

DECLARATION OF COVENANTS AND RESTRICTIONS

OF

LAKE OF THE WOODS

This DECLARATION OF COVENANTS AND RESTRICTIONS OF LAKE OF THE WOODS made this 15th day of May 1987 by GULFSTREAM DEVELOPMENT CORP., a Florida corporation, (hereinafter referred to as "DECLARANT").

PREAMBLE

DECLARANT is the owner of certain property (the "SUBJECT PROPERTY") located in Sarasota County, Florida and legally described on Exhibit "A" attached hereto:

DECLARANT desires to create a quality development for various types of residential units within the SUBJECT PROPERTY with restrictions, covenants and impositions, as hereinafter set forth for the preservation of the property values of the owners therein.

NOW, THEREFORE, DECLARANT declares that the SUBJECT PROPERTY is and shall be held, transferred, sold, conveyed and occupied subject to the restrictions, covenants, servitudes and impositions hereinafter: set forth.

1. DEFINITIONS. The terms used in this DECLARATION, and in the ARTICLES and the BYLAWS, shall have the following meanings, unless the context otherwise requires:

1.01 ARTICLES means the Articles of Incorporation of the ASSOCIATION, as same may be amended from time to time.

1.02 ASSESSMENTS means the amount of money which may be assessed against an OWNER for the payment of the OWNER's share of COMMON EXPENSES, and/or any other funds which an OWNER may be required to pay to the ASSOCIATION as provided by this DECLARATION, the ARTICLES or the BYLAWS.

1.03 ASSOCIATION means Lake of The Woods Homeowner's Association, Inc., a Florida corporation not-for-profit.

1.04 BOARD means the Board of Directors of the ASSOCIATION.

1.05 BYLAWS means the Bylaws of the ASSOCIATION, as same may be amended from time to time.

1.06 COMMON AREAS means Any property, whether improved or unimproved, which is owned by the ASSOCIATION or which is otherwise declared to be, a COMMON AREA by this DECLARATION, and is to be used by all of the residents within the SUBJECT PROPERTY, and their guests and invitees. COMMON AREAS may include, but are not limited

to, parks, open areas, lakes, recreational areas, roads, entrance ways, parking areas and other similar properties.

1.07 LIMITED COMMON AREAS means any and all real property (or interest therein) located within the SUBJECT PROPERTY.

1.08 COMMON EXPENSES means all expenses properly incurred by the ASSOCIATION which include, but are not limited to, the following:

1.08.01 Expenses incurred in connection with the administration and management of the ASSOCIATION.

1.08.02 Expenses incurred in connection with the ownership, maintenance, repair, improvement or operation of those COMMON AREAS which may be used by all of the residents within the SUBJECT PROPERTY and any improvements therein.

1.08.03 Expenses of obtaining, repairing or replacing personal property in connection with the performance of the ASSOCIATION'S duties.

1.08.04 Expenses declared to be COMMON EXPENSES by the provisions of this DECLARATION and/or by the ARTICLES or BYLAWS.

1.08.05 Expenses of real estate taxes and assessments for any COMMON AREAS, and personal property taxes for any property owned by the ASSOCIATION.

1.08.06 Any expense of prosecuting or defending any action for or against the ASSOCIATION, including attorney's fees.

1.09 COMMON SURPLUS shall mean and refer to the excess of all receipts of the ASSOCIATION over the amount of the COMMON EXPENSES.

1.10 DECLARANT shall mean and refer to the person or entity executing this DECLARATION, or any person or entity who may be assigned the rights of DECLARATION, or any person or entity who may be assigned the rights of DECLARANT recorded in the Public Records of the County in which the SUBJECT PROPERTY is located. In addition, in the event the holder of any mortgage executed by DECLARANT obtains title to all the SUBJECT PROPERTY then owned by DECLARANT, such mortgagee may elect to become the DECLARANT by a written election recorded in the Public Records of the County in which the SUBJECT PROPERTY is located, and regardless of the exercise of such election, the mortgagee may appoint as DECLARANT any third party who acquires title to all of the SUBJECT PROPERTY owned by the mortgagee by written appointment recorded in the Public Records in the County in which the SUBJECT PROPERTY is located. In any event, such mortgagee, and its assigns, shall not be liable for any defaults or obligations incurred by any prior DECLARANT, except as same may be expressly assumed by the mortgagee or its assigns. In any event, the term "DECLARANT" shall not include any person or entity acquiring title only to one or more LOTS, unless DECLARANT specifically assigns its rights as DECLARANT to such person or entity.

1.11 DECLARATION shall mean and refer to this Declaration of Covenants and Restrictions of Lake of the Woods as it may be amended from time to time.

1.12 INSTITUTIONAL LENDER means the holder of a first mortgage encumbering a LOT, which holder in the ordinary course of business makes, purchases, guarantees, or insures residential mortgage loans, whether construction or permanent, and which holder is not the OWNER of the LOT and is not owned or controlled by the OWNER. An INSTITUTIONAL LENDER may include, but is not limited to, a bank, savings and loan association, insurance company, real estate or mortgage investment trust, pension or profit sharing plan, mortgage company, the Federal National Mortgage Association, an agency of the United States or any other governmental authority, or any other similar type of lender generally recognized as an institutional-type lender. For definitional purposes only, an INSTITUTIONAL LENDER shall also mean the holder of any mortgage executed by or in favor of DECLARANT, whether or not such holder would otherwise be considered an INSTITUTIONAL LENDER.

