, the cost and expense of the same to be billed to the Villa Lots as a Villa Assessment. The Association shall require all Homes to be painted and shall paint all Villas every seven (7) years. In addition, the Association requires the roof, exterior walls, sidewalks, patios and driveways of all homes be cleaned periodically. The Board reserves the right to issue Courtesy Emails and Notice of Violations requiring owners to clean these areas if the Association determines that these areas require attention before the end of these periods. Each Owner shall have the right to paint or clean more frequently than required by the Association, provided that prior written approval of paint color is obtained from the Board. If any Lot Owner fails or refuses to paint or pressure wash its Home or other improvements as required herein, the Association may perform the work and charge the owner the cost thereof as an Individual Assessment. The Condominium Association shall be responsible for all exterior paint and cleaning of the Condominium Units and common elements in accordance with the time frames set forth herein; provided, however, if the Condominium Association fails to perform the painting and cleaning as required, the Association has the right, but not the obligation, to

perform such work and bill the Unit Owners for the cost and expense of the same as an Individual Assessment.

ARTICLE XI

LEASE AND OCCUPANCY RESTRICTIONS

Section 1. Leases. The leasing restrictions herein apply to any type of occupancy for which any type of consideration has been paid to the Owner or to any other person or entity for the right to occupy the Dwelling including, but not limited to, a license, transient rental agreement, barter, home exchange, raffle or game of chance. In order to foster a stable residential community and prevent a motel-like atmosphere, the leasing of Dwellings by their Owners shall be restricted as provided in this Article. All leases of Dwellings must be in writing. An Owner may lease only his or her entire Dwelling, and then only in accordance with this Article, after receiving the approval of the Association. The lessee must be a natural person as opposed to an artificial entity, such as a corporation, partnership, trust, etc. The following also applies to any new occupant that was not approved under the existing lease.

Section 2. Procedures.

- A. Notice by the Owner. An Owner intending to lease his Dwelling shall give to the Board or its designee written notice of such intention at least twenty (20) days prior to the first day of occupancy under the lease together with the name and address of the proposed lessee, a fully executed copy of the proposed lease, and such other information as the Board may reasonably require including, but not limited to, a background check and proof of lawful residency. The Board may require a personal interview with any lessee, proposed occupant and his or her spouse, if any, as a pre-condition to approval. As a condition of approval, the Association may require the owner and Tenant to sign an agreement provided by the Board in its discretion which shall be incorporated into any lease agreement intended to expand on the provisions of this Article XI and protect the Association's interest. The applicant must sign for having received copies of the Rules and Regulations of the Association.
- B. Board Action. After the required notice and all information or interviews requested have been provided, the Board shall have ten (10) days in which to approve or disapprove the proposed lease. If the Board neither approves nor disapproves within that time, its failure to act shall be deemed the equivalent of approval, and, on demand, the Board shall issue a written letter of approval to the lessee. The Board may delegate its authority to approve or disapprove a lease to a committee, a single officer or the Community Association Manager.

C. Disapproval. Unless the authority has been delegated as provided in (B) above, a proposed lease shall be disapproved only if the Board so votes, and in such case, the lease shall not be made. A proposed lease may only be disapproved for good cause or as specified in this document. In considering whether good cause exists, the Board shall consider each applicant on a case-by-case basis and shall take into account mitigating factors, such as the recency of the event and the detrimental impact on the community based on verifiable data and information. Appropriate grounds for disapproval shall include, but not be limited to, the following:

- (1) The owner is delinquent in the payment of assessments, fines, or other charges at the time the application is considered; has been more than ninety (90) days late in paying assessments; and/or has a history of consistently paying assessments late.
- (2) The Owner has a history of leasing his or her Dwelling without obtaining approval, or leasing to troublesome lessees and/or refusing to control or accept responsibility for the occupancy of his or her dwelling;
- (3) The real estate company or rental agent handling the leasing transaction on behalf of the Owner has a history of screening lessee applicants inadequately, recommending undesirable lessees, or entering into leases without prior Association approval;
- (4) The application, on its face, indicates that the person seeking approval or any of the proposed occupants intend to conduct themselves in a manner inconsistent with the covenants and restrictions applicable to the Association;
- (5) The prospective lessee or any of the proposed occupants have been convicted of a felony involving violence to persons or property, a felony involving sale or possession of a controlled substance, ~~or~~ a felony demonstrating dishonesty or moral turpitude, or a sex crime or has been adjudicated as a sexual offender.
- (6) The prospective lessee or any of the proposed occupants have a history of conduct which evidences disregard for the rights and property of others;
- (7) The prospective lessee evidences a strong possibility of financial irresponsibility;
- (8) The lessee or any of the proposed occupants, during previous occupancy, has evidenced an attitude of disregard for the Association rules;

