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Return to: (enclose self-addressed stamped envelope)

Name: Investors Asset Acquisition, LLC
Address: 7593 Boynton Beach Blvd., Suite 220
Boynton Beach, Florida 33437

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**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS FOR
VILLAGGIO RESERVE MASTER PROPERTY OWNERS ASSOCIATION
(at VILLAGGIO ISLES PUD)**

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS FOR
VILLAGGIO RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.
(at Villaggio Isles PUD)**

WHEREAS, on July 18, 2014, Investors Asset Acquisition, LLC, a Delaware limited liability company filed that certain Declaration of Covenants, Conditions, Restrictions and Easements For Villaggio Reserve Master Property Owners Association, Inc. in Official Records Book 26925 at Page 733 of the Public Records of Palm Beach County, Florida ("Declaration"); and

WHEREAS, pursuant to Article XII, Section 8 of the Declaration, the Declarant reserved the right prior to the Turnover Date, as defined in the Declaration, to amend the Declaration without the consent of the Owners so long as such amendment does not materially impair the common plan of development of Villaggio Reserve; and

WHEREAS, the Declarant desires to amend and restate the Declaration in its entirety as hereinafter set forth.

NOW THEREFORE, the Declaration is hereby amended and restated in its entirety including all exhibits thereto and substituting in its place this Amended and Restated Declaration.

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR VILLAGGIO RESERVE (fka Villaggio Isles) ("Declaration") is made this 31st day of December 2016 by **INVESTORS ASSET ACQUISITION, LLC**, a Delaware limited liability company ("Declarant"), and is joined in by the **VILLAGGIO RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.**, a Florida corporation not for profit (the "Association").

WHEREAS, as of the date of filing the original Declaration Declarant was and remains the owner in fee simple of the real property described on Exhibit "A" attached hereto and made a part hereof (the "Property") less and except any Lots or Homes sold to Owners (as hereinafter defined), prior to the date hereof; and

WHEREAS, Declarant desires to complete the development of all or portions of the Property as part of a planned residential community on the Property known as "Villaggio Reserve" (as hereinafter defined); and

WHEREAS, in order to develop and maintain Villaggio Reserve as a planned residential community and to preserve the values and amenities of such community, it is necessary to declare, commit and subject the Property and the improvements now or hereafter constructed thereon to certain land use covenants, restrictions, reservations, regulations, burdens, liens, and easements, and to delegate and assign to the Association certain powers and duties of ownership, administration, operation, maintenance and enforcement; and

WHEREAS, the Association is joining in this Declaration in order to acknowledge its obligations hereunder.

NOW, THEREFORE, in consideration of the premises and covenants herein contained, Declarant hereby declares that the Property shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, easements, reservations, regulations, burdens and liens hereinafter set forth, all of which shall run with the Property and any part thereof and which shall be binding upon all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns.

**ARTICLE I
DEFINITIONS**

The terms used in this Declaration shall be defined as set forth herein unless expressly provided otherwise.

Section 1. "AMENDMENT(S)" shall mean any and all amendments to this Declaration, including any Amendment and Restatement of this Declaration and any subsequent amendments of which shall be consecutively numbered beginning with the "FIRST AMENDMENT TO THE AMENDED AND RESTATED DECLARATION OF COVENANTS, RESTRICTIONS AND

EASEMENTS FOR VILLAGGIO RESERVE" and each of which shall be properly adopted pursuant to the terms of the Villaggio Reserve Documents and recorded in the Public Records; provided, however, the failure to so consecutively number such amendments shall not impair their validity hereunder and such amendments to the extent not otherwise numbered will be deemed to have been numbered in chronological order of their appearance in the Public Records.

Section 2. "ARCHITECTURAL CONTROL COMMITTEE" or "COMMITTEE" shall mean the committee created pursuant to Article VIII hereof.

Section 3. "ARTICLES" shall mean the Articles of Incorporation of the Association which have been filed in the Office of the Secretary of State of the State of Florida, a true copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference, as such Articles may be amended from time to time.

Section 4. "ASSESSMENT" shall mean assessments for which all Owners are obligated to the Association and includes "Individual Lot Assessments" and "Special Assessments" (as such terms are defined in Article VII hereof) and any and all other assessments which are levied by the Association in accordance with the Villaggio Reserve Documents including but not limited to "Villa Assessments" and "Villa Special Assessments" (as such terms are defined herein) and any and all other assessments which are levied by the Association in accordance with the Villaggio Reserve Documents. Villa Assessments and Villa Special Assessments shall only be the obligation of Villa Owners as more particularly set forth herein.

Section 5. "ASSOCIATION" or "MASTER ASSOCIATION" shall mean and refer to Villaggio Reserve Master Property Owners Association, Inc., a not-for-profit Florida corporation, its successors and assigns, which exists pursuant to Articles of Incorporation thereof filed or to be filed in the Office of the Secretary of State of the State of Florida, as amended by any amendments thereto, and which association is responsible for the maintenance, preservation and administration of Villaggio Reserve as provided in this Declaration.

Section 6. "ASSOCIATION PROPERTY" or "MASTER ASSOCIATION PROPERTY" shall mean those portions of the Property which are not included in any Lot, except those areas dedicated to the public by the Plat, and which are or shall be owned or maintained by the Association, as set forth in this Declaration, for the common use and enjoyment of the Owners within Villaggio Reserve, together with landscaping and any other Improvements thereon, which may include, without limitation, all structures, gate houses, the recreational tract as more particularly described in Article II, Section 2(1) hereof, open spaces, private streets, asphalt bike paths, sidewalks, irrigation equipment, decorative street lights, entry or other lighting, if any, and entrance features, buffer tracts, monument walls, site walls, retaining walls, fountains, littoral plants, and street signs, but excluding any public utility installations thereon; and in addition thereto, those portions of the Property as are declared to be Association Property in any Supplemental Declaration, less whatever portions of the Property are declared to be withdrawn from the provisions of this Declaration in any Supplemental Declaration.

Section 7. "BOARD" shall mean the governing body of the Association.

Section 8. "BYLAWS" shall mean the Bylaws of the Association, which have been or will be adopted by the Board, a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference, as such Bylaws may be amended from time to time.

Section 9. "COMMUNITY SYSTEMS" shall mean and refer to any and all television (cable, satellite or otherwise), telecommunication, internet access, alarm, monitoring, utility or other lines, conduits, wires, satellites, amplifiers, towers, antennae, equipment, materials, installations and fixtures (including those based on, containing or serving future technological advances not now known) installed by Declarant, an affiliate of Declarant or any other entity which Declarant or any affiliate of Declarant may have an interest (financial or otherwise) therein, or pursuant to any grant of easement or authority by Declarant within the Property and serving the Association Property and/or more than one Lot.

Section 10. "COMPLETED LOT" shall mean any Lot upon which the construction of a Home has been completed and for which Home a certificate of occupancy or equivalent thereof has been issued by the appropriate government authority and the title to such Lot has been conveyed by the Declarant.

Section 11. "COMPLETED LOT OWNER" shall mean the Owner of a Completed Lot.

Section 12. "COUNTY" shall mean Palm Beach County, Florida.

Section 13. "DECLARANT" shall mean and refer to Investors Asset Acquisition, LLC, a Delaware limited liability company authorized to do business in the State of Florida, and any successor or assign thereof to which the Declarant specifically assigns all or part of the rights of Declarant hereunder by an express written assignment, whether recorded in the Public Records of the County or not and whether or not such right herein contains a specific statement that it is assignable. The written assignment may give notice as to which rights of Declarant are to be exercised and as to which portion of the Property. In any event, any subsequent declarant shall not be liable for any default or obligations incurred by any prior declarant, except as may be expressly assumed by the subsequent declarant. An Owner shall not, solely by the purchase of a Home and/or Lot, be deemed a successor or assign of Declarant under the Villaggio Reserve Documents unless such Owner is specifically so designated as a successor or assign of such rights in the instrument of conveyance or any other instrument executed by Declarant, nor shall a Developer (except in any case in which Declarant is also a Developer) be deemed a successor or assign of Declarant unless so designated in a written assignment.

Section 14. "DECLARATION" shall mean this instrument as it may be amended from time to time, together with any Supplemental Declaration(s) or amendments hereto and thereto, which may be recorded amongst the Public Records.

Section 15. "DEVELOPER" shall mean the Declarant or some other person or entity, which shall be named as the "Developer" in any Supplemental Declaration or amendment.

Section 16. "DIRECTOR" shall mean a member of the Board.

Section 17. "DRAINAGE SYSTEM" shall mean all structures, including culverts, required to collect and convey rainfall runoff from within Villaggio Reserve to the water management/drainage tracts (*i.e.* "Lakes", as hereinafter defined) and/or to any canals adjacent to the Property. The Drainage System is located upon and designed to serve the Property. The Drainage System within Villaggio Reserve is a private drainage system. The Drainage System may serve parcels of property or land adjacent to the Villaggio Reserve Community as may be required by any development order or governmental entity having jurisdiction thereover and which may require the creation or implementation of culverts, piping, easements or other facilities necessary and appurtenant to serve the needs of any adjacent parcel of land for its development.

Section 18. "HOME" shall mean a residential dwelling unit constructed on a Lot within Villaggio Reserve which is designed and intended for use and occupancy as a single-family residence. A Home includes single family homes, attached villas, and patio villas. Upon completion of construction of a Home on a Lot, the Lot and the Improvements thereon are sometimes collectively referred to as a Home in this Declaration and the Villaggio Reserve Documents.

Section 19. "IMPROVEMENT" shall mean any structure or artificially created condition and/or appurtenance thereto of every type and kind located within Villaggio Reserve, including, but not limited to, buildings, walkways, recreation areas and facilities, beams, fountains, sprinkler pipes, gate houses, roads, driveways, fences, retaining walls, landscaping, hedges, plantings, poles, tennis courts, swimming pools, covered patios, screen enclosures, jogging, bicycling and walking paths, playground type equipment, signs, site walls, gazebos, benches, mailboxes, decorative street lights and signs, and fishing piers, if any.

Section 20. "INCOMPLETE LOT" shall mean a Lot which is not a Completed Lot. "INCOMPLETE LOT OWNER" shall mean the Owner of an Incomplete Lot.

Section 21. "INSTITUTIONAL MORTGAGE" shall mean a mortgage held by an Institutional Mortgagee on any property within Villaggio Reserve.

Section 22. "INSTITUTIONAL MORTGAGEE OR INSTITUTIONAL LENDER" shall mean any lending institution owning a first mortgage encumbering any Home or Lot or other property within Villaggio Reserve, which owner and holder of said mortgage shall either be a bank, life insurance company, federal or state savings and loan association, real estate or mortgage investment trust, building and loan association, mortgage banking company licensed to do business in the State of Florida, or any subsidiary thereof licensed or qualified to make mortgage loans in the State of Florida or a national banking association chartered under the laws of the United States of America or any "secondary mortgage market institution," including the Federal National Mortgage Association ("FNMA"), Government National Mortgage Association ("GNMA"), Federal Home Loan Mortgage Corporation ("FHLMC") and such other secondary mortgage market institutions as the Board shall hereafter approve in writing; any and all lenders and the successors and assigns of such lenders which have loaned money to Declarant and which hold a mortgage on any portion of the Property securing such loan; any pension or profit-sharing funds qualified under the Internal Revenue Code; the Veterans Administration, the Federal Housing Administration or the Department of Housing and Urban Development or such other lender as is generally recognized in the community as an institutional lender; or, Declarant, its successors and assigns.

Section 23. "INTEREST" shall mean the maximum non usurious interest rate allowed by law on the subject debt or obligation, and if no such rate is designated by law, then eighteen percent (18%) per annum.

Section 24. "LAKES" shall mean such portions of the Property designated on the Plat and/or Additional Plat(s), if any, as a lake, lake tract or storm water management tract. "LAKE LOT" shall mean a Lot within Villaggio Reserve abutting one of the Lakes (as described in Article II hereof).

Section 25. "LEGAL FEES" shall mean reasonable fees for attorney and paralegal services incurred in connection with: (i) negotiation and preparation for litigation, whether or not an action is actually begun, through and including all trial and appellate levels and post judgment proceedings, and (ii) collection of past due Assessments including, but not limited to, preparation of notices and liens; and shall also include court costs through and including all trial and appellate levels and post judgment proceedings.

Section 26. "LOT" shall mean and refer to any parcel of land within Villaggio Reserve as shown on the Plat or any Replat or Ancillary Plat or Additional Plat upon which a Home is permitted to be erected, together with the Improvements thereon. For purposes of Assessments only, the number of Lots at any particular time shall be deemed to include, as to any residential property within Villaggio Reserve which has not as yet been platted into Lots, the number of Homes permitted by the appropriate government authority to be constructed on such property and as shown on the site plan thereof most recently approved by Declarant, all of which Lots shall be Incomplete Lots. For purposes of Individual Lot Assessments, a Lot is either a Completed Lot, a Permitted Lot or an Incomplete Lot. Upon completion of construction of a Home on a Lot, such Lot and the Improvements thereon are sometimes collectively referred to as a Lot in this Declaration and the Villaggio Reserve Documents.

Section 27. "MEMBERS" shall mean and refer to the members of the Association pursuant to Article V of the Articles of Incorporation attached hereto as Exhibit "B".

Section 28. "NOTICE AND HEARING" shall mean written notice of and a public hearing before a tribunal appointed by the Board, at which the Owner concerned shall have an opportunity to be heard in person or by counsel, at the Owner's expense, in the manner set forth in the Bylaws.

Section 29. "OPERATING EXPENSES" shall mean the expenses for which Owners are liable to the Association as described in this Declaration and any other Villaggio Reserve Documents and include, but are not limited to, the costs and expenses incurred by the Association in administering, operating, maintaining, financing, or repairing, but not reconstructing, replacing or improving, the Association Property or any portion thereof and Improvements thereon and all costs and expenses incurred by the Association in carrying out its powers and duties hereunder or under any other Villaggio Reserve Documents. Operating Expenses also include the costs and expenses incurred by the Association in administering, operating, maintaining, financing, insuring or repairing the Common Structural Elements (as hereinafter defined) and the portions of the Villa Lots (as hereinafter defined) for which the Association has maintenance responsibility pursuant to this Declaration; provided, however those portions of the Operating Expenses attributable to and for the benefit of the Common Structural Elements on the Villa Lots shall be deemed Villa Expenses (as herein after defined) and shall be payable only by Villa Owners as a Villa Assessment.

Section 30. "OWNED PROPERTY" shall mean the real property described on composite Exhibit "A" attached hereto and made a part hereof. The Owned Property is part of the Property committed to the terms and provisions of this Declaration.

Section 31. "OWNER" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within Villaggio Reserve, and shall include Declarant for so long as Declarant owns fee simple title to a Lot, but excludes therefrom those having such interest as security for the performance of an obligation.

Section 32. "PERMITTED LOT" shall mean any Lot which is not a Completed Lot but for which a building permit for a Home has been issued by the appropriate government authority. "PERMITTED LOT OWNER" shall mean the Owner of a Permitted Lot.

Section 33. "PLAT" shall mean the plat or plats of **VILLAGGIO ISLES**, as more particularly described in Exhibit "A" attached hereto and made a part hereof, as recorded in the Public Records of the County, and any Ancillary Plat or Replat. In the event an Additional Plat is recorded in the Public Records of the County, then the term "Plat" as used herein shall also mean such Additional Plat.

Section 34. "PROPERTY" shall mean and refer to that certain real property heretofore described in Exhibit "A", and such Additional Property as may hereafter be brought within the jurisdiction of this Declaration and/or the Association; provided,

however, Declarant reserves the right to withdraw from the provisions hereof, subject to the prior written approval of the Palm Beach County Attorney's Office, such portion or portions of the Property as Declarant from time to time elects, upon the execution by Declarant of a Supplemental Declaration.

Section 35. "REPLAT" shall mean the re-plat, if any, of any portion of the Property for which a plat is recorded.

Section 36. "SERVIENT LOT" shall mean a Lot within Villaggio Reserve over which an easement is created by Article IV of this Declaration in favor of a Dominant Lot (i.e., a Lot over certain portions of which the Owner of an adjoining Lot has a right of access). A Lot may be both a Servient Lot and a Dominant Lot as to different easements created by Article IV hereof; but not as to the same easement.

Section 37. "SINGLE FAMILY HOME" shall mean and refer to the unattached Single Family Homes contained within a neighborhood, pod or parcel within Villaggio Reserve or to be constructed within Villaggio Reserve, which is designed and intended for use and occupancy as a single-family residence. Whenever the term SINGLE FAMILY HOME is used in this Declaration, it shall also mean a SINGLE FAMILY HOME LOT, as applicable.

Section 38. "SINGLE FAMILY HOME ASSESSMENTS" shall mean those Assessments levied against the Single Family Home Owners and the Single Family Home Lots to fund Single Family Home Expenses. Single Family Home Assessments payable by Single Family Home Owners are in addition to Individual Assessments for general Operating Expenses for which all Owners are liable to the Association.

Section 39. "SINGLE FAMILY HOME EXPENSES" shall mean those Operating Expenses incurred by the Association attributed to and for the sole benefit of the Single Family Home Lots and Single Family Homes, all as may be specifically authorized from time to time by the Board, and such other expenses as are deemed Single Family Home Expenses as set forth in this Declaration. Single Family Home Expenses are the obligation of and shall be payable only by Single Family Home Owners.

Section 40. "SINGLE FAMILY HOME LOT" shall mean any parcel of land within Villaggio Reserve, as shown on the Plat or Additional Plat(s), if any, upon which a Single Family Home has or is permitted to be constructed, together with the Improvements thereon, and any other portion of the Property within Villaggio Reserve that is declared to be a Single Family Home Lot by a Supplemental Declaration, provided, however, that no portion of any Community System shall be deemed to be part of a Single Family Home Lot unless and until same is made such pursuant to the terms of this Declaration, if at all. Upon completion of construction of the Single Family Home on a Single Family Home Lot, such Single Family Home Lot and the Improvements thereon shall collectively be considered to be a Single Family Home for purposes of this Declaration and the Villaggio Reserve Documents. Declarant reserves the right to modify the number and designation of Single Family Home Lots within or upon the Property in its sole and absolute discretion.

Section 41. "SINGLE FAMILY HOME OWNER" shall mean the Owner of a Single Family Home or Single Family Home Lot within Villaggio Reserve.

Section 42. "SINGLE FAMILY HOME SPECIAL ASSESSMENT" shall mean assessments levied against the Single Family Homes in accordance with this Declaration representing their proportionate share of the costs incurred by the Association for any extraordinary expenses of the Association, including, but not limited to, amounts necessary to pay shortages in Single Family Home Expenses, unbudgeted expenses and/or expenses in excess of those budgeted for. Single Family Home Owners shall be subject to both Special Assessments and Single Family Home Special Assessments. However, only Single Family Home Owners shall be obligated to pay Single Family Home Special Assessments.

Section 43. "SINGLE FAMILY OWNER" shall mean and refer to the Owner of a Single Family Home or Single Family Lot within Villaggio Reserve.

Section 44. "SUPPLEMENTAL DECLARATION" shall mean any instrument executed by Declarant with respect to the Additional Property, if any (provided Declarant is the owner thereof), which, when recorded in the Public Records of the County, shall commit such property to the provisions of this Declaration, and shall be the only method of committing Additional Property to the provisions of this Declaration. A Supplemental Declaration may also add additional restrictions, declare certain properties to be or not to be Association Property, or withdraw properties from the Property and the provisions of this Declaration. Supplemental Declarations may also impose additional restrictions and obligations on the land described therein. A Supplemental Declaration may also withdraw portions of the Property from the provisions of this Declaration provided any such Supplemental Declaration is approved by the Palm Beach County Attorney's Office. The Association shall join in the execution of any Supplemental

Declaration at the request of Declarant but such joinder shall not be required to make any such Supplemental Declaration effective. The Owners shall not be required to join in the execution of any Supplemental Declaration but shall nevertheless be bound thereby.

Section 45. "TURNOVER DATE" shall mean the date upon which Class "A" Members" (as defined in Article V of the Articles), including Declarant, shall assume control of the Association and elect the Board as more particularly described in Article V of the Articles.

Section 46. "VILLA" shall mean and refer to an attached villa unit contained within a building comprising one or more Villa's constructed or to be constructed within Villaggio Reserve, which is designed and intended for use and occupancy as a single-family residence. Whenever the term Villa is used in this Declaration, it shall also mean a Patio Villa (generally differentiated from a Villa by the addition of a two car parking garage contained within the unit), as applicable.

Section 47. "VILLA ASSESSMENTS" shall mean those Assessments levied against the Villa Owners and the Villa Lots to fund Villa Expenses. Villa Assessments payable by Villa Owners are in addition to Individual Assessments for general Operating Expenses for which all Owners are liable to the Association.

Section 48. "VILLA EXPENSES" shall mean those Operating Expenses incurred by the Association attributed to and for the sole benefit of the Villa Lots and Villas, all as may be specifically authorized from time to time by the Board, and such other expenses as are deemed Villa Expenses as set forth in this Declaration. Villa Expenses are the obligation of and shall be payable only by Villa Owners.

Section 49. "VILLA LOT" shall mean any parcel of land within Villaggio Reserve, as shown on the Plat or Additional Plat(s), if any, upon which a Villa has or is permitted to be constructed, together with the Improvements thereon, and any other portion of the Property within Villaggio Reserve that is declared to be a Villa Lot by a Supplemental Declaration, provided, however, that no portion of any Community System shall be deemed to be part of a Villa Lot unless and until same is made such pursuant to the terms of this Declaration, if at all. Upon completion of construction of the Villa on a Villa Lot, such Villa Lot and the Improvements thereon shall collectively be considered to be a Villa for purposes of this Declaration and the Villaggio Reserve Documents. Declarant reserves the right to modify the number and designation of Villa Lots within or upon the Property in its sole and absolute discretion.

Section 50. "VILLA OWNER" shall mean the Owner of a Villa or Villa Lot within Villaggio Reserve.

Section 51. "VILLA SPECIAL ASSESSMENT" shall mean assessments levied against the Villas in accordance with this Declaration representing their proportionate share of the costs incurred by the Association for any extraordinary expenses of the Association, including, but not limited to, amounts necessary to pay shortages in Villa Expenses, unbudgeted expenses and/or expenses in excess of those budgeted for. Villa Owners shall be subject to both Special Assessments and Villa Special Assessments. However, only Villa Owners shall be obligated to pay Villa Special Assessments.

Section 52. "VILLAGGIO RESERVE" (fka "Villaggio Isles") shall mean that planned residential development located in Palm Beach County, Florida, which encompasses the Property and is intended to comprise the Lots, and Association Property described on any Plat (as hereinafter defined). Villaggio Reserve will consist of the land set forth in Exhibit "A" attached hereto and made a part hereof and may be expanded by the recording of one or more Supplemental Declaration(s) adding Additional Property or diminished by withdrawing any portion of the Property in accordance with this Declaration.

Section 53. "VILLAGGIO RESERVE DOCUMENTS" shall mean in the aggregate this Declaration, the Articles and the Bylaws, the Plat, any Ancillary Plat, any Additional Plat, any Replat, and all of the instruments and documents referred to herein and therein, including, but not limited to, any Amendment(s) and Supplemental Declaration(s).

Section 54. "WETLAND PRESERVATION/MITIGATION AREAS" and "CONSERVATION AREAS" shall mean the wetland preservation or mitigation areas and upland buffers which are designated as protected areas under the Conservation Easement given by Declarant to the South Florida Water Management District. Provisions as to the obligations of the Association regarding these Areas, and disclosures, are set forth in Article II hereof. Conservation Areas shall mean and include all wetland preservation and mitigation areas planted with native wetland species and provided as mitigation to unavoidable wetland impacts during construction of Villaggio Reserve and maintained by the Association.

ARTICLE II
DESCRIPTION OF VILLAGGIO RESERVE

Section 1. GENERAL PLAN OF DEVELOPMENT. Villaggio Reserve comprises the Property encompassing, or which will encompass the Lots, Property, and Association Property, all as more particularly defined by this Declaration. The Property declared hereunder is described in Exhibit "A", attached hereto. If fully developed, Villaggio Reserve is currently planned to contain not more than 516 Homes and Lots and the Association Property in accordance with this Declaration. Declarant's general plan of development of Villaggio Reserve may also include whatever facilities and amenities Declarant considers in its sole judgment to be appropriate to Villaggio Reserve. Declarant shall sell Homes from a model row and sales office located within the Property or from one or more Homes within Villaggio Reserve after the sale of any Homes within any model row.

Declarant hereby reserves an easement for access, ingress and egress and for utilities and drainage over the Property for the benefit of Declarant and its respective invitees, licensees, the Home Owners, each parcel of land comprising the Property and any adjacent property that may require such easement or easements for the development and use of such adjacent land or property (see e.g. Article XIII, Section 24 pertaining to the Adjacent Commercial Parcel). No such easements are or may be granted upon any portion of the Property upon which a Home exists.

Declarant, intends that Lots and Homes grouped together within the Property shall be operated by the Association which shall collect the Operating Expenses of the Association from the members. Homes and parcels within the Property may be further subject to one or more Neighborhood Declaration(s) of Restrictive Covenants (each a "Neighborhood Association"), which will be responsible for only those portions of the Property, if any, defined within each Neighborhood Declaration. Notwithstanding the foregoing, all of the Property, including property specifically reserved for the Master Association is and shall be subject to this Master Declaration. All portions of the Property declared, dedicated or reserved as Master Association Property will be for the use and benefit of all of the Property within Villaggio Reserve.

Declarant expressly reserves the right as to the Property to: (i) commence construction and development of the Property if and when Declarant desires; (ii) develop the Property upon such timetable as Declarant, in its sole discretion, chooses; and (iii) modify the plan of development of the Property, including changes to Association Property and improvements, in such manner as it, in its sole discretion, chooses. Nothing contained herein shall be construed as obligating Declarant to construct Villaggio Reserve according to the present plan of development, or as represented or depicted in any sales or advertising literature or materials, nor as obligating Declarant to declare any Additional Property to be part of the Property.

Section 2. ASSOCIATION PROPERTY. Except as may be specifically reserved and/or dedicated in any subsequent Declaration of Restrictive Covenants for Villaggio Reserve or any Neighborhood Declaration of Restrictive Covenants for Villaggio Reserve, the Association Property shall consist of the property indicated on the Plat as Association Property or as property reserved for or dedicated to the Association. The Association Property shall be used for recreational and social purposes as well as other proper purposes by the Association and the Owners and their family members, guests, invitees and lessees in accordance with the Villaggio Reserve Documents. Association Property may not be altered, modified, removed or replaced by Owners or their family members, guests, invitees or lessees.

The portions of Villaggio Reserve described in this Section 2 shall constitute Association Property and shall be used solely in accordance with the covenants impressed upon Association Property, including, without limitation, the following:

(1) Recreation Tract. Villaggio Reserve may contain one or more recreation areas ("Recreation Tract") designated on the Plat as the, or a "Recreation Tract." The Recreation Tract shall be part of the Association Property and shall be used for recreational purposes by the Association, and the Owners and their family members, guests, invitees and lessees. Such portion, if any, of the Recreation Tract upon which Declarant has constructed or hereafter constructs Improvements shall be kept and maintained for use in a manner consistent with the nature of such Improvements located or to be located thereon. All of the Recreation Tract shall always be kept and maintained by the Association for recreational uses or beautification and attendant uses (e.g., parking spaces within the Recreation Tract shall be used for proper purposes by those using the recreational facilities but only while using such facilities), and shall be used for such purposes and not for residential, commercial or industrial construction of any kind. The Recreation Tract shall be maintained, administered and ultimately owned by the Association.

Declarant reserves the right, but shall not be obligated, to construct additional recreational facilities upon the Recreation Tract, or to modify the facilities planned for the Recreation Tract, or to construct additional recreational facilities upon another portion of the Property. Declarant, in its sole discretion, reserves the right to reduce the number and/or size of the planned

facilities. Notwithstanding anything contained herein, neither Declarant nor the Association makes any representations whatsoever to commence, complete or construct any recreational facilities within any specific time period or in any specific sequence.

The decision as to whether to construct additional recreational facilities, to modify the planned facilities, or to reduce the planned facilities, and the time table for the construction thereof, shall be in the sole discretion of Declarant.

(2) Lakes. The "Lakes" are those portions of the Property designated on the Plat as Water Managements Tracts or designated on the Plat as lakes, tracts or storm water management tracts and shall always be kept and maintained as lakes for water retention, drainage, irrigation and water management purposes in compliance with all applicable governmental requirements. The Lakes and the littoral areas and plant materials located therein shall be a part of the Association Property and shall be maintained, administered and ultimately owned by the Association. In furtherance of the foregoing, Declarant hereby reserves and grants an easement in favor of the Association throughout all portions of Villaggio Reserve as may be necessary for the purpose of accessing, maintaining and administering the Lakes, and no Owner shall do any act which may interfere with the performance by the Association of its obligations hereunder.

Villaggio Reserve is currently subject to a Restrictive Covenant recorded in Official Records Book 27233, Page 949 of the Public Records of Palm Beach County, Florida (the "Covenant") and Excavation Approval dated January 6, 2015 issued by the Department of Environmental Resources Management ("ERM") for Villaggio Isles PUD with regard to the obligation of the Declarant and the Master Association to excavate, construct, install and maintain the planted littoral shelves within Villaggio Reserve. The Excavation Approval includes, inter alia, a performance guarantee and cash bond advanced by the Declarant on behalf of the Master Association which must remain in place through compliance of a 730 day inspection period. In order to comply with the requirements of the Covenant and Excavation Approval, Declarant has on behalf of the Master Association, engaged the services of Aquatic Weed Control, Inc. to provide monitoring and maintenance of the littoral areas in the Community. The Master Association shall be and remain fully responsible for the ongoing perpetual maintenance of the littoral areas so as to be and remain in compliance with the Excavation Approval and Covenant obligations in perpetuity with the costs thereof treated as an Operating Expense payable by each Owner under the provisions of this Declaration concerning maintenance and assessments.

The Master Association acknowledges and agrees that any financial assurances issued including the cash bond advanced by the Declarant as a condition to issuance of the Excavation Approval (and any further or subsequent approvals or covenants) and Covenant shall upon its release by ERM, be returned to the Declarant. The Master Association shall, subsequent to the turnover of the Master Association to the Member Homeowners, shall indemnify and hold harmless the Declarant from any loss, charge, cost or expense that may be attributable to the Master Association as a result of the Master Associations failure to maintain the littoral areas in accordance with the Covenant and Excavation Approval(s) for Villaggio Reserve.

Any canals located adjacent to and/or within portions of the boundaries of the Property, if any, are not part of and are excluded from the Property and the responsibility of the Association or any Home Owner. Water levels in the Lakes and Canals, if any, within and adjacent to the Property are: (i) controlled through control structures, linking the Lakes to the Lake Worth Drainage District Canal System, and (ii) may rise and fall significantly due to, among other things, certain natural causes including, without limitation, rain, sun and fluctuations in ground water elevations within the surrounding areas. Accordingly, Declarant has no control over such water levels and/or ground water elevations. Each Owner, by acceptance of a deed or title to a Lot, hereby releases Declarant and the Association from and against any and all losses, claims, demands, liabilities, damages, costs and expenses of whatever nature or kind (including, without limitation, Legal Fees), related to, arising out of and/or resulting from water levels in the Lakes and/or Canals regardless of the cause thereof.

The South Florida Water Management District is the local permitting authority for surface water permits. The on-site Lakes are designed as water management areas and are not designed as aesthetic features. Due to low ground water elevations within the immediate area, Lakes located on site may be extremely shallow during several months of the year. Declarant has no control over such elevations. Since the irrigation system draws from the Lakes, this may further affect water levels; however, this type of irrigation system is significantly less expensive than using the County's potable water supply.

DECLARANT AND THE ASSOCIATION SHALL NOT BE OBLIGATED TO PROVIDE SUPERVISORY PERSONNEL FOR THE RECREATION TRACT AND THE LAKES, INCLUDING, BUT NOT LIMITED TO, LIFEGUARDS. ANY INDIVIDUAL USING THE RECREATION TRACT AND THE LAKES SHALL DO SO AT HIS OR HER OWN RISK AND HEREBY HOLDS DECLARANT AND THE ASSOCIATION HARMLESS FROM AND AGAINST ANY CLAIM OR LOSS ARISING FROM SUCH USE. EACH OWNER, BY THE ACCEPTANCE OF TITLE TO HIS OR HER LOT ACKNOWLEDGES THAT THE LAKES ARE DEEP AND ARE DANGEROUS.

