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DECLARATION OF COVENANTS AND CONDITIONS
MILLPOND ESTATES SECTION FOUR
PASCO COUNTY, FL.

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THIS DECLARATION, made on the date hereinafter set forth by MILLPOND INVESTORS, a Florida General Partnership (hereinafter referred to as "Declarant").

W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain property, known as MILLPOND ESTATES SECTION FOUR in the County of Pasco, State of Florida, which is more particularly described on Exhibit "A", attached hereto and made a part hereof, which property has been platted as set forth in Plat Book 31, at Pages 118 through 122, of the Public Records of Pasco County, Florida.

WHEREAS, Declarant desires to provide for the maintenance, operation, repair and replacement of certain property (hereinafter referred to a "Common Area") for the benefit of Declarant and "Owners" as hereinafter defined.

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

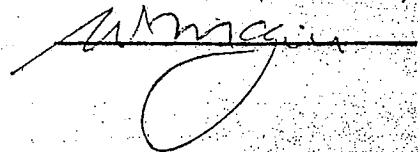
ARTICLE I

DEFINITIONS

Section 1. "Section Four Association" shall mean and refer to MILLPOND ESTATES SECTION FOUR HOMEOWNERS ASSOCIATION, INC., its successors and assigns, a non-profit Florida corporation.

PREPARED BY AND RETURN TO:
William J. Kimpton, Esquire
KIMPTON, BURKE & WHITE, P.A.
28059 U.S. Highway 19 North
Suite 203
Clearwater, Florida 34621

RECORD VERIFIED
JED PITTMAN
Clerk Circuit Court, Pasco County



Section 2. "Owner(s)" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of MILLPOND ESTATES SECTION FOUR, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain property as described on Exhibit "A" and such additions and improvements thereon as may hereinafter be built in MILLPOND ESTATES SECTION FOUR.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned or to be owned by the MILLPOND ESTATES COMMUNITY HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as "Community Association"), and the Section Four Association for the common use and enjoyment of the Owners, including but not limited to that certain property as described on Exhibit "B" attached hereto and made a part hereof, the recreation center and the roadways. Common Area shall not include Tract "C" as shown on the plat for MILLPOND ESTATES SECTION FOUR, which Tract is intended to be transferred by the Declarant to Millpond Estates Section Two, who shall be responsible for maintenance thereof.

Section 5. "Recreation Center" are those facilities and the land referenced thereunder and appurtenances thereto located on that property legally described on Exhibit "C" attached hereto and made a part hereof. It is not hereby contemplated that MILLPOND ESTATES SECTION FOUR HOMEOWNERS ASSOCIATION, INC. will hold title to all or part of the Recreation Center.

Section 6. "Community Association", referenced hereinabove, is a non-profit Florida corporation, one of whose present and continuing members are Section Four Association and all other associations in Millpond Estates.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of MILLPOND ESTATES SECTION FOUR with the exception of the Common Area, and specifically

excluding Tracts "A", "B" and "C".

(a) "Residence" shall mean an unattached residential dwelling unit constructed, erected, or located upon a Lot which is designed and intended for use and occupancy as a residence by a single family except that the Developer, in its discretion, can (i) cause a Lot or portion thereof to be dedicated or used for right-of-way purposes and (ii) utilize the same in and about its sales programs, as the same are adopted by the Developer from time to time.

Section 8. "Roadways" shall mean the interior dedicated paved roadway system contained within Millpond Estates, including but not limited to, all improvements thereon and gutter systems adjacent or attached thereto. Certain private streets are located in Millpond Estates, but the same are not located in MILLPOND ESTATES SECTION FOUR, and said association has no obligation for maintenance of same.

Section 9. "Declarant" shall mean and refer to MILLPOND INVESTORS, a Florida General Partnership, its successors and assigns.