- (9) The prospective lessee or any of the proposed occupants give false or incomplete information to the Board as part of the application procedure, or the required transfer fees and/or security deposit is not paid;
- (10) The Owner fails to give proper notice of his or her intention to lease his or her Dwelling to the Board.
- (11) The home requires maintenance be done which has not been completed (eg., house painted, roof cleaned, driveway cleaned, mailbox painted, landscape issues, etc.,) at the time the application is considered.
- (12) The number of lessee occupants exceed more than two persons per bedroom in the dwelling and a bedroom is defined under Florida Building Code, section 200:
 - For site-built dwellings has a minimum of 70 square feet of conditioned space
 - Is located along an exterior wall;
 - Has a closet and a door or an entrance where a door could be reasonable installed; and
 - Has an emergency means of escape and rescue opening to the outside in accordance with the Florida Building Code.
 - A room may not be considered a bedroom if it is used to access another room except a bathroom or closet must have two exit points outside the building to be considered a bedroom and a living room or dining room are not bedrooms.
- (13) The lessee has more vehicles than the available number of parking spaces associated with the Dwelling being leased. At any time during the lease term, if the tenant's number of vehicles exceeds the available number of parking spaces, the landlord agrees to terminate the lease with a sixty days' notice.

Section 3. Term of Lease and Frequency of Leasing. No Dwelling may be leased more often than four (4) times in any calendar year, with the minimum lease term being three (3) months. For purposes of this restriction, the first day of occupancy under the lease shall conclusively determine in which year the lease occurs. No lease may be for a period of more than one (1) year, and no option for the lessee to extend or renew the lease for any additional period shall be permitted. However, the Board may, in its discretion, approve the same lease from year- to- year. No lease shall provide for an early lease termination which would reduce a lease term to a period of less than said ninety (90) days, except in the event of a

default by the tenant. Any lease terminated as a result of a default or otherwise, shall nevertheless still count towards the foregoing rental limitations. No new lease may begin until the original term of the previous lease has ended, regardless of whether the lease was terminated early. No subleasing or assignment of lease rights by the lessee is allowed. No Dwelling shall be offered or advertised for lease for a lease term of less than three (3) months or ninety (90) consecutive days.

Section 4. Percentage of Leased Units. At no time shall more than fifteen percent (15%) of the Dwellings be subject to an approved lease, it being the intent of this Section that any Owner applying to lease his or her Dwelling at a time where fifteen percent (15%) of the Dwellings are leased shall be placed on a wait list and shall not be approved unless and until not more than fifteen percent (15%) of the Dwellings are leased. Any application seeking to renew a lease of the same tenant shall take precedence over any Owner on said wait list. Annual leases will take precedence over shorter prior leases.

Section 5. Guest Occupancy During Lease Term. Guests may occupy leased Dwellings when the lessee is also in residence. The total number of house guests in a leased Dwelling is limited to two (2) persons and their children, if any. Such guests may stay for a period not to exceed ten (10) days, and the number of occasions for this type of guest occupancy shall be limited to once per three (3) months or ninety (90) consecutive days of the lease term.

Section 6. Occupancy in Absence of Lessee by Other Resident Family Members. If a lessee absents himself from the Dwelling for any period of time during the lease term, his family authorized to occupy the Dwelling who are already in residence may continue to occupy the Dwelling and may have house guests subject to all the restrictions in Section 5 above. If the lessee and all of the family members mentioned in the foregoing sentence are absent, no other person may occupy the Dwelling.

Section 7. Use of Common Area and Association Property. To prevent overtaking the facilities, an Owner whose Dwelling is leased may not use the recreation or parking facilities during the lease term.