EACH OWNER, BY THE ACCEPTANCE OF A DEED OR TITLE TO A LOT, ACKNOWLEDGES THAT THE LAKES AND CANALS ARE EXTREMELY DEEP AND DANGEROUS. NEITHER DECLARANT, THE ASSOCIATION NOR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, COMMITTEE MEMBERS, EMPLOYEES, MANAGEMENT AGENTS, CONTRACTORS OR SUBCONTRACTORS (COLLECTIVELY, THE "LISTED PARTIES") SHALL BE LIABLE OR RESPONSIBLE FOR MAINTAINING OR ASSURING THE SAFETY, WATER QUALITY OR WATER LEVEL OF/IN ANY LAKE, POND, CANAL, CREEK, STREAM OR OTHER WATER BODY WITHIN OR AROUND VILLAGGIO RESERVE, EXCEPT AS SUCH RESPONSIBILITY MAY BE SPECIFICALLY IMPOSED BY, OR CONTRACTED FOR WITH, AN APPLICABLE GOVERNMENTAL OR QUASI-GOVERNMENTAL AGENCY OR AUTHORITY. FURTHER, NONE OF THE LISTED PARTIES SHALL BE LIABLE FOR ANY PROPERTY DAMAGE, PERSONAL INJURY OR DEATH OCCURRING IN, OR OTHERWISE RELATED TO, ANY WATER BODY, ALL PERSONS USING SAME DOING SO AT THEIR OWN RISK. ALL OWNERS AND USERS OF ANY PORTION OF VILLAGGIO RESERVE SHALL BE DEEMED, BY VIRTUE OF THEIR ACCEPTANCE OF A DEED OR TITLE TO OR USE OF SUCH PROPERTY, TO HAVE AGREED TO RELEASE THE LISTED PARTIES FROM ALL CLAIMS FOR ANY AND ALL CHANGES IN THE SAFETY, QUALITY AND LEVEL OF THE WATER IN SUCH BODIES. ALL PERSONS ARE HEREBY NOTIFIED THAT FROM TIME TO TIME WILDLIFE MAY INHABIT OR ENTER INTO WATER BODIES WITHIN OR NEARBY VILLAGGIO RESERVE AND MAY POSE A THREAT TO PERSONS, PETS AND PROPERTY, BUT THAT THE LISTED PARTIES ARE UNDER NO DUTY TO PROTECT AGAINST, AND DO NOT IN ANY MANNER WARRANT OR INSURE AGAINST, ANY DEATH, INJURY OR DAMAGE CAUSED BY SUCH WILDLIFE.

(3) Streets, Drives, Roads and/or Roadways. The "Streets," "Drives," "Roads" and/or "Roadways" are those portions of the Property designated on the Plat as Tracts or designated on the Plat as a street, drive, road or roadway, and which are reserved for or dedicated to the Association, but specifically excluding any street or roadway dedicated on the Plat to the public and specifically excluding driveways located upon Lots. The Streets, Drives, Roads and/or Roadways shall be used as private roads by Declarant, the Association, Developers, and the Owners, their family members, guests, lessees and invitees in accordance with the provisions of this Declaration. The Streets, Drives, Roads and/or Roadways shall be maintained, administered and ultimately owned by the Association and the maintenance responsibility therefor may not be assigned to any other person or entity. Notwithstanding the foregoing, each Owner shall be responsible for the maintenance, repair and replacement of any driveway serving his Lot, including that portion of the driveway in a Street, Drive, Road and/or Roadway, if any, unless the driveway was damaged by the Association in the fulfillment of its obligations and duties under this Declaration.

(4) Landscaped Areas or Grassed Areas. The "Landscaped Areas" and "Grassed Areas" are those portions of the Property designated on the Plat or Additional Plat(s), if any, as "Focal Point" tracts, "OS" tracts, or as open space, and are to be used, kept and maintained as such by Declarant, the Association, and the Owners within Villaggio Reserve, their family members, guests, invitees and lessees, in accordance with the provisions of this Declaration. The Landscaped Areas and Grassed Areas shall be ultimately owned by the Association and shall be administered, operated and maintained by the Association as set forth herein in accordance with the provisions of this Declaration and the requirements of the appropriate governmental agencies. Notwithstanding the immediately preceding sentence, Owners whose Lots are adjacent to an "OS" tract (other than those "OS" tracts that are also designated as Focal Point tracts), if any, shall be responsible for the maintenance and care of the sod located in the adjacent "OS" tract up to the centerline of such "OS" tract. The Association shall be responsible for the maintenance and care of the sod in the "OS" tracts that are also designated as Focal Point tracts. Nothing shall be planted and/or altered in the "OS" or open space tract by any Owner other than sod.

(5) Street Lights. The "Street Lights" and any associated facilities placed within the Property and any street lights and associated facilities placed within public rights of way by agreement between the Declarant or Association and the public utility responsible therefor, are or shall be installed by Declarant, and if installed, will be repaired, replaced, relocated, maintained and owned by the public utility responsible therefor, but the Association shall be responsible to pay all fees associated with such installation, repair, replacement, relocation and maintenance, and for the furnishing of electricity thereto, at a set rate pursuant to a street lighting agreement entered into or to be entered into with such public utility. Declarant further reserves the right, but shall not be obligated, to install "Decorative Street Lights" in or near the entranceway and gatehouse to Villaggio Reserve. The Decorative Street Lights, if installed by the Declarant, shall be installed, repaired, replaced, relocated, maintained and owned by the Association. If installed, such Decorative Street Lights may not be typical of what will be installed in and around the Lots.

(6) Gatehouses, Entranceway and Entry Gates. Villaggio Reserve shall include gatehouses and entry gates installed by Declarant or the Association. Such gatehouses, entranceway and/or entry gates shall be deemed Association Property and shall be maintained, repaired or replaced by the Association and the expense thereof shall be included as an Operating Expense. The gatehouses, if any, may or may not be staffed, as determined in the sole discretion of the Association. All other portions of the entranceway shall also be owned and maintained by the Association. Neither Declarant nor the Association makes

any representations whatsoever as to the date or days which any security gates may be staffed, security of the premises or the effectiveness of any entry gates. All Owners agree to hold Declarant and the Association harmless from any loss or claim arising within the Property from the occurrence of a crime or other act. The Owners acknowledge that the entry gates are designed to deter crime, not prevent it.

(7) Buffers. The "Buffers" are those portions of the Property designated on the Plat as Buffer Tracts. The Buffers shall be administered and maintained and ultimately owned by the Association. In order to preserve the aesthetic image of Villaggio Reserve and to help maximize the Owners' use and enjoyment thereof, the Buffers shall be landscaped with such form of ground cover and/or other plant materials as Declarant considers consistent with Declarant's plan for beautification of the Property and shall be kept grassed, planted and landscaped by the Association in such manner. No vehicular access, ingress or egress is permitted over, on or across any portion of a Buffer. In order to preserve the aesthetic image of the community and to help maximize the Owners' use and enjoyment thereof: no Improvements, landscaping and/or other additions or deletions are permitted within the Buffers without the prior written consent of the Association and appropriate governmental agencies, excepting any Improvements, landscaping or other additions made or installed by Declarant and/or the Association, such as, but not limited to, berms, landscaping, sod, signs, walkways, walls and light poles. Additionally, no Owner shall be permitted to attach to any fence located within the Buffers or to otherwise fence-in or enclose any portion of any Buffers or other common areas, including the Lakes.

(8) Drainage System. The Drainage System within Villaggio Reserve, as shown on the Plat, is a private drainage system. The Association shall be responsible for all costs associated with all cleaning, maintenance, repair and replacement of any portion of the Drainage System necessary to maintain the system in its original condition and use, and may not assign such responsibility to any other person or entity.

(9) Right to Add Additional Improvements. Such portions of the Association Property upon which Declarant has constructed or hereafter constructs Improvements shall be kept and maintained for use in a manner consistent with the nature of such Improvements located, or to be located, thereon. Declarant reserves the right, but shall not be obligated, to construct additional facilities upon the Association Property. The decision as to whether to construct additional facilities and the erection thereof shall be in the sole discretion of Declarant.

Section 3. LAKE LOTS. Notwithstanding anything contained herein to the contrary, and subject to the rights and obligations of the Association to maintain the Lakes as aforesaid for water retention, drainage, irrigation and water management purposes for all of Villaggio Reserve and the right of the Association to adopt rules from time to time with respect to the use of the Lakes for such purposes, the Lakes shall be reserved for the private use and enjoyment of all Owners, their family members, guests, invitees and lessees, but only in accordance with this Declaration.

Fishing (but not the operation of non-motorized watercraft) in the Lakes shall be permitted; however, notwithstanding anything contained herein to the contrary, an Owner shall only access the Lakes from a "Lake Maintenance Access Easement" shown on the Plat which immediately abuts his Lot if the Owner's Lot is a Lake Lot ("Lake Lot Owner"). If an Owner is not a Lake Lot Owner, or if a Lake Lot Owner wishes to access a different Lake or another area of the same Lake, access to the Lake shall be exclusively from a Lake Maintenance Access Easement. In addition, Owners shall not be permitted to fish in any Lake Maintenance Easement or lakebank area which immediately abuts a Lake Lot owned by another. No planting, fencing or other Improvements or additions to the property surrounding the Lake and outside the Lot is permitted. Swimming and the operation of motorized watercraft in the Lakes are prohibited. Watercraft and trailers shall not be stored on the Lake banks or the Lake Maintenance Easements. In addition to the use of any Lake Maintenance Easement by any Owner, as described above, the Lake Maintenance Easements are for the use of the Association, the applicable water management district and any other governmental agency for access to the Lakes for maintenance of the Lakes and littoral plantings and other proper purposes. No removal of or damage to littoral plantings is permitted.

An imaginary line will be extended from the side property lines at the back of each Lake Lot down to the water's edge (as such water's edge may fluctuate from time to time). The area encompassed between the rear property line and the water's edge between these imaginary lines shall be defined as the "Lake Bank Zone" as to each Lake Lot. The Association shall provide irrigation of sod, and the maintenance, repair and replacement of the irrigation system, located within the Lake Bank Zone. The Association shall maintain and care for the sod located within the Lake Bank Zone and shall further be responsible for the maintenance, repair and replacement of the littoral plantings beyond the water's edge in all Lakes. In no event shall any Owner cause any erosion or change in grade of any lake bank slopes from design grade.

Section 4. CENTRAL IRRIGATION SYSTEM(S). Declarant shall install one or more central Irrigation Systems for the Association Property and/or any or all of the Lots within Villaggio Reserve. The Irrigation System(s) is(are) intended to utilize

reclaimed water provided by the County Water Utilities Department. In the event Declarant installs one or more central Irrigation System(s) for the Association Property and/or any or all of the Lots within Villaggio Reserve, the responsibility for operating, maintaining, repairing and replacing such system(s) shall be governed by the provisions of Article VIII below, and no individual potable or well water supply shall be permitted for an individual Lot. All Owners must notify the Association prior to commencing any construction, landscaping or other work in or upon such Owner's Lot which may cause damage to the Irrigation System(s). All Owners hereby agree to indemnify and reimburse the Association for all reasonable costs and expenses incurred by the Association in repairing any damage caused by an Owner to the Irrigation System(s).

Section 5. COSTS. All costs associated with operation, maintenance, repair and replacement of the Association Property shall be the obligation of the Association. The Association Property shall be conveyed to the Association in accordance with the provisions of Article III. 6 hereof.

Section 6. PRIVATE USE. For the term of this Declaration, the Association Property is not for the use and enjoyment of the public, but is expressly reserved for the private use and enjoyment of Declarant, the Association, and the Owners, and their family members, guests, invitees and lessees, but only in accordance with this Declaration.

A. Notwithstanding anything in this Declaration to the contrary, however, Declarant hereby expressly reserves the right to use the Association Property in connection with the sale and marketing by Declarant of Homes in Villaggio Reserve including, but not limited to, the holding of sales and marketing meetings, engaging in sales promotions and related sales and marketing activities.

B. Except to the extent herein provided, the Association Property shall be for the sole and exclusive use of the Owners and their family members, guests, invitees and lessees.

C. The administration, management, operation and maintenance of the Association Property shall be the responsibility of the Association, all as is provided herein and in the other Villaggio Reserve Documents.

D. The right to use the Association Property shall be subject to the rules and regulations established by the Association.

Section 7. PRIVACY FENCES, SCREENING AND HEDGES. Certain Lots within Villaggio Reserve on which Single Family Homes and/or Villas are constructed, may have privacy fences or masonry walls installed by Declarant (referred to herein as "Privacy Fences") on or along their rear and/or side lot lines (or portions thereof), with, in some cases, hedges planted by Declarant on either or both sides of such Privacy Fences ("Hedges"). The Privacy Fences and Hedges, if installed by Declarant (which Declarant shall have no obligation whatsoever to do), shall be the maintenance, repair and replacement obligation of the Association unless access to such portion of the Privacy Fence is blocked or limited by the actions of the Owner of the Lot on which the said fence or hedge is or are installed. Any screening installed by Declarant or by the Owner of the Home shall be the sole responsibility of the Owner and not the Association or the Declarant. Any Privacy Fences installed by the Declarant may not be altered in any way or removed by the Owner of the Lot. In addition, Declarant shall have the right, but not the obligation, to install a continuous fence along all or portions of the rear boundary lines of some of the Single Family Lots, with hedges planted on either or both sides of such fence. If Declarant installs such fence and/or hedges along the rear boundary line of said Lots, neither such fence nor hedges shall be removed or altered by any Owner and shall be the responsibility of the Association.

Section 8. MODEL ROW. Declarant hereby reserves the right to construct and/or operate a "model row(s)" in Villaggio Reserve. The "model row(s)" may also contain parking, landscaping and fencing across Streets, Drives, Roads and/or Roadways as Declarant may determine in its sole discretion. In the event that Declarant and/or any of Declarant's affiliates constructs a "model row(s)" in Villaggio Reserve, such "model row(s)" may be used for such period of time that Declarant and/or any of Declarant's affiliates determines to be necessary. By the acceptance of a deed for a Lot in Villaggio Reserve, each Owner, by virtue of being the owner of a Home or Lot, agrees and acknowledges that: (i) Declarant and/or any of Declarant's affiliates have a right to construct and/or operate a "model row(s)"; (ii) Declarant and/or any of its affiliates have an easement over Villaggio Reserve for ingress and egress to and from the "model row(s)" and to use and show the models to prospective purchasers in Villaggio Reserve or other communities being developed by Declarant and/or any of Declarant's affiliates, as long as such "model row(s)" exists; and (iii) he or she shall not interfere in any manner whatsoever in the sales process by Declarant and/or any of its affiliates, including the carrying of signs or other types of demonstrations in Villaggio Reserve or any public right-of-way adjacent to the Property. Each Owner acknowledges that any such activity interferes with the quiet enjoyment of Villaggio Reserve by the other Owners, is detrimental to the value of the Homes within Villaggio Reserve, and interferes with the Declarant's ability to conduct its business.

Section 9. SURFACE WATER MANAGEMENT SYSTEM. The Surface Water Management System shall include the Drainage System as defined in Article I, Section 17, hereinabove. The Surface Water Management System shall be maintained and operated by the Association in accordance with the requirements of SFWMD and shall also be subject to any Permit which may be issued by SFWMD for the Property and as same may be amended from time to time. A copy of the SFWMD Permit may be attached hereto as Exhibit "D." Copies of the permit and any future SFWMD permit actions shall be maintained by the Association's Registered Agent for the Association's benefit. The SFWMD has the right to take enforcement action, including a civil action for an injunction and penalties against the Association to compel it to correct any outstanding problems with the surface water management system facilities or in mitigation or conservation areas under the responsibility or control of the Association. Any proposed amendment to the homeowner association documents which would affect the Surface Water Management System, conservation areas or water management portions of the common areas will be submitted to the SFWMD for a determination of whether the amendment necessitates a modification of the SFWMD permit. If a modification is necessary, the SFWMD will advise the named permittee.

Section 10. CONSERVATION AREAS MAINTENANCE AND MONITORING PLAN.

(1) Maintenance. The maintenance shall be conducted on a monthly basis as necessary for a five (5) year period to assure an 80% aerial coverage of desirable obligate and facultative wetland plant species at the end of the three (3) years with incremental coverage to that time. This includes coverage in those areas where natural recruitment is anticipated, as well as those areas which are planted. The mitigation area shall be maintained to control and remove undesirable invasive vegetative species such as Cat-tail (tyopha spp.), Water Primrose (Ludwigia spp.), Torpedo Grass (Casuarina spp.) And Brazilian Pepper (Schinus terebinthifolius). The undesirable species shall be removed by physically uprooting and disposing of the individual specimen or spraying with an approved herbicide. The mitigation areas to be maintained free of exotic vegetation and nuisance species shall constitute no more than five percent (5%) of the total cover. Perpetual long term maintenance shall be conducted at intervals necessary for viability of the wetland habitat by removal of exotic and nuisance wetland plant species as required hereinabove.

(2) Monitoring.

A. Monitoring shall be conducted on a quarterly basis for a five (5) year period to assure success of the planting.

B. A time zero report shall be prepared and submitted to the SFWMD within 30 days of the completion of the planting. A quarterly report shall be prepared and submitted within 30 days from the end of each quarter.

C. The monitoring report shall contain the following:

(i) Plant species composition, percent cover and number of emergent stems by species as noted within one permanent quadrat and one haphazardly placed quadrat in each herbaceous habitat. Vegetation analysis in the transition areas will be conducted along established transects.

(ii) The color photographs of the site taken from the same position each quarter.

(iii) Surface water elevation at the time of monitoring.

(iv) A general discussion of the site to include quantitative data, wildlife usage, percent survival and any unusual circumstances concerning the planting area.

D. Long Term Maintenance & Monitoring. The mitigation areas will be monitored and maintained on a yearly basis by the Association for as long as necessary by any and all governmental agencies having jurisdiction. The Conservation Areas shall be maintained in perpetuity by the Association.

E. Financial Assurances. Consistent with the standards of SFWMD, Declarant has provided the requisite financial assurances so as to ensure the Association's ability to accomplish the maintenance and monitoring duties herein set forth. The Association shall be responsible for the ongoing perpetual maintenance of the Conservation Areas pursuant to Article VIII hereof with the costs thereof treated as an Operating Expense payable by each Owner under the provisions of this Declaration concerning assessments. Following the turnover of the Association to the Member Owners of the Association, the Association shall promptly (within 45 days following turnover) replace any financial assurances with the SFWMD given by the Declarant so that the assurances given by the Declarant may be returned to the Declarant.

ARTICLE III
ADDITIONS TO AND WITHDRAWALS FROM THE PROPERTY;
CONVEYANCE OF ASSOCIATION PROPERTY

Section 1. ADDITIONS. Prior to the turnover of the Master Association to the Member Owners, Declarant may from time to time, in its sole discretion, by recording appropriate Supplemental Declaration(s) in the Public Records of the County, add any Additional Property or any other real property to the Property governed by this Declaration, and may declare all or part of such Additional Property or other property (including any Improvements thereon) to be Lots or Association Property. Any such Supplemental Declaration may submit any Additional Property or any other real property to such modifications of the covenants and restrictions contained in this Declaration as may be necessary or convenient to reflect or adapt to any changes in circumstances or differences in the character of any such Additional Property or other property. Nothing contained in this Section 1 shall be construed to require the joinder by or entitle a right to consent by Owners or the Association to any such Supplemental Declaration; provided, however, the Association shall join in the execution of any such Supplemental Declaration at the request of Declarant.

Section 2. DESIGNATION OF ADDITIONAL ASSOCIATION PROPERTY. The Declarant may, from time to time, by recording Supplemental Declarations in the County, designate additional portions of the then existing Property to be Association Property.

Section 3. DISCLAIMER OF IMPLICATION. Only the real property described in Exhibit "A" hereto is submitted and declared as the Property subject to this Declaration. Unless and until a Supplemental Declaration is recorded in the manner required pursuant to this Declaration, no other property (including any Additional Property) shall in any way be deemed to constitute a portion of the Property or be affected by the covenants and restrictions expressly binding the Property as provided by the terms of this Declaration.

Section 4. ABSENCE OF OBLIGATION. Nothing in this Declaration shall be construed to require the Declarant to add any Additional Property to the Property encumbered by this Declaration or to require it to declare any portion of any properties added to the Property to be Association Property, nor shall anything in this Declaration be construed to require the Declarant to declare any portion or portions of the existing Property as Association Property, except to the extent herein specifically provided.

Section 5. WITHDRAWAL. Notwithstanding anything herein to the contrary, Declarant reserves the absolute right at any time to withdraw portions of the Property from the provisions of this Declaration by recording an appropriate Supplemental Declaration in the County; provided, however, that such withdrawal of portions of the Property from the provisions of this Declaration is subject to the prior written approval of the Palm Beach County Attorney's Office. Any such Supplemental Declaration must be executed by the Declarant, the Owner of each Lot located on the property sought to be withdrawn (if any), and each holder of an Institutional Mortgage on a Lot located on the property sought to be withdrawn (if any), in order to be effective. Nothing contained in this Section 5 shall be construed to require the joinder or consent by Owners of Lots upon the portion of the Property which is not withdrawn by such Supplemental Declaration, such Owners' Institutional Mortgagees, or the Association.

Section 6. TITLE TO THE ASSOCIATION PROPERTY. To the extent herein provided, the Association Property is hereby dedicated to the joint and several use in common of the Owners of all Lots that may, from time to time, constitute part of the Property. When title to all Lots which are subject to the provisions hereof has been conveyed to non-Declarant purchasers, or earlier at Declarant's option exercisable from time to time, as to any portions of the Association Property, the Declarant or its successors and assigns shall to the extent not dedicated by Plat or otherwise convey and transfer to the Association, by quit claim deed, the fee simple title to any Association Property free and clear of any liens and the Association shall accept such conveyance, holding title for the Owners as aforesated. Such conveyance shall be subject to any real estate taxes and assessments due with respect to such Association Property from and after the date of recording this Declaration; any covenants, conditions, restrictions, reservations and limitations then of record; the easements herein set out; any zoning ordinances then applicable; and this Declaration, as it may be amended and supplemented from time to time.

At the time of conveyance of the Association Property or any portion thereof, the Association shall be required to accept such property and the personal property, if any, and Improvements appurtenant thereto. The Association hereby agrees to accept the Association Property and the personal property and Improvements appurtenant thereto in "AS IS" "WHERE IS" condition, without any representation or warranty, expressed or implied, in fact or by law, as to the condition or fitness of the Association Property or any portion thereof, and the personal property and Improvements appurtenant thereto. The Association and all Owners hereby further acknowledge and agree that small cracks in the Streets, Drives, Roads, Roadways, bridges,

sidewalks, gutters, curbs and paver bricks as well as the ponding or collection of water following periods of rain thereon are normal and shall not be considered to be defects or deficiencies of any kind whatsoever.

The Association shall accept this conveyance of the Association Property and shall pay all costs of such conveyance including documentary stamps and other taxes of conveyance, recording charges, title insurance expenses and insurance fees. The conveyance shall not, however, impair in any way the Declarant's rights and easements as set forth in this Declaration.

Commencing upon the date this Declaration is recorded, and notwithstanding that title thereto has not yet been conveyed to the Association, the Association shall be responsible for the maintenance of the Association Property in a continuous and satisfactory manner without cost to the general taxpayers of the County. The Association shall also be responsible for the payment of real estate taxes, if any, against the Association Property including taxes on any Improvements and any personal property thereon accruing from and after the date this Declaration is recorded.

The Owners (including Declarant as to Lots owned by it) shall have no personal liability for any damages for which the Association is legally liable or arising out of or connected with the existence or use of any Association Property or any other property required to be maintained by the Association.

Subject to the foregoing, the Declarant may mortgage any or all portions of the Association Property to finance construction and development expenses provided that the mortgagee recognizes the rights of Owners under this Declaration and neither the Association nor any Owner is personally liable for paying the mortgage. In such event, neither the Association nor the Owners shall be required to join in or be entitled to consent to such mortgage. The Association Property shall be released from any such mortgage no later than the date same is conveyed to the Association.

Section 7. PARKING RIGHTS. The Association may maintain upon the Association Property parking spaces for Owners, occupants, visitors and guests. The use of such parking spaces by Owners, occupants, visitors and guests shall be subject to duly adopted rules and regulations of the Association.

ARTICLE IV OWNERS' PROPERTY RIGHTS

Section 1. OWNERS' EASEMENTS OF ENJOYMENT. Every Owner and family member, guest, lessee, agent or invitee of an Owner shall have a permanent and perpetual, nonexclusive easement for ingress and egress over, enjoyment in, and use of Association Property within the Property in common with all other Owners, their family members, guests, lessees, agents and invitees, which easement shall be appurtenant to, and shall pass with title to each Owner's Lot. This right shall be subject to the following conditions and limitations:

A. The right and duty of the Association to adopt reasonable rules and regulations governing the use of the Association Property by Owners and their family members, guests, licensees, invitees and/or lessees, including, but not limited to, adopting rules which establish, define or specify the persons who are entitled to use of the Association Property; provided, such rules and regulations are not in conflict with this Declaration.

B. The right and duty of the Association to levy Assessments against each Lot for the purpose of maintaining, repairing and replacing the Association Property and facilities thereon in compliance with the provisions of this Declaration and the restrictions on portions of the Property from time to time recorded by the Declarant.

C. The right of the Association to establish uniform rules and regulations pertaining to the use of the Association Property.

D. The right of the Association to establish uniform rules and regulations pertaining to the Lots for the purposes of enhancing the aesthetic uniformity of the Property.

E. The right of the Association in accordance with its Articles, Bylaws, and this Declaration, with the vote or written assent of two-thirds (2/3) of the total voting interests, to borrow money for the purpose of improving the Association Property and facilities thereon, and, in aid thereof, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, provided that the rights of such mortgagee shall be subordinated to the use rights of the Owners. The foregoing shall not affect the right of the Board of Directors of the Association to borrow funds required in the event of an emergency as determined in the reasonable discretion of the Board.

F. The right of the Association to dedicate, release, alienate, or transfer all or any part of the Association Property to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication, release, alienation, or transfer shall be effective, unless Members entitled to cast two-thirds (2/3) of the total voting interests agree to such dedication, release, alienation or transfer.

G. The right of the Association to grant easements, rights-of-way or strips of land, where necessary, for utilities, sewer facilities, cable television, and other services over the Association Property to serve the Association Property and other portions of the Property without vote of the Owners.

H. The right of the Declarant and Declarant's officers, directors, partners, employees, agents, licensees, and invitees to the nonexclusive use of the Association Property and the facilities thereon, without charge, for sales, display, access, ingress, egress, construction, and exhibit purposes.

I. The right of the Association, by action of the Board, to reconstruct, replace, or refinish any Improvement or portion thereof upon the Association Property, in accordance with the original design, finish, or standard of construction of such Improvements, or of the general Improvements within the Association Property, as the case may be.

J. The right of the Association to replace destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon any portion of the Association Property.

K. The right, however not the duty, of the Association by action of the Board to seek the vacation of publicly dedicated streets, if any, upon the Property.

L. The easements provided elsewhere in this Declaration, designated on the Plat, or on an Ancillary Plat, Additional Plat or Replat, if any, including, but not limited to, those set forth in this Article IV.

M. The rights of the Association to provide for the maintenance and preservation of Lots and other properties as set forth in this Declaration.

N. The right, but not the duty or obligation, of the Association, following a tropical storm, hurricane or other Act of God, to upright and/or remove any fallen or dislodged trees on (i) any Lot, and (ii) any grassed areas located between the front and/or side of such Owner's Lot and the Street.

O. The right of the Association and Declarant and their respective employees, agents, licensees, and invitees to come upon the Property (including, without limitation, Association Property as well as a Lot even after the same has been conveyed to an Owner) as may be necessary or convenient for the Association and/or Declarant to carry on their respective duties, obligations, responsibilities under, and all other work referred to in, this Declaration.

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the Bylaws, his right of enjoyment to the Association Property to the members of his or her family, or to the lessees who reside in his or her Home, subject to all of the rules and regulations presently in effect and any which may become effective in the future, and further subject to reasonable regulation by the Board.

Section 3. RECOGNITION OF EXISTING EASEMENTS. Each Owner, by acceptance of a deed or other instrument of conveyance, recognizes and consents to the easements reserved and/or granted with respect to the Property under this Declaration.

Section 4. EASEMENTS FOR VEHICULAR TRAFFIC. In addition to the general easements for use of the Association Property reserved herein, there shall be, and Declarant hereby reserves, grants, and covenants for itself and all future Owners, their family members, guests, invitees and lessees, Institutional Mortgagees of the Property (or portions thereof), and to the Association, that all of the foregoing shall have a perpetual nonexclusive easement for vehicular traffic over (i) all streets dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private, paved areas abutting or serving the same), and (ii) any private Streets, Drives, Roads and/or Roadways within or upon the Property.

Section 5. ACCESS EASEMENT. Declarant hereby reserves perpetual, nonexclusive easements of ingress and egress over and across (i) any and all streets dedicated to the public use, if any (as well as alcoves, cul de sacs, and other private, paved areas abutting or serving the same), and (ii) any private Streets, Drives, Roads and/or Roadways and driveways within or upon the Property and all other portions of the Property which are necessary or convenient for enabling Declarant to carry on the work

referred to in this Declaration, which easements shall be for the use of Declarant, Declarant's employees, contractors and agents, Declarant's successors and assigns, Owners, and the respective lessees, employees, agents, invitees, and licensees of Declarant and Owners.

Section 6. GRANT AND RESERVATION OF EASEMENTS. Declarant hereby reserves and grants the following perpetual, nonexclusive easements over and across the Property, but not beneath any Homes, as covenants running with the Property for the benefit of the Owners, the Association, and Declarant as hereinafter specified for the following purposes:

A. Utility and Services Easements. All of the Property shall be subject to an easement or easements to provide for: (a) installation, service, repair and maintenance of the equipment required to provide utility services to the Association Property and the Lots, including, but not limited to, power, electric transmission, light, telephone, cable television, gas, water, sewer and drainage, and (b) governmental services, including, but not limited to, police, fire, health, sanitation, emergency service, postal service and meter reading and other public service personnel, including reasonable rights of access for persons and equipment necessary for such purpose for the benefit of the appropriate utility companies, agencies, franchises or governmental agencies.

B. Easement for Encroachment. All of the Property shall be subject to an easement or easements for encroachment in favor of each Owner in the event any portion of his or her Home or appurtenant Improvements such as a fence or utilities pad (e.g. air conditioning) now or hereafter encroaches upon any other Lot as a result of minor inaccuracies in survey or construction requirements or due to settlement or movement or roof overhang as hereinafter described. Such encroaching Improvements installed by Declarant shall remain undisturbed for so long as the encroachment exists. Any easement for encroachment shall include an easement for the maintenance and use of the encroaching Improvements in favor of the Owner thereof or his or her designees.

C. Easement to Enter Upon Lots. An easement or easements for ingress and egress in favor of the Association, including the Board or the designee of the Board, to enter upon the Lots for the purposes of fulfilling its duties and responsibilities of ownership, maintenance and/or repair in accordance with the Villaggio Reserve Documents, including, by way of example, the making of such repairs, maintenance or reconstruction as are necessary for the Association Property and to maintain any Lot in the event the Owner thereof fails to do so.

D. Easement Over Association Property. An easement of enjoyment in favor of all Owners, their family members, guests, invitees and lessees in and to the Association Property which shall be appurtenant to and shall pass with title to every Lot in the Property, subject to the following:

(1) the right of the Association to suspend the right of any Owner to use the Association Property for any period during which Assessments against his or her Lot remain unpaid, subject to the Notice and Hearing provisions in Article IX.1. herein and subject to any such Owner's right of access to his or her Lot;

(2) the right of the Association to grant permits, licenses and easements over the Association Property for utilities and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property; and

(3) all provisions set forth in the Villaggio Reserve Documents.

E. Easement for Roof Overhang. An easement or easements to provide for the roof overhang of a Home or dwelling in favor of the Owner thereof, including rights of access for persons or equipment necessary to maintain, repair and replace such roof overhang. Except for some dwellings located on the corner of an intersection of two streets, all dwellings are intended to be constructed so as to abut a side yard boundary line (commonly referred to as a "zero lot line" side yard setback). There is hereby created a two foot easement upon each lot which is adjacent to a zero lot line, running parallel to, and for the entire length of, the boundary line of such lot. This shall be a perpetual easement running with the land for the benefit of the dwelling upon which the dwelling is constructed abutting said zero lot line, for the purposes and uses of drainage, roof overhang, utilities and access to the rear of the adjacent dwelling and for maintenance to the dwelling constructed upon the boundary line. Further this easement shall also be in favor of Florida Power and Light Company for the installation and maintenance of its cables, lines, meters and other apparatus for the provision of the electrical service to the dwellings.

F. Drainage and Irrigation Easement. An easement for drainage, flowage and irrigation over, under and upon the Property, including each of the Lots in favor of the Association and each of the Owners, including, but not limited to, reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair the Drainage System, including, but not limited to, flowage pipes and irrigation pipes. The foregoing includes but is not limited to an

easement for irrigation over, under and upon the Property, including, without limitation, each of the Lots, in favor of the Association, including, without limitation, reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate, repair and/or replace the Irrigation System(s) installed on the Property, including, without limitation, the irrigation pipes and related equipment. Notwithstanding the foregoing, in the event of any damage caused by an Owner to the Irrigation System or any portion thereof (including any portions on such Owner's Lot), the cost and the repairs and/or replacement resulting from such damage shall be paid by such Owner.

G. **Drainage System Encroachment Easement.** An easement for encroachment over, under and upon the drainage easements located within the Lots, as designated on the Plat and any Ancillary Plat, Additional Plat or Replat, in favor of (i) the Owner of the Lot upon which the drainage easement is located for the existence of any driveway and/or sidewalk or irrigation system or part thereof, and (ii) the Association for reasonable rights of access for persons and equipment to construct, install, maintain, alter, inspect, remove, relocate and repair any driveway and/or sidewalk, or irrigation system or part thereof installed or located thereon. In the event the Association requires access to any Drainage System Improvements within a drainage easement located within a Lot upon which any such driveway and/or sidewalk or irrigation system encroaches, the Association has the obligation, at its own cost and expense, to remove and replace any such encroachment, and to return it to its condition immediately preceding such removal and replacement once access to the drainage easement is no longer required.