1.13 LOT means any platted parcel of land or condominium unit located within the SUBJECT PROPERTY, which has been or is intended to be conveyed by DECLARANT or subsequent developer of a tract of land within the SUBJECT PROPERTY to an OWNER and which contains or is intended to contain a single residential dwelling hereinafter referred to as a UNIT. If a LOT is divided such that a portion of the LOT is conveyed to the OWNER of a contiguous LOT, in order to increase the size of the contiguous LOT, then the remaining portion of the divided LOT shall be one LOT, and the contiguous LOT as increased by the portion of the divided LOT shall be one LOT, for purposes of this DECLARATION.

1.14 OWNER means the record owner(s) of a LOT.

1.15 SUBJECT PROPERTY means the property which is subject to this DECLARATION, which property is described in Exhibit "A" attached hereto, plus any additional property which may be made subject to this DECLARATION and less any property which may be withdrawn from this DECLARATION, pursuant to an amendment to this DECLARATION, and includes any LOTS or improvements constructed thereon.

1.16 DESIGNATED LAKES AND CANALS shall mean any lakes, canals or other drainage waters which are part of the master drainage plan as approved by Sarasota County or as further designated by DECLARANT or other governmental agency.

2. ASSOCIATION. In order to provide for the administration of the SUBJECT PROPERTY and this DECLARATION, the ASSOCIATION has been organized under the Laws of the State of Florida.

2.01 ARTICLES. A copy of the ARTICLES is attached hereto as Exhibit "B". No amendment to the ARTICLES shall be deemed an amendment to this DECLARATION, and this DECLARATION shall not prohibit or restrict amendments to the ARTICLES, except as specifically provided herein.

2.02 BYLAWS. A copy of the BYLAWS is attached as Exhibit "C". No amendment to the BYLAWS shall be deemed an amendment to this DECLARATION, and this

DECLARATION shall not prohibit or restrict amendments to the BYLAWS, except as specifically provided herein.

2.03 Membership. All OWNERS shall be members of the ASSOCIATION. Membership as to each LOT shall be established, and transferred, as provided by the ARTICLES and the BYLAWS.

2.04 Approval or Disapproval of Matter's. Whenever the decision of the OWNERS is required upon any matter, whether or not the subject of an ASSOCIATION meeting, such decisions shall be expressed in accordance with the ARTICLES and the BYLAWS.

2.05 Acts of the ASSOCIATION. Unless the approval or action of the OWNERS and/or a certain specific percentage of the BOARD is specifically required by this DECLARATION, the ARTICLES, or BYLAWS, or by applicable law, all approvals or actions required or permitted to be given or taken by the ASSOCIATION shall be given or taken by the BOARD, without the consent of the OWNERS, and the BOARD may so approve an act through the proper officers of the ASSOCIATION without a specific resolution when an approval or action of the ASSOCIATION is permitted to be given or taken, such action or approval may be conditioned in any manner the ASSOCIATION deems appropriate, or the ASSOCIATION may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal, except as herein specifically provided to the contrary.

2.06 Voting. On all matters as to which the OWNERS shall be entitled to vote, there shall be one vote for each LOT, to be cast in the manner provided in the ARTICLES and the BYLAWS.

3. COMMON AREAS.

3.01 All of the property within any recorded plat of any portion of the SUBJECT PROPERTY shall be a COMMON AREA, except for platted LOTS, LIMITED COMMON AREAS, and any property which is dedicated to Condominium ownership or to any governmental authority. In addition, DECLARANT may convey all or any portion of any LOT to the ASSOCIATION as a COMMON AREA.

3.02 Use. All persons residing within any LOT, and their guests and invitees, shall have the right to use all COMMON AREAS for the purposes for which same are intended, subject to the terms of this DECLARATION and reasonable nondiscriminatory rules and regulations which may be adopted by the BOARD from time to time.

3.03 COMMON EXPENSES. All expenses incurred by the ASSOCIATION in connection with the ownership, operation and maintenance of any COMMON AREA shall be COMMON EXPENSES.

3.04 Conveyance to the ASSOCIATION. DECLARANT shall have the right to convey title to any COMMON AREA, as above-defined, to the ASSOCIATION at any time, and any such conveyance shall be effective upon recording the deed or instrument of conveyance in the public records of the county in which the SUBJECT PROPERTY is located.

3.05 DECLARANT shall similarly have the right to convey title to any LIMITED COMMON AREA to any association or group of OWNERS (if they have not formed an association) who have the right to use that LIMITED COMMON AREA.

3.06 Additions, Alterations or Improvements. The ASSOCIATION shall have the right to make additions, alterations or improvements to the COMMON AREAS, and to purchase any personal property, as it deems necessary or desirable from time to time, provided, however, that if the cost of any additions, alterations, improvements or personal property shall in any calendar year exceed in the aggregate the sum of Fifty (\$50.00) Dollars (which sum shall be increased in direct proportion to any increase in the Consumer Price Index subsequent to the date of the recording of this DECLARATION as published by the Bureau of Labor Statistics of the U.S. Department of Labor, using the U.S. City Average, All Items (1967=100), or any similar index if the foregoing Index is discontinued) multiplied by the number of LOTS within the SUBJECT PROPERTY as of the time such additions, alterations or improvements are to be made, then such additions, alterations or improvements shall, not be made without the approval of a majority of the vote of the OWNERS.