Section 8. Regulation by Association. All of the provisions of the Governing Documents and the Rules and Regulations of the Association shall be applicable and enforceable against any person occupying a Dwelling as a lessee or guest to the same extent as against the Owner. A covenant on the part of each occupant to abide by the rules and regulations of the Association and the provisions of the governing Documents, designating the Association as the Owner's agent with the authority to terminate any lease agreement and evict the tenants in the event of breach of such covenant, shall be deemed to be included in the event of a breach of such covenant, shall be deemed to be included in every lease agreement, whether oral or written, and whether specifically expressed in such agreement or not.

Section 9. Fees and Deposits for the Lease of Dwellings. Whenever herein the Board's

Approval is required to allow the lease of a Dwelling, the Association may charge the Owner a preset fee for processing the application, such fee not to exceed the maximum amount allowed by law. A separate fee may be charged for each person intending to occupy the Dwelling except only one fee may be charged for a married couple and minor children. No fee may be charged for approval of a renewal or extension of a lease with the same lessee. The Association may also require a security deposit to protect against damage to the Common area or association property.

Section 10. Unapproved Leases. Any lease of a Dwelling not approved pursuant to this Article shall be void and unenforceable unless subsequently approved by the Board.

Section 11. No Discrimination. The Association is an equal opportunity provider of housing and shall not disapprove a lease for an illegal discriminatory reason.

Section 12. Occupancy of Dwelling in Absence of Owner or other Resident Family Member.
(Owner shall include each individual Owner in a resident with multiple owners)

The Association recognizes that Owners may occasionally be away from their homes for extended periods. During such times, it is important that any non-owner occupancy comply with the provisions set forth in these Bylaws to maintain the character and integrity of the community. If the Owner and any Family members who permanently reside with the Owner are not occupying the Dwelling, and the unit is occupied by another party, that occupancy shall be subject to the provisions applicable to either *Family Occupancy* or *Leasing*, as described below.

A. Family Occupancy. If the Dwelling is occupied by an **immediate family member** of the Owner—defined as a parent, grandparent, child, grandchild, great-grandchild, or sibling—this will be considered a *Family Occupancy*, and the following conditions apply:

1. Occupancy for three (3) weeks or less:
 - No notification or form is required.
2. Occupancy between three (3) weeks and three (3) months:
 - A Family Occupancy Form shall be submitted to the Association.
 - This type of occupancy will **not** be counted toward the community's leasing cap.
3. Occupancy between three (3) months and twelve (12) months:
 - A Family Occupancy Form shall be submitted.
 - This type of occupancy **will** be included in the leasing cap.

B. Non-Family Occupancy (Leasing). If the Dwelling is occupied by someone who is **not** an immediate family member of the Owners, the occupancy will be considered a *Lease*, and the following provisions will apply:

1. Occupancy for less than three (3) months:
 - This is not permitted, as per Article XI, Section 3, which establishes a minimum lease

term of three (3) months.

– Shorter-term occupancies will be considered a lease violation.

2. Occupancy between three (3) months and twelve (12) months:

– The provisions of Article XI will apply.

– This occupancy will count toward the leasing cap.

C. Board Oversight and Procedure. To help ensure transparency and compliance, the Board of Directors may adopt and enforce reasonable rules related to the occupancy of Dwellings in the absence of the Owners. Pursuant to Article XI, Section 2, the Board has established a procedure for Owners to notify the Association of any such occupancy.

Should the Board determine that a particular arrangement qualifies as a lease, it will be included in the annual leasing count and may affect the Owner's ability to lease the Dwelling in the future.

Section 13. Waiting Period after Conveyance of Title. A single family home, villa, or condo unit cannot be rented within the first year of ownership, or in cases when the conveyance of title does not effectively change ownership. This does not apply to a First Mortgage holder who takes title to the property via foreclosure or deed in lieu of foreclosure.

ARTICLE XII

SALE AND/OR TRANSFER OF LOT, UNIT, OR CONDOMINIUM

Section 1. Sale or Other Transfer. No Owner may dispose of a Home or Unit or any interest in same by sale or other title transfer without prior written approval of the Board, whether the transfer occurred due to devise or inheritance, gift, or any other means of changing ownership of the property.