H. **Sidewalk Easement/Pedestrian Access Easement.** A three (3) foot sidewalk easement for ingress and egress over and across each Lot parallel and adjacent to the residential access street as may be shown on any Plat of the Property in favor of the Association and all Owners, their family members, guests, invitees and lessees which shall be appurtenant to and shall pass with title to every Lot in the Property. To the extent any such sidewalk easement(s) is/are not shown on any Plat of the Property but constructed within and across each such Lot, there is hereby reserved in favor of the Association a three (3) foot sidewalk or pedestrian access easement over and across each Lot parallel and adjacent to any residential access street. The Sidewalks shall in either event be maintained by the Association as Association Property. All of the sidewalks within the community will be the maintenance responsibility of the Master Association.

I. **Rear Yard Drainage Swale Easements.** Declarant hereby reserves and grants a perpetual, nonexclusive drainage easement ("Drainage Swale Easement") over and across the rear five feet (5') of all "Non-Lake Lots", which for the limited purpose of this Section is defined to mean a Lot in which no portion of such Lot is abutting any portion of a Lake. The Drainage Swale Easement created herein shall be for drainage and flowage of storm water runoff; and the pipes and other ancillary equipment installed to provide for such drainage and flowage. Except as expressly provided in the following sentence, and except for any Improvements, landscaping and other additions made or installed by Declarant and/or the Association, no planting, landscaping and/or Improvements whatsoever, including, without limitation, pool decks, patios, screen enclosures, hedges, trees, etc. shall be permitted within the Drainage Swale Easement. Notwithstanding the foregoing, subject to approval from the Association, an Owner of a Non-Lake Lot may install a pool/spa deck, patio and/or screen enclosure within the Drainage Swale Easement on such Owner's Non-Lake Lot provided that such improvement is constructed in a manner that will not discharge storm water runoff from such improvement onto any adjacent property (including, without limitation, any adjacent Owner's Lot or Association Property). In that regard, all such improvements approved to be constructed within the Drainage Swale Easement shall be designed and constructed in a manner that will retain all such storm water runoff on such Owner's Non-Lake Lot including, without limitation, installation of a commercial grade deck drain that will collect such runoff and discharge it to the side yard of the Non-Lake Lot. In addition, each Owner of a Non-Lake Lot shall have the right to seek approval from the Association for the installation of a fence across the Drainage Swale Easement to the rear property line of the Non-Lake Lot, subject to the terms and conditions of the Villaggio Reserve Documents and the prior approval of the Association, the Committee and otherwise in accordance with the Villaggio Reserve Documents. This Drainage Swale Easement shall not apply to and not affect Lots encumbered by a Buffer Easement.

J. **Buffer Easements.** An easement or easements, as shown on the Plat and/or Additional Plats, if any, in favor of the Association for landscape, buffers, drainage and utility purposes.

K. **Lake Maintenance Easement and Lake Maintenance Access Easements.** Easements as shown on the plat and/or Additional Plats, if any, granted in favor of the Association for the purpose of accessing the lakes to perform lake maintenance (including maintenance of the littoral areas) and to perform storm water management and drainage facilities maintenance. Owners, the family members, guests, invitees, lessees, and other persons are specifically prohibited from utilizing the Lake Maintenance Access Easement for the purpose of launching boats or accessing the Lakes for recreation, enjoyment or other uses. The Lake Maintenance Access Easements are the perpetual maintenance obligations of the Association.

L. **Structural Cross Easements.** Cross easements of support, and use over, upon, across, under, through and into the Common structural elements are hereby granted in favor of the Villa owners and their designees for the continued use, benefit and enjoyment and continued support, service, maintenance, repair and design of all Villas and Common Structural Elements within any portion of the Property.

M. **Lift Station and Well Site Easement.** An easement in favor of the County for ingress, egress and access to and from the station tracts depicted on the Plat or additional plats, if any, as "lift station tracks", and the well-site tracts, depicted on the Plat and or Additional Plats, if any, as "well-site tracts" for the installation, repair, maintenance and service of equipment, lines, and other structures necessary to supply sanitary sewer and drinking water services to and from Villaggio Reserve, and to permit the County to connect well-site from surrounding properties to well-site located on the Property.

N. **Reservation of Development Easement For Declarant.** In addition to the rights reserved elsewhere herein, Declarant reserves an easement for itself or its nominees, successors and assigns, and creates an easement over, upon, across, and under the entire Villaggio Reserve property as may be required in connection with the development of Villaggio Reserve, the Association Property, the Adjacent Commercial Parcel as described in Article XIII, Section 24, and other lands designated by Declarant and to promote or otherwise facilitate the development, construction and sale and/or leasing of Homes and other lands designated by Declarant, including the Commercial Parcel. Without limiting the foregoing, until the completion of the entire Villaggio Reserve project, Declarant specifically reserves the right to use the Association Property including all, roads and rights-of-way within Villaggio Reserve for vehicular and pedestrian ingress and egress to and from construction sites, and for the construction and maintenance of any telecommunications and community wide system(s) provided by Declarant and/or for any and all other purposes related to the construction and development of all of Villaggio Reserve. Specifically, each Owner acknowledges that construction vehicles and trucks may use portions of the Association Property and common areas in connection with the continued and/or continuing development of the Homes, improvements and infrastructure within Villaggio Reserve. Declarant shall have no liability or obligation to repair, restore, or repair any portion of the common areas as a result of the use of the same by construction traffic, and all maintenance and repair of such common areas shall be deemed ordinary maintenance of the Association, payable by all owners as part of the operating costs, and when necessary, included within the budget for Villaggio Reserve. Without limiting the foregoing, at no time shall Declarant be obligated to pay any amount to the Association on account of the Declarant's use of the common areas for construction purposes. Declarant has a right to use all portions of the common areas within Villaggio Reserve in connection with its marketing activities, including, without limitation, allowing members of the general public to inspect model homes, installing signs and displays, holding, promotional parties and picnics, and using the common areas for every other type of promotional or sales activity that may be employed in the marketing of the homes within Villaggio Reserve. The easements created by this section, and the rights reserved herein, in favor of Declarant, shall be construed as broadly as possible, and shall supplement the rights of the Declarant as otherwise set forth herein. Until Villaggio Reserve is completed in full by the Declarant as the Developer, Declarant reserves the exclusive right to grant, in its sole discretion, such further easements, permits and/or licenses for ingress and egress, drainage, utility service, maintenance, telecommunication services and for any and all other purposes over, under, upon, and across the Property, so long as such easements do not materially and adversely interfere with the intended use of Homes previously conveyed to owners.

O. **Zero Lot Line Maintenance Easements.**

(1) **Preamble:** All or a portion of the Homes in Villaggio Reserve may be designed and site planned as "zero lot line" homes, such that each Home is constructed so that all or portions of one side of such Home (and such fences or masonry walls extending from such side or sides) are situated on the side boundary lines of the Lot. Because of this design, it is necessary to provide a means by which the Owner of a Lot ("Dominant Lot") containing such a Home may have access to the "zero lot line" sides of the Home (and other portions of his Lot and Home) in order to maintain portions of the Lot, the side of the Home, the roof and other applicable portions of the Home and Lot, and so that rain water may run off the roof of a particular Home onto the easement area described below. Because such access must be, of necessity, over those portions of the neighboring Lot or Lots ("Servient Lots") adjacent to the "zero lot line" sides of such a Home, Declarant hereby makes provision for the "Maintenance Easements" declared and regulated pursuant to this Section 6 (as well as similar easements for the aforesaid purposes which may, but need not, appear on the Plat).

(2) **Creation and Extent of Maintenance Easement:** Declarant hereby reserves a permanent and perpetual non-exclusive maintenance easement in favor of each Dominant Lot over the unimproved portion of the Servient Lot(s) adjacent to the building lines of the "zero lot line" Home located on the Dominant Lot, which building lines are co-extensive with the Lot lines dividing the aforesaid Lots ("Maintenance Easement"). Said Maintenance Easement shall be appurtenant to and pass with the title of the Dominant Lot and the Servient Lot(s). The Maintenance Easement shall be only as extensive as reasonably necessary to permit the Owner of a Dominant Lot to make the uses described in the Preamble above, subparagraph's (3) through

(6) below and for rainwater run-off, but in no event less than the greater of four (4) feet in width or as may be otherwise shown as an access or similar easement on the Plat.

(3) Use and Conditions of Maintenance Easement: The Owner of a Dominant Lot, his guests, invitees, contractors, subcontractors, suppliers, laborers and other service personnel, shall be entitled to enter onto the appurtenant Maintenance Easement for purposes of maintaining, repairing and replacing portions of his Lot and Home including, without limitation, the Home's walls, roof, fence, landscaping and other installations which cannot be conveniently or properly maintained, repaired or replaced solely from the Dominant Lot. The right of each Owner of the Dominant Lot to use the Maintenance Easement shall be limited to the aforesaid uses and such Owner shall not do anything within the Servient Lot(s) which shall cause damage to the Servient Lot(s) or any Improvement or landscaping thereon which is not promptly and fully remedied by said Owner to return such damaged Improvement or landscaping to the condition immediately preceding said damage, shall create an undue hazard to persons or pets located on or coming into the Servient Lot(s) or is in furtherance of any activity as to the Dominant Lot or the Home thereon which is, or would result in, a violation of the restrictions set forth in the Villaggio Reserve Documents. The Owner of the Dominant Lot shall, by virtue of making use of any Maintenance Easement, be deemed to indemnify the Owner of a Servient Lot for any and all losses, costs, expenses or damage to any person or Property incurred by reason of the former's violations of the restrictions contained herein.

(4) Servient Lot Owner Duties: Owners of Servient Lots shall not make any improvement to the Servient Lot, including, without limitation, the placement of fences or landscaping, which would unreasonably interfere with the permissible uses of any maintenance or access easement appurtenant to the adjoining Dominant Lot reserved hereby or with the flowage easement described in this Section 6. Notwithstanding the foregoing, the Owner of a Servient Lot may install a fence or landscaping thereon provided such installation is approved by the Committee pursuant to Article VIII hereof.

(5) Reciprocity: Each Owner, by acceptance of a deed for a Lot containing a "zero lot line" Home, hereby acknowledges and agrees that such Owner's Lot may not only be a Dominant Lot having rights across adjacent Servient Lots as hereinbefore described but also a Servient Lot encumbered by the easement rights hereinbefore described in favor of the Dominant Lots adjacent to such Lot.

(6) Encroachment For Attached Stone Or Other Veneer Including Cosmetic and Architectural Enhancements And Features. Each Owner of a Servient Lot acknowledges and accepts that his or her Lot may be subject to an encroachment for any stone or other veneer, including cosmetic and architectural enhancements and features, including but not limited to hurricane and other protective shutters, which may be attached to the zero lot line wall of any adjoining Dominant Lot. Access to the zero lot wall shall be through and across the area described hereinabove as the Maintenance Easement described in sub paragraph (2) above.

Section 7. ASSIGNMENTS. The easements reserved hereunder may be assigned by Declarant or the Association in whole or in part to any city, county or state government or agency thereof, or any duly licensed or franchised public utility, or any other designee of Declarant. The Owners hereby authorize Declarant and/or the Association to execute, on their behalf and without further authorization, such grants of easement or other instruments as may from time to time be necessary to grant easements over and upon the Property or portions thereof in accordance with the provisions of this Declaration.

Notwithstanding anything in this Declaration to the contrary, all easement rights reserved or granted to Declarant shall terminate upon Declarant no longer holding title to any Lot or Home on the Property or holding a leasehold interest to any Lot or holding a mortgage on a Lot or Home on the Property. In addition, the easement rights granted or reserved by Declarant hereunder are not to be construed as creating an affirmative obligation to act on the part of Declarant.

ARTICLE V
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION;
BOARD; DURATION OF THE ASSOCIATION

Section 1. FUNCTION OF THE ASSOCIATION. The Association is the entity responsible for the management, maintenance, operation, and control of the Association Property and the Common Structural Elements. The Association also has primary responsibility for administering and enforcing the Villaggio Reserve Documents. The Association shall perform its functions in accordance with the Villaggio Reserve Documents and Florida law. The Association shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles. The Board shall be responsible for the management of the Association and may contract with a property manager for such purposes. The Board is appointed or elected as provided in the Articles and Bylaws. Membership in the Association is appurtenant to and may not be severed from the Lot. The rights and obligations of a Member may not be assigned or delegated except as provided in this Declaration, the Articles, or Bylaws of the Association, and shall automatically pass to the successor-in-interest of any Owner upon conveyance of such Owner's interest in the Lot.

Section 2. MEMBERSHIP AND VOTING RIGHTS. Membership in the Association shall be established and terminated as set forth in the Articles. Each Member shall be entitled to the benefit of, and be subject to, the provisions of the Villaggio Reserve Documents. The voting rights of the Members shall be as set forth in the Articles.

Section 3. BOARD. The Association shall be governed by the Board which shall be appointed, designated or elected, as the case may be, as set forth in the Articles.

Section 4. DURATION OF ASSOCIATION. The duration of the Association shall be perpetual, as set forth in the Articles. In the event of termination, dissolution or final liquidation of the Association, the responsibilities for the operation and maintenance of the Drainage System must be transferred to and accepted by an entity which would comply with Section 40C-42.027, Florida Administrative Code, and must be approved by the Water Management District prior to such termination, dissolution or liquidation.

ARTICLE VI
COVENANT TO PAY ASSESSMENTS; ESTABLISHMENT OF LIENS;
COLLECTION OF ASSESSMENTS; COLLECTION BY DECLARANT;
CERTAIN RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES

Section 1. AFFIRMATIVE COVENANT TO PAY ASSESSMENTS. In order to: (i) fulfill the terms, provisions, covenants and conditions contained in the Villaggio Reserve Documents; and (ii) maintain, operate and preserve the Association Property for the use, safety, welfare and benefit of the Members and their family members, guests, invitees and lessees, there is hereby imposed upon each Lot and Home within Villaggio Reserve. The affirmative covenant and obligation to pay to the Association commencing from and after the recordation of this Declaration in the Public Records of the County all Assessments, including, but not limited to, the General Assessments, Individual Lot Assessments Villa Assessments, and Special Assessments (collectively hereinafter sometimes referred to as "Assessments"). Each Owner by acceptance of a deed or other instrument of conveyance conveying a Lot within the Property, whether or not it shall be so expressed in such deed or instrument, shall be obligated and agrees to pay to the Association all Assessments in accordance with the provisions of the Villaggio Reserve Documents and applicable Florida Statutes.

Section 2.. Operating Expenses.

A. General Operating Expenses applicable to all Lots and Homes within Villaggio Reserve. The following expenses of the Association are hereby declared to be Operating Expenses which the Association is obligated to assess and collect, and which the Owners are obligated to pay as provided herein or as may be otherwise provided in the Villaggio Reserve Documents:

(1) Any and all taxes and tax liens which may be assessed or levied at any and all times against the Association Property or against any and all personal property or Improvements thereon;

(2) All charges levied for utilities providing services for the Association Property, such as water, gas, electricity, telephone, cable television, sanitation, sewer and any type of utility or any other type of service charge which is not separately billed to an Owner;

(3) The premiums on policies of insurance including, but not limited to, liability, casualty and directors and officers liability insurance for the Association Property;

- (4) Any sums necessary for the maintenance and repair of the Association Property and all Improvements located thereon;
- (5) Administrative and operational expenses;
- (6) Any and all expenses deemed by generally accepted accounting principles to be Operating Expenses by the Association;
- (7) Any and all expenses related to the funding and operation of the Master Association for Villaggio Reserve, unless however such Neighborhood Association shall elect to charge each homeowner as an independent member of the Neighborhood Association; and
- (8) All sums necessary in the maintenance and upkeep of the Lots within the development as part of an overall maintenance plan for Villaggio Reserve.

Operating Expenses may be allocated to just the Single Family Homes or to the Villas as hereinafter provided or to any other type of Home or neighborhood established by the Declarant in Villaggio Reserve and in such event shall be reflected in the annual budget as described in Article VII, Section 1 hereof. Any expenses incurred for any reason in excess of any budgeted item, or attributable to only one or more buildings in which the Villas or Patio Villas are comprised of shall be treated as a Villa Expense payable by all of the Owners of the Villas and Patio Villas regardless of the extent of any such damage or lack thereof to all of the buildings necessitating or resulting in such expense. By way of illustration only, in the event of a loss to a Common Structural Element in one of the buildings or structures comprising the Villas (e.g. a common roof) then to the extent the cost of repairing such loss or damage is not within the Associations budget for the Villas or Patio Villas and is not covered fully by the proceeds of any applicable insurance, then in such event the cost shall be deemed a Villa Expense payable pro ratably by all of the Owners of the Villas and Patio Villas in Villaggio Reserve.

B. Allocated Operating Expenses for Villas (including Patio Villas). Villa Expenses shall mean and include the actual and estimated expenses incurred by the Association for the benefit of the Villa Lots, which may include, but shall not be limited to the cost of maintaining, financing, insuring (the Association shall maintain or cause to be maintained a master policy or policies of insurance for the Common Structural Elements of the Villas and Patio Villas, the annual expense of which shall be included in the Operating Expenses for the Villas and Patio Villas) or repairing the Common Structural Elements and the portions of the Villa Lots for which the Association has maintenance responsibilities pursuant to this Declaration, and any and all expenses allocated or deemed to be exclusively Villa Expenses by the Association and/or under this Declaration. Reserves for replacements of Common Structural Elements are specifically excluded from Villa Expenses. The Board may, if it so determines, include reserves in the Association's annual budget; however, reserves are not part of Villa Expenses and are therefore payable only by Completed Lot Owners. In addition, any expense which is required by the Declaration to be the matter of Villa Special Assessment shall not be deemed to be a Villa Expense. Expenses which are required to be the matter of a Villa (or Patio Villa) Special Assessment include, by way of example but not by way of limitation, the following: the cost of reconstructing, replacing or improving the Common Structural Elements or any portion thereof, any casualty loss affecting the Common Structural Elements to the extent such loss exceeds the insurance proceeds, if any, receivable by the Association as a result of such loss; any amounts necessary to pay shortages in Villa Expenses; and unbudgeted expenses and or expenses in excess of those budgeted for. The foregoing provisions shall also be deemed to apply to any allocated Operating Expenses for both the Villas and Patio Villas within Villaggio Reserve.

C. Pursuant to and in accordance with the provisions of Section 720.303 (6), and any other relevant, Florida Statutes, and any subsequent amendments thereto, the Board of Directors may establish and maintain dedicated reserve funds as provided by the Association membership and once established shall manage and maintain these reserve funds in the specific categories approved by the membership. The reserve funds shall be deposited in an interest-bearing account, and the interest shall be maintained in the reserve fund account. Reserve funds shall only be expended by the Board of Directors for major maintenance projects in the designated categories of roads, painting of common areas, mechanical/electrical/air conditioning/plumbing/fire, protection /irrigation, recreational facilities (tennis/pools), as necessary; or as otherwise provided by a majority of the Association members present and voting, in person or by proxy, at a special meeting called in accordance with legal requirements for the express purpose of designating transfer of reserve funds. Reserve funds may also be established for repair of common or party roofs, party walls, or for damage due to hurricanes or other common disasters that may not be covered in full by insurance proceeds.

D. Pursuant to the foregoing, the Board may, if it so determines, include reserves in the Association's annual budget; however, reserves are not part of Operating Expenses. In addition, any expense which is required by the Declaration to be the matter of a Special Assessment shall not be deemed to be an Operating Expense. Expenses which are required to be the matter of a Special Assessment include, by way of example but not by way of limitation, the following:

1. The cost of reconstructing, replacing or improving the Association Property or any portion thereof or Improvements thereon; any casualty loss affecting the Association or the Association Property to the extent such loss exceeds the insurance proceeds, if any, receivable by the Association as a result of such loss;

2. Any judgment against the Association (or against a Director or Directors if and to the extent such Director is, or such Directors are, entitled to be indemnified by the Association pursuant to the Articles) to the extent such judgment exceeds the insurance proceeds, if any, received by the Association as a result of such judgment, or an agreement by the Association (or such Director or Directors to whom indemnification is owed) to pay an amount in settlement of a lawsuit against it (or such Director or Directors) to the extent such settlement exceeds the insurance proceeds, if any, received by the Association as a result of such settlement agreement; and

3. Legal Fees and costs expected to be incurred by the Association in excess of \$10,000.00 in connection with litigation (whether incurred for the preparation, filing, prosecution or settlement thereof or otherwise), except Legal Fees incurred by the Association in connection with the collection of past due Assessments.

E. The following expenses are to be paid upon the affirmative vote of a majority of the Board of Directors present at a regular or special meeting of the Board of Directors at which a quorum is present, with specific notice to the community of the agenda item to be considered.

1. Any judgment against the Association (or against a director or directors, if and to the extent such Director is, or such Directors are, entitled to be indemnified by the Association pursuant to the Articles of Incorporation) to the extent such judgment exceeds the insurance proceeds, if any, received by the Association as a result of such judgment, or an agreement by the Association (or such director, or Directors to whom indemnification is owed) to pay an amount in settlement of a lawsuit against it (or such Director or Directors) to the extent such settlement exceeds the insurance proceeds, if any, received by the Association as a result of such settlement agreement; and

2. Legal Fees incurred by the Association in connection with the defense of any litigation.

The Operating Expenses with respect to the Association Property are payable by each Owner to the Association notwithstanding the fact that Declarant may not have as yet conveyed title to the Association Property to the Association.

Section 3. ESTABLISHMENT OF LIENS. Each Assessment against a Lot, together with Interest thereon and costs of collection, including, but not limited to, Legal Fees, shall be the personal obligation of the Owner of such Lot. Any and all Assessments made by the Association in accordance with the provisions of the Villaggio Reserve Documents with Interest thereon and costs of collection, including, but not limited to, Legal Fees, are hereby declared to be a charge and continuing lien upon each Lot against which each such Assessment is made. Said lien shall be effective only from and after the time of the recordation amongst the Public Records of the County of a written, acknowledged statement by the Association setting forth the amount due to the Association as of the date the statement is signed. Upon full payment of all sums secured by that lien, the party making payment shall be entitled to a satisfaction of the statement of lien in recordable form. Notwithstanding anything to the contrary herein contained, where an Institutional Mortgagee of record obtains title to a Lot as a result of foreclosure of its first mortgage or deed in lieu of foreclosure, such acquiror of title, its successors or assigns, shall not be liable for the share of Assessments pertaining to such Lot or chargeable to the former Owner thereof, as applicable, which became due prior to the acquisition of title as a result of the foreclosure except to the extent provided by relevant Florida Statutes and common law and/or unless the Assessment against the Lot in question is secured by a claim of lien for Assessments that is recorded prior to the recordation of the mortgage which was foreclosed.

Section 4. COLLECTION OF ASSESSMENTS. In the event any Owner shall fail to pay any Assessment, or installment thereof, charged to such Owner within fifteen (15) days after the same becomes due, then the Association, through its Board, shall have any and all of the following remedies to the extent permitted by law, which remedies are cumulative and which remedies are not in lieu of, but are in addition to, all other remedies available to the Association:

1. To accelerate the entire amount of any Assessment for the remainder of the calendar year notwithstanding any provisions for the payment thereof in installments.

2. To advance on behalf of the Owner(s) in default funds to accomplish the needs of the Association up to and including the full amount for which such Owner(s) are liable to the Association and the amount or amounts of monies so advanced, together with Interest and all costs of collection thereof, including, but not limited to, Legal Fees, may thereupon be collected by the Association from the Owner(s) and such advance by the Association shall not waive the default.

3. To file an action in equity to foreclose its lien at any time after the effective date thereof as provided in Section 2 hereinabove. The lien may be foreclosed by an action in the name of the Association in like manner as a foreclosure of a mortgage on real property.

4. To file an action at law to collect said Assessment plus Interest and all costs of collection thereof, including, but not limited to, Legal Fees, without waiving any lien rights or rights of foreclosure in the Association.

5. To charge Interest on such Assessment from the date it becomes due, as well as a late charge as determined by the Board to defray additional collection costs.

6. To suspend the use rights of the Owner(s) in default to the Association Property, subject to the Notice and Hearing provisions in Article IX herein.

7. To suspend the right of the Owner(s) in default to vote on any matter on which Owners have the right to vote if such Owner is delinquent in payment of assessments for more than ninety (90) days.

Section 5. COLLECTION BY DECLARANT. In the event for any reason the Association shall fail to collect the Assessments, Declarant shall at all times have the right (but not the obligation): (i) to advance such sums as the Association could have advanced as set forth above; and (ii) to collect such Assessments and, if applicable, any such sums advanced by Declarant, together with Interest and costs of collection, including, but not limited to, Legal Fees.

Section 6. RIGHTS OF DECLARANT AND INSTITUTIONAL MORTGAGEES TO PAY ASSESSMENTS AND RECEIVE REIMBURSEMENT. Declarant and any Institutional Mortgagee(s) shall have the right, but not the obligation, jointly or singly, and at their sole option, to pay any of the Assessments which are in default and which may or have become a charge against any Lot(s). Further, Declarant and any Institutional Mortgagees shall have the right, but not the obligation, jointly or singly, and, at their sole option, to pay insurance premiums or fidelity bond premiums or other required items of Operating Expenses on behalf of the Association where the same are overdue and where lapses in policies or services may occur. Declarant and any Institutional Mortgagees paying overdue Operating Expenses on behalf of the Association will be entitled to immediate reimbursement from the Association plus Interest and any costs of collection including, but not limited to, Legal Fees, and the Association shall execute an instrument in recordable form to this effect and deliver the original of such instrument to each Institutional Mortgagee who is so entitled to reimbursement and to Declarant if Declarant is entitled to reimbursement.

Section 7. CABLE TELEVISION SYSTEM. The Association shall have the right to enter into an agreement ("Cable Agreement") for cable television service ("Cable Service") for Homes in Villaggio Reserve. Any and all costs and expenses incurred by the Association under or pursuant to any Cable Agreement(s) entered into by the Association for Cable Service will be assessed against all Completed Lot Owners. Notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Cable Agreement shall be apportioned equally, but only amongst those Homes with respect to which the Association is being charged under or pursuant to the Cable Agreement except to the extent, if any, that any Owner elects to receive an "Optional Service" (being a service not automatically received by all Owners entitled to receive Cable Service pursuant to the Cable Agreement). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs thereof. The foregoing shall in no way obligate Declarant or the Association to enter into a Cable Agreement.

Section 8. MONITORED ALARM SYSTEM. The Association shall have the right to enter into an agreement ("Monitored Alarm Agreement") for monitored alarm service ("Monitored Alarm Service") for Homes in Villaggio Reserve. Any and all costs and expenses incurred by the Association under or pursuant to any Monitored Alarm Agreement(s) entered into by the Association for Monitored Alarm Service will be assessed against all Completed Lot Owners. It is contemplated that the Monitored Alarm Service will include features in addition to perimeter monitored alarm services such as, but not limited to, a smoke/heat detection system, push button panels for emergency calls or other features. Notwithstanding anything to the contrary contained in this Declaration, the costs and expenses charged to the Association under the Monitored Alarm Agreement shall be apportioned equally but only amongst those Homes with respect to which the Association is being charged under or pursuant to the Monitored Alarm Agreement except to the extent, if any, that any Owner elects to receive an "Optional Service" (being a service not automatically received by all Owners entitled to receive Monitored Alarm Service pursuant to the Monitored Alarm Agreement). Each Owner who receives an Optional Service, if any, shall be responsible for paying for the costs thereof. The foregoing shall in no way obligate Declarant or the Association to enter into a Monitored Alarm Agreement.

ARTICLE VII
METHOD OF DETERMINING ASSESSMENTS
AND ALLOCATION OF ASSESSMENTS

Section 1. DETERMINING AMOUNT AND ALLOCATION OF ASSESSMENTS. The total anticipated Operating Expenses and costs for each calendar year shall be set forth in the annual budget ("Budget") prepared by the Board as required under the Villaggio Reserve Documents. The Budget shall also include a separate section setting forth the anticipated Villa and Patio Villa expenses, Single Family Home expenses and/or the Budget may provide a breakdown of General Expenses with a further breakdown and assessment or allocation for specific expenses incurred by the Villas, the Single Family Homes and the Patio Villas, all as applicable. Except as hereinafter set forth to the contrary, General Assessments, Special Assessments and Reserves shall be allocated equally to each Lot and Lot Owner or Home Owner within Villaggio Reserve. The Board may decide to either include certain expenses within the budget(s) allocated for each type of Lot (i.e. for the Single Family Homes, Villas and Patio Villas) or assess Owners at different rates or amounts based upon the size or type or classification of the Home or other factors as may be determined by the Board from time to time including whether the Home or Lot is completed or incomplete (the "Individual Lot Assessment"). By way of example and not limitation, if the Association provides lawn maintenance, the Board may elect annually to charge each Completed Lot or Home equal assessments for such lawn service, or base such assessments on the size of the Lot, or based upon whether the Home is a Villa, Patio Villa or Single Family Home. In addition to the foregoing, the General or Individual Lot Assessment paid by the Declarant shall be based upon the level of service and the state of the Lot's development. By way of further example, the total maintenance charged to the Declarant for any Villa, Patio Villa or Single Family Home owned by the Declarant shall be limited to lawn maintenance, irrigation (and insurance for the Villas) and any additional services actually provided to the Homes owned by the Declarant for which such service is being provided. There shall be no such charge allocated to any Incomplete Lot unless and until such time as lawn maintenance or other services are provided. At such time as all of the Homes on all of the Lots have been completed and certificates of occupancy or equivalences have been issued for the Homes thereon and the Declarant has conveyed all of the Homes on all of the Lots, each Lot shall then be considered a Completed Lot and the Individual Lot Assessment shall be equal for each Lot within each category or type of dwelling unit as established by the Board. Again, by way of example only, each Villa will be assessed equally based upon the level of service provided to such dwelling type or other factors as determined by the Board and each single family home shall similarly be assessed equally based upon the level of service provided to such dwelling type or other factors determined by the Board. The assessments for the Villa(s) may be different than the Assessments imposed against the Single Family Homes, within Villaggio Reserve, etc., and may further depend upon any services undertaken for Homes within any Neighborhood established pursuant to any Neighborhood Declaration.

Notwithstanding anything in the Villaggio Reserve Documents to the contrary, any assessment for Legal Fees incurred by the Association to begin legal proceedings, other than those types of legal proceedings enumerated in subsections (a) through (e) in Section 12 of Article XII below, shall be deemed an Operating Expense which is properly the subject of a Special Assessment and not the subject of a periodic Individual Lot Assessment and, accordingly, is an Assessment which can only be levied after following the procedure set forth in Section 12 of Article XII.

The initial budget prepared by the Declarant is adopted as the budget for the period of operation until adoption of the first annual Association Budget. Thereafter, annual budgets shall be prepared and adopted by the Association. The initial Budget of the Association is projected (not based on historical operating figures). Therefore, it is possible that actual assessments may be more or less than projected and until all common areas are complete and turnover of control of the Association is completed, the Budgets will be projected.

Section 2. ASSESSMENT PAYMENTS. The Individual Lot Assessments (including Villa assessments, Patio Villa assessments and Single Family Home assessments) shall be payable quarterly, in advance, on the first day of January, April, July and October of each year, provided, however, at the Association's option, Individual Lot Assessments may be payable monthly. The Individual Lot Assessments, and the quarterly installments thereof, as well as all Assessments provided for herein and all installments thereof, may be adjusted from time to time by the Board to reflect changes in the number and status of the Lots as to the number of Completed Lots, Permitted Lots and Incomplete Lots, or changes in the Budget or in the event that the Board determines that the Assessments or any installment thereof is either less than or more than the amount actually required. When an Incomplete Lot becomes a Permitted Lot, or when a Permitted Lot becomes a Completed Lot, during a period with respect to which an Assessment or installment thereof has already been assessed, such Permitted Lot or Completed Lot, respectively, shall be deemed assessed the amount of such Assessment or installment thereof which was assessed against Permitted Lots or Completed Lots, respectively, in existence at the time of such Assessment, prorated from the date the Lot became a Permitted Lot or Completed Lot through the end of the period in question. If the payment of such Assessment or installment thereof was due at the time the Lot became a Permitted Lot or Completed Lot or prior thereto, said prorated amount thereof shall be immediately due and payable. Likewise, the amount paid with respect to such Permitted Lot or Completed Lot based upon the Lot's status as an Incomplete Lot

or Permitted Lot, respectively, prorated from the date the Incomplete Lot became a Permitted Lot or the Permitted Lot became a Completed Lot to the end of the period in question, shall be credited against the amount owed as a Permitted Lot or Completed Lot, as the case may be.