4. EASEMENTS. Each of the following easements are hereby created, which shall run with the land and, notwithstanding any of the other provisions of this DECLARATION, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of this DECLARATION.

4.01 Utilities. Easements as may be required over, upon and under the COMMON AREAS or LIMITED COMMON AREAS for the installation, maintenance, repair and providing of utility services, equipment and fixtures in order to adequately serve the SUBJECT PROPERTY or any LOT, including, but not limited to, electricity, telephone, sewer, water, lighting, irrigation, drainage, television antenna and cable television facilities, and electronic security.

4.02 Perpetual Nonexclusive Easement- in COMMON AREAS. The COMMON AREAS shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all OWNERS and residents of the SUBJECT PROPERTY, and their guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended.

4.03 Easements for Overhanging roofs, troughs or gutters, downspouts and the discharge therefrom of rainwater and the subsequent flow thereof over the LOTS and the COMMON AREAS.

4.04 Designated Lakes and Canals. All designated lakes and canals within the SUBJECT PROPERTY, except for any portion of any lake or canal which is owned by any governmental authority, shall be a COMMON AREA. The ASSOCIATION shall have the right to draw water out of any lake or canal existing within the SUBJECT PROPERTY for irrigation purposes for any COMMON AREAS operated by the ASSOCIATION. No OWNER shall draw water out of any lake or canal existing within the SUBJECT PROPERTY for irrigation purposes for any property owned by the OWNER. Neither DECLARANT nor the ASSOCIATION shall be liable if any water drawn from any lake or canal within the SUBJECT PROPERTY for irrigation purposes is not suitable for such purposes, or if the level of the water in

any lake or canal existing within the SUBJECT PROPERTY falls to a level which is below the intake pipe of any irrigation system.

4.05 Service Easement. Easements in favor of governmental and quasi-governmental authorities, utility companies, cable television companies, ambulance or emergency vehicle companies, and mail carrier companies, over and across all roads existing from time to time with the SUBJECT PROPERTY, and over, under, on or across the COMMON AREAS or LIMITED COMMON AREAS, as may be reasonably required to permit the foregoing, and their agents and employees, to provide their respective authorized services to and for the SUBJECT PROPERTY and the OWNERS.

4.06 Easements for Pedestrian and Vehicular Traffic. Easements for pedestrian traffic over, through and across sidewalks, paths, lanes and walks, as the same may from time to time exist upon the -COMMON AREAS and be intended for such purpose; and for pedestrian and vehicular traffic and parking over, through, across and upon such portion of the COMMON AREAS as may from time to time be paved and intended for such purposes, same being for the use and benefit of the OWNERS and the residents of the SUBJECT PROPERTY, and their guests and invitees, and the holder of any mortgage encumbering any lot or portion of the SUBJECT PROPERTY.

4.07 Additional Easements. DECLARANT (so long as it owns any LOTS) and the ASSOCIATION, on their behalf and on behalf of all OWNERS, each shall have the right to (i) grant and declare additional easements over, upon, under and/or across the COMMON AREAS or LIMITED COMMON AREAS in favor of the OWNERS and residents of the SUBJECT PROPERTY and their guests and invitees, or in favor of any other person, entity, public or quasi-public authority or utility company, or (ii) modify, relocate, abandon or terminate existing easements within or outside' ' of the SUBJECT PROPERTY in favor of the ASSOCIATION and/or the OWNERS and residents of the SUBJECT PROPERTY and their guests and invitees or in favor of any person, entity, public or quasi-public authority, or utility company, as the DECLARANT or the ASSOCIATION may deem desirable for the proper operation and maintenance of the SUBJECT PROPERTY, or any portion thereof, or for the health, safety or welfare of the OWNERS, or for any other reason or purpose. So long as such additional easements, or the modification, relocation or abandonment of existing easements will not unreasonably and adversely interfere with the use of LOTS for dwelling purposes, no joinder of any OWNER, or any mortgagee of any LOT shall be required or, if same would unreasonably and adversely interfere with the use of any LOT for dwelling purposes, only the joinder of the OWNERS and INSTITUTIONAL LENDERS of LOTS so affected shall be required. To the extent required, all OWNERS hereby irrevocably appoint DECLARANT and/or the ASSOCIATION as their attorney-in-fact for the foregoing purposes.

5. INSURANCE.

5.01 Liability Insurance. The ASSOCIATION shall purchase comprehensive general public liability insurance insuring the ASSOCIATION against loss or damage resulting from accidents or occurrences on or about or in connection with the SUBJECT PROPERTY, or any work, matters or things related to the SUBJECT PROPERTY or I this DECLARATION and its exhibits, with such coverage as shall be required by the ASSOCIATION, but with a combined single limit liability of not less than One Million Dollars (\$1,000,000.00) for bodily injury, death or property damage,

arising out of a single occurrence, and with cross liability endorsement to cover liabilities of the OWNERS as a group to an OWNER.

5.02 Fidelity bonds. The ASSOCIATION shall obtain blanket fidelity bonds for all officers, directors, trustees and employees of the ASSOCIATION and all other persons handling or responsible for funds of or administered by the ASSOCIATION. The total amount of fidelity bond coverage shall in no event be less than a sum equal to three (3) months aggregate ASSESSMENTS on all LOTS plus reserve funds held by the ASSOCIATION, if any.