Section 2. Approval by Association. The approval of the Association that is required for the transfer of ownership shall be obtained in the following manner:

Section 3. Notice to Board. The Transferor shall notify the Board, in writing, of their intent to sell their Home, Villa or Unit no less than thirty (30) days prior to the sale and shall include in that writing the name of the potential buyer. The potential Buyer shall complete the "New Buyer Form" which is on the community website (www.palomafl.com). Additionally, if requested by the Board, the Transferor shall provide the Association an executed copy of the purchase contract and its exhibits and such other information concerning the intended purchaser and the transaction as the Board may reasonably require. The Board may require, without limitation: (a) credit history, (b) a criminal background investigation, (c) past residency or employment verification, (d) personal references and (e) a personal interview with the Buyer(s) and all proposed Home, Villa or Unit occupants who will reside in the Home or Unit for thirty (30) days or more per year.

Section 4. Failure to Give Notice. If the above required notice to the Board is not given, then, at any time after receiving knowledge of a transaction or event transferring ownership or possession of a Home, Villa or Unit, the Board, at its election and without notice, may approve or disapprove the transaction or ownership. If the Board disapproves the transaction or ownership, the Board shall proceed as if it had received the required notice on the date of such disapproval.

Section 5. Transfer or Sale. No less than thirty (30) days after receipt of such notice and information, including a personal interview if requested by the Board, the Board must either approve or disapprove the proposed transaction. The Board may obtain a continuance of the thirty (30) day requirement if they have been unable to obtain the necessary and requested information due to Transferor and/or Buyer not providing correct information or said recipient of Board's requests delays or fails to provide the requested information through no fault of the Board.

Section 6. Transfer or Sale to an Entity or Multiple Buyers. If the Transferor or Buyer is a corporation, partnership, trust, some other entity or more than one individual who are unmarried, the approval of ownership by the entity or multiple buyers shall be conditioned upon approval of a Primary Occupant; however, the requirement to provide the information enumerated above for any person(s) who will be occupying the property for thirty (30) days or more per year is required.

Section 7. Approval and/or Disapproval of Buyer. Approval by the Association for title transfer shall be withheld only if a majority of the whole Board so votes. The Board shall consider the following factors and may confer freely with counsel in reaching its decision. Only the following may be deemed to constitute good cause for disapproval:

- A. Inconsistent with the covenants and restrictions applicable to the Home or Unit;
- B. The person(s) seeking approval (which shall include all proposed occupants of thirty (30) days or more per year) has been convicted of a crime involving violence to a person(s), a crime involving the sale or distribution of narcotics within the last ten (10) years, a sex crime adjudicated as a felony, or a crime resulting in them being placed on the Sexual Offender's Registry;
- C. The person(s) seeking approval failed to provide the information, fees, or appearance required to process the application in a timely manner.

Section 8. Unauthorized Transactions. Any sale or transfer of ownership or possession not authorized pursuant to the terms of this Declaration shall be voidable unless subsequently approved by the Board.

ARTICLE XIII

WATER MANAGEMENT SYSTEMS

Section 1. Transfer of Surface Water Management System. Should the Association cease to exist, the surface water management system, property containing the surface water management system and water management portions of Common Area shall be conveyed to an agency of local government determined to be acceptable by the SFWMD. If said agency of local government declines to accept the conveyance, then the surface water management system property containing the surface water management system and water management portions of the Common Area will be dedicated to a non-profit corporation similar to the Association.

Section 2. Amendments Pertaining to Surface Water Management System. Any Amendment proposed to this Declaration which would affect the surface water management system, conservation areas or water management portions of Common Area shall be submitted to the SFWMD for review prior to finalization of the Amendment. SFWMD shall determine if the proposed Amendment will require a modification of the environmental resource or surface water management permit. If a permit modification is necessary, the modification must be approved by SFWMD prior to the Amendment of the Declaration.