Section 3. SPECIAL ASSESSMENTS. "Special Assessments" include, in addition to other Assessments designated as Special Assessments in the Villaggio Reserve Documents and whether or not for a cost or expense which is included within the definition of "Operating Expenses," those Assessments which are levied for capital improvements. Such Assessments include the costs (whether in whole or in part) of constructing or acquiring Improvements for, or on, the Association Property or the costs (whether in whole or in part) of reconstructing or replacing such Improvements. It is recognized and declared that Special Assessments shall be in addition to, and are not part of, any Individual Lot Assessment. Any Special Assessments assessed against Lots and the Owners thereof shall be paid by such Owners in addition to any other Assessments. Special Assessments (and/or including special assessments allocated to or for the benefit of just the Villa, single family or condominium homes) shall be assessed in the same manner as the Individual Lot Assessments. Special Assessments shall be paid in such installments or in a lump sum as the Board shall, from time to time, determine. Notwithstanding the foregoing, the levying of any Special Assessment after the "Turnover Date" (as defined in the Articles) shall require the affirmative assent of at least two-thirds (2/3) of all Owners represented by their Voting Members in person or by proxy at a meeting called and held in accordance with the Bylaws. Prior to the Turnover Date, a Declarant-controlled Board may make a Special Assessment without such vote of the Members. Notwithstanding anything in this Declaration to the contrary, the Board acting alone and without the consent of Members may levy Special Assessments for the following: (a) repair, reconstruction, or replacement of damaged or destroyed Improvements previously existing on Association Property (including, without limitation, landscaping), (b) capital improvements necessary or desirable for the sole purpose of preservation or prevention of damage to, Association Property, or (c) up righting or removing any fallen or dislodged; which shall not require such affirmative assent of at least two-thirds (2/3) of the Members. Prior to the Turnover Date, a Declarant controlled Board may make a Special Assessment without such vote of the Members. The levying of Villa Special Assessments after the Turnover Date shall require the affirmative assent of at least two-thirds (2/3) of all Class "A" (or Class "B" Members in the case of the single family Lots...) Members represented in person or by proxy at a meeting called and held in accordance with the Bylaws, however, and notwithstanding anything in this Declaration to the contrary, the Board acting alone and without the consent of the Class "A" Members may levy a Villa Special Assessment for the following: (a) repair, reconstruction, or replacement of damages or destroyed Common Structural Elements previously existing on Villa Lots; (b) capital improvements necessary or desirable for the sole purpose of preservation or prevention of damage to Common Structural Elements, or (c) to obtain funds to cover insurance deductibles in the event of a casualty loss applicable to the Villas or Common Structural Elements.

Section 4. INDIVIDUAL SPECIAL ASSESSMENTS. Assessments for which one or more Owners (but less than all of the Owners) within Villaggio Reserve is subject ("Individual Assessments"), include costs of special services, costs incurred or items specifically provided to a particular Home or Owner or cost relating to enforcement of the provisions of this Declaration, or the architecture provisions hereof, as it relates to a particular Owner or home. By way of illustration only, all of the Owners within a Neighborhood, phase or plat within Villaggio Reserve (e.g. owners within the Villas, Single Family, Patio Villas or applicable pods or neighborhoods) may be subject to an Individual Assessments for maintenance, repair and/or replacement of a facility serving only the residents of such Neighborhood or plat. Further, in the event and Owner fails to maintain the exterior of his Home (other than those portions of a Home maintained by the Master Association or a Neighborhood Association) in a manner satisfactory to the Association, the Association shall have the right, through its agents and employees, or management company, to enter upon the Home and to repair, restore, and maintain the Home as required by this declaration. The cost thereof, plus the reasonable administrative expenses of the Association shall be an Individual Assessment. As a further illustration, if one or more Owners of Villa units, including Patio Villas, sustain damage to a party roof requiring minor repairs which are not the responsibility of the Association to repair, then in order to avoid consequential damage to other adjoining Villa owners and the Association undertakes to make such repairs (e.g. Such as repairing any minor leaks) the cost of such services and repairs shall be an Individual Special Assessment as to each Owner receiving such services or the benefit of same. The lien for an individual assessment may be foreclosed the same manner as any other Assessment.

Section 5. LIABILITY OF OWNERS FOR INDIVIDUAL LOT ASSESSMENTS. By the acceptance of a deed or other instrument of conveyance of a Lot in the Property, each Owner thereof acknowledges that each Lot and the Owners thereof are jointly and severally liable for their own Individual Lot Assessments and their applicable portion of any Special Assessments, as well as for any and all other Assessments for which they are liable, as provided for herein. Such Owners further recognize and covenant that they are jointly and severally liable with the Owners of all Lots for the Operating Expenses (subject to any specific limitations provided for herein such as, but not limited to, the limitation with respect to matters of Special Assessments and the limitations on the liability of Institutional Mortgagees and their successors and assigns). Accordingly, subject to such specific limitations, it is recognized and agreed by each Owner, for himself and his heirs, executors, successors and assigns, that in the event any Owner fails or refuses to pay his Individual Lot Assessment or any portion thereof, or his respective portion of any Special

Assessment or any other Assessment, then the other Owners may be responsible for increased Individual Lot Assessments or Special Assessments or other Assessments due to the nonpayment by such other Owner, and such increased Individual Lot Assessment or Special Assessment or other Assessment can and may be enforced by the Association and Declarant in the same manner as all other Assessments hereunder as provided in the Villaggio Reserve Documents.

Section 6. BUDGET DEFICITS AND SURPLUSES. Each Owner acknowledges that because Assessments may be allocated based upon either the formula or factors provided herein, level and nature of services provided, upon the number and type of Homes developed within Villaggio Reserve or upon the number of Homes conveyed to Owners during the prior fiscal year, etc. it is possible that the Association may collect more or less than the amount budgeted for Operating Expenses. Prior to the Turnover Date, Declarant shall have the option to (i) fund all or any portion of the shortfall deficit in the Assessments not raised by virtue of the income received or receivable by the Association, or (ii) to pay the Assessments on Homes or Lots owned by the Declarant based upon a formula adopted by the Board giving consideration to the level of service of Lots and Homes owned by the Declarant. Declarant shall not be required to (i) pay any Assessments, including management fees, Special Assessments or Reserves if the Declarant has elected to fund the deficit instead of paying the general or Individual Assessments or reserves on Homes or Lots owned by the Declarant. Any surplus Assessments collected by the Association may be allocated towards the next year's Operating Expenses, or in the Association's sole and absolute discretion, to the creation of reserves, whether or not budgeted. Under no circumstances shall the Association be required to pay any surplus Assessments to Owners.

Section 7. WORKING FUND CONTRIBUTION. Each Owner who purchases a Lot with a Home thereon shall pay to the Association at the time legal title is conveyed to such Owner, a "Working Fund Contribution." The Working Fund Contribution shall be an amount equal to a three (3) months' share of the annual Operating Expenses applicable to such Lot pursuant to the initial Budget (which may be different from the Budget in effect at the time of closing). The purpose of the Working Fund Contribution is to insure that the Association will have cash available for initial start-up expenses, to meet unforeseen expenditures or to acquire additional equipment and services deemed necessary or desirable by the Board. Working Fund Contributions are not advance payments of Individual Lot Assessments and shall have no effect on future Individual Lot Assessments., Working Fund Contributions may be used to offset Operating Expenses and establish or be used as a general or specific reserve by the Association. Notwithstanding the foregoing, sales of Lots by Declarant to a Developer shall not require the payment, at that time, of a Working Fund Contribution. However, the Developer shall be obligated to collect for and remit to the Association a Working Fund Contribution at the time such Developer conveys each Completed Lot.

Section 8. WAIVER OF USE. No Owner may exempt himself from personal liability for Assessments duly levied by the Association. No Owner may release the Lot owned by him from the liens and charges hereof either by waiver of the use and enjoyment of the Association Property and the facilities thereon or by abandonment of his Home or Lot.

ARTICLE VIII MAINTENANCE AND REPAIR OBLIGATIONS

Section 1. BY THE ASSOCIATION- IN GENERAL.

A. The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the common areas, recreational tracts, Improvements and facilities located upon the Association Property and such other tracts, parcels, streets, etc. as may be shown on the Plat as dedicated or reserved to the Master Association, unless and except as otherwise provided herein. Should any incidental damage be caused to any Home by virtue of the Association's failure to maintain the Association Property as herein required or by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Association Property, the Association shall, at its expense, repair such incidental damage. The Association shall not, however, be responsible for any loss of use, any hardship, an Owner's time or any other consequential or punitive damages.

B. The Association shall operate, maintain and repair the irrigation system including a water sprinkler system constructed over, through and upon the Association Property as it shall deem appropriate. The Association shall be responsible for the costs of operation and maintenance of the sprinkler system, and the cost of repair or replacement to all or any part thereof. There is hereby reserved in favor of the Association the right to enter upon the Association Property and any and all Lots for the purpose of operating, maintaining, repairing and replacing a water sprinkler system over, through and upon the Association Property and all of the Lots within the Property.

Each Owner, by acceptance of a deed or other instrument of conveyance of a Home or Lot within Villaggio Reserve, acknowledges that any water provided for irrigation purposes may be untreated water or treated effluent reuse water. Neither Declarant nor the Association shall be responsible for the quality of water provided for such irrigation purposes.

C. The Association shall operate, maintain and repair the Drainage System constructed over, through and upon the Property. There is hereby reserved in favor of the Association the right to enter upon the Association Property and the Lots for the purpose of operating, maintaining, repairing, and replacing the Drainage System over, through and upon the Property. The Association shall be responsible for all costs associated with its obligations relating to the cleaning, maintenance, repairs and replacement of any portion of the Drainage System as may be necessary to maintain the system in its original condition and use. In the event the Association fails to maintain the Drainage System in accordance with this Declaration and/or the Water Management District Permit, then the Water Management District shall have the right to commence an enforcement action against the Association, including, without limitation, monetary penalties and injunctive relief; to compel the Association to maintain the Drainage System in accordance with this Declaration and/or the Water Management District Permit. The registered agent or management company for the Association shall retain a copy of the Water Management District Permit, together with any action(s) taken by the Water Management District with respect to the Water Management District Permit, for the Association's benefit.

D. The Association shall be responsible for the maintenance, repair and replacement of all private streets located upon the Association Property and there is hereby reserved in favor of the Association the right to enter upon any and all parts of the Association Property and the Lots for such purpose. To the extent permitted by the appropriate governmental authority, the Association may, but shall not be obligated to, also provide maintenance of all city, County, district or municipal properties which are located within or in a reasonable proximity of the Property to the extent that their deterioration or unkempt appearance would adversely affect the appearance of the Property, including the right to enhance the landscaping in any public rights of way.

E. The Association, by action of the Board, may make minor and insubstantial alterations and Improvements to the Association Property having a cost not in excess of TEN THOUSAND DOLLARS (\$10,000). All other alterations and Improvements must first be approved by at least two-thirds (2/3) of all Owners represented in person or by proxy by their Voting Members at a meeting called and held in accordance with the Bylaws. No alteration or improvement may be made to the Association Property which materially and adversely affects the rights of the Owner of any Lot to the enjoyment of his Lot or the Association Property unless the Owner and all mortgagees holding recorded mortgages on such Lot consent thereto in writing.

F. All expenses incurred by the Association in connection with the services and maintenance described in the foregoing Paragraphs A through D, inclusive, are Operating Expenses, payable by each Owner under the provisions of this Declaration concerning Assessments. Should the maintenance, repair or replacement provided for in Paragraphs A through D of this Section 1 be caused by the negligence or misuse by an Owner, his or her family, guests, servants, invitees, or lessees, such Owner shall be responsible therefor, and the Association shall have the right to levy an Assessment against such Owner's Lot, and said Assessment shall constitute a lien upon the appropriate Lot and Home with the same force and effect as a lien for Operating Expenses.

G. The Association has the reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of Villaggio Reserve. The Association shall have the right, but not the obligation, following a tropical storm, hurricane or other Act of God, to upright and/or remove any fallen or dislodged trees on (i) any Lot, and/or (ii) any grassed areas located between the front and/or side of such Owner's Lot and the street; on behalf of the Owner of such Lot. In that regard, the Association may levy a Special Assessment in connection with such costs and expenses.

H. The painting and caulking of the exterior surface of each single family Home and the cleaning of the roofs of the single family Homes shall be the responsibility of the Owner. However, the Association based upon approval of the Board, shall have the right, but not the obligation, from time to time to clean the roofs, paint and caulk the exterior surface of all or some of the Homes within a designated area or Neighborhood and assess the cost of same against the applicable Home(s) or Neighborhood. The Association shall be permitted to establish Reserves in connection with the Association's maintenance obligations, if undertaken, under this Section, and said, reserves shall be provided for in the Budget and collectible as an assessment from the Owners as herein provided. The Board of Directors shall be permitted to adopt reasonable rules and regulations with respect to the Association's obligations hereunder, including, by way of illustration, scheduling and administration of the work to be performed, providing notices to the Owners as to anticipated or work to be performed and setting forth the amount of funds to be reserved within the annual Budget. The Board of Directors shall be permitted to enter into contracts with duly licensed and insured contractors to perform the work contemplated under this paragraph. Except as specifically provided herein, the Owners shall be responsible to maintain their Lots and Homes, including the roofs of their homes, in accordance with the provisions of

section 3 under this article. The Association shall not be liable for any loss sustained as a consequence of failing to timely perform such services.

I. Neither the Association nor any Owner shall alter the slopes, contours, or cross-sections of the Lakes, lake banks, Canals, canal banks and littoral zones or chemically, mechanically, or manually remove, damage or destroy any plants in any littoral zones. Lake Maintenance Easements or Lake Maintenance Access Easements except upon the written approval from the applicable governmental authority. The Association shall be responsible for maintaining the required survivorship and coverage of any planted littoral areas, to ensure the ongoing removal of prohibited and invasive non-native plant species from these areas, and to comply with all governmental regulations, including, without limitation, all permits issued by governmental and/or quasi-governmental authorities, applicable to the Lakes, lake banks, Canal, canal banks and littoral zones.

J. All expenses incurred by the Association in connection with the services, operation, maintenance, repair and replacement described in Paragraphs A through I, inclusive, are Operating Expenses, payable by each Owner under the provisions of this Declaration concerning Assessments. Should the maintenance, repair or replacement provided for in Paragraphs A through I of this Section 1 be caused by the negligence of or misuse by an Owner, such Owner's family, guests, servants, invitees, or lessees, such Owner shall be responsible therefor, and the Association shall have the right to levy an Assessment against such Owner's Lot and said Assessment shall constitute a lien upon the appropriate Lot and Home with the same force and effect as liens for Operating Expenses.

Section 2. MAINTENANCE OF THE VILLAS AND PATIO VILLAS (the terms "Villas" and "Patio Villas" as used in this Declaration may collectively be referred to "Villas" unless the context otherwise requires.)

A. BY THE ASSOCIATION. Notwithstanding anything in this Declaration or the other Villaggio Reserve Documents to the contrary, the Association's maintenance obligations with respect to the Villas and Villa Lots shall be only as follows:

1. The Association shall be responsible for the painting of the exterior surface of the walls and doors, of the Villas (using the same paint colors as originally used by Declarant or such other color as may be approved by the Board from time to time) and for maintaining all Common Structural Elements of the Villas, except for window washing which shall be the responsibility of each Villa Owner. The Association shall also be responsible for re-caulking all windows of the Villas each time the exterior walls of the Villas are painted, otherwise however the window frames shall be the responsibility of the Villa Owner. In the event the Association must paint a Villa or a portion thereof due to the negligence of the Owner of such Villa, the Association shall have the right to levy an Assessment against such Owner's Lot and said Assessment shall constitute a lien upon said Lot with the same force and effect as a lien for Operating Expenses. There is hereby reserved in favor of the Association the right to enter upon any and all Lots for the purpose of such maintenance.

2. The Association shall be responsible for the painting of the exterior surface of garage doors for the Villas, but shall not be responsible for the mechanisms associated with garages located within the Villas and shall not be responsible for any other maintenance, repair or replacement of the garages, including, without limitation, the replacement of the garage doors. There is hereby reserved in favor of the Association the right to enter upon any and all Villa Lots for such painting of the exterior surface of garage doors.

3. The Association shall be responsible for the common maintenance, repair and re-placement of the roofs, fascia and soffits of the Villas. The Association may establish reserves for such repairs and replacements or may establish a Villa Special Assessment for such items from time to time as defined in Article I, Section 53 and set forth in Article VII, Section 3 of this Declaration.

4. The Association shall maintain and care for any sod, lawns and landscaping which are encompassed within each Villa Lot including, without limitation, the irrigation system installed thereon. "Maintenance and care" within the meaning of this Article and this Subsection A shall include irrigating, mowing, edging, mulching, fertilizing, trimming of trees and landscaping of lawns. Maintenance and care shall not include any the maintenance and care of any landscaping, hedging or trees, pavers, etc. installed by any Lot Owner other than the Declarant. The Association shall not however be responsible for the Maintenance and Care of any sod, lawn or landscaping within any screened in area or that portion of any Lot surrounded by any Privacy Fences or for the care and maintenance of any pools or spa features.

5. The Association may but shall not be obligated to provide for the periodic pressure cleaning of the Villa driveways and sidewalks.

6. All expenses incurred by the Association in connection with the services and maintenance described in this Section 2.A are Villa Expenses, payable by each Villa Owner under the provisions of this Declaration. Should the maintenance, repair or replacement provided for this Section 2.A. be caused by the negligence of or misuse by an Owner, his or her family, guests, servants, invitees, or lessees, such Owner shall be responsible therefor, and the Association shall have the right to levy an Individual Assessment against such Owner's Villa and said Assessment shall constitute a lien upon the appropriate Villa with the same force and effect as liens for Operating Expenses.

7. The Association has a reasonable right of entry upon any Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of Villaggio Reserve.

8. No alteration or Improvement may be made to the Villas which materially and adversely affects the rights of the Owner of any Villa Lot to the enjoyment of such Owner's Villa Lot or the Villa unless the Owner and all mortgagees holding recorded mortgages on such Villa Lot consent thereto in writing.

B. BY THE VILLA AND PATIO VILLA OWNERS

1. The Owner of each Villa must keep and maintain his/her Villa and the Improvements thereon, which are not maintained by the Association, including equipment and appurtenances, in good order, condition and repair, and must perform promptly all maintenance and repair work within his/her Villa which, if omitted, would adversely affect Villaggio Reserve, the other Owners or the Association and its Members. The Owners' responsibility for maintenance, repair and replacement shall also include, but not be limited to, when needed, the caulking and maintenance of the exterior surface of the walls, doors and windows (i.e. window frame-including any glass frame) of the Villa. The exterior surface of such walls, doors and windows shall at all times be maintained in a good and serviceable condition with no damage or other defect thereon caused by the Owner.

2. The Owner of each Villa shall also be responsible for the maintenance, repair and replacement of the driveway of such Owner's Villa, except only for the periodic pressure cleaning of the driveway which may be performed by the Association from time to time but otherwise by the Owner at the Owners expense.

3. The Owner of each Villa shall be responsible for the maintenance, repair and replacement of any mechanisms associated with the garages located within his/her Villa but shall not be responsible for painting of the garage doors which shall be the responsibility of the Association.

4. The Owner of each Villa, shall be responsible for the periodic replacement, when necessary, of the trees, shrubs, plants, grass and other vegetation which are located on such Owner's Lot, unless same is replaced in whole or in part by the Association as a result of any common cause or necessity. An Owner shall not plant any new shrubs, trees and/or landscaping on his or her Villa Lot without the prior written approval of the Association. An Owner shall not be required to obtain the prior written approval of the Association for any tree, shrub, plant, grass or other vegetation which is being planted to place one that is diseased or dying provided such replacement is the same as the tree, shrub, plant, grass or other vegetation which is being replaced. If an Owner receives such approval and plants any new shrubs, trees and/or landscaping on his or her Villa Lot, such Owner shall thereafter be responsible for maintaining such shrubs, trees and/or landscaping.

5. Each Villa Owner shall keep insured the interior portions of such Owner's Villa and personal property (including, but not limited to, all windows, doors, floor, paint, wall and ceiling coverings, electrical fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar window treatment components, or replacements of any of the foregoing and all air conditioning compressors, whether or not located within the Villa boundaries, etc.) and shall name the Association as additional insured on the insurance policy. Evidence of such coverage shall be furnished to the Association promptly upon the Board's request. No Owner shall cancel such insurance without at least thirty (30) days prior written notice to the Association.

6. If an Owner fails to comply with the foregoing provisions of this Section 2 AB, the Association may proceed in court to compel compliance to cause an Owner to comply. If a failure to comply with the provisions of this Section 2.A relates to the Owner's obligation to maintain and care for the Villa, landscaping or any other area required to be maintained and cared for by the Owner, then, in addition to the exercise of all other remedies, the Association or Declarant shall have the right but not the

obligation, upon fifteen (15) days written notice, to enter the property of the Owner for the purpose of performing the maintenance and care referred to, set forth and described in the notice. The determination of whether an Owner is failing to properly maintain and care for the property for which he or she has the maintenance responsibility shall be determined in the sole discretion of the Association or Declarant. Further, the Association shall be entitled, but not obligated to perform such maintenance and care itself and to levy on the offending Owner an Assessment equal to the cost of performing such maintenance and any such Assessment shall constitute a lien upon the applicable Villa and Lot with the same force and effect as a lien for Operating Expenses.

Section 3. MAINTENANCE OF SINGLE FAMILY HOMES AND GENERAL MAINTENANCE BY THE OWNERS.

A. Except as may be otherwise specifically applicable to the Owners of the Villas as provided in Section 2 above, and/or as may be otherwise provided in Section 1 above which is applicable to all of the Homes in Villaggio Reserve regardless of type, (i.e. Single Family Home, Villa or Patio Villa) each Owner is otherwise responsible for the repair, maintenance and/or replacement of all portions of the Home and Lot and other improvements of the Home including any landscaping installed by any Owner or any landscaping, hedging, etc. installed within a gated or privacy fence installed by the Owner. The Owner of each Home must keep and maintain the Lot and the Improvements thereon, including equipment and appurtenances, in good order, condition and repair, and must perform promptly all maintenance and repair work within his Home which, if omitted, would adversely affect Villaggio Reserve, the other Owners or the Association and its Members. The Owner of each Lot shall be responsible for any damages caused by a failure to so maintain such Lot, Improvements and Home. The Owners' responsibility for maintenance, repair and replacement shall include, but not be limited to, all of the physical structure constructed in, upon or below the Lot, and physical items attached or connected to such structure that run beyond the boundary line of the Lot which exclusively service or benefit the Lot and Home. Additionally, the painting, caulking and maintenance of the exterior surface of the walls, doors, windows and roof of the physical structure of the Home shall, unless undertaken from time to time by the Association, be done by the Owner, and the exterior surface of such walls, doors, windows and roof shall at all times be maintained in a good and serviceable condition with no damage or other defect therein by the Owner. The foregoing shall not however preclude the ability of the Association to contract for the painting of the Single Family Homes as part of a general maintenance and repair program and for which the Owners of the Single Family Homes have been either special assessed or reserves and/or the expense of such program has been included in the Budget applicable to the Single Family Homes. The Owner of a Lot further agrees to pay for all utilities, such as telephone, cable television, water, sewer, sanitation, electric, etc., that may be separately billed or charged to each Home. The Owner of each Lot shall be responsible for insect and pest control within the Home. Whenever the maintenance, repair and replacement of any items which an Owner is obligated to maintain, repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance or otherwise, reduce the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

In addition to the foregoing, the Owner of each Home shall be required to maintain appropriate climate control keep his or her Home clean, promptly repair any leaks and take necessary measures to retard and prevent mold, fungi, mildew and mycotoxins from accumulating in the Home. Each Owner shall be required to clean and dust such Owner's Home on a regular basis and to remove visible moisture accumulation on windows, window sills, walls, floors, ceilings and other surfaces as soon as reasonably possible and must not block or cover any heating, ventilation or air-conditioning ducts, and to properly maintain and have serviced on a regular basis, the Home's HVAC system. Each Owner of a Home shall be responsible for damage to such Owner's Home and personal property as well as any injury to the Owner of a Home and/or occupants of the Home resulting from the Owner's failure to comply with these terms. Each Owner of a Home shall be responsible for the repair and remediation of all damages to the Home caused by mold, fungi, mildew and mycotoxins. While the foregoing are intended to minimize the potential developments of molds, fungi, mildew and other mycotoxins, each Owner understands and agrees that there is no method for completely eliminating the development of same. Declarant does not make any representations or warranties regarding the existence or development of molds, fungi, mildew or mycotoxins, and each Owner on behalf of themselves and their family members, guests, invitees, tenants, successors and assigns shall be deemed to and by acceptance of a deed or title to the Home or by use of the Home, waives and expressly releases any such warranty and claims for loss or damages (including, without limitation, property damage and/or personal injury) resulting from the existence and/or development of same.

B. In addition to the above, and except as otherwise set forth above with regard to the Villas or hereinafter as to Party Walls and party roofs, the Owners of all Homes shall be responsible to: fix leaks in and otherwise maintain and repair the roofs of their Homes; replace any dead or obviously dying trees or landscaping, including trees, shrubs, flowers and other plant materials on their Lots and maintain, repair and replace any fences on their Lots, except as otherwise provided herein. Owners of Homes shall also clean, maintain and repair the driveways located on their Lots and keep the sidewalks located on their

Lots clean. Each Owner shall be responsible for the care and maintenance of any sod, lawn or landscaping regardless of whether installed by Declarant or not, within any screened in area or that portion of any Lot surrounded by any Privacy Fences or any area of the Lot which is not readily and openly accessible to the Association.

C. If a Home is damaged by fire or other casualty, its Owner shall properly and promptly restore it to at least as good a condition as it was before the casualty occurred. Any such work shall be in accordance with the original plans and specifications of the Home unless otherwise authorized by the Board and shall be otherwise subject to all provisions of Article VIII hereof.

D. Each Owner shall keep his Home insured in an amount not less than its full insurable value against loss or damage by fire or other hazards. Evidence of such coverage shall be furnished to the Association promptly upon the Board's request and a Certificate of Insurance naming the Master Association and/or the applicable Neighborhood Association as an additional named insured under any such policy. In the case of attached Homes (i.e. Villas), the Owner of any such Home shall provide the Association with the certificate of Insurance on an annual basis insuring the contents of the Villa or any attached home, notwithstanding the undertaking of the Association to provided structural and building insurance for the Villas and attached Homes as provided in Article II hereof.

E. If an Owner fails to comply with the foregoing provisions of this Section 3, the Association may proceed in court to enjoin compliance. Further, if the failure to comply relates to the Owner's obligations to maintain insurance, the Association shall be entitled, although not obligated, to obtain the required coverage itself and to levy on the offending Owner an Assessment equal to the cost of premiums, and any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

F. If a failure to comply with the provisions of this Section 3 relates to the Owner's obligation to maintain the Home, landscaping or any other area required to be maintained by the Owner, then, in addition to the exercise of all other remedies, the Association or Declarant shall have the right but not the obligation, upon fifteen (15) days written notice, to enter the property of the Owner for the purpose of performing the maintenance referred to, set forth and described in the notice. The determination of whether an Owner is failing to properly maintain and care for the property for which he has the maintenance responsibility shall be determined in the sole discretion of the Association or Declarant. Further, the Association shall be entitled, but not obligated, to perform such maintenance and care itself and to levy on the offending Owner an Individual Lot Assessment equal to the cost of performing such maintenance and any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

G. The Owner of each Lot shall be responsible for the maintenance, repair and replacement of any Privacy Fences and Hedges encompassed within each Lot, subject to and except as otherwise provided in Article X, Section 8 herein.

H. The Owner of each Home, shall be responsible for the periodic replacement, when necessary, of the trees, shrubs, plants, grass and other vegetation which are located on such Owner's Lot, unless same is replaced in whole or in part by the Association as a result of any common cause or necessity in the sole discretion of the Association as it relates to Single Family Homes. An Owner shall not plant any new shrubs, trees and/or landscaping on his or her Lot without the prior written approval of the Association. An Owner shall not be required to obtain the prior written approval of the Association for any tree, shrub, plant, grass or other vegetation which is being planted to place one that is diseased or dying provided such replacement is the same as the tree, shrub, plant, grass or other vegetation which is being replaced. If an Owner receives such approval and plants any new shrubs, trees and/or landscaping on his or her Lot, such Owner shall thereafter be responsible for maintaining such shrubs, trees and/or landscaping. No weeds, underbrush, refuse or unsightly objects shall be permitted to remain upon any Lot. All landscaping, sprinkler systems, structures, improvements and appurtenances shall be kept in good, safe, clean, neat and attractive condition in accordance with all provisions of this Declaration (including architectural control). Upon failure of the Owner of any Lot to maintain same as aforesaid to the reasonable satisfaction of the Association after thirty (30) days prior written notice, the Association may (i) enter upon such Lot and make such improvements or correction as may be necessary, the costs of which (together with the administrative fee equal to 20% of such cost) shall be paid to the Association by the offending Owner or (ii) the Association may bring an action at law or in such equity against such party to enforce this provision, and/or recover damages for the failure to abide by same. However, if any emergency situation arises as a result of a failure of any portion of the lot to be maintained as set forth above, the Associations shall have the foregoing remedies without having to give the aforescribed thirty (30) days prior written notice. Entry by the Association as described herein shall not be a trespass, and by the acceptance of a deed for a lot, all Owners have expressly given the Association the continuing permission to enter, which permission may be revoked. If any Owner fails to make payment as above provided, within fifteen (15) days after request, the Association shall have the right

to convert such charge to an individual assessment and file a lien therefor on the home of the offending Owner, and enforce the lien in accordance with Article VI hereof.

Section 4. DAMAGE TO BUILDINGS. The Owner of any Home which has suffered damage may apply to the ARC Committee for approval for reconstruction, rebuilding, or repair of the Improvements therein. The Committee shall grant such approval only if, upon completion of the work, the exterior appearance will be substantially similar to that which existed prior to the date of the casualty. If the obligation for repair falls upon the Association, the Committee approval will not be required prior to the commencement of such work, so long as the exterior appearance will be substantially similar to that which existed prior to the date of the casualty.

The owner or owners of any damaged building, the Association, and the Architectural Control Committee shall be obligated to proceed with all due diligence hereunder and the responsible parties shall commence reconstruction within three (3) months after the damage occurs and complete reconstruction within one (1) year after the damage occurs, unless prevented by causes beyond his or its reasonable control.

The Declarant shall be exempt from the provisions of this Section 3, provided that any such reconstruction, rebuilding or repairs made by the Declarant shall be consistent, as to the exterior appearance, with the Improvements as they existed prior to the damage or other casualty.

Section 5. SPECIFIC PROVISIONS FOR VILLAS AND PATIO VILLAS. The provisions contained in this Section 5 shall only apply to the Villas (including the Patio Villas) located within Villaggio Reserve. The Villas shall be further subject to these provisions in addition to all other provisions contained in this Declaration and the other Villaggio Reserve Documents and Association Documents.

5.1 COMMON STRUCTURAL ELEMENTS. The Villas section of Villaggio Reserve is intended to include buildings ("Building(s)") containing Villas, each of which shall contain Common Structural Elements which shall include, but are not limited to, the following (collectively, the "Common Structural Elements"):

(a) Utility Lines. All utility lines and other utility fixtures and appurtenances which are located on, within or under each Building and which directly or indirectly, in any way service more than one villa in such building.

(b) Party Walls. All division walls ("Party Walls") between two (2) Villas located upon a Lot line between two Villas, provided that the mere fact that such a division wall between two (2) Villas is found to be not on a Lot line shall not preclude that division wall from being a Party Wall. The Owners of the Villas adjacent to a Party Wall shall own such Party Wall as tenants in common.

(c) Roofing. The entire roof of a Building, any and all roof support structures, and any and all appurtenances to such roof and roof support structures, including, without limitation, the roof covering, roof trim and roof drainage fixtures.

(d) Bearing Walls. Any and all walls or columns necessary to support the Building and/or roof structure.

(e) Exterior Finish. Any and all siding, finish, trim, exterior shavings, window framing (but not the glass), and other exterior materials and appurtenances on the exterior of each building.

(f) Privacy Walls. The walls (other than Party Walls) or hedges erected or which may be erected along the Lot lines, and all foundational and support structures with respect thereto. Privacy walls may also constitute Party Walls.

Should the Common Structural Elements or a part thereof, extend beyond the Lot, same shall not be deemed to violate the provisions of this Declaration, and such easements as may be necessary to accommodate and permit the Common Structural Elements as same shall be constructed and for the maintenance, repair and replacement thereof, are hereby imposed; provided, however, nothing herein shall be deemed to grant any Owner with the authority to install or construct any such Common Structural Elements that extend beyond the Lot.

In the event any Common Structural Element or part thereof, located within a Villa, requires maintenance, repair or replacement, and the necessity for such maintenance, repair or replacement was not due to any act or failure to act on the part of the Owner of the Villa in question and the cost of such maintenance, repair or replacement would result in an inequitable and unfair burden upon any particular villa is determined by the Board, the cost of such maintenance, repair or replacement shall be a Villa expense shared by all of the Villa owners.

5.2 Easements and Covenants Relating to Villas. Each Owner sharing a Party Wall shall have all easement rights reasonably necessary to perform the obligations contained herein over the roof, structure, etc. of each of the affected Villas and each adjoining party wall and party roof including but not limited to the following easements, rights and obligations.

(a) Utility Easements. Each Owner of a Villa grants to all other Owners owning a Villa in the same Building, a perpetual utility easement for water, sewer, power, telephone and other utility and service company lines and systems installed beneath, or within the Villa. Any expense for the necessary access of authorized personnel of the utility or service company to service lines affecting all Villas within a Building, and which are located beneath, or within the Building, shall be shared equally by each of the Owners of Villas in the Building affected; provided, however, that were such access by authorized personnel of utility or service company is required because of the intentional or negligent misuse of the utility or service company line or system by an Owner of a Villa, his or her lessee, licensee, invitees, or agent, any expense arising therefrom, shall be borne solely by such Owner.

(b) Access Easement. Perpetual, nonexclusive easements of ingress and egress over, under and across any Lots on which Villas are located ("Villa Lots") within Villaggio Reserve are hereby granted in favor of the Association, which are necessary or convenient for enabling the Association, its employees, contractors and agents, to maintain the Lots in accordance with this section, and this Declaration.