5.03 When appropriate and obtainable, each of the foregoing policies shall waive the insurer's right to: (i) subrogation against the ASSOCIATION and against the OWNERS individually and as a group, (ii) any prorata clause that reserves to the insurer the right to pay only a fraction of any loss if other insurance carriers have issued coverage upon the same risk, and (iii) avoid liability for a loss that is caused by an act of one or more directors of the ASSOCIATION or by one or more OWNERS; and shall provide that such policies may not be cancelled, or substantially modified (except for increases in coverage for limits of liability) without at least ten (10) days prior written notice to the ASSOCIATION and to the holder of the first mortgage encumbering any LOT which is listed as a scheduled holder of a first mortgage in the insurance policy.

5.04 Premiums. Premiums for insurance policies purchased by the ASSOCIATION shall be paid by the ASSOCIATION as a COMMON EXPENSE, except that any increase in any insurance premium occasioned by misuse, occupancy or abandonment of a LOT by a particular OWNER, or by a resident of any LOT, or by a member of their families or their guests or invitees, shall be assessed against and paid by that OWNER.

5.05 Approval by INSTITUTIONAL LENDERS. Each INSTITUTIONAL LENDER will have the right upon reasonable notice to the ASSOCIATION to review and approve, which approval shall not be unreasonably withheld, the form, content, insurer, limits and coverage of all insurance purchased by the ASSOCIATION, and to require the ASSOCIATION to purchase insurance complying with the reasonable and customary requirements of the INSTITUTIONAL LENDER. In the event of a conflict between INSTITUTIONAL LENDERS, the decision of the INSTITUTIONAL LENDER holding mortgages, encumbering LOTS which secure the largest aggregate indebtedness shall control.

6. ASSESSMENT FOR COMMON EXPENSE

6.01 Each OWNER of a LOT shall be responsible for the payment to the ASSOCIATION of ASSESSMENTS for COMMON EXPENSES for each LOT owned by the OWNER, which amount shall be assessed to the OWNER as described below.

6.02 Prior to the beginning of each calendar year, the BOARD shall adopt a budget for such calendar year which shall estimate all of the COMMON EXPENSES to be incurred by the ASSOCIATION during the calendar year. The BOARD shall then establish the ASSESSMENT for COMMON EXPENSES for each LOT, which shall be equal and shall be determined by dividing the total amount to be assessed for COMMON EXPENSES by the number of LOTS within the SUBJECT PROPERTY. The ASSOCIATION shall then notify each OWNER in

writing of the amount, frequency and due dates of the ASSESSMENT for COMMON EXPENSES. From time to time during the calendar year, the BOARD may modify the budget for the calendar year, and pursuant to the revised budget or otherwise, the BOARD may, upon written notice to the OWNERS, change the amount, frequency and/or due dates of the ASSESSMENTS for COMMON EXPENSES. If the expenditure of funds for COMMON EXPENSES is required in addition to funds produced by ASSESSMENTS for COMMON EXPENSES, the BOARD may make special ASSESSMENTS for COMMON EXPENSES, which shall be levied in the same manner as hereinbefore provided for regular ASSESSMENTS, and shall be payable in the manner determined by the BOARD, as stated in the notice of any special ASSESSMENT for COMMON EXPENSES. In the event any ASSESSMENT for COMMON EXPENSES are made payable in equal periodic payments, as provided in the notice from the ASSOCIATION, such periodic payments shall automatically continue to be due and payable in the same amount and frequency unless and until (i) the notice specifically provides that the periodic payments will terminate or change upon the occurrence of a specified event or date or the payment of the specified amount, or (ii) the ASSOCIATION notifies the OWNER in writing of a change in the amount and/or frequency of the periodic payments. In no event shall any ASSESSMENTS for COMMON EXPENSES be due less than ten (10) days from the date of the notification of such ASSESSMENTS.

6.03 Until such time as DECLARANT no longer appoints a majority of the directors of the BOARD, or until DECLARANT notifies the ASSOCIATION that it will pay ASSESSMENTS for COMMON EXPENSES for LOTS owned by DECLARANT as in the case of any other OWNER, DECLARANT shall not be required to pay ASSESSMENTS for COMMON EXPENSES for any LOTS owned by DECLARANT, but shall pay all COMMON EXPENSES of the ASSOCIATION in excess of the ASSESSMENTS for COMMON EXPENSES receivable from the other OWNER, which amount shall be at least 25% of the ASSESSMENTS for COMMON EXPENSES which would have been assessed against those LOTS owned by DECLARANT.

7. USE RESTRICTIONS.

7.01 Residential Purposes. All property shall be used for residential and related recreational use only and not for commercial, trade or business purposes.

7.02 UNIT. A UNIT shall "refer to the residential dwelling constructed upon a LOT.

7.02.01 Setback and Height. All applicable governmental codes and ordinances shall be complied with as regards setback and height requirements. In addition, for all detached single family dwellings sideyard setbacks shall be a minimum of 6 feet, setbacks from contiguous roads (whether front or sideyard) and rear property lines shall be a minimum of 20 feet, and the maximum height of a UNIT shall be 30 feet. Finished floor elevations are to be no less than 18", no more than 24" above crown of the road. Setbacks shall apply to all poured concrete. Declarant reserves the right to grant variances to these setbacks and elevation requirements.

7.02.0 Square Footage. All detached single family dwellings shall contain a minimum of 1,500 square feet under roof and permanently enclosed, exclusive of any garage area, porch or patio, whether screened in or not.

7.03 Roof Materials. All roofs shall be concrete tile, cedar shake or textured asphalt/fiberglass shingles as approved by Lake of the Woods Architectural Review Committee.