Section 3. Surface Water Management. No Owner or any other person or entity shall do anything to adversely affect the surface water management and drainage of the Property without the prior written approval of the Association and any controlling governmental authority, including but not limited to, the excavation or filling in of any lake or canal, or the changing of the elevation of any portion of the Property, provided the foregoing shall not be deemed to prohibit or restrict the initial construction of improvements upon the Property by the developer of any portion of the Property in accordance with permits issued by controlling governmental authorities. In particular, no Owner or the Association shall install any landscaping, place any fill on a Lot, remove or cut littoral plantings or native vegetation, spray herbicide or grade portions of the Property which would adversely affect the drainage of any contiguous Lot. No construction activities may be conducted relative to any portion of the surface water management system, including but not limited to, digging or excavation; depositing fill, debris or any other material or item; constructing or altering any water control structure; or any other construction to modify the system as permitted. No Owner or other person or entity shall unreasonably deny or prevent access to water management areas for maintenance repair or landscaping purposes by the Association, the SFWMD or any appropriate governmental agency that may require access to carry out obligations set forth in the Permit. No person shall fill, dike, rip-rap, block, divert or change the water retention and drainage areas that have been or may be created without the prior written consent of the Association and SFWMD. If such actions

are permitted by the Permit and SFWMD, the Association may draw water for irrigation or other purposes from any water management area.

Section 4. Recreational Activities. All recreational activities, including, without limitation, boating, swimming, or wading in water management areas are strictly prohibited. However, with respect to fishing, a resident may fish directly behind his/her property, behind the property of another with permission, or in the common areas that border the lakes; however, all fish caught must be released back into the lake in which it was caught.

Section 5. Rights of SFWMD. The SFWMD has the right to take enforcement action, including a civil action for an injunction and penalties, against the Association to compel the Association to correct any outstanding problems with the surface water management system facilities or any mitigation or conservation areas under the responsibility or control of the Association.

Section 6. SFWMD Permit. The Environmental Resource or Surface Water Management Permit is made a part of this Declaration and attached hereto as **Exhibit "D"**. Copies of the Permit and any future permit actions of the SFWMD shall be maintained by the Registered Agent of the Association for the benefit of the Association.

ARTICLE XIV

INSURANCE AND HAZARD LOSSES

Section 1. Authority. The Association's Board of Directors, or its duly authorized agent, shall have the authority to, and shall obtain, blanket all-risk insurance, if available at commercially reasonable rates, for all insurable improvements on the Common Areas. If blanket all-risk coverage is not available at commercially reasonable rates, then, at a minimum, an insurance policy providing fire and extended coverage shall be obtained. Insurance that shall be carried on the Common Areas and the Association Property, to the extent provided in this Article ~~XV~~, shall be governed by the following provisions:

A. *Named Insured*. All insurance policies upon the Common Areas and the Association Property shall be purchased by the Association and shall be placed in a single agency or company, if possible, licensed by the State of Florida. The named insured shall be the Association. The Association has the authority to use their discretion in obtaining the coverage listed hereinafter, as some of the requirements may be, or become, unobtainable, or may be cost prohibitive.

B. *Coverage*. The Association shall use its best efforts to maintain insurance covering the following:

- (1) **Casualty**. The Common Areas, including any structures thereon, and all fixtures, installations or additions comprising that part of the Common Areas to be insured under the Association's policy(ies) and such improvements, from

time to time, together with all fixtures, building service equipment, personal property and supplies constituting the Common Areas or owned by the Association (collectively than the “Insured Property”), shall be insured in an amount not less than one-hundred (100%) percent of the full insurance replacement value thereof, excluding foundation and excavation costs. Such policies may contain reasonable deductible provisions as determined by the Board. Such coverage shall afford protection against: (a) Loss or Damage by Fire and Other Hazards covered by a standard extended coverage endorsement; and (b) Such other risk as, from time to time, are customarily covered with respect to the Common Areas and improvements similar to the Insured Property in construction, location and use, including, but not limited to, vandalism and malicious mischief.

- (2) **Flood Insurance.** If any part of the Common Areas or Association Property is in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, the Association may maintain a master or blanket policy of flood insurance. The amount of flood insurance should be at least equal to the lesser of one-hundred percent (100%) of the insurable value of the facilities or the maximum coverage available under the appropriate National Flood Insurance administration program.
- (3) **Liability Insurance.** If the policy does not include “severability of interest” in its terms, a specific endorsement must be obtained to preclude the insurer’s denial of an Owner’s claim because of negligent acts of the Association or of other Owners.
- (4) **Public Liability Insurance.** The Association shall obtain public liability and property damage insurance covering all of the Common Areas and the Association Property and insuring the Association and the Members as their interests appear in such amounts and providing such coverage as the Board may determine from time to time. The liability insurance shall include, but not be limited to, hired and non-owned automobile coverage.
- (5) **Workmen’s Compensation Insurance.** The Association shall obtain Workmen’s Compensation Insurance in order to meet the requirements of law, as necessary.
- (6) **Directors and Officers Liability Insurance.** The Association shall

obtain directors and officers liability insurance providing such coverage as the Board may determine from time to time.