ARTICLE II

PROPERTY RIGHTS AND DUTIES

Section 1. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, excluding Tract "C", subject to the following provisions:

(a) All provisions of this Declaration, any additional covenants and restrictions of record, any plat of all or any part or parts of the Properties including easements reserved or delineated therein, the Articles of Incorporation and By-Laws of Section Four Association, and the Articles of Incorporation or any By -Laws of the Community Association;

(b) The right of Section Four Association and/or of the Community Association to suspend voting rights and right to use the recreational facilities which are part and parcel of

the Common Area by an Owner for any period during which any assessment against his Lot remains unpaid and for a period not to exceed sixty (60) days for any infraction of the rules and regulations adopted by the Community Association governing use and enjoyment of the Common Area;

(c) The right of the Community Association and the Section Four 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 of the Community Association or the Section Four Association;

(d) Any and all restrictions governing MILLPOND ESTATES SECTION FOUR.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws of the Community Association or the Section Four Association, his right of enjoyment to the Common Area to the members of his family or his tenants.

Section 3. Ingress and Egress. A non-exclusive easement for access, ingress and egress is hereby created and reserved for pedestrian traffic over, through and across sidewalks, walks, bikeways, paved surfaces and lanes, as the same, from time to time, may exist upon the Lots as shown on the Plat of MILLPOND ESTATES SECTION FOUR for each Owner, his family, tenants, guests, invitees, employees and for public officials and employees and all other persons who make use of travel on the same for lawful purposes.

Delante Section 4. Additional Easements. Developer reserves the right to grant such easements without owner approval as shall facilitate installation of utilities, decorative or identification monuments, or other necessity of development of MILLPOND ESTATES SECTION FOUR. Developer reserves the right to place directional signs in MILLPOND ESTATES SECTION FOUR for all sales activities in MILLPOND ESTATES SECTION FOUR. Such signage rights shall terminate when Developer, or its successors and/or assigns, is sold out in MILLPOND ESTATES SECTION FOUR.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS OF SECTION FOUR ASSOCIATION

Section 1. Membership. The members of the Section Four Association shall consist of all Owners. Membership is automatically conferred upon acquisition of a Lot, as defined in this Declaration, and as evidenced by the filing of a deed to such a Lot. Membership is an incident of ownership and is not separately transferable.

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

(a) Class A. Class A Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as said persons determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot.

out (b) Class B. Class B Member(s) shall be the Declarant, and/or successors of Declarant acquiring ten (10) or more vacant Lots from Declarant, which shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(1) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(2) on January 1, 1997.

Section 3. Amplification. The provisions of this Declaration are amplified by the Articles of Incorporation and the By-Laws; provided, however, no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth herein. In the event of any conflict between this Declaration and the Articles of Incorporation or the By-Laws, this Declaration shall control.

ARTICLE IV

RIGHTS AND OBLIGATIONS OF SECTION FOUR ASSOCIATION

Section 1. Maintenance of Common Area. Section Four Association, as set forth herein and in any other recorded restrictions, shall be responsible for the cost of management and administration of the Section Four Association obligation and shall, as necessary, assess and collect from all lot owners the funds required for such purpose.

The Section Four Association is required to establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the common areas and those limited common areas which the Section Four Association may be obligated to maintain. The fund is maintained out of regular assessments for common expenses.

The Section Four Association has the right to grant permits, licenses, and easements over the common areas in Section Four for utilities, roads, decorative monuments, and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

Section Four Association, as set forth herein, and in any other recorded restrictions, shall be responsible to the Community Association, on a pro rata share basis, for the actual or projected cost of required maintenance, weed control and maintenance of lakes and lighted fountains, care and maintenance of entry monuments and landscape buffers, insurance, taxes, utilities, maintenance, operation, and management of the recreation center and Common Areas, and a pro rata share of all other obligations of the Community Association.