7.04 Exterior Alterations, Additions, Improvements or Changes. No OWNER shall make, install, place or remove any alterations, additions, improvements or changes of any kind or nature whatsoever to, in or upon any portion of the OWNER'S LOT, or the exterior of the OWNER'S UNIT, unless the OWNER first obtains the written consent of the ASSOCIATION to such addition, alteration, improvement or change. Any request by an OWNER for consent by the ASSOCIATION to any addition, alteration, improvement or change shall be in writing and shall be accompanied by plans and specifications or other details as the ASSOCIATION may deem reasonably necessary in connection with its determination as to whether or not it will consent to any such addition, alteration, improvement or change. Within thirty (30) day after such request, the ASSOCIATION shall consent to or disapprove the request by written notice to the OWNER submitting same, if the ASSOCIATION fails to disapprove the request within such thirty (30) day period, it shall be deemed to have consented to the request and shall give written notice of such consent upon request of the OWNER. Any approval of plans or specifications which is conditioned upon changes being made shall be deemed a disapproval until such time as the PERSON submitting the plans and specifications agrees to the changes or revises the plans and specifications to reflect the changes requested. The ASSOCIATION shall not be liable to any OWNER in connection with the approval of any alteration, addition, improvement or change. The ASSOCIATION'S approval as to any request shall not be unreasonably withheld, but may be withheld based upon aesthetic considerations. Any legal proceedings commenced by the ASSOCIATION to enforce this paragraph must be commenced within one (1) year of the date of the violation. The foregoing shall not be deemed to prohibit maintenance, repairs or replacements required to be made by the OWNER, provided such maintenance, repairs or replacements are in substantial conformity, including materials and colors, with that originally installed by the DEVELOPER or last approved.

7.04.1 Approval of Contractors All contractors who build the UNITS, or build swimming pools, or make exterior home improvements must be approved by the ASSOCIATION prior to beginning work.

7.04.02 Completion Date. All UNITS and other improvements (including but not limited to landscaping, sod installation, sidewalks, driveways) shall be fully completed by the earlier date of 180 days from the date architectural approval is given or 30 days after issuance of Certificate of Occupancy by Sarasota County.

7.04.03 Sidewalks. Each OWNER is obligated to have a sidewalk on his lot, including vacant lots, within twelve (12) months of purchase or within thirty (30) days after issuance of a Certificate of Occupancy, whichever comes first. Sidewalks must conform to Sarasota County specifications.

7.05 Portable Buildings. No portable buildings, temporary or accessory buildings or structures, or tents, shall be erected, constructed or located upon any property for storage or otherwise, without the prior written consent of the ASSOCIATION.

7.06 Clothes Lines. No clothes lines or clothes poles shall be erected, maintained or permitted on the exterior of any property, without the prior written consent of the ASSOCIATION.

7.07 Signs. No sign advertising the sale, lease or rental of any property or residential dwelling, and no political sign, advertising or commercial sign shall be posted, displayed, inscribed, or affixed to, or be visible from, the exterior of a residential dwelling, or upon any property, without the prior written consent of the ASSOCIATION. Other reasonable signs are permitted, subject-to the approval of the party exercising architectural control as elsewhere provided.

7.08 Animals and Pets. No animals, livestock or poultry of any kind shall be permitted within the SUBJECT PROPERTY except for common household domestic pets. Any pet must be carried or kept on a leash when outside of a UNIT or fenced-in area. No pet shall be kept outside of a UNIT, or in any screened porch or patio, unless someone is present in the UNIT. Any pet must not be an unreasonable nuisance or annoyance to other residents of the SUBJECT PROPERTY. Any resident shall pick up and remove immediately any solid animal waste deposited by his pet on any of the SUBJECT PROPERTY. The ASSOCIATION may require any pet to be immediately AND permanently removed from the SUBJECT PROPERTY due to a violation of this paragraph.

7.09 Nuisances. No nuisances shall be allowed upon any property, nor any use or practice which is an unreasonable source of annoyance to other OWNERS or which interferes with the peaceful possession and proper use of the residents of the SUBJECT PROPERTY. No improper, offensive or unlawful use shall be made of any property, and all laws, zoning ordinances and regulations of all controlling governmental bodies shall be observed.

7.10 Lakes. The use of any lake or canal within the SUBJECT PROPERTY shall be subject to all rules, regulations and restrictions adopted by the BOARD concerning same. In particular, and without limitation, no swimming or boating will be allowed in any such lake or canal unless and except as expressly permitted pursuant to any such rules, regulations and restrictions adopted by the BOARD.

7.11 Boats. No boats may be kept or stored outside of any residential dwelling, except that boats may be kept or stored on any -COMMON AREAS pursuant to rules and regulations adopted by the ASSOCIATION if, and only if expressly permitted by any such rules and regulations.

7.12 Vehicles. Only automobiles, small trucks, vans, and other vehicles commonly used as private passenger vehicles may be parked within the SUBJECT PROPERTY overnight. Other types of vehicles, recreational vehicles, campers, boats and trailers, may not be parked or stored overnight or for more than four (4) hours in any day, unless fully enclosed inside a garage. No vehicle shall be parked outside overnight if commercial equipment or commercial lettering is exposed in or upon the vehicle. The foregoing restriction shall not be deemed to prohibit the temporary parking of commercial vehicles making delivery to or from, or used in connection with providing services to any UNIT. No motor vehicle shall be stored with the SUBJECT PROPERTY which is not in operating condition, and no major repairs of motor vehicles are permitted within the SUBJECT PROPERTY. Motorcycles are not permitted except with the prior written consent of the ASSOCIATION which may be withdrawn at any time and any permitted motorcycle must be equipped with appropriate noise muffling equipment so that the operation of same does not create an unreasonable annoyance to the residents of the SUBJECT PROPERTY.