(c) Structural Cross Easements. Cross easements of support, and use over, upon, across, under, through and into the Common Structural Elements are hereby granted in favor of the Owners of Villas or their designees for the continued use, benefit and enjoyment and continued support, service, maintenance, repair and design of all Villas and Common Structural Elements.

(d) Party Walls and Shared Roofing. Any party to set Party Wall and such party's heirs, successors, and assigns, shall have the right to use same jointly with the other parties to said Party Wall as herein set forth. The term "use" shall and does include normal interior usage such as paneling, plastering, decoration, erection of tangent walls and shelving, but prohibits any form of alteration which would cause an aperture, whole, conduit, break or other displacement of the original concrete or other material forming said Party Wall. The cost of maintaining each side of a Party Wall shall be borne by the Owner of the Villa using said side, except as otherwise provided herein. No Owner of a Villa shall paint, refurbish or modify or authorize the painting, refurbishing or modification of the exterior surfaces or the roofing of his or her Villa without the consent of the Association.

(e) Fencing. In addition to the fence restrictions set forth in this Declaration, in the event an Owner of a Villa installs or constructs a fence on his or her Villa Lot in accordance with this Declaration, such fence shall include a gate so that the Association, or its employees can access the fenced in area to perform the maintenance responsibilities as set forth herein.

5.3 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Section, the general rule of law regarding party walls and party roofs and liability for personal damage due to negligence or willful acts or omissions shall apply to all party walls and party roofs within Villaggio Reserve which are built by Declarant as part of the original construction of the Homes, and any replacement thereof. In the event any portion of any structure or facility, as originally constructed by Declarant or any developer, including, without limitation, any party wall or any party roof, shall protrude over an adjoining Home, it shall be deemed that such Owners have granted perpetual easements to the Declarant, the Association and the adjoining Owner or Owners for continuing maintenance and use of the projection or party wall or party roof. The foregoing shall also apply to any replacements of any party walls or party roofs. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of this Declaration.

5.4 Sharing of Repair, Replacement and Maintenance for Party Walls.

(a) Generally. The cost of reasonable repair and maintenance of Party Walls shall be shared equally by the Owners of the Villas, sharing such improvements without prejudice, however, subject to the right of any Owner to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

(b) Failure to Contribute. In the event that an Owner shall fail or refuse to pay his or her pro rata share of the costs of repair, maintenance or replacement of a Party Wall (whether or not to his own fault or the failure of his or her insurance company to pay any claim), then and in such event, the Owner advancing monies therefore, or the Association, shall have a right to file a claim of lien for such monies advanced in the Public Records and shall have the right to foreclose said lien in accordance with the same procedural requirements is not provided for in Florida Statutes for the foreclosure of a construction lien; provided,

however, such claim a lien shall be filed within 90 days from the date repairs, replacements are made to the Party Wall and suit is filed thereon within one year from the date such lien is filed.

(c) **Alterations.** Subject to applicable building codes, the Owner of a Villa sharing a Party Wall with an adjoining Villa shall not cut windows or other openings in the Party Wall, nor make any alterations, additions, or structural changes in the Party Wall without the joint agreement of all of the Owners sharing the Party Wall, together with the approval of the applicable architectural control committee of either the Association or any applicable Neighborhood Association.

(d) **Weatherproofing.** Notwithstanding any other provisions of this declaration, and Owner who by his negligent or willful act causes a Party Wall to be exposed to the elements shall bear the whole and entire cost of furnishing the necessary protection against such elements.

5.5 Sharing of Repair, Replacement and Maintenance for Party Roofs.

(a) **Generally.** The cost of the reasonable repair and maintenance of the party roofs shall be borne by the Association unless such repair, etc. is the result of the action or inaction or negligence of a particular Owner of a Villa sharing a party roof or is due to a common loss covered by the Association building insurance for the building in which the Villa is located or the Villa Owner's homeowners insurance. In such event the responsible Owner shall pay for the cost of the repair of such roof. If more than one Owner is responsible then the cost of such repair shall be shared on a pro rata basis based upon the air-conditioned space sharing such party roof without prejudice, however, to the right of any Owner to call for larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

(b) **Failure to Contribute.** In the event that an Owner fails or refuses to pay his or her pro rata a share of the costs of repair, maintenance, or replacement of a party roof (whether or not to his own fault or the failure of his or her insurance company to pay any claim), then and in that event, the Association or the Owner advancing monies therefore shall have a right to file a claim of lien for such monies advanced in the public records and shall have the right foreclose said lien in accordance with the same procedural requirements is not provided for in Florida Statutes for foreclosure of a construction lien; provided, however, such claim of lien shall be filed within 90 days from the date repairs or replacements are made to the Party can prove and suit, there shall be commenced within one year from the date such lien is filed.

(c) **Alterations.** Subject to applicable building codes, the Owner of a Home sharing a party roof with an adjoining Home shall not make any alterations, additions or structural changes in the party roof without the joint agreement of all of the Owners sharing the party roof, and the ARC.

Section 6. Specific Additional Provisions for Zero Lot Line Single Family Homes.

6.1 **Easement for Zero Lot Line Wall Maintenance.** Maintenance of a zero lot line wall shall be the obligation of the Owner of the zero Lot line wall. Declarant hereby grants to the Association and each Owner of a zero lot line wall a maintenance easement over the Home adjacent to the zero lot line for the maintenance of the zero lot line wall and any wing wall attached thereto and for ingress and egress to the zero lot line wall and window. The easement, shall be 4 feet in width, shall be immediately contiguous to the zero lot line wall, and shall run the entire length of the Home on which the easement exists. No improvements of any kind shall be constructed in the easement area, which would block access to the zero lot line wall and wing wall, if any, or which would in any way interfere with the ability of an Owner of a zero lot line wall to maintain the zero lot line wall and wing wall. Notwithstanding the foregoing, declarant may construct a connecting wall across the easement area; provided, however, that the Owner of a zero lot line wall shall have access at all reasonable times to the easement area. In the event there is any question about one access to the easement created by this section is reasonable, the Association's determination shall be final. In the event that the owner of a zero lot line wall damages the adjacent Home, subject to the foregoing maintenance easement, the owner of the zero lot line wall shall be responsible for repairing such damage. In a timely manner and in accordance with the standards established by the ACC. In the absence of specific standards, the repair, shall be accomplished as soon as reasonably possible, and at the sole expense of the Owner causing the damage. In the event that an Owner shall fail to make repairs as required herein, or if the Association has the reasonable belief that such repairs will not be made in a timely manner, then the Association shall have the right at reasonable times to enter the damaged Home to effect such repair, and the cost thereof shall be charged to the Owner of the zero lot line wall as an Individual Special Assessment.

6.2 **Adjacent Owner Paint Obligations.** Notwithstanding the foregoing, the Owner of any Home immediately adjacent to a zero lot line wall shall have the responsibility for painting the exterior surface of the wall facing such Home. This maintenance obligation does not extend to the top of the wall, which faces skyward.

6.3 No Structural Change. No Owner shall cut a window or any opening in a zero lot line wall or shall any owner make any structural changes in a zero Lot line wall, including, but not limited to, change of paint color, without the express written approval of the ACC.

6.4 Damage by Owner of Adjacent Home. In the event that a zero lot line wall is damaged by the Owner of an adjacent Home, the Owner of the adjacent Home shall be responsible for repairing such damage. In a timely manner and in accordance with the standards established by the ACC. In the absence of specific standards, the repair, shall be accomplished as soon as reasonably possible, and at the sole expense of the Owner causing the damage. In the event that an Owner shall fail to make the repairs as required herein, or if the Association has the reasonable belief that such repairs will not be made in a timely manner, then the Association shall have the right at reasonable times to enter the adjacent Home to effect such repair, and the cost thereof shall be charged to the adjacent Owner as an Individual Special Assessment.

6.5 Construction Easement. Declarant reserves an easement over all zero lot line Homes for all construction purposes. By way of illustration, Declarant and Declarant's construction crews may be required to enter onto a completed zero lot line Home in order to complete construction of an adjacent Home. This easement shall permit all ingress and egress necessary to complete Homes adjacent to zero lot line homes and shall be construed as broadly as possible.

ARTICLE IX
USE RESTRICTIONS

All of the Property shall be held, used, and enjoyed subject to the following limitations and restrictions, and any and all additional rules and regulations which may, from time to time, be adopted by the Association:

Section 1. STRUCTURES AND OTHER IMPROVEMENTS. No structures or Improvements of any kind, including but not limited to, any building, wall, fence, sign, mailbox, landscaping, planting, swimming pool, tennis court, basketball structure, outdoor play equipment, screen enclosure, driveway, sidewalk, sewer, drain, water area, or outside lighting, shall be erected, placed, planted or maintained on any portion of the Property without the consent of the Architectural Committee ("ARC") pursuant to Article 11 hereof.

Section 2. ANTENNAS, DISCS AND FLAGPOLES. No outside antennas, discs, aerials, satellite dishes, poles, electronic devices, or flagpoles shall be permitted on any portion of the Property except as may be approved by the ARC, and further conditioned on compliance with County ordinances and the obtaining of applicable governmental approvals, if any.

Section 3. TEMPORARY STRUCTURES. No tents or temporary structures shall be permitted on any portion of the Property unless their size, appearance and temporary location have first been approved in writing by the ARC, and by the County or its appropriate review committee. Any signs to be used in conjunction with any tent or temporary structure must (i) be approved by the ARC; and (ii) be in compliance with County ordinances and if applicable, conditioned on procuring required governmental approvals.

Section 4. RESIDENTIAL PURPOSES AND OCCUPANCY. Homes shall be used for Residential Purposes only. No trade, business, profession or other type of commercial activity may be conducted in any Home; provided, however, the rental of a Home for residential occupancy shall not be deemed for commercial activity.

Section 5. OWNERS' PERSONAL PROPERTY. Owners shall store personal property within their respective Homes and any outdoor furniture, or the like, shall be kept in a neat and clean manner at all times.

Section 6. FACTORY BUILT STRUCTURES. No Structure of any kind of what is commonly known as "factory built", or "modular", or "mobile home" type construction shall be erected anywhere on the Property without the prior written approval of the ARC.

Section 7. SIGNS.

1. Signs for the Sale or Rent of Homes. Signs for sale or rent may not be displayed on or about the Home, on the Property or any Lot with respect to any Home.

2. Other Signs. No other signs, advertisements, notices or other lettering shall be displayed on any portion of the property unless the placement, content, form, size, lighting and time of placement of such sign be first approved by the ARC unless otherwise subject to the provisions of F.S. 720.304. No flashing signs or flags shall be permitted. All signs must also conform with the governmental codes and regulations and with any master design plan for signs established by the ARC. None of the provisions of this section shall apply to the Declarant (or any Affiliate of the Declarant) or to Homes or Lots owned by Declarant.

Section 8. WALLS, FENCES AND SHUTTERS. The prior written approval of the ARC shall be required as a condition precedent to the : (a) construction of any wall, fence, hedge or shrubbery on the Property; (b) construction of any wall or fence on any Lot (no wall or fence shall be constructed until its height, length, type, design, composition, material and location is approved in writing by the ARC); and (c) storage of any hurricane, storm or weather shutters, awnings or shades on the exterior of any Structure. Replacement of improvements constructed by the Declarant or previously approved by the ARC, so long as replaced with improvements of like kind and quality, shall not deemed "construction" or require ARC approval. The Association shall not be responsible for any scheduled or scheduled care and/or maintenance of any portion of any lot which has been walled or fenced in by any Owner.

Any fence placed upon any Lot must be approved by the Committee, as provided in Article VIII hereof, prior to installation. In no event may a fence be placed in the area between the front of a Home and the Street, Drive, Road or Roadway at the front of the Lot on which the Home is situated. The Owner assumes complete responsibility to maintain the fence, including, but not limited to, trimming any grass, ivy or other plants from the fence. In the event the Committee approves the installation of a fence, it shall also have the right to require installation of landscaping, also subject to the Committee's approval, at the time the fence is installed.

Notwithstanding that an Owner has obtained the approval of the Committee to install a fence or landscape materials, as provided hereinabove, such installation shall be at the Owner's sole risk so long as Declarant has not yet begun or is engaged in the construction of a Home on an adjacent Lot. In the event such construction activity on an adjacent Lot causes damage to or destruction of such Owner's fence or landscape materials or any part thereof, the Owner on whose Lot the fence and/or landscaping has been damaged shall be required, at the Owner's expense, to repair or replace such fence and/or landscape materials in conformance with the requirements of the Committee's approval of the initial installation of the fence and/or landscape materials and Declarant shall have no liability for any such damage or destruction. Such repair or replacement shall commence as soon as construction on the adjacent Lot has been completed and shall be pursued with due diligence. For purposes of this paragraph, the term "landscape materials" shall include landscape materials located on or adjacent to any property line of a Lot, including, by way of example and not of limitation, hedges, shrubs and trees, whether associated with a fence or not.

In addition, the installation of any fence placed upon any Lot is subject to easements which run with the land. In the event the grantee of any such easement which runs with the land (i.e., FPL), its successors and/or assigns, requires the removal of any fence upon the Lot, then the Owner of said Lot shall, at the Owner's sole cost and expense, immediately remove the fence. The Owner of a Lot in installing any fence upon the Lot shall comply with all valid laws, zoning ordinances and regulations of the city and County governmental bodies, as applicable, in addition to the Committee approval required by Article VIII hereof.

Notwithstanding anything contained to the contrary in this Declaration, an Owner of a Lot who elects to install a fence on any portion of his Lot shall be responsible for the maintenance and care of the lawn and landscaping and Hedge, if any, in the portion of the Lot which becomes enclosed by the fence construction, provided, however, the Association shall remain responsible to maintain the Privacy Fence, if any, located within any such Lot. Such Owner of a Lot shall not be entitled to a reduction in Assessments in turn for being responsible for such maintenance and care. "Maintenance and care" within the meaning of this subsection shall include, by way of example and not of limitation, mowing, edging, fertilizing and spraying of lawns, maintenance of the irrigation system, replacement of sod and the trimming, fertilizing and spraying of any Hedge. In the event the Owner fails to properly maintain his Lot and/or Home pursuant to this subparagraph, then the Association or Declarant shall have the right but not the obligation, upon fifteen (15) days written notice, to enter the property of the Owner for the purpose of performing the maintenance referred to, set forth and described in the notice. The determination of whether an Owner is failing to properly maintain and care for the property for which he has the maintenance responsibility shall be determined in the sole discretion of the Association or Declarant. Further, if failure to comply relates to the Owner's obligations to maintain and care for his property, the Association shall be entitled, but not obligated, to perform such maintenance and care itself and to levy on the offending Owner an Assessment equal to the cost of performing such maintenance and any such Assessment shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

Section 9. MAILBOXES. No Owner shall alter or replace the mailbox serving his Lot without the prior written consent of the Board of the ARC. Villas and Patio Villas within Villaggio Reserve and Single Family Homes will have clustered mailboxes that shall be maintained by the Association.

Section 10. REMOVAL OF SOD AND SHRUBBERY. No sod, topsoil, muck, trees or shrubbery shall be removed by any Owner from any portion of any Lot or Common Areas without the prior written consent of the Board of the ARC.

Section 11. GARBAGE AND TRASH CONTAINERS. All garbage, trash containers and the like shall be placed in Board or ARC approved receptacles or in such a manner as not to be visible from the streets. If the County does not provide for the removal of refuse, the Association shall employ the services of a private company for the removal of all refuse.

Section 12. OTHER ACTIVITIES. All Owners, occupants and users of the Property are hereby placed on notice that Declarant and/or its agents, contractors, subcontractors, licensees and other assignees will be, from time to time, conducting excavation, construction, blasting or other such activities within the Property. By the acceptance of their deed or other such interest, and by using any portion of the Property, each such Person acknowledges, stipulates and agrees (i) that none of the aforesaid activities shall be deemed nuisances or noxious or offensive activities, hereunder, or at law generally, (ii) not to enter upon, or allow their children or other persons under their control or direction to enter upon any other property within or in proximity to the Property where such activity is being conducted (even if not being actively conducted at the time of entry), (iii) that Declarant and the aforesaid related parties shall not be liable for any and all losses, damages (compensatory, consequential, punitive or otherwise) injuries or deaths arising from or relating to the aforesaid activities, (iv) that any purchase or use of any portion of the Property has been and will be made with full knowledge of the foregoing, and (v) that this acknowledgment and agreement is a material inducement to the Declarant to sell, convey, lease and/or allow the use of the applicable portion of the Property.

Section 13. BOATING, FISHING AND SWIMMING. Boating and fishing in any water bodies within Villaggio Reserve may be subject to any rules promulgated from time to time by the Board, or any other governmental authority. However, (i) no vessels using combustion engines shall be allowed on any lakes, (ii) no jet skis of any nature shall be allowed on any lakes and (iii) no swimming shall be allowed in any lakes. Neither Declarant, the Association, nor any of their officers, directors, committee members, employees, management agents, contractors or subcontractors (collectively, the "Listed Parties") shall be liable for any property damage, personal injury or death occurring in or, otherwise related to, any water body; all persons using the same do so at their own risk. All Owners and users of any portion of the Property shall be deemed, by virtue of their acceptance of the deed or use of any facility at the Property, to have agreed to release the Listed Parties from all claims for any and all changes in the quality and level of the water in such bodies. All persons are hereby notified that from time to time alligators and other wildlife may inhabit or enter into water bodies within or nearby the properties and may pose a threat to persons, pets and property, but that the Listed Parties are under no duty to protect against, and do not in any manner warrant or insure against, any death, injury, or damage caused by such wildlife.

Section 14. AREAS OUTSIDE HOMES. No garbage cans, supplies, or other articles not intended as outdoor amenities shall be placed or stored on patios, nor shall any laundry of any kind, or other articles, be shaken or hung from any portion of the exterior of walls, doors, patios, windows or roofs, unless approved in writing by the board or the ARC. Notwithstanding the foregoing, laundry may be aired or dried from clotheslines as long as the clothesline is screened from the view of all persons except those within the Home at which the clothesline is located.

Section 15. RULES AND REGULATIONS. The Board, in accordance with the Bylaws, shall have the right to promulgate and impose Rules and thereafter modify, alter, amend, or terminate any of the same with respect to the use, operation and enjoyment of the Association Property and common Areas and other improvements located thereon, including, but not limited to, establishing reasonable fees for the use of the facilities and establishing hours and the manner of operation.

Section 16. NO IMPLIED WAIVER. The failure of the Board to object to an Owner or another person's failure to comply with restrictions contained herein shall in no event be deemed a waiver by the Board, or any Person having an interest herein, of its right to object to the same and to seek compliance therewith in accordance with the provisions of this Declaration.

Section 17. EXCULPATION FOR ACTION. The Board or the ARC may grant, withhold or deny its consent or approval in any instance where such is permitted or required without any liability of any kind therefor so long as the Board or ARC is acting in good faith. No approval, consent or waiver of action by the Board or the ARC shall be deemed a warranty of compliance nor shall give rise to any claim against the Board or the ARC, except for their gross negligence or intentional misconduct.

Section 18. EXTENDED MEANING OF OWNER. All restrictions in this Article IX which refer to Owners shall be construed to include any other Person occupying an Owner's Home, including his family members, agents, lessees, licensees,

invitees or guests. Failure of an Owner to notify any Person of the existence of the covenants, restrictions, easement and other provisions of this Declaration shall not in any way act to limit or divest the right of enforcement of these provisions against the Owner or such Person.

Section 19. NUISANCES. No obnoxious or offensive activity shall be carried on or about the Lots or in or about any Improvements, Homes, or on any portion of Villaggio Reserve nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any Owner. No use or practice shall be allowed by any Owner in or around the Homes which is a source of annoyance to Owners or occupants of Homes or which interferes with the peaceful possession or proper use of the Homes or the surrounding areas. No loud noises or noxious odors shall be permitted in any Improvements, Homes or Lots. Without limiting the generality of any of the foregoing provisions, no horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or any items which may unreasonably interfere with television or radio reception of any Owner shall be located, used or placed on any Lot, or exposed to the view of other Owners without the prior written approval of the Board. Notwithstanding anything to the contrary herein, so long as any activity which is carried on upon a parcel of real property under development is allowable within applicable zoning regulations or is a noise emanating from any equipment (e.g. pool pumps or air conditioning compressors or fans) utilized by any common area facilities, no such activity shall be deemed a nuisance hereunder.

Section 20. PARKING AND VEHICULAR RESTRICTIONS. Parking upon the Property shall be restricted to the drive and garage located upon a Lot, if any, and designated parking areas within the Association Property. No parking on the streets or swales is permitted, except on a very temporary basis, such as to accommodate a large party or gathering for a few hours. No Owner shall keep any vehicle on a Lot which is deemed to be a nuisance by the Board. No Owner shall conduct repairs taking more than twenty-four (24) hours (except in an emergency or except within the garage of the Home with the garage door closed) or restorations of any motor vehicle, boat, trailer, or other vehicle upon a Lot. No commercial vehicle, limousine, truck, pickup truck used for business or commercial purposes (i.e. other than personal transportation), tractor, trailer, boat or boat trailer may be parked or stored on the Property except in the garage of a Home located upon a Lot, with the garage door in a closed condition. No bus or tractor-trailer or any other truck larger and/or other than a full-size sport utility vehicle may be parked on the Property, except temporarily as in the case of a moving van or other such vehicle necessary to provide service to an Owner and with the exception of any vehicles necessary for any construction activity being performed by or on behalf of Declarant or a Developer.

Section 21. NO IMPROPER USE. No improper, offensive, hazardous or unlawful use shall be made of any Home nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to any person using any portion of the Property. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any Home shall be corrected by, and at the sole expense of, the Home's Owner.

Section 22. INCREASE IN INSURANCE RATES. No Owner may engage in any action which may reasonably be expected to result in an increase in the rate of any insurance policy or policies covering or with respect to any portion of the Property not owned by such Owner.

Section 23. SLOPES AND TREES. No Owner may engage in any activity which will change the slope or drainage of a Lot. No additional trees are permitted to be planted on the Property without the prior written consent of Declarant for as long as Declarant owns a Lot, and thereafter without the prior written consent of the ARC.

Section 24. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, boring or mining operations of any kind shall be permitted upon or on any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 25. SEWAGE DISPOSAL AND TRASH. No individual sewage disposal system shall be permitted on any of the Property, provided that a central sewage disposal system is being operated in accordance with the requirements of the governmental regulatory body having jurisdiction over said central system. No rubbish, trash, garbage, refuse, or other waste material shall be kept or permitted on the Lots and/or Association Property, or other portions of the Property, except in sanitary, self-locking containers located in appropriate areas (i.e., areas not visible from the street or any other Lot other than at times of scheduled trash pick-ups), and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, offensive, detrimental or a nuisance to Owners or to any other property in the vicinity thereof or to its occupants. Garbage must be maintained in accordance with the requirements of the Board of Directors and may not be placed out for collection sooner than eighteen (18) hours prior to scheduled collection and must be removed within twelve (12) hours of collection. No clothing or other household items shall be hung, dried, or aired in such a way as to be visible from the Association Property or another Lot. No stripped vehicles,

lumber or other building materials, grass, tree clippings, metals, scrap, automobile pieces or parts, refuse, or trash shall be stored or allowed to accumulate on any portion of the Property (except when accumulated during construction by Declarant, during construction approved by the Committee, or when accumulated by the Association for imminent pick-up and discard).

Section 26. WATER SUPPLY. No individual water supply system shall be permitted on any of the Property provided that a central water supply system is being operated in accordance with requirements of the governmental body having jurisdiction over said central system.

Section 27. PETS AND ANIMALS. The following general provisions regarding pets and animals are subject to further restrictions as may be set forth in the Rules and Regulations of the Association.

(a) No livestock or poultry shall be kept, raised or used upon any portion of the Property. Pets shall be prohibited from all portions of the common areas except where designated by the Board.

(b) Obnoxious animals, fowl, or reptiles shall not be kept or permitted to be kept anywhere on the Property. Rottweiler, pitt bull and similar aggressive breeds may not be kept anywhere on the Property. The determination of what is or what may be an obnoxious animal, fowl, or reptile shall be determined by the Board in its sole discretion.

(c) Notwithstanding the foregoing, an Owner may keep dogs or cats within his Home (not to exceed three animals in total). However, the animal(s) must be maintained as an indoor pet(s) and any excessive barking as determined in the sole discretion of the Board shall be deemed a nuisance or obnoxious animal as hereinabove provided.

(d) No pet shall be permitted outside of a Home except on a leash or in an enclosed rear yard. Each Owner shall promptly remove and properly dispose of any solid waste matter deposited by his pet.

Section 28. ENFORCEMENT. Failure of an Owner to comply with any limitations or restrictions in this Declaration or any of the Villaggio Reserve Documents or with any rules and regulations promulgated by the Association shall be grounds for action which may include, without limitation, an action to recover sums due for damages, including legal fees and costs, injunctive relief, or any combination thereof. Without limiting the generality of the foregoing, an Owner shall also be responsible for the payment of any and all Legal Fees incurred by the Association in connection with the enforcement of this Declaration or any of the Villaggio Reserve Documents or with any rules or regulations promulgated by the Association, whether or not an action is actually begun. Any such Legal Fees shall be paid not later than thirty (30) days after written notice thereof and if not paid within such thirty (30) day period, shall constitute a lien upon the applicable Lot and Home with the same force and effect as a lien for Operating Expenses.

In addition to all other remedies and in the sole discretion of the Board, a fine or fines, in an amount to be set by the Board, which amount shall not exceed the maximum amount allowed by law at the time of the violation, may be imposed upon an Owner for failure of such Owner, or his family, guests, invitees, lessees or employees, to comply with any of the Villaggio Reserve Documents, and use rights to the Association Property may be suspended with respect to any or all such persons, provided the following Notice and Hearing procedures are adhered to:

A. Notice. The Association shall notify the Owner in writing of the noncompliance and set forth the corrective action to be taken. A fine or suspension may not be imposed without notice of at least fourteen (14) days to the Owner sought to be fined or suspended.

B. Hearing. Pursuant to the Notice, the subject Owner shall be given an opportunity for a hearing before a committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association, or the spouse, parent, child, brother or sister of an officer, director, or employee of the Association. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.

C. Board Meeting. Should the Owner still be in noncompliance, the noncompliance shall be presented to the Board. A written decision of the Board with respect to a fine or suspension shall be submitted to the Owner not later than twenty-one (21) days after said meeting.

D. Payment. A fine shall be paid not later than thirty (30) days after notice of the imposition of the fine.

E. Fines. A fine, which shall not exceed One Hundred Dollars (\$100) per violation plus any legal fees and costs incurred, shall be treated as an Assessment subject to the provisions of the collection of Assessments as otherwise set forth herein, and shall constitute a lien upon the applicable Lot and Home, with the same force and effect as a lien for Operating Expenses. Each day a violation exists may be treated as a separate violation; however, a fine for any violation which is accruing each day the violation continues may not exceed One Thousand Dollars (\$1,000) in the aggregate, plus Legal Fees and costs. All monies received from fines shall be allocated as directed by the Board, subject always to the provisions of this Declaration.

The requirements for Notice and Hearing of this Section shall not apply to the imposition of a fine or suspension against an Owner for that Owner's failure to pay any Assessment or other charge when due.

Section 29. DECLARANT EXEMPTION. Declarant plans to undertake the work of constructing Homes and Improvements upon the Property and may undertake the work of constructing other buildings upon adjacent land or other property being developed or marketed by Declarant or its affiliates. The completion of that work and the sale, rental and other transfer of Homes is essential to the establishment and welfare of the Property as a residential community. In order that such work may be completed and a fully occupied community established as rapidly as possible, neither the Owners nor the Association shall do anything to interfere with Declarant's activities.

In general, the restrictions and limitations set forth in this Article shall not apply to the Declarant or to Lots owned by the Declarant. Declarant shall specifically be exempt from any restrictions which interfere in any manner whatsoever with Declarant's plans for development, construction, sale, lease, or use of the Property and to the Improvements thereon. Declarant shall be entitled to injunctive relief for any actual or threatened interference with its rights under this Article in addition to whatever remedies at law to which it might be entitled.

Section 30. ARCHITECTURAL REVIEW COMMITTEE ("ARC")

A. Approval Necessary. No building, outbuilding, garage, fence, wall, retaining wall, or other structure of any kind shall be erected, constructed, placed or maintained on the properties, nor shall any dwelling or other improvements on each Lot, as originally constructed and provided by Declarant, be altered changed, repaired or modified unless prior to the commencement of any work thereof, two complete sets for plans and specifications therefor including, as applicable, front, side and rear elevations, and floor plans, and two plot plans indicating and fixing the exact location of such improvements, structures or such altered structure of the Home with reference to the street and side lines thereof, shall have been first submitted in writing for approval and approved in writing by the Architectural Committee. The foregoing prior approval is intended to further specifically apply to the painting of a dwelling or any other maintenance or repair which changes the exterior appearance of a dwelling or other improvements upon a Home and Lot. The Association may require and impose an inspection fee, security deposit and require all costs arising out of or in connection with any proposed improvements as same may be set from time to time in the sole discretion of the Association. Payment of the foregoing is a condition precedent to any ARC approval.

B. Membership of Committee. The Architectural Committee shall initially consist of three (3) members. These initial members shall be designated by the Declarant, with one member at all times being from the Class A Members, one Member from the Class B members and, if applicable, one member that is a representative of the Class C member. If however there is no Class "C" member, then the third member shall be appointed from the members at large. Until such time as Declarant's Class "C" membership expires as provided in the Articles, and/or in the event of the resignation, failure, refusal or liability of any member of the Architectural Committee to act, Declarant shall have the right to appoint a person to fill such vacancy, and in the event Declarant fails to fill such vacancy within thirty (30) days of such occurrence, and upon the expiration of said Class "C" membership, the Board of Directors shall select and fill any such vacancy by appointment for a term as determined by the Board. Notwithstanding the foregoing, the ARC may further appoint one or more subcommittee(s), one for the Villas, one for the Patio Villas and one for the Single Family Homes to make recommendations to the ARC for Approvals applicable solely to Lots or Homes within either the Single Family Home pods or parcels, the Villas or the Patio Villas.

C. Endorsement of Plans. Approval of plans, specifications and location of improvements by the Architectural Committee shall be endorsed on both sets of said plans and specifications, and one set shall forthwith be returned by the Architectural Committee to the person submitting the same. The approval of the Architectural Committee of plans or specifications submitted for approval, as herein specified, shall not be deemed to be a waiver by the Architectural Committee of the right to object to any of the features or elements embodied in such plans or specifications if and when the same features and elements are embodied in any subsequent plans and specifications submitted for approval for use on other Lots.

D. Construction to be in Conformance with Plans. After such plans and specifications and other data submitted have been approved by the Architectural Committee, no building, outbuilding, garage, fence, wall, retaining wall, or

other improvements or structures of any kind shall be erected, constructed or altered in conformity with the plans and specifications and plot plans theretofore approved by the Architectural Committee.

E. Deemed Approval. After the expiration of one year from the date of completion of any structure or alteration such structure or alteration shall be deemed to comply with all of the provisions of this Article IX unless notice to the contrary shall have been recorded in the Public Records, or legal proceedings shall have been instituted to enforce such compliance.

F. Right of Entry. Any agent or member of the Architectural Committee may at any reasonable time enter and inspect any building or property subject to the jurisdiction of the Architectural Committee and any building or structure reasonably believed by such agent or member to be a violation of the covenants, restrictions, reservations, servitude or easements of the Declaration.

G. Waiver of Liability. Neither the Architectural Committee nor any member thereof, nor its duly authorized representative, shall be liable to the Association, or to any Owner or any other person or entity for any loss, damage or injury arising out of or in any way connected with the performance or non-performance of the Architectural Committee duties hereunder. The Architectural Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration or addition solely on the basis of aesthetic considerations and the benefit or detriment which would result to members of the Association. The Architectural Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, or warranty as to, any plan or design from the standpoint of structural safety or conformance with building or other codes. The Architectural Committee and the Declarant do not determine or assume any responsibility for the quality of construction or structural soundness of any improvements and no obligation or liability relating to construction of any improvements shall result from review or approval of any plans by the Architectural Committee and/or Declarant. Furthermore, the Architectural Committee and/or the Declarant do not evaluate plans to determine whether the plans satisfy all applicable governmental requirements.

ARTICLE X DAMAGE OR DESTRUCTION TO ASSOCIATION PROPERTY

Section 1. DAMAGE TO OR DESTRUCTION OF ALL OR ANY PORTION OF THE ASSOCIATION PROPERTY.

Damage to or destruction of all or any portion of the Association Property shall, notwithstanding any provision in this Declaration to the contrary, be handled as follows:

A. If insurance proceeds are sufficient to effect total restoration of damaged or destroyed Association Property, then the Association shall cause such Association Property to be repaired and reconstructed substantially as it previously existed.

B. If insurance proceeds are insufficient to effect total restoration and the cost of restoration exceeds such proceeds by Twenty-Five Thousand Dollars (\$25,000.00) or less, then the Association shall cause the Association Property to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Special Assessment proportionately against each of the Lots in accordance with the provisions of Articles VI and VII herein.