Section 2. Right of Entry. Section Four Association and the Community Association are hereby granted a right of entry to each Lot to the extent reasonably necessary to discharge their duties of maintenance and repair or for any other purpose reasonably related to the Section Four Association's performance or the Community Association's performance of any duty imposed, or exercise of any right granted, by this Declaration. Such right of entry shall be

exercised in a reasonable manner at reasonable times, except in emergencies.

Section 3. Decorative Identification Sign. The Community Association's maintenance responsibilities shall extend to and include maintenance of the decorative identification sign, or signs, indicating entrance to Millpond Estates and all future similar signs, for which the Section Four Association shall contribute its PRO RATA SHARE.

Section 4. Information. The Section Four Association is required to make available to unit owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, other rules concerning the project, and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. Any holder of a first mortgage is entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

Section 5. Declarant's Right of Use. In recognition of the fact that Developer will have a continuing and substantial interest in the development and administration of MILLPOND ESTATES SECTION FOUR, the Declaration hereby reserves for itself, and the Section Four Association acknowledges, that the Declarant shall have the right to the use of the right-of-way improvements and all the Common Area in conjunction with and as part of the program of sale, leasing, constructing and developing of MILLPOND ESTATES SECTION FOUR without any cost to Declarant for such rights and privileges. This right shall include the right to Declarant (including but not limited to, its employees, agents, and successors) to reasonable use of the Common Area from time to time for sales and/or administrative offices including, without limiting the generality of the foregoing the right to maintain "for sale" signs for the use and benefit of the Declarant in and about the Common Area. For purposes of this subparagraph, the term "Declarant" shall also include any Lender or Mortgagee of the Declarant or the successors

or assigns thereof or any person or entity acquiring title to any of the Lots, pursuant to a foreclosure of a Lender's mortgage or a deed in lieu of foreclosure. These rights and privileges, which shall in no way limit Declarant's rights and privileges under other Millpond Estates documents, shall terminate when Declarant, and/or its successors, no longer owns any Lots in Millpond estates or such earlier date upon which Declarant shall notify the Association of its voluntary written election to relinquish at any earlier date the rights and privileges of use provided, however, the Declarant may not relinquish any rights or privilege then subject to the provision of any lien, mortgage, security agreement, assignment or similar instrument securing a loan by an Institutional Mortgagee to the Developer.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of a Lien and Personal Obligation of Assessments. Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay the Section Four Association:

- (a) Annual assessments as hereinafter defined;
- (b) Special assessments, not otherwise herein contained, against any particular Lot which are established, pursuant to the terms of this Declaration or pursuant to the terms of the Articles of Incorporation and By-Laws of Section Four Association or of the Community Association for capital improvements; and

(c) All excise taxes, if any, which may be imposed on all or any portion of the foregoing by law.

All such assessments, together with interest and all costs and expenses of collection, including reasonable attorneys' fees and appellate attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with interest and all costs and expenses of collection, including reasonable

attorneys' fees and appellate attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessment shall pass to an Owner's successors in title, only if expressly assumed by said successors.

Section 2. Purpose of Assessments. The assessments levied by the Section Four Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties and for the improvement, management, operation and maintenance of the Recreation Center and Common Areas, decorative identification sign(s) and monuments, lakes, fountains, landscaped buffers existing now or in the future, the roadways and paved areas held by the Community Association, and such emergency repairs as the Association shall deem necessary. The Section Four Association shall effectuate the foregoing purposes, in accordance with the Articles of Incorporation and By-Laws of this Section Four Association and the Community Association.