7.13 Air Conditioning Units. only central air conditioning units are permitted, and no window, wall or portable air conditioning units are permitted.

7.14 Outside Antennas. No outside antennas or signal-receiving dishes are permitted.

7.15 Swimming Pools. Swimming pools, whirlpools, spas or the like shall be installed below ground and must be enclosed by a screened in fence, decorative wall or other enclosure as approved by Lake of the Woods Architectural Review Committee.

7.16 Perimeter Fences. Fences are prohibited except as approved by the ASSOCIATION. Fences as approved by the Lake of the Woods Architectural Review Committee are required around exterior equipment including air conditioning units, water softeners and pool equipment.

7.17 Outside Storage of Personal Property. With the exception of an OWNER'S permitted motor vehicles, and patio furniture and accessories, the personal property of any OWNER shall not be stored outside the OWNER'S UNIT or any permitted storage building.

7.18 Artificial Vegetation. No artificial grass, plants or other artificial vegetation shall be placed or maintained upon the exterior portion of any property within the SUBJECT PROPERTY.

7.19 Surface Water Management. The surface water management system for the SUBJECT PROPERTY shall be installed, operated and maintained in accordance with all permits and approvals issued by the controlling governmental authority. Furthermore, the surface water management system shall not be adversely interfered with, changed or altered except pursuant to permits or approvals issued by the controlling governmental authority. No LOT shall be increased in size by filling in the water in which it abutts, and the slope of any lake or canal abutting any LOT shall be maintained by the OWNER of the LOT to the water line; except for the COMMON AREA property abutting Lake Meredith which is maintained by the ASSOCIATION.

7.20 Wells. No wells may be installed within the SUBJECT PROPERTY without prior written consent of the ASSOCIATION and the utility company supplying potable water to the SUBJECT PROPERTY.

7.21 Maintenance Provisions. Except for portions of any property to be maintained by the ASSOCIATION as elsewhere provided, all buildings and other improvements existing under, upon or over any property from time to time shall at all times be maintained in accordance with all applicable governmental requirements, and in a first-class condition and in good working order, so as to preserve the beauty, quality and value of all property. Without limiting the foregoing, the following standards shall apply with respect to the maintenance of any property:

7.21.01 Building and Other Improvements. All buildings and other improvements shall be maintained in a first-class condition, especially as to the exterior appearance. Painting or other exterior maintenance shall be periodically performed as reasonably required. No excessive and/or unsightly mildew, rust deposits, dirt, or deterioration shall be permitted to accumulate on any building or improvement.

7.21.02 Sidewalks, Roads and Parking Areas. All sidewalks, roads, streets, driveways, parking areas, and other paved or hard-surfaced areas intended for use by vehicular or pedestrian traffic shall be cleaned and kept free of debris; cracks, damaged and/or eroding areas on same shall be repaired, replaced and/or resurfaced as necessary. All curbing and bumper stops shall be repaired or replaced if damaged. All stripping, including but not limited to, parking space, traffic lane and directional markings, within any road, street, or parking area, shall be repainted as necessary, so that same will be clearly visible at all times.

7.21.03 Landscaping. All property containing a residential dwelling, or owned in conjunction with the ownership of a residential dwelling, or owned and/or operated by a homeowner's or condominium association, shall be tastefully landscaped. Lawns shall be primarily sodded, and shall not be paved or covered with gravel, artificial turf or other covering unless permitted by the party exercising of a LOT with a single architectural control. Each OWNER of a lot with a detached dwelling unit shall provide a minimum of three trees at least six feet in height and 100 square feet of ground plantings. All diseased or dead sod, plants, shrubs or flowers shall be promptly replaced. All landscaping shall be regularly maintained in first class condition and including mowing, trimming, fertilization, irrigation, and weed, insect and disease control.

7.21.04 Vacant Lots. The owner of a vacant LOT shall be required to mow same a minimum of four (4) times a year. In the event any OWNER fails to comply with this provision, the ASSOCIATION shall have the right to perform the necessary mowing of the lot and to assess the applicable OWNER for all costs and expenses incurred by the ASSOCIATION in connection therewith.

7.21.05 Trash. No garbage, trash, refuse or rubbish shall be deposited, dumped or kept on any property except in closed dumpsters or other sanitary garbage collection facilities. All dumpsters and garbage facilities shall be screened from view and kept in a clean and sanitary condition. No noxious or offensive odors shall be permitted. No refuse shall be allowed to accumulate so as to be detrimental to the surrounding area. Garbage bags or private trash containers required to be placed near any street for collection purposes shall not be placed outside more than twenty-four (24) hours prior to scheduled collection times.

7.22 Rules and Regulations. Reasonable rules and regulations concerning the maintenance and use of the SUBJECT PROPERTY may be made and amended from time to time by the ASSOCIATION in the manner provided by its ARTICLES and BYLAWS. Copies of such rules and regulations and amendments shall be furnished by the ASSOCIATION to any OWNER upon request.