- (7) **Other Insurance.** The Board shall obtain such other insurance as they shall determine, from time to time, to be desirable.

Section 2. Subrogation Waiver. If available, the Association shall obtain policies which provide that the insurer waives its right to subrogation as to any claim against Members, the Association and their respective servants, agents and guests.

Section 3. Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association. The cost of insurance premiums and other incidental expenses incurred by the Association in administering and carrying out any of the provisions of this Section shall be assessed against and collected from Members as part of the Annual Assessments.

Section 4. Association's Power to Compromise Claims. The Board is hereby irrevocably appointed agent for each Member and for each holder of a mortgage or other lien, for the purpose of compromising and settling all claims arising under insurance policies purchased by the Association, and to execute and deliver releases upon payments of claims.

ARTICLE XV

VIOLATION OF GOVERNING DOCUMENTS

Section 1. Remedies for Violation. In addition to all other remedies, in the sole discretion of the Board, a fine or fines, suspension of amenity and gate entry privileges, and suspension of voting rights may be imposed upon an Owner for failure of an Owner, his family, guests, invitees, lessees or employees, to comply with any covenant, restriction, rule or regulation. These fines and procedures are listed in the Fining Schedule which is incorporated into these covenants.

- A. Payment of Penalties. Fines shall be paid not later than thirty (30) days after notice of findings of the Fining/Suspension Committee following the hearing.
- B. Collection of Fines. Fines shall be treated as an assessment subject to the provisions for the collection of assessments as set forth herein.
- C. Application of Proceeds. All monies received from fines shall be allocated as directed by the Board.
- D. Non-exclusive Remedies. 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; provided, however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association

may otherwise be entitled to recover by law from such Owner.

- E. Right of Entry. In addition to the foregoing rights whenever (a) there shall have been built within the property any structure which is in violation of this Declaration or, in the event of any damage or destruction of any of the Property or portion thereof by an owner or any of its guests, invitees, lessees or occupants, into disrepair and/or has not been maintained as required by this Declaration and/or any Rules, or (b) any portion of the Property and/or Home owned by an Owner has fallen into disrepair and/or has not been maintained as required by this Declaration and/or any Rules, a duly authorized representative of the Association may enter upon the Property where such violation damage or destruction exists and summarily abate, remove or correct the same at the expense of the Owner; provided, however, that the Association shall then make the necessary repairs, construction, etc., to insure that the Property and improvements where such violation occurred is restored to the same condition in which it existed (or should have existed) prior to such violation, and any such entry, abatement, removal or restoration and construction work shall not be deemed a trespass. All amounts expended by the Association, together with interest thereon at the rate of eighteen percent (18%) per annum from thirty (30) days after the date of notification of the violation and all costs and reasonable attorneys' fees incurred by the Association shall be treated as an assessment subject to the provisions for the collection of assessments as set forth herein.

Section 2. Effect of Waiver or Violation. No waiver of a breach of or violation of any of the term provisions and covenants in this Declaration, or in the Articles or Bylaws, shall be construed to be a waiver of any succeeding breach or violation of the same term, provision or covenant of this Declaration, or the Articles or Bylaws.

ARTICLE XVI

WATER BODIES AND WILDLIFE

Section 1. Notices and Disclaimers as to Bodies of Water and Wildlife. The Association and its Board shall not be liable or responsible for maintaining or ensuring the safety, water quality or water level of/in any lake, pond, canal, creek, stream or other body of water within the property, except as such responsibility may be specifically imposed by, or contracted for, with an applicable governmental or quasi-governmental agency or authority. All owners, guests, invitees, lessees, or others who use or are present at any portion of the property located adjacent to, or having a view of, any of the aforesaid bodies of water shall be deemed, to have agreed to release the Association and its Board from any responsibility, claim,

liability, or other legal or financial obligation for any and all changes in the quality and level of the water in such bodies, personal injury or death. Furthermore, the Association and the Board shall not be liable for any property damage because of the bodies of water. Owners, guests, invitees, lessees, or others who use or are present at any location where there is a body of water do so at their own risk. No person shall swim in any bodies of water within the community not specifically designated for swimming. Children are prohibited from swimming, wading, or entering any body of water and should be supervised at all times when in the vicinity of bodies of water on the property.