In carrying out these purposes for which the general assessment shall be made as set forth hereinafter and subject to the economic reality of the sums necessary to be expended in providing the items of service as set forth herein and as same shall vary from time to time, the Association may acquire and pay for, out of the funds derived from general assessments, certain items of service which may include, but may not be limited to, the following:

(a) electricity, light bulbs, wiring and other necessary electrical utility service for the Common Area and any improvements located thereon;

(b) maintenance of the grounds of the Common Area and dedicated areas and any facilities therein or services therefor, including, but not limited to sprinkler system, other equipment and personnel necessary for lawn and shrubbery service and for maintenance of the decorative monuments, sidewalks and walkways located in the dedicated areas not adjacent to a lot and in the Common Area and the rights-of-way

outside the Common Area, including but not limited to, any main entrance-way(s) to said subdivision;

(c) carry and pay for public liability, Directors and Officers Errors and Omissions and other insurance, insuring the Association and its officers and directors and the Declarant against any and all liability to any Owner and others arising out of the occupancy and/or use of the Common or easement area(s). Policy limits shall be reviewed at least annually and increased or decreased at the discretion of the Board of Directors upon a proper vote as set forth in the By-Laws hereto at a meeting duly called for said purpose.

(i) property insurance in an amount equal to the then full replacement cost (exclusive of land, foundation, excavation and other items normally excluded from such coverage) of the improvements on the Common Area, such insurance to afford protection against at least the following:

(A) loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by sprinkler leakage, debris removal, vandalism, malicious mischief, windstorm, and water damage; and

(B) such other risks as shall customarily be covered with respect to areas similar to the Common Areas in developments similar to MILLPOND ESTATES SECTION FOUR in construction, location and use.

(ii) A comprehensive policy of public liability insurance covering all of the Common Areas and improvements located thereupon, and insuring the Section Four Association (and until the Transfer Date, the Developer), covering all claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, and such

other risks as shall customarily be covered with respect to areas similar to the Common Areas in developments similar to MILLPOND ESTATES SECTION FOUR in construction, location and use.

(iii) Such other forms of insurance and in such coverages as the Association shall determine to be required or beneficial for the protection of the Association or preservation of the Common Areas or in the best interests of MILLPOND ESTATES SECTION FOUR.

(d) trash and garbage collection, sewer and water for the Common Area and any and all improvements located thereon;

(e) maintenance of drainage and conservation area(s) and facilities therein or thereon;

(f) any and all legal fees, audit fees and miscellaneous management costs and fees, and expenditures for management costs and fees commencing with the Developer's turnover of control of the Association to the Membership in accordance with Article III, Section 2 (b), that are necessary and proper in the opinion of the Board of Directors and any and all materials supplies, labor, services, maintenance, insurance, taxes or assessments which the Association is required to pay or to secure pursuant to the terms of the Declaration or the By-Laws, or which is necessary or proper in the opinion of the Board of Directors, for the benefit of the Owners or for the enforcement of these restrictions;

(g) maintenance of street lighting including but not limited to the payment of electric utility service obligations;

(h) all cost of operating and maintaining the Common Area including the Drainage Retention Area, Building and Storage Site and further including operating the recreational facilities at the Recreation Center;

(i) any and all other purposes deemed necessary and proper upon a proper vote as set forth in the By-Laws at a meeting duly called at which the Section Four Association may

vote to establish an additional category for the happening of certain named events or services which are required or desired by the Section Four Association, which vote shall be determined and set forth in a resolution duly voted upon and executed by the Section Four Association.

(j) any and all sums necessary to repair, replace, construct or reconstruct any building or improvements upon the Common Area or servicing the Common Area, damaged by any casualty not covered in whole or in part by insurance. Any difference between the amount of insurance proceeds, if any, received with respect to such damage and the amount of funds necessary to repair, replace, construct or reconstruct such damages shall be a Section Four Association expense, and the Section Four Association will levy a special assessment against the Lots for the funds necessary to pay such Section Four Association expense within ninety (90) days from the date such damage was incurred. The Section Four Association shall pay into an account with a federal or state commercial or savings bank or savings and loan association located in the State of Florida, any such funds collected by special assessment and all insurance proceeds collected by the Section Four Association so that the funds on deposit will equal the cost of repair, replacement, construction or reconstruction of the damaged improvements, and the Section Four Association shall go forward with all deliberate speed so that such repair, replacements, construction or reconstruction, shall be completed as soon as reasonably possible.