7.23 Additional Restrictions. Nothing contained herein shall prohibit the OWNER of any property from imposing restrictions upon such property in addition to, or more restrictive than, the restrictions contained herein, provided, however, that any such restrictions shall not be effective to permit that which is expressly prohibited by the restrictions contained herein.

7.24 Waiver. The BOARD shall have the right to waive the application of one or more of these restrictions, or to permit a deviation from these restrictions, as to any property or lot where, in the discretion of the BOARD, circumstances exist which justify such waiver or deviation. In the event of any such waiver or permitted deviation, or in the event any party fails to enforce any

violation of these restrictions, such actions or inactions shall not be deemed to prohibit or restrict the right of DECLARANT the ASSOCIATION, the BOARD, or any other person having the right to enforce these restrictions from insisting upon strict compliance with respect to all other property and residential dwellings, nor shall any such actions be deemed a waiver of any of the restrictions contained herein as same may be applied in the future. Notwithstanding the foregoing, so long as DECLARANT owns any property within the SUBJECT PROPERTY, or holds a mortgage encumbering any-property other than LOT, if any waiver or deviation of any restriction contained in this Paragraph 7 requires the consent of the ASSOCIATION, such consent shall be obtained from DECLARANT, and not from the ASSOCIATION, unless DECLARANT -voluntarily relinquished this right at an earlier date.

7.25 Responsibility for Maintenance and Compliance.

7.25.01 OWNERS. The OWNER of any property within the SUBJECT PROPERTY shall be responsible for complying with all of the provisions of this ARTICLE with respect to such property.

7.25.02 Homeowners Associations. Each homeowners or condominium association shall be responsible for complying with all provisions of this Article with respect to all of the property which is subject to the jurisdiction of the homeowners or condominium association, notwithstanding the fact that the OWNER of any portion of the property may also be responsible for such compliance with respect to the property owned by such OWNER. .

7.25.03 Maintenance by the ASSOCIATION. The ASSOCIATION shall maintain, repair, and improve all COMMONAREAS. In addition, the ASSOCIATION shall have the right to assume the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION if the BOARD, in its sole and absolute discretion, determines that the operation and/or maintenance of the property by the ASSOCIATION would be in the best interests of the residents of the residents of the SUBJECT PROPERTY. In such event, the ASSOCIATION shall so notify the OWNERS or homeowners or condominium association otherwise responsible for such operation or maintenance, and thereafter the property shall be operated and/or maintained by the ASSOCIATION and not by the OWNERS or homeowners or condominium association until the BOARD determines no longer to assume the obligation to operate and/or maintain the property and so notifies the appropriate OWNER or homeowners or condominium association in writing. Without limitation, the ASSOCIATION shall have the right to assume the obligation to operate and/or maintain any walls or fences on or near the boundaries of the SUBJECT PROPERTY, and any landscaping, sprinkler systems, sidewalks, paths, or other improvements, in or within fifteen (15) feet of any public road right-of-ways within the SUBJECT PROPERTY. To the extent the ASSOCIATION assumes the obligation to operate and/or maintain any property which is not owned by the ASSOCIATION, the ASSOCIATION shall have the right to enter upon such property in connection with the operation and/or maintenance of same, and no such entry shall be deemed a trespass.

7.25.04 Damage Repairs. -Any damage to roads and other COMMON AREAS caused by any OWNER of any LOT or parcel of property within SUBJECT PROPERTY or by the Contractor, subcontractor, employee, or agent of any such OWNER shall be repaired at such OWNER'S expense to the satisfaction of the ASSOCIATION.

7.25.05 Enforcement. In the event any OWNER or homeowners or condominium association fails to comply with any provision of this Article, the ASSOCIATION shall have all rights of enforcement set forth in Paragraph 10, including, but not limited to, the right to perform any maintenance which any OWNER or homeowners or condominium association has failed to perform, and to assess the applicable OWNER or homeowners or condominium association for all costs and expenses incurred by the ASSOCIATION in connection therewith.

7.25.06 Limitations. No OWNER or homeowners or condominium association shall maintain, repair and/or improve any property for which the ASSOCIATION has the responsibility and duty for maintenance without the prior written consent of the ASSOCIATION.

7.26 Exceptions for DECLARANT. The foregoing use and maintenance restrictions shall not apply to DECLARANT, or with respect to any property owned by DECLARANT and shall not apply with respect to the development of the SUBJECT PROPERTY, the construction of any building, recreational facility and other improvements within the SUBJECT PROPERTY, nor to the sale of LOTS or new residential dwellings developed within the SUBJECT PROPERTY from time to time, by DECLARANT or by the developer of any portion of the SUBJECT PROPERTY. Specifically, and without limitation, DECLARANT and any developers of any portion of the SUBJECT PROPERTY shall have the right to: (i) construct any buildings or improvements within the SUBJECT PROPERTY; (ii) maintain customary and usual sales, general office and construction operations on any property; (iii) place, erect and construct portable buildings, temporary or accessory buildings, or structures upon any property for storage or other purposes; (iv) temporarily deposit, dump or accumulate trash, refuse and rubbish in connection with the development or construction of any property; (v) post, display, inscribe or affix to the exterior of a residential dwelling or upon any property, "For Sale" and other reasonable signs used in developing any property for sale to the public, and for promotional purposes; (vi) excavate fill from any lakes within and/or contiguous to the SUBJECT PROPERTY by dredge or dragline, store fill on the SUBJECT PROPERTY, and sell excess fill from the SUBJECT PROPERTY; and (vii) grow plants and trees upon the SUBJECT PROPERTY for later use and sell excess plants and trees.