- A. The Association and its Board shall not be liable or responsible for any personal injury or property damage caused by wildlife that may inhabit the bodies of water or other common areas. Alligators or other dangerous animals should be reported to the Board or Management Company/Manager so that owners can be notified via email blast and/or the bi-weekly posting on the “What’s Happening” email of the presence of these animals; however, the Association and the Board assume no responsibility or liability for any personal injury or property damage caused by these animals. Owners, guests, invitees, lessees or any other persons on the property should avoid contact with any of these dangerous animals and shall not feed them or any other wildlife that may be on the property.

ARTICLE XVII

GENERAL PROVISIONS

Section 1. Covenants Run with Land. All covenants, conditions, restrictions, reservations, easements, liens and charges contained in this Declaration shall constitute covenants running with the land, and all grantees, devisees, or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions of (a) this Declaration of Covenants, Restrictions, Conditions and Easements, and (b) the Articles of Incorporation and Bylaws of the Association. The Association shall be the entity responsible for the operating and maintenance of the Common Area.

Section 2. Enforcement. The Association or any lot Owner shall have the right to enforce, by proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by these covenants, the prevailing party shall be entitled to recover its reasonable attorneys’ fees and costs including at all appellate levels.

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

Section 4. Duration. The covenants, conditions, restrictions, reservations, easements, liens and charges provided for in this Declaration shall run with and bind the land, and shall inure to the benefit of,

and be enforceable by the Association or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time, said covenants shall be automatically extended for successive periods of ten (10) years. In the event the Association ceases to exist, any Owner may petition the Circuit Court for the appointment of a Receiver to manage the affairs of the Association and all Common Areas and the corresponding infrastructure will be dedicated or conveyed to a similar non-profit organization or entity to assure continued maintenance and operation.

Section 5. Amendment. These AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF PALOMA may be amended in the following manner:

A. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by not less than one-third (1/3) of the votes of Members of the Association. A Majority of the Board shall thereupon adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the Members, which may be the annual meeting or a special meeting.

B. Written notice setting forth the proposed amendment or a summary of the changes to be affected thereby shall be given to each Member entitled to vote thereon within the time, and in the manner, provided in these Covenants for the giving of notice of a meeting of the Members. If the meeting is an annual meeting, the proposed amendment or such summary may be included in the notice of such annual meeting.

C. At such meeting, a vote of the Members entitled to vote thereon shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of at least a majority of the Members present in person or by proxy at the meeting (at which a quorum is attained).

D. Any number of amendments may be submitted to the Members and voted upon by them at any one meeting.

E. If all of the Directors and all of the Members eligible to vote sign a written statement manifesting their intention that an amendment to these Covenants be adopted, then the amendment shall thereby be adopted as though the above requirements had been satisfied.

Notwithstanding anything in this Declaration to the contrary, any amendment to the Declaration, Articles or Bylaws affecting any aspect of the surface water management system must receive prior written approval of the SFWMD. Any amendments must be properly recorded in the Public Records of the County, Florida.

Section 6. Instruments Governing Common Area and Owners of Lots. This Declaration and the Articles and Bylaws, and any lawful amendments thereto shall govern the Common Areas and the rights, duties and responsibilities of the Owners of Lots.

Section 7. HUD/FHA, VA, FNMA Approval. The following actions will require the prior approval of HUD/FHA or the Veterans Administration or the Federal National Mortgage Association: Annexation of additional properties, mergers and consolidations, mortgaging of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions affecting or modifying rights of Institutional First Mortgagees hereunder.

Section 8. Board Authority to Contract/Delegate Management Services. The Board has the authority to contract and/or delegate the responsibility for the day-to-day management of the Association property with a Management Company or a Manager. Said Management Company/Manager will report directly to the Board but will be responsible for any and/or all of the day-to-day management. Any agreement for professional management, or any other contract providing for services may not exceed three (3) years. Any such agreement must provide for the termination by either party without cause and sixty (60) days written notice.