Should the insurance proceeds be insufficient to repair, replace, or reconstruct the damage and there remains an excess after payment for repair, replacement and reconstruction, then any excess shall be held by the Section Four Association for the use of the Section Four Association unless at least seventy-five (75%) percent of the Lots then in existence shall have voted in favor of a distribution of such proceeds. Notwithstanding the foregoing, no such distribution shall be

made unless at least seventy-five (75%) percent of the Institutional Mortgagees holding mortgages of record with respect to the Lots have given written consent to the distribution of the insurance proceeds. After the requisite vote of the Owners of the Lots and required approval of the Institutional Mortgagees are received, the excess shall be distributed to the Owners of Lots and the respective Institutional Mortgagees, as their respective interests may appear. The Section Four Association, as a condition of distribution of the insurance proceeds, may require any Owner of a Lot and/or Institutional Mortgagee to execute instruments indemnifying the Section Four Association (the "Indemnity Instruments") from the distribution and any and all actions undertaken in respect thereof.

In the event that repairs and replacements were paid for by any special assessment as well as insurance proceeds, then, if after the completion of and payment for the repair, replacement, or reconstruction there shall remain any excess in the Treasury of the Section Four Association, then it shall be presumed that the monies disbursed in payment of any repair, replacement and construction were first disbursed from insurance proceeds and any remaining funds shall be deemed to be remaining special assessments which shall be returned pro rata to the Owners who contributed to such special assessment.

Section 3. Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Three Hundred Fifty-five and 00/100 (\$355.00) Dollars per Lot. From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten (10%) percent above the maximum assessment for the previous year without a vote of three-fourths (3/4) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose; provided, however, the pro rata share of the obligations of the Community

Association for which the Section Four Association is responsible shall be part of the budget and assessments of the Section Four Association and shall be paid to the Community Association.

Section 4. Notice and Quorum for any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, if there is present members or proxies entitled to cast at least fifty (50%) percent of all the votes of each class of membership, the Members and proxies may by a majority vote of those present call a subsequent meeting without being subject to the notice requirement set forth herein. The required quorum at the 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 5. Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots. However, as long as there is a Class B membership, the Developer will have the following options:

(a) The Developer, and/or its successor(s) may initially or thereafter pay the full rate of assessment, at which time the obligation to pay the difference between expenses and assessments, if any, as set forth below, will cease; or

(b) Developer may subsidize to the Section Four Association the difference, if any, between the actual expenses of the Section Four Association and the total amount assessed collectively against all other Owners. If the Developer determines to utilize this method, the Section Four Association will levy and collect from each Owner, excluding the Developer, a "Guaranteed Assessment" for the years 1994 and 1995, and the respective Owners will pay Three Hundred and 00/100 (\$300.00) Dollars per Lot. Such amount will exclude reserves which shall not be collected during the Guaranteed Assessment Term. As for each calendar year thereafter during

and for the remainder of the time in which Developer determines to utilize this method, the Guaranteed Assessment to be paid each year for each Lot by each Owner shall be determined by the Developer as of January 1st of each year, provided that in no event shall the amount thereof increase at a rate of ten (10%) percent per annum as determined on a cumulative basis from date of recordation of this Declaration; provided, however, the pro rata share of the obligation of the Community Association for which the Section Four Association is responsible shall be part of the budget and assessments of the Section Four Association and shall be paid to the Community Association. Once the Developer makes such determination as to amount, such assessment will be adopted and levied by the Section Four Association. In consideration of this guarantee by Developer, it is agreed that for such time as Developer utilizes this method, Developer shall not be required to make any payment of assessments, general and/or special, on account of the Lots owned by Developer.

(c) Once the Association is turned over to the Membership in accordance with Article III, Section 2(b), Developer will only pay any assessments on lots which have received Certificate(s) of Occupancy from Pasco County, Florida.