C. If the insurance proceeds are insufficient to effect total restoration and the cost of restoration of the Association Property exceeds said proceeds by over Twenty-Five Thousand Dollars (\$25,000.00), then by the written consent or vote of a majority of the voting interests, they shall determine whether: (i) to rebuild and restore either: (a) in substantially the same manner as the Improvements existed prior to the damage or destruction; or (b) in a manner less expensive, and in the event of (a) or (b) to raise the necessary rebuilding and restoration funds by levying pro rata restoration and construction Special Assessments against all Lots; or (ii) to not rebuild and to retain available insurance proceeds. In the event it is decided that the damaged or destroyed Association Property shall not be rebuilt, the remains of any structure or structures shall be torn down and hauled away, so as not to be a safety hazard or visual nuisance, and the land shall be fully sodded and landscaped or otherwise treated in an attractive manner. Notwithstanding anything contained herein to the contrary, any decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall not be effective without the prior written approval of Declarant (which approval shall be given, conditioned or withheld in Declarant's sole and absolute discretion) as long as Declarant owns any portion of the Property.

D. Each Owner shall be liable to the Association for any damage to the Association Property not fully covered or collected by insurance which may be sustained by reason of the negligence or willful misconduct of said Owner or of such Owner's family, lessees, invitees and guests, both minors and adults.

E. In the event that the repairs and replacements were paid for by any Special Assessments as well as insurance proceeds and regular Assessments, then, if after the completion of and payment for the repair, replacement, construction or reconstruction there shall remain any excess in the hands of the Association, it shall be presumed that the monies disbursed in payment of any repair, replacement, construction and reconstruction were first disbursed from insurance proceeds and regular Assessments and any remaining funds shall be deemed to be the remaining Special Assessments which shall be returned to the Owners by means of a *pro rata* distribution in accordance with the collection of such Special Assessments.

Section 2. DAMAGE TO OR DESTRUCTION OF ALL OR ANY PORTION OF THE COMMON STRUCTURAL ELEMENTS INVOLVING VILLAS AND PATIO VILLAS.

Damage to or destruction of all or any portion of the Common Structural Elements shall, notwithstanding any provision in this Declaration to the contrary, be handled as follows:

A. If insurance proceeds are sufficient to effect total restoration of damaged or destroyed Common Structural Elements (which are not the result or due to the negligence or fault of a Villa Owner), then the Association shall cause such Common Structural Elements to be repaired and reconstructed substantially as it previously existed.

B. If insurance proceeds are insufficient to effect total restoration, and the cost of restoration would require a Villa Special Assessment levied against each Villa Lot in an amount of Ten Thousand Dollars (\$10,000.00) or less (such amount is based on the value of the dollar in 2016 and shall be increased each year thereafter based upon increases in the Consumer Price Index), then the Association shall cause the Common Structural Elements to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Villa Special Assessment proportionately against each of the Villa Lots in accordance with the provisions of Articles VI and VII herein.

C. If the insurance proceeds are insufficient to effect total restoration and the cost of restoration of the Common Structural Elements would require a Villa Special Assessment levied against each Villa Lot in an amount great than Ten Thousand Dollars (\$10,000.00) (such amount is based on the value of the dollar in 2016 and shall be increase each year thereafter based upon increases in the Consumer Price Index), then by the written consent or vote of a majority of the voting interests of the Villa Lots, they shall determine whether: (a) to rebuild and restore either: (i) in substantially the same manner as the Improvements existed prior to the damage or destruction; or (ii) in a manner less expensive, and in the event of (i) or (ii) to raise the necessary rebuilding and restoration funds by levying pro rata restoration and construction Villa Special Assessments against all Villas; or (b) to not rebuild and to retain available insurance proceeds. In the event it is decided that the damaged or destroyed Common Structural Elements shall not be rebuilt, the remains of any structure or structures shall be tom down and hauled away, so as not to be a safety hazard or visual nuisance, and the land shall be fully sodded, landscaped and irrigated or otherwise treated in an attractive manner. Notwithstanding anything contained herein to the contrary, any decision not to rebuild or to rebuild in a manner which would result in a change in the Improvements shall not be effective without the prior written approval of Declarant as long as Declarant owns any portion of the Property.

D. Each Villa Owner shall be liable to the Association for any damage to the Common Structural Elements not fully covered or collected by insurance which may be sustained by reason of the negligence or willful misconduct of said Owner or of such Owner's family, lessees, invitees and guests, both minors and adults. If the Owner of the Villa refuses or fails to pay the cost of such repair or reconstruction, the Association shall have the right to complete such repair and reconstruction substantially in accordance with the original plans and specifications of the affected Building, and the Association shall thereafter have the right to specially assess said Owner for the costs of such repair and re-construction

In the event that the repairs and replacements of the Common Structural Elements were paid for by any Villa Special Assessments as well as insurance proceeds and regular Villa Assessments against the Villas, then, if after the completion of and payment for the repair, replacement, construction or reconstruction of the Common Structural Elements there shall remain any excess in the hands of the Association, it shall be presumed that the monies disbursed in payment of any repair, replacement, construction and reconstruction of the Common Structural Elements were first disbursed from insurance proceeds and regular Villa Assessments against Villas and any remaining funds shall be deemed to be the remaining Villa Special Assessments which shall be returned to the Villa Owners by means of a *pro rata* distribution in accordance with the collection of such Villa Special Assessments.

ARTICLE XI
SALES, LEASES AND CONVEYANCES

In order to assure that Villaggio Reserve shall be a community of congenial and responsible residents and that prospective purchasers will comply with the requirements of the Declaration and thus protect the value of the Homes, the sale, lease or transfer of Homes shall be subject to the following provisions together with such further provisions as may be set forth in the Rules and Regulations adopted by the Association. Nothing in this Declaration should be interpreted as an exemption from compliance with Palm Beach County regulations.

Upon the sale, lease or transfer of a Home within Villaggio Reserve, the Owner of the Home shall submit an age verification form to the Association prior to the effective date of the sale, lease or transfer of said Home. The age verification form shall be supplied by the Association and shall provide for the ages of the intended occupants and such other information as the Association may reasonably require. In accordance with Article XIII hereof, except as herein provided, an Owner shall not sell, lease or transfer his Home unless at least one (1) of the intended occupants of such Home is fifty-five (55) years of age or older at the time of occupancy. However, the Board shall have the right, in its sole discretion, to waive this requirement based upon criteria in accordance with the provisions set forth in Article XIII hereof, but not if more than twenty percent (20%) of the Homes in Villaggio Reserve will not have an occupant fifty-five (55) years of age or older. The Association will have thirty (30) days to approve the sale, lease or transfer of a Home and such approval shall be in writing and in recordable form, signed by any two (2) officers of the Association and shall be given to the intended occupant. If the Association does not approve the sale, lease or transfer of a Home within the thirty (30) day period, then the sale, lease or transfer of a Home shall be deemed denied.

ARTICLE XII
INSURANCE AND CONDEMNATION

The Association shall purchase and maintain the following insurance coverages subject to the following provisions, and the cost of the premiums therefor shall be a part of the Operating Expenses:

Section 1. CASUALTY INSURANCE. Property and casualty 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 all Improvements and personal property which are owned by the Association and now or hereafter located upon the Association Property, which insurance shall afford protection against such risks, if any, as shall customarily be covered with respect to areas similar to the Association Property in developments similar to Villaggio Reserve in construction, location and use.

Section 2. PUBLIC LIABILITY INSURANCE. A comprehensive policy of public liability insurance naming the Association and, until Declarant's ownership of any Lot within the Property ceases, Declarant as named insureds thereof insuring against any and all claims or demands made by any person or persons whomsoever for personal injuries or property damage received in connection with, or arising from, the operation, maintenance and use of the Association Property and any Improvements located thereon, and for any other risks insured against by such policies with limits of not less than ONE MILLION DOLLARS (\$1,000,000) for damages incurred or claimed by any one person for any one occurrence; not less than THREE MILLION DOLLARS (\$3,000,000) for damages incurred or claimed by more than one person for any one occurrence; and for not less than FIFTY THOUSAND DOLLARS (\$50,000) property damage per occurrence with no separate limits stated for the number of claims. The Association may also obtain worker's compensation insurance and other liability insurance including, but not limited to, insurance for lawsuits related to employment contracts to which the Association is a party, as it may deem desirable.

Section 3. FIDELITY COVERAGE. Adequate fidelity coverage to protect against dishonest acts of the officers and employees of the Association and the Board and all others who handle and are responsible for handling funds of the Association shall be maintained in the form of fidelity bonds, which requirements shall be reasonably determined by the Board.

Section 4. DIRECTORS COVERAGE. Adequate directors' and officers' liability coverage, which coverage shall be effective from and after the date the Association is created.

Section 5. OTHER INSURANCE. The Board may obtain such other forms of insurance as the Board may determine (including, by way of example and not of limitation, directors and officers liability coverage), and in such coverage amounts as the Board shall determine to be required or beneficial for the protection or preservation of the Association Property and any improvements now or hereafter located thereon or in the best interests of the Association and/or its officers and directors.

Section 6. CANCELLATION OR MODIFICATION. All insurance policies purchased by the Association shall provide that they may not be canceled (including for nonpayment of premiums) or substantially modified without at least ten (10) days' prior written notice to the Association and to each first mortgage holder, if any, named in the mortgage clause.

Section 7. FLOOD INSURANCE. If determined appropriate by the Board or if required by an Institutional Mortgagee, a or blanket policy of flood insurance covering the Association Property, if available under the National Flood Insurance Program, shall be purchased, which flood insurance shall be in the form of a standard policy issued by a member of the National Flood Insurers Association, and the amount of the coverage of such insurance shall be the lesser of the maximum amount of flood insurance available under such program, or one hundred percent (100%) of the current replacement cost of all buildings and other insurable property located in the flood hazard area.

Section 8. CONDEMNATION. In the event the Association receives any award or payment arising from the taking of any Association Property or any part thereof as a result of the exercise of the right of condemnation or eminent domain, the net proceeds thereof shall first be applied to the restoration of such taken areas and improvements thereon to the extent deemed advisable by the Board and approved by at least two-thirds (2/3) of the total voting interests, and the remaining balance thereof, if any, shall then be distributed *pro rata* to Owners and mortgagees of Lots as their respective interests may appear.

Section 9. WAIVER OF SUBROGATION. As to each policy of insurance maintained by the Association which will not be voided or impaired thereby, the Association hereby waives and releases all claims against the Board, the Owners, the Declarant and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement of said persons, but only to the extent that such insurance proceeds are received in compensation for such loss.

Section 10. INSURANCE ON VILLA UNITS; CASUALTY LOSSES. The Association shall maintain property and casualty insurance (including, but not limited to, windstorm) in an amount equal to the then full replacement cost, exclusive of land, foundation, excavation and other items normally excluded from such coverage, of all Common Structural Elements comprising the Villas, excluding the interior portions thereof which are the maintenance and insurance responsibility of the Owners. Notwithstanding anything contained herein to the contrary, the Association shall be responsible for insuring the Common Structural Elements located within the Villas as well as the drywall located within the interior portions of the Villa. Such property and casualty insurance shall afford protection against such risks, if any, as shall customarily be covered with respect to areas similar to the Villas in developments similar to Villaggio Reserve in construction, location and use. Premiums for insurance coverages under this Section 10 shall be deemed Villa Expenses.

ARTICLE XIII GENERAL PROVISIONS

Section 1. CONFLICT WITH OTHER VILLAGGIO RESERVE DOCUMENTS. In the event of any conflict between the provisions hereof and the provisions of the Articles and/or Bylaws and/or rules and regulations promulgated by the Association, the provisions of this Declaration shall control.

Section 2. NOTICES. Any notice or other communication required or permitted to be given or delivered hereunder shall be deemed properly given and delivered upon the mailing thereof by United States mail, postage prepaid, to: (i) each Owner, at the address of the person whose name appears as the Owner on the records of the Association at the time of such mailing and, in the absence of any specific address, at the address of the Home owned by such Owner; (ii) the Association, certified mail, return receipt requested, 7942 Via Lampione, Delray Beach, Florida 33437, or such other address as the Association shall hereinafter notify Declarant and the Owners of in writing; and (iii) Declarant, certified mail, return receipt requested, at 7593 Boynton Beach Blvd., Suite 220, Boynton Beach, Florida 33437, or such other address or addresses as Declarant shall hereinafter notify the Association of in writing, any such notice to the Association of a change in Declarant's address being deemed notice to the Owners.

Section 3. ENFORCEMENT. The covenants and restrictions herein contained may be enforced by Declarant (so long as Declarant holds an equitable or legal interest in any Lot and/or Home), the Association, any Owner, any Institutional Mortgagee holding a mortgage on any portion of the Property in any judicial proceeding seeking any remedy recognizable at law or in equity, including damages, injunction or any other form of relief against any person, firm or entity violating or attempting to violate any covenant, restriction or provision hereunder. The failure by any party to enforce any such covenant, restriction or provision herein contained shall in no event be deemed a waiver of such covenant, restriction or provision or of the right of such party to thereafter enforce such covenant, restriction or provision. The prevailing party in any such litigation shall be entitled to all costs thereof including, but not limited to, Legal Fees.

Section 4. INTERPRETATION. The provisions of this Declaration shall be liberally construed to effect its purpose of creating a uniform plan for the development of a residential community and for the maintenance of recreational facilities and other Association Property. Article, Section and Paragraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Declaration.

Whenever the context so requires or permits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns and pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

Section 5. SEVERABILITY. In the event any of the provisions of this Declaration shall be deemed invalid by a court of competent jurisdiction, said judicial determination shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and any provisions of this Declaration deemed invalid by a court of competent jurisdiction by virtue of the term or scope thereof shall be deemed limited to the maximum term and scope permitted by law. In the event that any court should hereafter determine that any provision of this Declaration is in violation of the rule of property known as the "rule against perpetuities" or any other rule of law because of the duration of a time period, such provision shall not thereby become invalid, but instead the duration of such time period shall be reduced to the maximum period allowed under such rule of law, and in the event the determination of the duration of such time period requires measuring lives, such measuring life shall be that of the incorporator of the Association.

Section 6. CERTAIN RIGHTS OF DECLARANT. Notwithstanding anything to the contrary herein contained, no Improvements constructed or installed by Declarant shall be subject to the approval of the Association or the Owners or the provisions and requirements of this Declaration, although it is the intent of Declarant to create a community with a common scheme of development.

6.1 Notwithstanding the other provisions of this Declaration, Declarant reserves for itself, and Declarant and its nominees shall have, the right to enter into and transact on the Property any business necessary to consummate the sale, lease or encumbrance of Homes or real property within or outside Villaggio Reserve, including, but not limited to, the right to maintain models and a sales and/or leasing office, a construction office and/or a service office, place signs, employ sales, leasing, construction and service personnel, use the Association Property, and show Homes, and Declarant further reserves the right to make repairs to the Association Property and to carry on construction activity for the benefit of the Property. Declarant, and its nominees, may exercise the foregoing rights without notifying the Association. Any such models, sales and/or leasing office, construction office, service office, signs and any other items pertaining to such sales, leasing, construction or service efforts shall not be considered a part of the Association Property and shall remain the property of Declarant.

6.2 Declarant and its nominees shall have the right to hold marketing and promotional events within the Villaggio Reserve and/or on the Common Properties, without any charge for use. Declarant or its nominees, agents, affiliates, or assignees shall have the right to market Villaggio Reserve in advertisements and other media by making reference to Villaggio Reserve, including, but not limited to, logos and pictures of drawings of Villaggio Reserve, Common Properties, and Homes constructed in Villaggio Reserve.

6.3 The development and marketing of Villaggio Reserve will continue as deemed appropriate in Declarant's sole discretion, and nothing in this Declaration or Community Standards, or otherwise, shall be construed to limit or restrict such development and marketing. It may be necessary or convenient for the development of Villaggio Reserve to, as an example and not a limitation, amend the Plat, modify the boundary lines of the Common Properties, expand the boundaries of the planned unit development, grant easements, dedications, agreements, licenses, restrictions, reservations, covenants, rights-of-way, and to take such other actions which Declarant, or their agents, affiliates, or designees may deem necessary or appropriate. All Lot Owners automatically consent to any such change, addition or deletion thereafter made by the Declarant and shall evidence such consent in writing if requested to do so by the Declarant at any time (provided, however, that the refusal to give such written consent shall not obviate the general automatic effect of this provision).

6.4 This Section 6 may not be suspended, superseded or modified in any manner by any amendment to this Declaration unless such amendment is consented to in writing by Declarant. This right of use and transaction of business as set forth herein and the other rights reserved by Declarant in the Villaggio Reserve Documents may be assigned in writing by Declarant in whole or in part. For the purposes of this Section 6, the term "Declarant" shall include any "Lender" which has loaned money to Declarant to acquire or construct Improvements upon the Property, or its successors and assigns if such Lender, its successors or assigns, acquires title to any portion of the Property as a result of the foreclosure of any mortgage encumbering any portion of the Property securing any such loan to Declarant, or acquires title thereto by deed in lieu of foreclosure. The rights and privileges of

Declarant as set forth in this Section 6, which are in addition to, and are no way a limit on, any other rights or privileges of Declarant under any of the Villaggio Reserve Documents, shall terminate upon Declarant no longer owning any portion of the Property (and having any equitable or legal interest therein) or upon such earlier date as Declarant shall notify the Association in writing of Declarant's voluntary election to relinquish the aforesaid rights and privileges.

Section 7. DISPUTES AS TO USE. In the event there is any dispute as to whether the use of the Property or any portion or portions thereof complies with the covenants, restrictions, easements or other provisions contained in this Declaration, such dispute shall be referred to the Board, and a determination rendered by the Board with respect to such dispute shall be final and binding on all parties concerned therewith. Notwithstanding anything to the contrary herein contained, any use by Declarant of the Property shall be deemed a use which complies with this Declaration and shall not be subject to a contrary determination by the Board.

Section 8. AMENDMENT AND MODIFICATION. The process of amending or modifying this Declaration shall be as follows:

1. Until the Turnover Date, all amendments or modifications shall only be made by Declarant without the requirement of the Association's consent or the consent of the Owners so long as such amendments or modifications do not materially impair the common plan of development of Villaggio Reserve; provided, however, the Association shall, forthwith upon request of Declarant, join in any such amendments or modifications and execute such instruments to evidence such joinder and consent as Declarant shall, from time to time, request.

2. After the Turnover Date, this Declaration may be amended by: (i) the consent of the Owners owning two-thirds (2/3) of all Lots; together with (ii) the approval or ratification of a majority of the Board. The aforementioned consent of the Owners owning two-thirds (2/3) of the Lots may be evidenced by a writing (i.e. written consent) signed the Voting Members representing the required number of Owners or by the affirmative vote of the Voting Members representing the required number of Owners at any regular or special meeting of the Association called and held in accordance with the Bylaws, as evidenced by a certificate of the Secretary or an Assistant Secretary of the Association.

3. Amendments for correction of scrivener's errors or other nonmaterial changes may be made by Declarant alone until the Turnover Date and by the Board thereafter and without the need of consent of the Owners.

4. Notwithstanding anything to the contrary herein contained, no amendment to this Declaration shall be effective which shall impair or prejudice the rights or priorities of Declarant, the Association or of any Institutional Mortgagee under the Villaggio Reserve Documents without the specific written approval of such Declarant, Association and/or Institutional Mortgagee affected thereby. Finally, notwithstanding anything to the contrary contained herein, no amendment to this Declaration shall be effective which shall eliminate or modify the provisions of Section 6 of this Article XII and any such amendment shall be deemed to impair and prejudice the rights of Declarant.5. A true copy of any amendment to this Declaration shall be sent certified mail by the Association to Declarant and to all Institutional Mortgagees holding a mortgage on any portion of the Property requesting notice. The amendment shall become effective upon the recording amongst the Public Records of the County of said amendment or any Supplemental Declaration to this Declaration which sets forth any amendment or modification to this Declaration.

6. Notwithstanding anything contained herein to the contrary, Declarant may, without the consent of any Owners, file any amendments which may be required by an Institutional Mortgagee for the purpose of satisfying its development criteria or such other criteria as may be established by such mortgagee's secondary mortgage market purchasers, including, without limitation, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; provided, however, any such Declarant's filed amendments must be in accordance with any applicable rules, regulations and other requirements promulgated by the United States Department of Housing and Urban Development.

7. Any proposed amendment to the Declaration which would affect the surface water management system (including environmental conservation areas and the water management portions of the Association Property), shall be submitted to the South Florida Water Management District for a determination of whether the proposed amendment necessitates a modification of the surface water management permit.

Section 9. DELEGATION. The Association, pursuant to a resolution duly adopted by the Board, shall have the continuing authority to delegate all or any portion of its responsibilities for maintenance, operation and administration, as provided herein, to any managing agency or entity selected by the Board from time to time and whether or not related to Declarant.

Section 10. TERM. This Declaration and the terms, provisions, conditions, covenants, restrictions, reservations, regulations, burdens and liens contained herein shall run with and bind the Property, and inure to the benefit of Declarant, the Association, the Owners, and their respective legal representatives, heirs, successors and assigns for a term of fifty (50) years from the date of recording this Declaration amongst the Public Records of the County, after which time this Declaration shall be automatically renewed and extended for successive periods of ten (10) years each unless at least one (1) year prior to the termination of such fifty (50) year term or any such ten (10)-year extension there is recorded amongst the Public Records of the County an instrument agreeing to terminate this Declaration signed by Owners owning two-thirds (2/3) of the Lots and Institutional Mortgagees holding first mortgages encumbering two-thirds (2/3) of all Lots encumbered by first mortgages held by Institutional Mortgagees, upon which event this Declaration shall be terminated upon the expiration of the fifty (50)-year term or the ten (10)-year extension during which such instrument was recorded.

In the event this Declaration is terminated or the Association ceases to exist for any reason, the Owners shall be jointly and severally responsible for the costs to maintain and shall maintain the Association Property in the manner described herein. Furthermore, an Owner may petition the Circuit Court for the appointment of a receiver to manage the affairs of the Association in the event of a dissolution. This provision may not be amended or deleted without the prior written consent of the County and this provision shall survive the termination of this Declaration and shall run with the Property in perpetuity.

Section 11. RIGHTS OF MORTGAGEES.

A. Right to Notice. The Association shall make available for inspection upon request, during normal business hours or under reasonable circumstances, the Villaggio Reserve Documents and the books, records and financial statements of the Association to Owners and the holders, insurers or guarantors of any first mortgages encumbering any portion of the Property. In addition, evidence of insurance shall be issued to each Owner and mortgagee holding a mortgage encumbering a Home upon written request to the Association.

B. Rights of Listed Mortgagee. Upon written request to the Association, identifying the name and address of the holder, insurer, or guarantor (such holder, insurer or guarantor is herein referred to as a "Listed Mortgagee") of a mortgage encumbering a Lot and the legal description of such Lot, the Association shall provide such Listed Mortgagee with timely written notice of the following:

- (1) Any condemnation, loss or casualty loss which affects any material portion of the Association Property;
- (2) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (3) Any proposed action which would require the consent of mortgagees holding a mortgage encumbering a Lot; and
- (4) Any failure by an Owner owning a Lot encumbered by a mortgage held, insured or guaranteed by such Listed Mortgagee to perform his or her obligations under the Villaggio Reserve Documents, including, but not limited to, any delinquency in the payment of Assessments, or any other charge owed to the Association by said Owner where such failure or delinquency has continued for a period of sixty (60) days.

C. Right of Listed Mortgagee to Receive Financial Statement. Any Listed Mortgagee shall, upon written request made to the Association, be entitled to financial statements for the Association for the prior fiscal year free of charge and the same shall be furnished within a reasonable time following such request.

Section 12. APPROVAL OF ASSOCIATION LAWSUITS BY OWNERS. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths (¾) of the total voting interests (at a duly called meeting of the Members, represented by the Voting Members, at which a quorum is present) prior to engaging persons or entities for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit other than for the following purposes:

- (a) The collection of Assessments;
- (b) The collection of other charges which Owners are obligated to pay pursuant to the Villaggio Reserve Documents;

(c) The enforcement of the use and occupancy restrictions contained in the Villaggio Reserve Documents;

(d) In an emergency where waiting to obtain the approval of the Owners creates a substantial risk of irreparable injury to the Association Property or to Owner(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of three-fourths (¾) of the Owners); or

(e) Filing a compulsory counterclaim.

In addition to the foregoing, prior to the engagement of legal counsel and/or the filing of any legal action including, but not limited to, mediation, arbitration, litigation or appeal, the Members must place in escrow one hundred twenty-five percent (125%) of the costs of such action including attorney's fees and costs in the event of the loss of such action by the Association.

Section 13. COMPLIANCE WITH PROVISIONS. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot except as elsewhere herein provided does consent and agree to, and shall be conclusively deemed to have consented and agreed to, every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in such property. Declarant shall not in any way or manner be held liable or responsible for any violation of this Declaration by any person other than Declarant.

Section 14. SECURITY. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. Additionally, NEITHER DECLARANT NOR THE ASSOCIATION MAKES ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE PREMISES OR THE EFFECTIVENESS OF ANY MONITORING SYSTEM OR SECURITY SERVICE. ALL MEMBERS AGREE TO HOLD DECLARANT AND THE ASSOCIATION HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTY. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN, IF ANY. ALL MEMBERS, OWNERS AND OCCUPANTS OF ANY LOT OR HOME, AND FAMILY MEMBERS, GUESTS, INVITEES AND LESSEES OF ANY OWNER, ACKNOWLEDGE THAT THE ASSOCIATION AND THE BOARD, DECLARANT, AND ANY SUCCESSOR DECLARANT DO NOT REPRESENT OR WARRANT THAT: (a) ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM, IF ANY, DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY DECLARANT OR THE ASSOCIATION MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR (b) THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH LESSEE, GUEST AND INVITEE OF AN OWNER, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, THE BOARD, DECLARANT, AND ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH MEMBER, OWNER AND OCCUPANT OF ANY LOT OR HOME, AND EACH LESSEE, GUEST AND INVITEE OF ANY MEMBER OR OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO LOTS OR HOMES, AND TO THE CONTENTS OF LOTS OR HOMES AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, THE BOARD, DECLARANT, AND ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, MEMBER, OCCUPANT, LESSEE, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED, IF ANY, OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

Section 15. COVENANT RUNNING WITH THE LAND. All provisions of this Declaration shall, to the extent applicable and unless otherwise expressly provided herein to the contrary, be construed to be covenants running with the Lots and Homes and the Property and with every part thereof and interest therein, and all of the provisions hereof shall be binding upon and inure to the benefit of the Declarant and subsequent Owner(s) of the Homes, Lots and Property or any part thereof, or interest therein, and their respective heirs, successors, and assigns. However, the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public, unless specifically provided herein to the contrary. All present and future Owners, lessees, and occupants of the Lots and Homes, as applicable, shall be subject to and shall comply with

the provisions of this Declaration and the Articles, Bylaws and applicable rules and regulations as exist and may from time to time be amended. The acceptance of a deed of conveyance to a Lot, or the entering into a lease of or occupancy of a Home, shall constitute an adoption and ratification by such Owner, lessee, or occupant of the provisions of this Declaration, and the Articles, Bylaws, and applicable rules and regulations of the Association, as they may be amended from time to time. In the event that any easements granted herein shall fail for want of a grantee in being or for any other purpose, the same shall constitute and be covenants running with the land.

Section 16. NO PUBLIC RIGHT OR DEDICATION. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Association Property to the public, or for any public use.

Section 17. NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE ASSOCIATION PROPERTY, ITS PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT AS SPECIFICALLY SET FORTH IN THIS DECLARATION.

TO THE MAXIMUM EXTENT LAWFUL AND UNLESS CLEARLY AND ABSOLUTELY PROHIBITED BY LAW, ALL IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY AND HABITABILITY, ANY WARRANTIES IMPOSED BY STATUTE AND ALL OTHER IMPLIED WARRANTIES OF ANY KIND OR CHARACTER ARE SPECIFICALLY DISCLAIMED. DECLARANT HAS NOT GIVEN AND OWNER HAS NOT RELIED ON OR BARGAINED FOR ANY SUCH WARRANTIES.

AS TO ANY IMPLIED WARRANTY WHICH CANNOT BE DISCLAIMED ENTIRELY, ALL SECONDARY, INCIDENTAL AND CONSEQUENTIAL DAMAGES ARE SPECIFICALLY EXCLUDED AND DISCLAIMED (CLAIMS FOR SUCH SECONDARY, INCIDENTAL AND CONSEQUENTIAL DAMAGES BEING CLEARLY UNAVAILABLE IN THE CASE OF IMPLIED WARRANTIES WHICH ARE DISCLAIMED ENTIRELY ABOVE).

EXCEPT AS OTHERWISE SET FORTH IN THIS DECLARATION OR IN ANY WARRANTY PROVIDED TO OWNERS BY THE DECLARANT, ALL OWNERS, BY VIRTUE OF THEIR ACCEPTANCE OF TITLE TO THEIR RESPECTIVE LOTS (WHETHER FROM THE DECLARANT OR ANOTHER PARTY) SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID DISCLAIMED WARRANTIES AND INCIDENTAL AND CONSEQUENTIAL DAMAGES.

ALL OWNERS, BY VIRTUE OF THEIR ACCEPTANCE OF TITLE TO THEIR RESPECTIVE LOTS (WHETHER FROM THE DECLARANT OR ANOTHER PARTY) SHALL BE DEEMED TO HAVE ACCEPTED THE ASSOCIATION PROPERTIES IN THEIR "AS-IS", "WHERE-IS" CONDITION "WITH ALL FAULTS". EACH LOT OWNER BY VIRTUE OF THEIR ACCEPTANCE OF TITLE TO THEIR RESPECTIVE LOTS (WHETHER FROM THE DECLARANT OR ANOTHER PARTY) SHALL BE DEEMED TO HAVE EXPRESSLY ACKNOWLEDGED THAT: (I) NEITHER THE DECLARANT, THE ASSOCIATION NOR THE BOARD OF DIRECTORS HAS MADE AND DID NOT MAKE ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE ASSOCIATION OR COMMON PROPERTIES (INCLUDING, WITHOUT LIMITATION, WARRANTIES OF HABITABILITY, MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE), WHICH MIGHT BE DEEMED PERTINENT BY ANY OWNER IN DETERMINING TO PURCHASE ANY LOT; (II) NO SUCH REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE AND THAT SUCH OWNER IS NOT RELYING UPON SAME; AND (III) NEITHER THE DECLARANT, THE ASSOCIATION NOR THE BOARD OF DIRECTORS SHALL BE LIABLE FOR OR BOUND IN ANY MANNER BY ANY PROMISES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE ASSOCIATION OR COMMON PROPERTIES MADE OR FURNISHED BY ANY BROKER, REAL ESTATE AGENT, EMPLOYER, SERVANT OR ANY OTHER PERSON REPRESENTING OR PURPORTING TO REPRESENT THE DECLARANT, THE ASSOCIATION OR THE BOARD OF DIRECTORS.

Section 18. AGE RESTRICTION. In order to comply with the requirements of the Fair Housing Amendments Act of 1988 and the Rules and Regulations relating thereto and any amendments thereof (the "Act"), the Association shall insure that the Properties have significant facilities and services specifically designed to meet the physical or social needs of persons 55 years of age or older. "Significant facilities and services specifically designed to meet the physical or social needs of older persons" include, but are not limited to social and recreational programs, continuing education, information and counseling, recreational, homemaker, environment, emergency and preventive health care programs, congregate dining facilities, transportation to facilitate access to

social services, and services designed to encourage and assist residents to use the services and facilities available to them (the housing facility need not have all of these features to qualify for exemption under the Act).

Moreover, the Association shall insure that at least 80% of the Homes constructed on a Lot shall be occupied by at least one person 55 years of age or older per Home, except that the Association is not obligated to comply with this requirement until 25% of the Homes on the Lots are occupied. In addition, children nineteen years of age or younger shall not reside in Villaggio Reserve for a period not to exceed a total of sixty days per calendar year. The Association must also publish and adhere to policies and procedures demonstrating an intent to provide housing for persons 55 years of age or older. The Association shall monitor the age of residents to insure that children nineteen years of age or younger do not reside in Villaggio Reserve for more than sixty days per calendar year. Commencing 90 days after the sale and closing of the 25% of the Homes within Villaggio Reserve and every three (3) years thereafter, upon request of the County, the Association shall prepare a report to be furnished to the County as to the age of residents and verifying that at least 80% of the homes are occupied by at least one person 55 years of age or older.

Section 19. IMPACT FEE. The Association acknowledges that Declarant and Palm Beach County may enter into an agreement (the "Road Impact Fee Covenant") to adjust the amount of the Fair Share Contribution for School Impact Fees ("Impact Fee"), premised upon adherence to the applicable exemption requirements set forth in the Act. In the event the Association converts to a non age restricted community in the future and/or fails to meet the requirements of the Act, then additional road impact fees based on a more intense use shall become due and owing by the Association to the County as set forth in the Road Impact Fee Covenant.

Section 20. ASSOCIATION AND DECLARANT AS ATTORNEY-IN-FACT. Each Owner, by reason of having acquired ownership of a Lot, whether by purchase, gift, operation of law or otherwise, and each occupant of a Home, by reason of his or her occupancy, is hereby declared to have acknowledged and agreed to his or her automatic consent to any rezoning, re platting, covenant in lieu of unity of title, change, addition or deletion made in, on or to Villaggio Reserve by Declarant (hereinafter, collectively, "Modifications") and, in respect thereto, each Owner of a Lot and occupant of a Home hereby designates the Association to act as agent and attorney-in-fact on behalf of such Owner or occupant to consent to any such Modification. If requested by Declarant, each Owner shall evidence his consent to a Modification in writing (provided, however, that any refusal to give such written consent shall not obviate the automatic effect of this provision). Further, each Owner, by reason of acceptance to such Owner's Lot, hereby agrees to execute, at the request of Declarant, any document and/or consent which may be required by any government agency to allow Declarant and/or its affiliates to complete the plan of development of Villaggio Reserve, as such plan may be hereafter amended, and each such Owner hereby further appoints Declarant as such Owner's agent and attorney-in-fact to execute, on behalf and in the name of each such Owner, any and all of such documents and/or consents. This power of attorney is irrevocable and is coupled with an interest. The provisions of this Section 20 may not be amended without Declarant's prior written consent.