Section 9. Notice to Owners. Whenever notices are required to be given hereunder, the same shall be sent to the Owner by United States First Class Mail, postage prepaid, at the address of the Dwelling situated on the Lot. Such notices shall be deemed given when deposited in the United States Mail. Any Owner may change his mailing address by written notice given to the Association in the official records of the Florida Department of State, Division of Corporations, or the official address of the Association as it may be designated from time to time.

Section 10. Grammatical Construction. Wherever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular.

Section 11. Conflicts. In the event of any conflict between the provisions of this Declaration, the Articles and the Bylaws, the provisions of this Declaration, the Articles and the Bylaws shall control in that order.

Section 12. Cable Television, Internet and Home Security Monitoring Services. The Association is not obligated to, but may enter into, an agreement with a Cable Television Company, Internet service provider and/or Security Monitoring Company pursuant to which all of the owners will be provided cable television and/or internet service and/or home security monitoring services which will be charged as assessments. The Association may refuse entry into the Property by any representative of any cable television company, internet service provider and/or security monitoring companies other than the cable television, internet service provider and/or security monitoring company which has entered into an

agreement with the Association. In the event security monitoring is provided to the Owners by the Association, the Association will have no liability of any kind or nature due to the failure of the security monitoring company to detect or react to fire, unauthorized entry, or other security problem in any home.

Section 13. Limitation of Liability of Association. Notwithstanding anything contained herein or in the Articles of Incorporation, Bylaws, any Rules or Regulations of the Association or any other document governing or binding the Association (collectively, the “Association Documents”), the Association, its Board and Committee members acting in their capacity as said committee member shall not be liable or responsible for, or in any manner be a guarantor or insurer of, the health, safety or welfare of any Owner, occupant or user of any portion of the Property, including without limitation, residents and their families, guests, invitees, agents, servants, contractors or subcontractors or for any property of any such persons. Without limiting the generality of the foregoing:

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 Property have been written and are to be interpreted and enforced for the sole purpose of enhancing and maintaining the enjoyment of the Property and the value thereof;

- A. 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, the County and/or any other jurisdiction or the prevention of tortious activities; and
- B. Any provisions of the Association Documents setting forth the use of assessments which relate to health, safety and/or welfare shall be interpreted and applied only as limitations on the use 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 owner (by virtue of his/her acceptance of Title to his/her home and each other person having an interest in or lien upon, or making use of any portion of the property (by virtue of accepting such interest or making such uses) shall be bound by this provision and shall be deemed to have automatically waived any and all rights, claims, demands and causes of action against the Association arising from or connected with any matter for which the liability of the Association has been disclaimed in this provision.

As used in this section, “Association” shall include within its meaning all of the Association’s Directors, Officers, Committee and Board Members, employees, agents, contractors (including Management Companies), subcontractors, successors and assigns

Witnesses:
(TWO)

PALOMA COMMUNITY
ASSOCIATION, INC.

Bryan Miller
Signature

Bryan Miller
Print Name

MELANIE J BAYLOR

BY: _____

MC Cistulli
Signature
Marjorie Cistulli
Print Name

STATE OF FLORIDA
COUNTY OF LEE

I hereby certify that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared [☒] in person or [☐] virtual attendance, Marjorie Crane Cistulli as President of Paloma Community Association, Inc, who is [☐] personally known to me or [☒] has produced his Driver's License, as identification, and who executed the foregoing instrument and acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid the 8 day of September, 2025.

physically appeared -
marjorie crane cistulli

Ashley Bartley
Notary Public, State of Florida
Printed Name: Ashley Bartley



ASHLEY BARTLEY
Commission # HH 604833
Expires October 21, 2028

The foregoing was adopted as the Amended Declaration of Covenants, Conditions and Restrictions of PALOMA COMMUNITY ASSOCIATION, INC., a not for profit corporation under the laws of the State of Florida, on the 8th day of September, 2025 at a Board Meeting of the Members of the Association with a quorum present wherein a vote was taken and the majority of all Members at that meeting, or by proxy, approved these AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF PALOMA.

Approved:

MC Cistulli
President

Barbara Catherine
Attest: Secretary

EXHIBIT “A”
PROPERTY

All of the land within the Plat of Villages at Old Cypress—Phase 1, according to the Plat thereof, recorded as Instrument Number 200800255890 in the Public Records of Lee County, Florida.