Section 6. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all Lots on the 1st day of the month following the conveyance of the first Lot. The first annual assessment shall be adjusted according to the number of months remaining the calendar year. The Board of Directors shall fix the amount of annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The assessments, at the election of the Section Four Association, may be collected, in advance, on a bi-annually, quarterly, or monthly basis. The

Section Four Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Section Four Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Section Four Association as to the status of assessments on a Lot is binding upon the Section Four Association as of the date of its issuance.

Section 7. Effect of Non-Payment of Assessments; Remedies of Section Four Association. Any assessment not paid within ten (10) days after the due date shall bear interest from the due date at the rate of fourteen (14%) percent per annum, together with a ten (10%) percent late fee administration charge. The Section Four Association may, at its election, bring an action at law against the Owner personally obligated to pay same, or foreclose the lien against the Lot, or both. An election hereunder shall not be a waiver of any right or other rights Section Four Association may have either in law or equity. No Owner may waive or otherwise escape liability for the assessments for herein by non-use of the Common Area or abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages. The lien for assessments provided for herein shall be subordinate to the lien of any first mortgage securing an indebtedness which is amortized for monthly or quarter-annual payments over a period of not less than ten (10) years, and shall be subordinate to any mortgage held or insured by the Federal Housing Administration or held or guaranteed by the Veterans Administration, regardless of the period of amortization. The sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to the foreclosure or any proceeding in lieu thereof of a first mortgage meeting the above qualifications, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Foreclosure. The lien for sums assessed pursuant to this Declaration may be enforced by judicial foreclosure by the Section Four Association in the same manner in which mortgages on real property may be foreclosed in Florida. In any such foreclosure, the Owner shall be required to pay all the costs and expenses of such foreclosure, including reasonable attorneys' fees and appellate attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Section Four Association any assessments against the Lot which shall become due during the period of foreclosure, and the same shall be secured by the lien foreclosed and accounted for as of the date the Owners' title is divested by foreclosure. The Section Four Association shall have the right and power to bid at the foreclosure or other legal sale to acquire the Lot foreclosed, and thereafter to hold, convey, lease, rent, encumber, use, and otherwise deal with the same as the Owner thereof. In the event the foreclosure sale results in a deficiency, Section Four Association may, in its discretion, obtain a personal judgment against the Owner thereof for such deficiency, in the same manner as is provided for foreclosure of mortgages on real property in the State of Florida.

Section 10. Homesteads. By acceptance of a deed thereto, the Owner of each Lot shall agree to waive any and all possible defenses of homestead protection in an action for the foreclosure of the lien for sums assessed pursuant to this Declaration.

Section 11. Initial Contribution. As to each lot, the initial Owner who acquires fee simple title thereto from the Developer, excluding successor developers (i.e. acquiring ten (10) or more vacant lots from the Developer) will, at time of closing on acquisition thereof, pay to the Section Four Association the sum of Fifty and 00/100 (\$50.00) Dollars, such payment to be received by the Section Four Association the same as other ordinary income.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 1. Enforcement. If any person, firm, corporation, or

other entity shall violate or attempt to violate any of the Covenants and Conditions, it shall be lawful for the Declarant, Owners, or the Section Four Association:

(a) To institute and maintain civil proceedings for the recovery of damages against those so violating or attempting to violate any such Covenants or Conditions; or

(b) To institute and maintain a civil proceeding in any court of competent jurisdiction against those so violating or attempting to violate any of the Covenants or Conditions for the purpose of preventing or enjoining all or any such violations or attempting violators. The remedies contained in this Section shall be construed as cumulative of all other remedies now or hereafter provided by law. The failure of Declarant, Owners, and/or the Section Four Association, their grantees, successors or assigns, to enforce any Covenant, Condition, or any other obligation, right, power, privilege, authority or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation thereof occurring prior to or subsequent thereto.