Section 21. INDEMNIFICATION. The Association shall protect, indemnify and hold harmless all Board Members and ARC Members from and against all claims, demand, liabilities and expenses (including costs and attorney fees) in connection with such Board Members or ARC Members performance of their official duties, except for their willful misconduct or gross negligence.

Section 22. NOISE. Each Owner is hereby notified that portions of the community abut and may be adjacent to Hagen Ranch Road or Atlantic Avenue and that the community is in an area subject to noise generated by traffic on the foregoing roads. Any costs to mitigate this noise shall be borne by the Association and not Palm Beach County. Certain locations within the community may be more susceptible than other locations to noise emanating from such roads or from other locations or noise generated from equipment located adjacent to any homes or any community facilities such as the clubhouse, swimming pool, air conditioning and mechanical facilities serving any homes or facilities within the community. Seller makes no representation or warranty as to which lots within the community may be subject to the impact of such noise, if any. This provision shall survive the closing. Each Owner is further notified that Villaggio Reserve is in proximity to Antiquers Aerodrome, a privately owned residential air park with private homes and hangars adjacent to an airstrip. The airstrip is located on Skyline Road off Hagen Ranch Road north of Villaggio Reserve and may generate noise from landing and departing aircraft. Seller makes no representation or warranty as to which lots or whether the community as a whole may be subject to the impact of such noise, if any.

Section 23. CONSTRUCTION ACTIVITIES. All owners, occupants end-users of Villaggio Reserve are hereby placed on notice that (1) Declarant and/or its agents, contractors, subcontractors, licensees and other designees and/or (2) any other parties will be, from time to time, conducting construction activities, excavation, construction and other activities within or in proximity to Villaggio Reserve. By the acceptance of their deed or other conveyance or mortgage, leasehold, license or other interest, and by using any portion of Villaggio Reserve, each such Owner, occupant end-user automatically acknowledges, stipulates and agrees (i)

no number of the aforesaid activities shall be deemed nuisances or noxious or offensive activities, hereunder, or at law generally, (ii) not to enter upon or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to Villaggio Reserve where such activities are being conducted (even if not been actively conducted at the time of entry, such as at night or otherwise during nonworking hours), (iii) Declarant and the other aforesaid related parties shall not be liable for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries or deaths arising from or relating to the aforesaid activities, except resulting directly from Declarant's gross negligence or willful misconduct, and (iv) any use of any portion of Villaggio Reserve has been and will be made with full knowledge of the foregoing.

Section 24. ADJACENT COMMERCIAL PARCEL. Based upon present zoning and land use requirements, the Property is adjacent to a 17+/- acre commercial tract fronting along Atlantic Avenue to the south of the Property and Hagen Ranch Road. It is anticipated that the commercial parcel will be eventually developed for commercial or such other use as may be approved by Palm Beach County. Current zoning and development approvals for the adjacent commercial parcel include the requirement of an access road within the Property running from the northern access point of the commercial parcel parallel to Hagen Ranch Road north through the eastern perimeter of the Villaggio Reserve Property to the main entrance into the Villaggio Reserve Community for ingress and egress to Hagen Ranch Road. A cross access easement is reserved for the benefit of the adjacent commercial parcel as set forth in any Plat of the Property and/or as set forth in a separately recorded cross access easement and cost sharing agreement entered into between the Declarant and the owner of the commercial parcel or its successors and/or assigns. A further easement is reserved in favor of the commercial parcel for drainage from the commercial parcel through and across the southern boundary of the Property into the lakes and surface water management system located within Villaggio Reserve and which is owned and maintained by the Association for the benefit of the Property and the adjoining Commercial Parcel. Declarant has reserved in this Declaration the right to provide to the owner of the Adjacent Commercial Parcel an easement for any and all such purposes as may be required by Palm Beach County, or any governmental authority having jurisdiction thereover, including but not limited to an easement over, under and across Villaggio Reserve for drainage, flowage and tie-in to the surface water management system and Lakes serving the Villaggio Reserve Property. The Owner of the Adjacent Commercial Parcel has likewise agreed to or has prior hereto executed an easement and boundary wall agreement allowing for the encroachment of a portion of the Villaggio Reserve Boundary Wall onto the Adjacent Commercial Parcel. Declarant has and does hereby specifically reserve the right prior to and after the turnover of the Master Association to execute any and all such documents and instruments as may be required in connection with the foregoing without the consent of the Master Association provided such instruments and documents do not materially change or affect the operation of the Villaggio Reserve Community beyond the matters contemplated by the foregoing provisions. The Master Association is fully responsible for the maintenance and upkeep of the boundary wall which separates the Villaggio Property from any adjacent property or parcel including but not limited to the Adjacent Commercial Parcel and the adjacent residential parcel along the western boundary of Villaggio Reserve as set forth in any boundary wall agreement or easement agreement now or hereafter executed between the Declarant, by or on behalf of the Master Association and any adjacent parcel owner of developer. The Association acknowledges that a portion of the boundary wall encroaches and lies within the Adjacent Commercial Parcel as described above.

Section 25. WAIVER OF JURY TRIAL. The Declarant and each Lot Owner, by reason of having acquired ownership (whether by purchase, gift, operation of law or otherwise), and each occupant of a Home, by reason of occupancy, hereby shall be deemed to have knowingly, voluntarily and intentionally waived the right each may have to a trial by jury with respect to any litigation based hereon, or arising out of, under or in connection with this Declaration or any document contemplated to be executed (or which may be executed) in connection herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or any actions of the Declarant, the Lot Owner or any such occupant, with respect to any matter arising out of or in any way related to the terms, conditions, liabilities or obligations arising under this Declaration or any document contemplated to be executed (or which may be executed) in connection therewith.

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 VILLAGGIO RESERVE HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF VILLAGGIO RESERVE AND THE VALUE THEREOF;

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 ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS AND NOT AS CREATING A DUTY OF THE ASSOCIATION TO

PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IF ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH OWNER (BY VIRTUE OF THEIR ACCEPTANCE OF TITLE TO THEIR LOT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF VILLAGGIO RESERVE (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS SECTION 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 SECTION.

AS USED IN THIS SECTION, "ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, ALL ARC MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS SECTION SHALL ALSO INURE TO THE BENEFIT OF THE DECLARANT AND ALL PARTIES RELATED THERETO, ALL OF WHICH SHALL BE FULLY PROTECTED HEREBY.

SIGNATURE PAGE ATTACHED

IN WITNESS WHEREOF, this Declaration has been signed by Declarant and joined in by the Association on the respective dates set forth below.

DECLARANT:

INVESTORS ASSET ACQUISITION, LLC,
A Delaware limited liability company

WITNESSES AS TO DECLARANT:

Signature *A. M. Milowe*
Print Name Abrianna Milowe

Signature *Mary Collins*
Print Name Mary Collins

By: _____
Title: CHARLES SCARDINA,
Manager (SEAL)

ASSOCIATION:

VILLAGGIO RESERVE MASTER PROPERTY OWNERS
ASSOCIATION, INC., a Florida corporation not for profit

**WITNESSES AS TO
ASSOCIATION:**

Signature *A. M. Milowe*
Print Name Abrianna Milowe

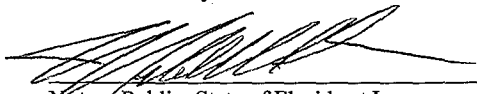
Signature *Mary Collins*
Print Name Mary Collins

By: _____
Name: RONALD L. YUTER
Title: President (SEAL)

STATE OF FLORIDA)
) §
COUNTY OF PALM BEACH)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by CHARLES SCARDINA, the Manager of Investors Asset Acquisition, LLC, a Delaware limited liability company, freely and voluntarily under authority duly vested in him by said company, and that the seal affixed thereto is the true corporate seal of said company. Charles Scardina is personally known to me.

December 2016 WITNESS my hand and official seal in the County and State last aforesaid this 8th day of



Notary Public, State of Florida at Large

Mitchell A. Sherman

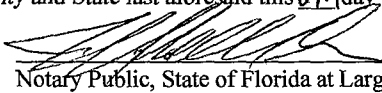
Typed, Printed or Stamped Name of Notary Public
My Commission Expires:

Notary Public State of Florida
Mitchell A. Sherman
My Commission Expires 04/19/2018
Bonded thru Notary Public Underwriters

STATE OF FLORIDA)
) §
COUNTY OF PALM BEACH)

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by RONALD L. YUTER, the President of Villaggio Reserve MASTER PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation not for profit, freely and voluntarily under authority duly vested in him by said corporation, and that the seal affixed thereto is the true corporate seal of said corporation. Charles Scardina is personally known to me.

WITNESS my hand and official seal in the County and State last aforesaid this 8th day of Decem. 2016.



Notary Public, State of Florida at Large

Mitchell A. Sherman

Typed, Printed or Stamped Name of Notary Public
My Commission Expires:

Notary Public State of Florida
Mitchell A. Sherman
My Commission Expires 04/19/2018
Bonded thru Notary Public Underwriters

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SCHEDULE OF EXHIBITS

EXHIBIT "A"

Legal Description of Owned Property

EXHIBIT "B"

Articles of Incorporation of HOA

EXHIBIT "C"

Bylaws of HOA

EXHIBIT "D"

SFWMD Permit

EXHIBIT "A" LEGAL DESCRIPTION:

All of **VILLAGGIO ISLES PUD REPLAT, VILLAGGIO ISLES PUD**, A PLANNED UNIT DEVELOPMENT, AS RECORDED IN PLAT BOOK 117, PAGES 102-109, BEING A REPLAT OF PARCEL A, TRACT L, TRACT R AND TRACT W, VILLAGGIO ISLES-PHASE I, AS RECORDED IN PLAT BOOK 111, PAGES 123-131 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THE FOREGOING DESCRIPTION INCLUDES:

All of **VILLAGGIO ISLES PARCEL A-1 REPLAT**, AS RECORDED IN PLAT BOOK 118, PAGES 181-182, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; together with

All of **VILLAGGIO ISLES PARCELS B AND C REPLAT** AS RECORDED IN PLAT BOOK 117 PAGES 116-122 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; together with

All of **VILLAGGIO ISLES PARCEL D REPLAT** AS RECORDED IN PLAT BOOK 119, PAGES 111-114 BEING A REPLAT OF PARCEL D AND A PORTION OF TRACT R VILLAGGIO ISLES PUD REPLAT AS RECORDED IN PLAT BOOK 117 PAGES 102-109 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; together with

All of **VILLAGGIO ISLES PARCEL E REPLAT** RECORDED IN PLAT BOOK 120 PAGES 198-201 BEING A REPLAT OF PARCEL E AND TRACT L3 VILLAGGIO ISLES PARCEL D REPLAT AS RECORDED IN PLAT BOOK 119, PAGE 111-114 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA;

IT IS THE INTENT OF THE DECLARANT BY THIS INSTRUMENT TO CONFIRM THAT THE COMMUNITY KNOWN AS VILLAGGIO RESERVE AS DESCRIBED IN THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR VILLAGGIO RESERVE MASTER PROPERTY OWNERS ASSOCIATION (at VILLAGGIO ISLES PUD) SHALL INCLUDE ALL OF THE LAND AND AREA INCLUDED WITHIN THE ABOVE DESCRIBED PLAT(S)/REPLAT(S)

EXHIBIT "B"
ARTICLES OF INCORPORATION

**AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
VILLAGGIO RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.
(A Florida Corporation Not For Profit)**

The undersigned Incorporator, being a natural person competent to contract for the purpose of forming a corporation not for profit under the laws of the State of Florida, pursuant to Article XIII B. of the Articles of Incorporation of the Villaggio Reserve Master Property Owners Association, Inc., filed with the Secretary of State on Dec. 9, 2013 and recorded in Official Records Book 26925 at Page 790 et. seq. of the Public Records of Palm Beach County, Florida, does hereby adopt, subscribe and acknowledge the following Amended and Restated Articles of Incorporation:

In order to form a corporation not for profit under and in accordance with the provisions of Chapter 617 of the Florida Statutes, the undersigned hereby incorporates the corporation not for profit for the purposes and with the powers hereinafter set forth and, to that end, the undersigned, by these Articles of Incorporation, certify as follows:

**ARTICLE I
DEFINITIONS**

The following words and phrases when used in these Articles of Incorporation (unless the context clearly reflects another meaning) shall have the following meanings:

1. "Additional Plat" means the plat of any "Additional Property" (as defined in the Declaration), provided a Supplemental Declaration for such Additional Property is recorded amongst the Public Records of the County.
2. "Ancillary Plat" means the plat of any portion of the Property which has not been previously platted, and for which a Supplemental Declaration(s) has been recorded with respect to such property.
3. "Articles" means these Articles of Incorporation and any amendments hereto
4. "Assessments" means the assessments for which all Owner are obligated to the Association and includes "Individual Lot Assessments" (including Villa Assessments and Single Family Home Assessments as applicable) and "Special Assessments" (as such terms are defined in the Declaration) and any and all other assessments which are levied by the Association in accordance with the Villaggio Reserve Documents.
5. "Association" means the VILLAGGIO RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation not for profit.
6. "Association Property" means the property more particularly described in Article II of the Declaration.
7. "Board" means the Board of Directors of the Association.
8. "Bylaws" means the bylaws of the Association and any amendments thereto.
9. "County" means Palm Beach County, Florida.
10. "Declarant" shall mean and refer to Investors Asset Acquisition, L.L.C., a Florida limited liability company, and any successor or assign thereof to which the Declarant specifically assigns all or part of the rights of Declarant under the Declaration, by an express written assignment, whether recorded in the Public Records of the County or not and whether or not such right herein contains a specific statement that it is assignable. The written assignment may give notice as to which rights of Declarant are to be exercised and as to which portion of the Property. In any event, any subsequent declarant shall not be liable for any default or obligations incurred by any prior declarant, except as may be expressly assumed by the subsequent

declarant. In any event, any subsequent declarant shall not be liable for any default or obligations incurred by any prior declarant, except as may be expressly assumed by the subsequent declarant.

11. "Declaration" means the Declaration of Covenants, Restrictions and Easements for Villaggio Reserve, which is intended to be recorded amongst the Public Records of the County, and any amendments and Supplemental Declarations thereto.
12. "Developer" means the developer of the Property, whether Declarant or some other person or entity, which shall be named as the "Developer" in any Supplemental Declaration submitting additional property to this Declaration.
13. "Director" means a member of the Board.
14. "Home" means a residential dwelling unit constructed within Villaggio Reserve, which is designed and intended for use and occupancy as a single-family residence. A Home may be an attached Villa, Patio Villa or single family home.
15. "Lot" means and refers to any parcel of land within Villaggio Reserve as shown on the Plat or any "additional Plat." (as such term is defined in the Declaration) upon which a Home is permitted to be constructed, together with the improvements thereon and any portion of the land within Villaggio Reserve that is declared to be a Lot by a supplemental Declaration and is not subsequently withdrawn from the provisions of the Declaration by a Supplemental Declaration.
16. "Member" means a member of the Association.
17. "Operating Expenses" means the expenses for which owners are liable to the Association as described in the Villaggio Reserve Documents and includes, but is not limited to the costs and expenses incurred by the Association in administering, operating, maintaining, financing or repairing, but not reconstructing, replacing or improving, the Association Property or any portion thereof and improvements thereon and all costs and expenses incurred by the Association in carrying out its powers and duties as set forth in the Villaggio Reserve Documents.
18. "Owner" means and refers to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within Villaggio Reserve, and includes Declarant for so long as Declarant owns fee simple title to a Lot, but excluding therefrom those having such interest as security for the performance of an obligation.
19. "Plat" shall mean the plat or plat's of the Property (as defined in the Villaggio Reserve Documents) recorded or to be recorded in the Public Records of Palm Beach County, Florida. In the event an Additional Plat or Ancillary Plat is recorded in the Public Records of the County, then the term "Plat" as used herein shall also mean such Ancillary or Additional Plat and any Replat.
20. "Replat" means the replat, if any, of any portion of the Property for which a plat is recorded.
21. "Supplemental Declaration" means any instrument executed by Declarant with respect to the Additional Property, if any (provided Declarant is the owner thereof), which, when recorded in the Public Records of the County, shall commit such property to the provisions of the Declaration. A Supplemental Declaration may also add additional restrictions, declare certain properties to be or not to be Association Property, or withdraw properties from the Property and the provisions of the Declaration. A Supplemental Declaration may also withdraw portions of the Property from the provisions of the Declaration provided any such Supplemental Declaration is approved by the Palm Beach County Attorney's Office.

22. "Villaggio Reserve" means the planned residential development located in Palm Beach County, Florida, which encompasses the Property and is intended to comprise not more than five hundred sixteen (516) Homes, and the Association Property.
23. "Villaggio Reserve Documents" means, in the aggregate, the Declaration, these Articles, the Bylaws, the Plat and any Ancillary Plat, Replat or Additional Plat, and all of the instruments and documents referred to or incorporated therein including, but not limited to, any amendment(s) and Supplemental Declaration(s).

Unless otherwise defined herein, the terms defined in the Declaration are incorporated herein by reference and shall appear in initial capital letters each time such terms appear in these Articles.

ARTICLE II
NAME

The name of this corporation shall be VILLAGGIO RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC., a Florida corporation not for profit, whose principal address and mailing address is 7942 Via Lampane, Delray Beach, Florida 33446.

ARTICLE III
PURPOSES

The purpose for which the Association is organized is to take title to, operate, administer, manage, lease and maintain the Association Property in accordance with the terms of, and purposes set forth in, the Villaggio Reserve Documents and to carry out the covenants and enforce the provisions of the Villaggio Reserve Documents.

ARTICLE IV
POWERS

The Association shall have the following powers and shall be governed by the following provisions:

- A. The Association shall have all of the common law and statutory powers of a corporation not for profit under the laws of the State of Florida.
- B. The Association shall have all of the powers granted to the Association in the Villaggio Reserve Documents. All of the provisions of the Declaration and Bylaws which grant powers to the Association are incorporated into the Articles.
- C. The Association shall have all of the powers reasonably necessary to implement the purposes of the Association, including, but not limited to, the following:
 1. To perform any act required or contemplated by it under the Villaggio Reserve Documents.
 2. To make, establish, amend and enforce reasonable rules and regulations governing the use of the Association Property.
 3. To make, levy and collect "Assessments" (as defined in the Declaration) for the purpose of obtaining funds from the Owners to pay Operating Expenses and other costs defined in the Declaration and costs of collection, and to use and expend the proceeds of Assessments, if any in the exercise of the powers and duties of the Association.
 4. To maintain, repair, replace and operate the Association Property in accordance with the Villaggio Reserve Documents.
 5. To enforce by legal means the obligations of the Members and the provisions of the Villaggio Reserve Documents.

6. To employ personnel, retain independent contractors and professional personnel, and enter into service contracts to provide for the maintenance, operation, administration and management of the Association Property and to enter into any other agreements consistent with the purposes of the Association, including, but not limited to, agreements with respect to professional management of the Association Property and to delegate to such professional management certain powers and duties of the Association.

7. To enter into the Declaration and any amendments thereto and instruments referred to therein.

8. To provide, to the extent deemed necessary by the Board, any and all services and do any and all things which are incidental to or in furtherance of things listed above or to carry out the Association mandate to keep and maintain Villaggio Reserve in a proper and aesthetically pleasing condition and to provide the Owners with services, amenities, controls and enforcement which will enhance the quality of life at Villaggio Reserve.

9. Notwithstanding anything contained herein to the contrary, the Association shall be required to obtain the approval of three-fourths ($\frac{3}{4}$) of all Members at a duly called meeting of the Members at which a quorum is present, prior to the engagement of legal counsel by the Association for the purpose of suing, or making, preparing or investigating any lawsuit, or commencing any lawsuit in the name of the Association other than for the following purposes:

- a. the collection of Assessments;
- b. the collection of other charges which Owners are obligated to pay pursuant to the Villaggio Reserve Documents;
- c. the enforcement of any applicable use and occupancy restrictions contained in the Villaggio Reserve Documents;
- d. Dealing with an emergency when waiting to obtain the approval of the Members creates a substantial risk of irreparable injury to the Association Property or to Member(s) (the imminent expiration of a statute of limitations shall not be deemed an emergency obviating the need for the requisite vote of the Voting Members representing three-fourths [$\frac{3}{4}$] of the Members); or
- e. filing a compulsory counterclaim.

In addition to the foregoing, prior to the engagement of legal counsel and/or the filing of any legal action including, but not limited to, mediation, arbitration, litigation or appeal, the members must place in escrow one hundred twenty-five percent (125%) of the projected costs of such action including attorney's fees and costs in the event of the loss of such action by the association.

ARTICLE V MEMBERS AND VOTING

The qualification of Members of the Association, the manner of their admission to membership, the manner of the termination of such membership and the manner of the termination of such membership and the manner of voting by the Voting Members shall be as follows:

A. Until such time as the first deed of conveyance of a Lot from Declarant to an Owner is recorded amongst the Public Records of the County ("First Conveyance"), the membership of the Association shall be comprised solely of the incorporator of these Articles ("Incorporator"). The Incorporator shall be entitled to cast one (1) vote on all matters requiring a vote of the membership.

B. Upon the First Conveyance, membership of the Incorporator in the Association shall be automatically terminated and thereupon Declarant shall be a Member as to each of the remaining Lots until each such

Lot is conveyed to another Owner, and thereupon and thereafter each and every Owner, including Declarant as to Lots owned by Declarant, shall be a Member and exercise all of the rights and privileges of a Member.

C. Membership in the Association for Owners other than Declarant shall be established by the acquisition of ownership of fee simple title to a Lot as evidenced by the recording of an instrument of conveyance amongst the Public Records of the County. Where title to a Lot is acquired by conveyance from a party other than Declarant by means of sale, gift, inheritance, devise, judicial decree or otherwise, the person, persons, or entity thereby acquiring such Lot shall not be a Member unless or until such Owner shall deliver a true copy of a deed or other instrument of acquisition of title to the Association.

D. The Association shall have three (3) classes of voting membership:

1. "Class A Members" shall be all Owners of Villa Lots (i.e. including Patio Villa Lots), with the exception of Declarant while Declarant is a Class C Member, each of whom shall be entitled to one vote for Villa owned.
2. "Class B Members" shall be all Owners of Single Family Lots, with the exception of Declarant while Declarant is a Class C Member, each of whom shall be entitled to one vote for each single family lot owned.
3. "Class C Member" shall be Declarant, who shall be entitled to three times the total number of votes of the Class A Members and Class B Members, plus one. Class C membership shall cease and be converted to Class A, or Class B membership upon the earlier to occur of the following events ("Turnover Date"):

(i) Three (3) months after the conveyance of ninety percent (90%) "Total Developed Lots" (as defined in Article X. C hereof) by Declarant, as evidenced by the recording of instruments of conveyance of such Lots amongst the public Records of the County; or

(ii) At such time as Declarant shall designate in writing to the Association.

On the Turnover Date, Class A Members and Class B Members, including Declarant, shall assume control of the Association and elect not less than a majority of the Board; provided, however that Declarant shall be: (i) a Class "A" Member entitled to one (1) Class "A" vote for each Single Family Lot Declarant owns, and (ii) a Class "B" Member entitled to one (1) Class "B" vote for each Villa Declarant owns.

E. The designation of different classes of membership are for purposes of establishing the number of votes applicable to certain Lots, and nothing herein shall be deemed to require voting solely by an individual class on any matter which requires the vote of Members, unless otherwise specifically set forth in the Villaggio Reserve Documents.

F. No Member may assign, hypothecate or transfer in any manner his membership in the Association except as an appurtenance to his Lot.

G. Any Member who conveys or loses title to a Lot by sale, gift, devise, bequest, judicial decree or otherwise shall, immediately upon such conveyance or loss of title, no longer be a Member with respect to each such Lot and shall lose all rights and privileges of a Member resulting from ownership of such Lot.

H. There shall be only one (1) vote for each Lot, except for the Class C Members as set forth herein. If there is more than one Member with respect to a Lot as a result of the fee interest in such Lot being held by more than one person, such Members collectively shall be entitled to only one (1) vote. The vote of the Owners of a Lot owned by more than one natural person or by a corporation or other legal entity shall be cast by the person named in a certificate signed by all of the Owners of the Lot, or if appropriate, by properly designated officers, partners or principals of the respective legal entity ("Voting Member"), and filed with the Secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not filed with the Secretary of the Association, the vote of such Lot shall not be considered for a quorum or for any other purpose.

Notwithstanding the foregoing provisions, whenever any Lot is owned jointly by two persons or more (e.g. by a husband and wife, or by two individual unmarried owners as joint tenants or tenants in common), or by an approved entity (e.g. a Trust or other artificial person) they or it may, but shall not be required to, designate a voting Member. In the event a certificate designating a Voting Member is not filed by the husband and wife, joint owner's or entity, the following provisions shall govern their right to vote:

1. When both are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Lot owned by them. In the event they are unable to concur in their decision upon any topic requiring a vote, they shall lose their right to vote on that topic at that meeting, but shall count for purposes of establishing a quorum.

2. When only one (1) spouse is present at a meeting, the person present may cast the Lot vote without establishing the concurrence of the other spouse absent any prior written notice to the contrary by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, the vote of said Lot shall not be considered, but shall count for purposes of establishing a quorum.

3. When neither spouse is present, the person designated in a "Proxy" (as defined in the Bylaws) signed by either spouse may cast the Lot vote, when voting by Proxy is allowed, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different Proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different Proxy by the other spouse, the vote of said Lot shall not be considered, but shall count for purposes of establishing a quorum.

I. Unless some greater number is provided for in the Villaggio Reserve Documents, a quorum shall consist of persons entitled to cast at least thirty percent (30%) of the total number of votes of the Members.

ARTICLE VI
TERM

The term for which the Association is to exist shall be perpetual. In the event of dissolution of the Association (unless same is reinstated), other than incident to a merger or consolidation, all of the assets of the Association, including any surface water management system, shall be conveyed to a similar homeowners association or a public agency having a similar purpose, or any Member may petition the appropriate circuit court of the State of Florida for the appointment of a receiver to manage the affairs of the dissolved Association and its properties in the place and stead of the dissolved Association and to make such provisions as may be necessary for the continued management of the affairs of the dissolved Association and its properties. In the event of dissolution of the Association and conveyance of the Drainage System to an appropriate agency of local government having jurisdiction thereof as aforesaid, such agency shall have reasonable rights of access to the Property consisting of the Drainage System to operate, maintain, repair and replace the Drainage System.

ARTICLE VII
INCORPORATOR

The name and address of the Incorporator of these Articles are:

Mitchell A. Sherman, Esq.
7593 Boynton Beach Blvd., Suite 220
Boynton Beach, Florida 33437

ARTICLE VIII
OFFICERS

The affairs of the Association shall be managed by the President of the Association, assisted by the Vice President(s), Secretary and Treasurer, and, if any, by the Assistant Secretary(ies) and Assistant Treasurer(s), subject to the directions of the Board. Except for officers elected prior to the Turnover Date, officers must be Members, or the parents, children or spouses of Members.

The Board shall elect the President, Secretary and Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board shall, from time to time, determine. The President shall be elected from amongst the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, the office of President and a Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE IX
FIRST OFFICERS

The names of the officers who are to serve until the next election of officers by the Board are as follows:

President	-	<u>Ronald L. Yuter</u>
Vice President	-	<u>Charles M. Scardina, Sr.</u>
Secretary/Treasurer	-	<u>Elizabeth Nero</u>

ARTICLE X
BOARD OF DIRECTORS

A. The number of Directors on the first Board of Directors of the Association ("First Board") shall be three (3). The number of Directors on the Initial Elected Board (as hereinafter defined) shall be five (5), and shall include one member who is the Owner of a Villa, one member who is an Owner of a Patio Villa and one member who is an Owner of a Single Family Home. The number of Directors constituting the Board which is elected by the Members subsequent to the "Declarant's Resignation Event" (as hereinafter defined) shall be not less than 5 or as otherwise determined by the Board from time to time; one of which shall be representative of and elected by the Owners of Villas, one of which shall be representative of and elected by the Owners of the Patio Villas, one of which representative of and shall be elected by the Owners of the Single Family Homes and the remaining shall be from the members at large without regard to unit type. Director positions shall be elected by a plurality of votes cast by the applicable Owners entitled to vote for such opening at a meeting at which a quorum is present. Except for Declarant-appointed and Developer-appointed Directors, Directors must be Members or the parents, children or spouses of Members. There shall be only one (1) vote for each Director.

B. The names and addresses of the persons who are to serve as Directors on the First Board are as follows:

<u>NAMES</u>	<u>ADDRESSES</u>
<u>Ronald L. Yuter</u>	7593 Boynton Beach Blvd., Suite 220 Boynton Beach, Florida 33437
<u>Charles M. Scardina, SJr.</u>	7593 Boynton Beach Blvd., Suite 220 Boynton Beach, Florida 33437
<u>Elizabeth Nero.</u>	7593 Boynton Beach Blvd., Suite 220 Boynton Beach, Florida 33437

Declarant reserve the right to replace and/or designate and select successor Directors to serve on the First Board for so long as the First Board is to serve, as hereinafter provided.

C. Declarant intends that Villaggio Reserve, when ultimately developed, will contain not more than a total of five hundred sixteen (516) Lots (including single family homes, villas and patio homes or units) with a Home constructed on each Lot ("Developed Lots"). Notwithstanding the foregoing, Declarant has reserved the right in the

Declaration to modify its plan of development for Villaggio Reserve and to withdraw land from Villaggio Reserve and, therefore, the total number of Lots and Homes within Villaggio Reserve, and thus the term "Total Developed Lots," may refer to a number less than five hundred sixteen (516). The number of Lots added to or withdrawn from Villaggio Reserve and the revised number of "Total Developed Lots" will be set forth in a Supplemental Declaration recorded in the County if additional land is withdrawn from Villaggio Reserve.

D. Upon the Turnover Date, the Members other than Declarant ("Purchaser Members") shall be entitled to elect not less than a majority of the Board. The election of not less than a majority of the Board by the Purchaser Members shall occur at a special meeting of the membership to be called by the Board for such purpose ("Initial Election Meeting"). The First Board shall serve until the Initial Election Meeting.

E. The Initial Election Meeting shall be called by the Association, through the Board, within sixty (60) days after the Purchaser Members are entitled to elect a majority of Directors as provided in Paragraph D hereof. A notice of meeting shall be forwarded to all Members in accordance with the Bylaws; provided, however, that the Members shall be given at least fourteen (14) days prior notice of such meeting. The notice shall also specify the number of Directors which shall be elected by the Purchaser Members and the remaining number of Directors designated by Declarant.

F. At the Initial Election Meeting, Purchaser Members, who shall include all Members other than Declarant, the number of which may change from time to time, shall elect Directors (one a Villa Elected Director, one a Patio Villa Elected Director and one a Single Family Elected Director (each as defined below) and the remaining from the membership at large), (same constituting the "Initial Elected Board"). Declarant reserves and shall have the right, until the Declarant's Resignation Event, to name the successor, if any, to any Director it has so designated.

G. The Board shall continue to be so designated and elected, as described in Paragraph E above, at each subsequent "Annual Members' Meeting" (as defined in the Bylaws), until the Annual Members' Meeting following the Declarant's Resignation Event or until a Purchaser Member-elected Director is removed in the manner hereinafter provided.

A Director elected by the Villa (including the Patio Villa) Owners may be removed from office upon the affirmative vote or agreement in writing of a majority of the voting interests of Villa Owners for any reason deemed to be in the best interests of the Villa Owners. A Director elected by the Single Family Owners may be removed from office upon the affirmative vote or agreement in writing of a majority of the voting interests of Single Family Owners for any reason deemed to be in the best interest of the Single Family Owners. A meeting of the Purchaser Members to so remove its respective Director (other than a Declarant-appointed Director) shall be held upon the written request of ten percent (10%) of the Purchaser Members entitled to vote for such Director. Any such recall shall be effected and a recall election shall be held, if applicable, as provided in the Florida Statutes 720. Villa Owners shall have the right to elect the successor, if any, to any Villa Elected Director who is removed or resigns prior to the end of such Director's term. Similarly, Single Family Owners shall have the right to elect the successor, if any, to any Single Family Elected Director who is removed or resigns prior to the end of such Director's term.

H. Upon the earlier to occur of the following events ("Declarant's Resignation Event"), Declarant shall cause all of its designated Directors to resign:

When Declarant no longer holds at least five percent (5%) of the Total Developed Lots for sale in the ordinary course of business and all Lots sold by Declarant have been conveyed as evidenced by the recording of instruments of conveyance of such Lots amongst the Public Records of the County; or when the Declarant causes the voluntary resignation of all of the Directors designated by Declarant and does not designate replacement Directors.