2 Section 2. Indemnification. The Section Four Association covenants and agrees that it will indemnify and hold harmless Declarant/Developer from and against any and all claims, suits, actions, causes of action, and/or damages arising from any personal injury, loss of life, and/or damage to property sustained on or about the Common Areas and any improvements thereon, and from and against all costs, expenses, counsel fees, and liabilities incurred by Declarant/Developer arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments, and/or decrees which may be entered thereon. The Section Four Association shall also indemnify Declarant/Developer for any expense Declarant/Developer may

incur in bringing any suit or action for the purpose of enforcing the rights of Declarant/Developer under this Declaration and any Addendum hereto or of compelling the specific enforcement of the terms, conditions, and covenants contained in this Declaration and any Addendum hereto to be kept or performed by the Section Four Association or the Owners. The Section Four Association shall further indemnify Declarant/Developer for any expenses Declarant/Developer may incur in defending any suits or action arising under this Declaration and any Addendum hereto where the Declarant/Developer is the prevailing party. Expenses incurred by the Declarant/Developer shall include reasonable attorney's fees both at trial and appellate levels. The costs and expense of fulfilling this covenant of indemnification set forth in this subparagraph shall be deemed Section Four Association expenses.

Section 3. Paragraph Headings. The paragraph headings contained in this Declaration are for reference purposes only and shall not in any way affect the meaning, content or interpretation hereof.

Section 4. Severability. Invalidation of any one of these conditions, and covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 5. Annexation. Additional residential real property may be annexed to the Properties with the consent of two-thirds (2/3) of each class of Members of the Section Four Association.

Section 6. Assignments. Declarant shall have the sole and exclusive right at any time and from time to time to transfer and assign to, and withdraw from such person, firm, or corporation as it shall select, any or all rights, powers, easements, privileges, authorities, and reservations given to or reserved by Declarant by any part or paragraph of the Covenants and Conditions or under the provisions of the Plat for so long as Declarant owns no less than twenty-five (25%) percent of the Lots or until January 1, 1997,

RECREATION SITE

A parcel of land lying in the Southeast 1/4 of Section 15, Township 26 South, Range 16 East, being further described as follows:

Commence at the Southeast corner of Section 15, Township 26 South, Range 16 East; thence along the East Boundary line of said Section 15, North 00° 01' 30" West, a distance of 40.00 feet to the Northerly right-of-way line of County Road No. 54 as it is now established; thence along said right-of-way line the following courses and distances: North 89° 31' 23" West, a distance of 213.50 feet; thence North 00° 28' 37" East, a distance of 10.00 feet; thence North 89° 31' 23" West, a distance of 861.47 feet; thence leaving said right-of-way line, North 00° 01' 30" West, a distance of 1710.05 feet to the Southeast corner of the Recreation Parcel for a POINT OF BEGINNING; thence North 89° 31' 23" West, a distance of 194.40 feet; thence a distance of 95.13 feet along the arc of a curve to the left, said curve having a radius of 530.00 feet and a chord of 95.00 feet which bears South 85° 20' 06" West; thence North 09° 48' 25" West, a distance of 292.75 feet; thence North 90° 00' 00" West, a distance of 148.10 feet; thence North 05° 58' 53" West, a distance of 100.00 feet; thence a distance of 65.30 feet along the arc of a curve to the left, said curve having a radius of 195.00 feet and a chord of 65.00 feet which bears North 74° 25' 28" East; thence North 64° 49' 49" East, a distance of 305.00 feet; thence South 25° 10' 11" East, a distance of 157.70 feet; thence a distance of 399.83 feet along the arc of a curve to the right to the POINT OF BEGINNING, said curve having a radius of 970.00 feet and a chord of 397.01 feet which bears South 13° 21' 40" East.

The above described parcel contains 3.537 acres, more or less.

R1888206 V5877748	06/03/94 03:59 PM
RECORDING/INDEXING	101.00
RECORDS MODERNIZATION FEE	13.00
TOTAL:	114.00
HATCSU 21-B	CHECK: 114.00
	AMT PAID: 114.00

EXHIBIT C

OR 3302 P 0129