Upon Declarant's Resignation Event, the Directors elected by Purchaser Members shall elect a successor Director to fill the vacancy caused by the resignation or removal of Declarant's designated Director. This successor Director shall serve until the next Annual Members' Meeting and until his successor is elected and qualified. In the event Declarant's Resignation Event occurs prior to the Initial Election Meeting, the Initial Election Meeting shall be called in the manner set forth in Paragraph G of this Article X, and all of the Directors shall be elected by the Purchaser Members at such meeting.

I. At each Annual Members' Meeting held subsequent to Declarant's Resignation Event, all of the Directors shall be elected by the Members, as more fully set forth herein. The Villa Owners shall elect one (1) of the Directors (the "Villa Elected Directors"), the Patio Villa Owners shall elect one (1) of the Directors (the "Patio Villa Elected Directors"), the Single Family Owners shall elect one (1) Directors (the "Single Family Elected Directors") and the members at large shall elect the remaining two (2) Directors. Each Director shall serve for a term of one year each. There shall be no limit on the number of times a Director may be re-elected.

J. Upon the resignation of a Director who has been designated by Declarant or the resignation of an officer of the Association who has been elected by the First Board, the Association on behalf of its owner members shall be deemed to remise, release, acquit, satisfy and forever discharge such Director or officer of and from any and all manner of action(s), cause(s) of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which the Association or Purchaser Members had, now have or will have or which any personal representative, successor, heir or assign of the Association or Purchaser Members hereafter can, shall or may have against said Director or officer for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of such resignation, except for such Director's or officer's willful misconduct or gross negligence.

ARTICLE XI INDEMNIFICATION

Each and every Director and officer of the Association shall be indemnified by the Association against all costs, expenses and liabilities, including attorney and paralegal fees at all trial and appellate levels and post judgment proceedings, reasonably incurred by or imposed upon him in connection with any negotiation, proceeding, arbitration, litigation or settlement in which he becomes involved by reason of his being or having been a Director or officer of the Association, and the foregoing provision for indemnification shall apply whether or not such person is a Director or officer at the time such cost, expense or liability is incurred. Notwithstanding the above, in the event of any such settlement, the indemnification provisions provided in this Article XI shall not be automatic and shall apply only when the Board approves such settlement and reimbursement for the costs and expenses of such settlement as in the best interest of the Association. In the event a Director or officer admits or is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties, the indemnification provisions of this Article XI shall not apply. The foregoing right of indemnification provided in this Article XI shall be in addition to and not exclusive of any and all rights of indemnification to which a Director or officer of the Association may be entitled under statute or common law.

ARTICLE XII BYLAWS

The Bylaws shall be adopted by the First Board, and thereafter may be altered, amended or rescinded in the manner provided for in the Bylaws. In the event of any conflict between the provisions of these Articles and the provisions of the Bylaws, the provisions of these Articles shall control.

ARTICLE XIII AMENDMENTS

A. Prior to the First Conveyance, these Articles may be amended only by an instrument in writing signed by the Declarant and filed in the Office of the Secretary of State of the State of Florida.

B. After the First Conveyance, and prior to the Turnover Date, these Articles may be amended by the Declarant or by a majority vote of the Board, without the prior written consent of the Members, at a duly called meeting of the Board or upon execution of a Written Consent to Action by the Board.

C. After the Turnover Date, these Articles may be amended in the following manner:

1. (a) The Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote by the Members at a meeting of the Members, which may be at either the Annual Members' Meeting or a special meeting. Any number of proposed amendments may be submitted to the Members and voted upon by the Members at one meeting.

(b) Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member within the time and in the manner provided in the Bylaws for the giving of notice of meetings ("Required Notice").

(c) At such meeting, a vote of the Members shall be taken on the proposed amendment(s). The proposed amendment(s) shall be adopted upon receiving the affirmative vote of the Members representing a majority of the voting interests.

2. Amendment may be adopted by a written statement (in lieu of a meeting) signed by all Members and all members of the Board setting forth their intention that an amendment to the Articles be adopted.

D. After the First Conveyance, these Articles may not be amended without the written consent of a majority of the members of the Board.

E. Notwithstanding any provisions of this Article XIII to the contrary, these Articles shall not be amended in any manner which shall prejudice the rights of: (i) Declarant, without the prior written consent thereto by Declarant, for so long as Declarant holds either a leasehold interest in or title to at least one (1) Lot; and (ii) any "Institutional Mortgagee" (as such term is defined in the Declaration) without the prior written consent of such Institutional Mortgagee.

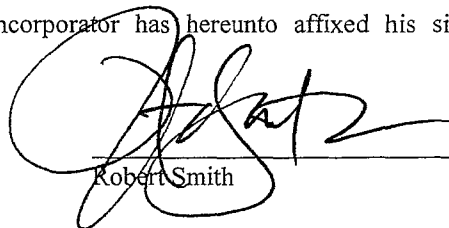
F. Notwithstanding the foregoing provisions of this Article XIII, no amendment to these Articles shall be adopted which shall abridge, amend or alter the rights of Declarant hereunder, including, but not limited to, Declarant's right to designate and select members of the First Board or otherwise designate and select Directors as provided in Article X hereof, nor shall any amendment be adopted or become effective without the prior written consent of Declarant, so long as Declarant owns any Lot within the Property.

G. Any instrument amending these Articles shall identify the particular article or articles being amended and shall provide a reasonable method to identify the amendment being made. A certified copy of each such amendment shall be attached to any certified copy of these Articles, and a copy of each amendment certified by the Secretary of State shall be recorded amongst the Public Records of the County.

ARTICLE XIV
REGISTERED OFFICE AND REGISTERED AGENT

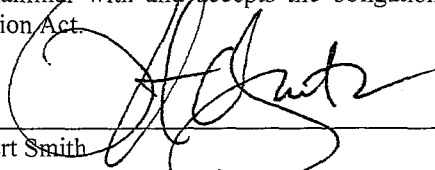
The street address of the initial registered office of the Association is GRS Management, 3900 Woodlake Blvd., Suite 309, Lake Worth, Florida 33463, and the initial registered agent of the Association at that address shall be Robert Smith.

IN WITNESS WHEREOF, the Incorporator has hereunto affixed his signature, this 8th day of December, 2016.



Robert Smith

The undersigned hereby accepts the designation of Registered Agent as set forth in Article XIV of these Articles of Incorporation, and acknowledges that he is familiar with and accepts the obligations imposed upon registered agents under the Florida Not For Profit Corporation Act.



Robert Smith

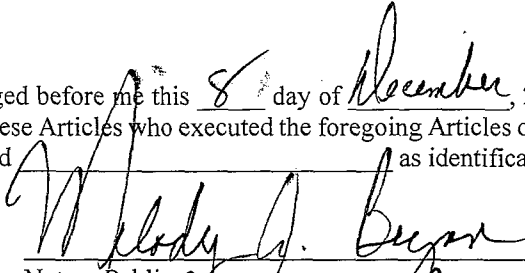
Dated:

12/8/2016

STATE OF FLORIDA)

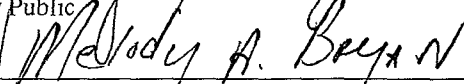
COUNTY OF PALM BEACH) §

The foregoing instrument was acknowledged before me this 8th day of December, 2016, by Robert Smith, the person described as the Incorporator of these Articles who executed the foregoing Articles of Incorporation, who is personally known to me or who has produced _____ as identification.



Notary Public

(SEAL)



Printed, Typed or Stamped Notary Name
My Commission Expires:



EXHIBIT "C"
BYLAWS

BYLAWS
OF
VILLAGGIO RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC.

Section 1. Identification of Association

These are the Bylaws of the VILLAGGIO RESERVE MASTER PROPERTY OWNERS ASSOCIATION, INC. ("Association") as duly adopted by its Board of Directors ("Board"). The Association is a corporation not for profit, organized pursuant to Chapter 617, Florida Statutes.

1.1. The office of the Association shall be for the present at 7942 Via Lampione, Delray Beach, Fl. 33446 and thereafter may be located at any place designated by the Board.

1.2. The fiscal year of the Association shall be the calendar year.

1.3. The seal of the Association shall bear the name of the Association, the word "Florida" and the words "Corporation Not For Profit."

Section 2. Explanation of Terminology

The terms defined in the Articles of Incorporation of the Association ("Articles") as well as in the Declaration of Covenants, Restrictions and Easements for VILLAGGIO RESERVE ("Declaration") are incorporated herein by reference and shall appear in initial capital letters each time such terms appear in these Bylaws.

Section 3. Membership; Members' Meetings; Voting and Proxies

3.1. The qualification of Members, the manner of their admission to membership in the Association, the manner of termination of such membership and the voting by Members shall be as set forth in the Articles.

3.2. The Members shall meet annually ("Annual Members' Meeting"). The Annual Members' Meeting shall be held at the office of the Association or at such other place in the County as the Board may determine and on such day and at such time as designated by the Board in the notice of such meeting commencing with the year following the year in which the Articles are filed with the Secretary of State. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (when that shall be appropriate as determined by the provisions of the Articles) and transact any other business authorized to be transacted at such Annual Members' Meeting.

3.3. Special meetings (meetings other than the Annual Members' Meeting) of the Members shall be held at any place within the County whenever called by the President or Vice President or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from Voting Members having the right to vote at least one-third (1/3) of the total voting interests.

3.4. Except as otherwise provided in the Articles, a written notice of all Members' meetings, whether the Annual Members' Meeting or special meetings (collectively "Meeting"), shall be given to each Member at his last known address as it appears on the books of the Association and shall be mailed to the said address not less than fourteen (14) days nor more than forty-five (45) days prior to the date of the Meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Any notice given hereunder shall state the time and place of the Meeting and the purposes for which the Meeting is called. The notice of all Annual Members' Meetings shall, in addition, specify the number of Directors of the Association to be designated by Declarant and, if applicable, a Developer or Developers and the number of Directors to be elected by the Class A Members, if applicable, by their Voting Members. Notwithstanding any provisions hereof to the contrary, notice of any Meeting may be waived before, during or after such Meeting by a Member or by the person entitled to vote for such Member by signing a document setting forth the waiver of such notice.

3.5. The Voting Members may, at the discretion of the Board, act by written response in lieu of a Meeting provided written notice of the matter or matters to be agreed upon is given to the Members or duly waived in accordance with the provisions of these Bylaws. Unless some greater number is required under the VILLAGGIO RESERVE Documents and except as to the election of Directors, which shall be accomplished by majority vote as to

each Neighborhood, the decision of a majority of the votes cast by Voting Members as to the matter or matters to be agreed or voted upon shall be binding on the Members provided a quorum is either present at such Meeting or submits a response if action is taken by written response in lieu of a Meeting, as the case may be. The notice with respect to actions to be taken by written response in lieu of a Meeting shall set forth the time period during which the written responses must be received by the Association.

3.6. (a) A quorum of the Members shall consist of Voting Members entitled to cast thirty percent (30%) of the total number of votes of the Members. A quorum of any class members shall consist of Voting Members entitled to cast thirty percent (30%) of the total number of votes of the class members. Limited proxies and general proxies may be used to establish a quorum.

(b) When a quorum is present at any Meeting and a question which raises the jurisdiction of such Meeting is presented, the holders of a majority of the voting rights present in person or represented by written "Proxy" (as hereinafter defined) shall be required to decide the question. However, if the question is one upon which a vote other than the majority vote of a quorum is required by express provision of the VILLAGGIO RESERVE Documents or by law, then such express provision shall govern and control the required vote on the decision of such question.

3.7. At any Annual Members' Meeting at which elections of Directors are to occur, written ballots are to be supplied to the Voting Members for such purposes.

3.8. If a quorum is not in attendance at a Meeting, the Voting Members who are present, either in person or by Proxy, may adjourn the Meeting from time to time until a quorum is present with no further notice of such adjourned Meeting being required unless otherwise determined by the Board.

3.9. Official Minutes of all Board Meetings shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times (upon not less than 10 days notice to the Association of a request to inspect any requested minutes or other records of the Association. Minutes or records of any committee(s) and committee meetings may be retained by the Association in the discretion of the chairperson of each committee. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

3.10. Voting rights of Members shall be as stated in the Articles with respect to the election of all Boards other than the First Board and the Second Board. Such votes may be cast by the Voting Members in person or by Proxy. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted in the place and stead of the person or authorized representative of an entity entitled to vote. Proxies shall be in writing signed by the person or authorized representative of an entity giving the same and shall be valid only for the particular Meeting designated therein and, if so stated in the Proxy, any adjournments thereof, provided, however, any proxy automatically expires ninety (90) days after the date of the meeting for which it was originally given. A Proxy must be filed with the Secretary of the Association before the appointed time of the Meeting in order to be valid. Any Proxy may be revoked prior to the time a vote is cast according to such Proxy.

3.11. The voting on any matter at a Meeting shall be by secret ballot upon request of the holder or holders of at least ten percent (10%) of the votes represented at such Meeting and entitled to be cast on such matter, if such request is made prior to the vote in question.

Section 4. Board; Directors' Meetings

4.1. The business and administration of the Association shall be by the Board.

4.2. The election and, if applicable, designation of Directors shall be conducted in accordance with the Articles. Except for Declarant-appointed and Developer-appointed Directors, Directors must be Members or the parents, children or spouses of Members.

4.3. (a) Any person elected or designated as a Director shall have all the rights, privileges, duties and obligations of a Director of the Association.

(b) The term of a Director's service shall be as stated in the Articles and, if not so stated, shall extend until the next Annual Members' Meeting and thereafter until his successor is duly elected and qualified or until he resigns or is removed in the manner elsewhere provided.

4.4. The organizational meeting of a newly elected Board shall be held within ten (10) days of its election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. Provided the organizational meeting is held directly following the annual Members' meeting, no further notice of the organizational meeting shall be necessary; if not, however, notice of the organizational meeting shall be given in accordance with Section 617.303(2) of the Florida Statutes.

4.5. Regular meetings of the Board may be held at such times and places in the County as shall be determined from time to time by a majority of Directors. Special meetings of the Board may be called at the discretion of the President or the Vice President. Special meetings must be called by the Secretary at the written request of at least one-third (1/3) of the Directors. Any such special meeting may be held in the County at such time and place as determined by the Directors requesting such meeting or in such other place as all Directors shall agree upon.

4.6. Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or email at least three (3) days prior to the day named for such meeting unless such notice is waived before, during or after such meeting. Any Director may waive notice of the meeting in writing before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.7. Notice of all Board meetings shall be given to the members in accordance with Section 617.303(2) of the Florida Statutes.

4.8. A quorum of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as may be otherwise specifically provided by law, by the Articles or elsewhere herein. If at any meetings of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting that takes place on account of a previously adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, no further notice of the adjourned meeting need be given unless otherwise determined by the Board.

4.9. The presiding officer at all Board meetings shall be the President. In the absence of the President, the Directors shall designate any one of their Board Members to preside.

4.10. Directors' fees, if any, shall be determined by the Members.

4.11. Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times as set forth in the applicable Florida Statutes.

4.12. The Board shall have the power to appoint an "Executive Committee(s)" of the Board consisting of not less than three (3) Directors. An Executive Committee(s) shall have and exercise such powers of the Board as may be delegated to such Executive Committee(s) by the Board. The Board may also appoint special

subcommittees from time to time to specifically address various matters (e.g. landscaping, finance, social, parking, ARC...) and/or to advise the Board as requested from time to time. Executive Committee and Subcommittee meetings may not necessarily be open to the Members at large unless so directed or approved by the Board or the Committee or Subcommittee. Committee members must be full time residents of Villaggio Reserve, shown on the Deed as an Owner and shall only serve on one Committee or Subcommittee at a time.

4.13. Meetings of the Board shall be open to all Members on such terms as the Board may determine. The Board may also hold closed meetings to the extent permitted by applicable law, including, by way of example but not by way of limitation, where the discussion at a meeting is governed by attorney-client privilege. If the meeting is open, unless a Member serves as a Director or unless he has been specifically invited by the Directors to participate in the meeting, no Member shall be entitled to participate in the meeting, but shall only be entitled to act as an observer. In the event a Member not serving as a Director or not otherwise invited by the Directors to participate in the meeting attempts to become more than a mere observer at the meeting or conducts himself in a manner detrimental to the carrying on of the meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish said Member's expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he is a Member or a duly authorized representative, agent or proxy holder of a Member, unless said person has been specifically invited by any of the Directors to participate in such meeting.

4.14. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, specifically setting forth the action to be taken, shall be signed by all the Directors entitled to vote with respect to the subject matter thereof and such consent shall have the same force and effect as a unanimous vote of Directors, provided, however, whenever "Assessments" (as defined in the Declaration) are to be considered, they may be considered only at a meeting of the Directors properly noticed in accordance with Section 617.303(2) of the Florida Statutes.

Section 5. Powers and Duties of the Board

5.1. All of the powers and duties of the Association shall be exercised by the Board. Such powers and duties of the Board shall include, but not be limited to, all powers and duties set forth in the VILLAGGIO RESERVE Documents, as well as all of the powers and duties of a director of a corporation not for profit.

5.2. The Association may employ a manager to perform any of the duties, powers or functions of the Association. Notwithstanding the foregoing, the Association may not delegate to the manager the power to conclusively determine whether the Association should make expenditures for capital additions or improvements chargeable against the Association funds. The members of the Board shall not be personally liable for any omission or improper exercise by the manager of any duty, power or function delegated to the manager by the Association.

Section 6. Late Fees

An Owner who fails to timely pay any Assessment shall be charged a late charge of TWENTY-FIVE DOLLARS (\$25) by the Association for such late Assessment. This late charge may be adjusted by the Board from time to time. Owners shall be responsible to pay all Legal Fees incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessment and foreclose the Association's lien has been commenced. The Board has authorized the following initial schedule of fees for such circumstances:

- (a) ONE HUNDRED FIFTY DOLLARS (\$150) for a Claim of Lien plus recording costs and sending of Notice of Intention to Foreclose;
- (b) ONE HUNDRED DOLLARS (\$100) for a Satisfaction of Lien plus recording costs; and

(c) Any further action would require an hourly computation of attorney and/or paralegal time spent pursuing collection of such unpaid Assessments. Notwithstanding the foregoing, the above fees may be adjusted from time to time by the Board and may be increased or decreased to include any actual attorney's fees and costs incurred in connection with the circumstance giving rise to the fine and action necessitated thereby.

Section 7. Officers of the Association

7.1. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. All officers shall be Owners of Homes in Villaggio Reserve and be clearly shown as an owner on the Deed of Conveyance for the Home. Any officer may be removed from office without cause by vote of the Directors at any meeting of the Board. The Board may, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

7.2. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of an association or a corporation not for profit, including, but not limited to, the power to appoint such committees from among the Members at such times as he may, in his discretion, determine appropriate to assist in the conduct of the affairs of the Association. If in attendance, the President ("Chairman") shall preside at all meetings of the Board and the Members; provided, however, that the President may appoint a substitute.

7.3. In the absence or disability of the President, a Vice President shall exercise the powers and perform the duties of the President. If there is more than one (1) Vice President, the Board shall designate which Vice President is to perform which duties. The Vice President(s) shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then they shall be designated "First," "Second," etc., and shall exercise the powers and perform the duties of the presidency in such order.

7.4. The Secretary shall keep the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times. The Secretary shall have custody of the seal of the Association and affix the same to instruments requiring such seal when duly authorized and directed to do so. The Secretary shall be custodian for the corporate records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary under the supervision of the Secretary.

7.5. The Treasurer shall have custody of all of the monies of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep the assessment rolls and accounts of the Members and shall keep the books of the Association in accordance with good accounting practices and he shall perform all of the duties incident to the office of the Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall assist the Treasurer under the supervision of the Treasurer.

7.6. The compensation, if any, of the officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from hiring a Director as an employee of the Association or preclude the contracting with a Director or a party affiliated with a Director for the management or performance of contract services for all or any part of VILLAGGIO RESERVE.

Section 8. Resignations

Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in

which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Lots owned by any Director or officer (other than appointees of Declarant or a Developer) shall constitute a written resignation of such Director or officer.

Section 9. Accounting Records; Fiscal Management

9.1. The Association shall use the cash accrual basis method of accounting and shall maintain accounting records in accordance with good accounting practices, which shall be open to inspection by Members and Institutional Mortgagees or their respective authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and signed by the person giving the authorization and dated within sixty (60) days of the date of the inspection. Such records shall include, but not be limited to: (i) a record of all receipts and expenditures; (ii) an account for each Lot within VILLAGGIO RESERVE which shall designate the name and address of the Owner thereof, the amount of "Individual Lot Assessments" (as defined in the Declaration) and all other Assessments, if any, charged to the Lot, the amounts and due dates for payment of same, the amounts paid upon the account and the dates paid, and the balance due; (iii) any tax returns, financial statements and financial reports of the Association; and (iv) any other records that identify, measure, record or communicate financial information.

9.2. The Board shall adopt a Budget (as provided for in the Declaration) of the anticipated Operating Expenses for each forthcoming calendar year (the fiscal year of the Association being the calendar year) at a special meeting of the Board ("Budget Meeting") called for that purpose to be held during the month of November of the year preceding the year to which the Budget applies. Prior to the Budget Meeting, a proposed Budget for the Operating Expenses shall be prepared by or on behalf of the Board. Within thirty (30) days after adoption of the Budget, a copy thereof shall be furnished to each Member, upon request, and each Owner shall be given notice of the Individual Lot Assessment applicable to his Lot(s). The copy of the Budget, if requested, shall be deemed furnished and the notice of the Individual Lot Assessment shall be deemed given upon its delivery or upon its being mailed to the Owner shown on the records of the Association at his last known address as shown on the records of the Association.

9.3. In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any monies received by the Association in any calendar year may be used by the Association to pay expenses incurred in the same calendar year; (iii) there shall be apportioned between calendar years on a *pro rata* basis any expenses which are prepaid in any one calendar year for Operating Expenses which cover more than such calendar year; (iv) Assessments shall be made quarterly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current Operating Expenses and for all unpaid Operating Expenses previously incurred; and (v) items of Operating Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, the Assessments for Operating Expenses and any periodic installments thereof shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting.

9.4. Individual Lot Assessments, Special Assessments, Reserves and Individual Special Lot Assessments shall be payable as provided for in the Declaration.

9.5. No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Operating Expenses not budgeted or which shall exceed budgeted items, and no Board is required to engage in deficit spending. Should there exist any deficiency which results from there being greater Operating Expenses than monies from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a "Special Assessment" (as defined in the Declaration) or an upward adjustment to the Individual Lot Assessment.

9.6. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board, in which the monies of the Association shall be deposited. Withdrawal of monies from

such account shall be only by checks signed by such persons as are authorized by the Board. The Board in its discretion may also allow for the use of debit cards to be used by specific approved users (e.g. social director, property manager, etc.)

9.7. A Review Financial Report of the accounts of the Association shall be made annually by an accountant and a copy of the report shall be furnished to each Member who requests same in writing no later than the first day of April of the year following the year for which the report is made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at his last known address shown on the records of the Association.

Section 10. Rules and Regulations

The Board may, at any meeting of the Board, adopt rules and regulations or amend, modify or rescind then existing rules and regulations for the operation of VILLAGGIO RESERVE provided, however, that such rules and regulations are not inconsistent with the terms or provisions of the VILLAGGIO RESERVE Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed or delivered to all Members at the last known address for such Members as shown on the records of the Association at the time of such delivery or mailing and shall not take effect until forty-eight (48) hours after such delivery or mailing, or, in the event both forms of notification are used, whichever is later. Notwithstanding the foregoing, where rules and regulations are to regulate the use of specific portions of the Association Property, same shall be conspicuously posted at such facility and such rules and regulations shall be effective immediately upon such posting. Care shall be taken to insure that posted rules and regulations are conspicuously displayed and easily readable and that posted signs or announcements are designed with a view towards protection from weather and the elements. Posted rules and regulations which are torn down or lost shall be promptly replaced.

Section 11. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of all Members and the Board; provided, however, if such rules of order are in conflict with any of the VILLAGGIO RESERVE Documents, Robert's Rules of Order shall yield to the provisions of such instrument.

Section 12. Roster of Owners

Each Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely on the accuracy of such information for all purposes until notified in writing of changes therein.

Section 13. Amendment of the Bylaws

13.1. These Bylaws may be amended as hereinafter set forth in this Section 13.

13.2. After the Turnover Date, any Bylaw of the Association may be amended or repealed, and any new Bylaw of the Association may be adopted by either:

(i) an affirmative vote of the Voting Members representing a majority of the voting interests of the Members at any Annual Members' Meeting or any special meeting of the Members called for that purpose or by majority action of the Voting Members who have acted by written response in lieu of a Meeting as permitted by these Bylaws; or

(ii) by the affirmative vote of a majority of the Directors then in office at any regular meeting of the Board or at any special meeting of the Board called for that purpose or by written instrument signed by all of the Directors as is permitted by these Bylaws.

13.3. Notwithstanding the foregoing provisions of this Section 13, there shall be no amendment to these Bylaws which shall abridge, amend or alter the rights of: (i) Declarant, without the prior written consent thereto by Declarant for so long as Declarant holds title to at least one (1) Lot; or (ii) any Institutional Mortgagee without the prior written consent of such Institutional Mortgagee.

13.4. Any instrument amending, modifying, repealing or adding Bylaws shall identify the particular section or sections affected and give the exact language of such modification, amendment or addition or of the provisions repealed. A copy of each such amendment, modification, repeal or addition attested to by the Secretary or Assistant Secretary of the Association shall be recorded amongst the Public Records of the County.

Section 14. Interpretation

In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the event of any conflict between the Articles and the Declaration, the Declaration shall control.

VILLAGGIO RESERVE MASTER PROPERTY
OWNERS ASSOCIATION, INC.

By: _____

Attest: _____

(SEAL)

EXHIBIT "D"
SFWMD PERMIT



SOUTH FLORIDA WATER MANAGEMENT DISTRICT Notice of Environmental Resource Or Surface Water Management Permit

Document Prepared By:
South Florida Water Management District



Return Recorded Document To:
Water Resource Regulation Department
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, FL 33406

CFN 20100336913
OR BK 24064 PG 0316
RECORDED 09/08/2010 12:04:23
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0316 - 318; (3pgs)

RE: Permit No.: 50-07775-P / 040809-6
Grantee: VILLAGGIO ISLES
Parcel ID: 00-42-46-16-26-018-0000, 00-42-46-16-26-023-0000, 00-42-46-16-00-000-7070,
00-42-46-16-26-001-0000, 00-42-46-16-00-000-7060
County: PALM BEACH

Notice

The SFWMD hereby gives notice that Environmental Resource or Surface Water Management Permit No. 50-07775-P has been issued to authorize the construction or modification of a surface water management system to serve the real-property described on Exhibit "A" attached hereto and made a part hereof ("Premises"). This property is subject to the requirements and restrictions set forth in Chapter 373, Florida Statute and Rule 40E, Florida Administrative Code.

Within thirty (30) days of any transfer of interest or control of that portion of the premises containing the surface water management system (or any portion thereof), the permittee must notify the SFWMD in writing of the property transfer. Notification of the transfer does not by itself constitute a permit transfer. Therefore, purchasers of that portion of the premises containing the surface water management system (or any portion thereof) are notified that it is unlawful for any person to construct, alter, operate, maintain, remove or abandon any stormwater management system, dam, impoundment, reservoir, appurtenant work or works, or any combination thereof, including dredging or filling, without first having obtained an environmental resource permit from the SFWMD in the purchaser's name.

Within thirty (30) days of the completion of construction of the surface water management system, a signed and sealed construction completion certification must be submitted to SFWMD pursuant to the requirements of Rule 40E-4.381, Florida Administrative Code.

This notice is applicable to property containing the structural surface water management facilities. For purposes of this notice only, the structural surface water management facilities are limited to lakes, canals, swales, ditches, berms, dry detention areas, water control structures, pumps, culverts, inlets, roads, and wetlands mitigation areas, buffers and upland compensation areas.

Conditions

The Permit is subject to the General Conditions set forth in Rule 40E-4.381, Florida Administrative Code. The Permit also contains additional Special Conditions. Accordingly, interested parties should closely examine the entire Permit, all associated applications, and any subsequent modifications.

Conflict Between Notice And Permit

This Notice of Permit is not a complete summary of the Permit. Provisions in the Notice of Permit shall not be used in interpreting the Permit provisions. In the event of conflict between this Notice of Permit and the Permit, the permit shall control.

This Notice is Not an Encumbrance

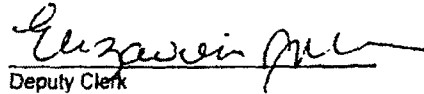
This Notice is for informational purposes only. It is not intended to be a lien, encumbrance, or cloud on the title of the premises.

Release

This Notice may not be released or removed from the public records without the prior written consent of the South Florida Water Management District.

This Notice of Permit is executed on the 12th day of August, 2010.

South Florida Water Management District


Deputy Clerk

South Florida Water Management District contact: Director of Environmental Resource Compliance (ERC), Environmental Resource Regulation Department.

STATE OF FLORIDA


COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 12th day of August, 2010 by Elizabeth Veguilla as Deputy Clerk of the South Florida Water Management District a public corporation, on behalf of the public corporation. He/She is personally known to me or has produced _____ as identification.



Notary Public

(seal)

NOTARY PUBLIC STATE OF FLORIDA
 Christine Madsen
Commission # DD811547
Expires: SEP. 19, 2012
BONDED THRU ATLANTIC BONDING CO., INC.

Christine Madsen
Print

My Commission Expires: Sep. 19th 2012

EXHIBIT "A"

VILLAGGIO ISLES PUD
LEGAL DESCRIPTION

ALL OF VILLAGGIO ISLES PHASE I, TERRANOVA PUD, AS RECORDED IN PLAT BOOK 111, PAGES 123 THROUGH 131, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, WHICH PLAT INCORPORATES THE FOLLOWING DEDICATED PROPERTY:

VILLAGGIO ISLES-PHASE I, TERRANOVA PUD, A PLANNED UNIT DEVELOPMENT, BEING A PORTION OF THE SOUTHWEST 1/4 OF SECTION 16, TOWNSHIP 46 SOUTH, RANGE 42 EAST, TOGETHER WITH A REPLAT OF A PORTION OF THE PLAT OF SUBDIVISION OF S.E. 1/4 AND W. 1/2 OF THE S.W. 1/4 OF SECTION 16 TOWNSHIP 46S RANGE 42E, AS RECORDED PLAT BOOK 1, PAGE 158 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 16; THENCE N.89°22'44"E. ALONG THE SOUTH LINE THEREOF, A DISTANCE OF 680.81 FEET; THENCE N.00°34'49"E. ALONG A LINE 680.66 FEET EAST OF (AS MEASURED AT RIGHT ANGLES TO) AND PARALLEL WITH THE WEST LINE OF SAID SECTION 16, A DISTANCE OF 98.34 TO A POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF STATE ROAD 806 (ATLANTIC AVENUE), AS RECORDED IN OFFICIAL RECORD BOOK 21624, PAGE 22 OF THE SAID PUBLIC RECORDS; THENCE N.89°22'44"E. ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 536.18 FEET TO THE POINT OF BEGINNING; THENCE N.77°07'31"W., A DISTANCE OF 51.42 FEET; THENCE S.89°22'44"W., A DISTANCE OF 280.00 FEET; THENCE N.50°01'13"W., A DISTANCE OF 45.55 FEET; THENCE N.09°25'11"W., A DISTANCE OF 77.09 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 340.00 FEET AND A CENTRAL ANGLE OF 48°31'18"; THENCE NORTHWESTERLY ALONG THE ARC A DISTANCE OF 287.93 FEET; THENCE N.00°34'49"E. ALONG A LINE 680.66 FEET EAST OF (AS MEASURED AT RIGHT ANGLES TO) AND PARALLEL WITH THE WEST LINE OF SAID SECTION 16, A DISTANCE OF 774.14 FEET TO A POINT OF INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF THE LAKE WORTH DRAINAGE DISTRICT L-33 CANAL, AS RECORDED IN OFFICIAL RECORD BOOK 6495, PAGE 761 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA; THENCE N.89°11'52"E. ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 1626.55 FEET; THENCE S00°14'48"W, A DISTANCE OF 307.73 FEET; THENCE N89°17'33"E, A DISTANCE OF 338.25 FEET TO A POINT OF INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF HAGEN RANCH ROAD, AS RECORDED IN OFFICIAL RECORD BOOK 12186, PAGE 1205 OF SAID PUBLIC RECORDS; THENCE S.00°14'48"W. ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF A DISTANCE OF 1,312.17 FEET; THENCE S.88°57'37"W., A DISTANCE OF 948.25 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE LEFT, OF WHICH THE RADIUS POINT LIES S.62°04'52"E., A RADIAL DISTANCE OF 484.69 FEET; THENCE SOUTHWESTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 07°21'00", A DISTANCE OF 62.18 FEET; THENCE S.00°05'34"E., A DISTANCE OF 522.20 FEET; THENCE S.89°54'26"W., A DISTANCE OF 26.02 FEET; THENCE S.00°05'39"E., A DISTANCE OF 393.35 FEET TO A POINT OF INTERSECTION WITH SAID NORTH RIGHT-OF-WAY LINE OF STATE ROAD 806 (ATLANTIC AVENUE), AS AS RECORDED IN OFFICIAL RECORD BOOK 21624, PAGE 22; THENCE S.89°22'44"W. ALONG SAID NORTH RIGHT-OF-WAY LINE, A DISTANCE OF 449.65 FEET TO THE POINT OF BEGINNING.

TOTAL CONTAINING 4,010,348 SQUARE FEET/92.076 ACRES, MORE OR LESS.