7.27 Additional Use Restrictions. DECLARANT specifically reserves the right to prescribe and to record, from time to time hereafter, additional building and use restrictions for any area of the SUBJECT PROPERTY. This right shall extend to parcels or tracts conveyed to a developer who may subsequently develop any part of the land within the SUBJECT PROPERTY. Such additional restrictions may include, but shall not be limited to the type of residential dwelling which may be constructed, setbacks, height limitations, minimum square footages, roof materials, time of completion of construction and other related matters.

8. PLAT APPROVAL. DECLARANT specifically reserves the right to approve all plats located with SUBJECT PROPERTY prior to recording same by any OWNER or subsequent developer. Any plat recorded without joinder or consent of DECLARANT shall be void and of no effect unless DECLARANT fails to record an objection to said plat within one year of the plat's recordation. This right of approval shall terminate when DECLARANT no longer owns property within the SUBJECT PROPERTY.

9. ARCHITECTURAL CONTROL OF IMPROVEMENTS ON PROPERTY.

9.01 Purpose. Architectural control will be exercised over all buildings, structures and improvements to be placed or constructed upon any property within the SUBJECT PROPERTY for the purpose of insuring the development of the entire SUBJECT PROPERTY as a residential community of high standards and aesthetic beauty. It is the intent of this Paragraph that the party exercising architectural control shall have the right to control all architectural aspects of any improvements constructed on any property including, but not limited to, height, site planning, set-back requirements, open space, exterior design, color schemes, landscaping, waterscaping, and aesthetic criteria, to the end that the entire SUBJECT PROPERTY may be developed as a planned high-quality residential community with each portion of the SUBJECT PROPERTY complementing the other portions.

9.02 Party Exercising Architectural Control. DECLARANT shall have the right to exercise such architectural control so long as it owns any property, or holds a mortgage encumbering any property other than a LOT. Thereafter, the ASSOCIATION shall exercise such architectural control, provided, however, that, at any time DECLARANT shall have the right to relinquish architectural control over all or any portion of the SUBJECT PROPERTY, by written notice to the ASSOCIATION. So long as DECLARANT has the right to exercise architectural control, and has not voluntarily relinquished such control to the ASSOCIATION, the ASSOCIATION shall not have the right to exercise architectural control and said right shall be exclusively vested in DECLARANT.

9.03 OWNER to Obtain Approval. Each OWNER, by accepting title to any Lot or property with the SUBJECT PROPERTY, covenants and agrees that no building, fence, wall, tennis court, swimming pool, patio area, driveway, landscaping, antenna, sign, mailbox, or other structure or improvement, or any change or alteration thereto other than normal maintenance and repair which does not significantly alter or change the original structural or exterior condition and color of same, shall be placed, constructed or made upon any property, nor shall the elevation of any property be changed, nor shall any lake or canal be filled or the boundaries of same altered, unless and until plans and specifications therefore have been submitted to the party then exercising architectural control and the approval of same has been obtained as provided below. Said plans and specifications to be submitted shall fully describe in detail the improvements to be made including, but not limited to, all materials, equipment, and colors to be used. In the event the party exercising architectural control deems such plans and specifications insufficient, said party may require the plans and specifications to be further detailed.

9.04 Approval of Plans and Specifications. The party exercising architectural control shall have the right to approve or disapprove the plans and specifications on any grounds. Approval of any new plans and specifications shall not be unreasonably withheld and architectural control shall not be applied in a discriminatory manner or to unreasonably prohibit the reasonable development of any property. Notwithstanding the foregoing, the party exercising architectural control shall have complete discretion to approve or disapprove any plans and specifications on the grounds of exterior aesthetics. The party exercising architectural control shall approve or disapprove any plans or specifications within thirty (30) days after they have been submitted for approval, by written notice to the PERSON submitting same, and in the event the party exercising architectural control fails to disapprove any plans or specifications within such thirty (30) day period, they shall be deemed to have been approved and upon request the

party exercising architectural control shall give written notice of such approval. Any approval of plans or specifications which is conditioned upon changes being made shall be deemed a disapproval until such time as the PERSON submitting the plans and specifications agrees to the changes or revises the plans and specifications to reflect the changes requested. In the event the party exercising architectural control approves, or is deemed to have approved, any plans or specifications, the PERSON submitting the plans and specifications may proceed to make improvements or repairs in strict conformance with the plans and specifications submitted or approved or deemed to have been approved.

9.05 Remedy for Violations. In the event this Article is violated in that any construction, improvement, change, or alteration is made without first obtaining the approval of the party exercising architectural control, or is made prior to the time approval is presumed as set forth herein, the party exercising architectural control shall specifically have the right to injunctive relief, which shall include, but not be limited to, requiring the OWNER or applicable association to stop, remove and/or alter any such construction, improvement, change or alteration in a manner, which is satisfactory to the party exercising architectural control, or the party exercising architectural control may, pursue any other remedy available by law. The party exercising architectural control must commence any such action within one (1) year of the date of the violation. The foregoing shall be in addition to any other remedy set forth herein for violations of this DECLARATION. Furthermore, notwithstanding anything contained herein to the contrary, the party exercising architectural control shall have the exclusive authority to enforce the provisions of this Article.

9.06 Effect of Homeowners Association. The party exercising architectural control pursuant to this Article shall have the right to do so, notwithstanding the fact that a homeowners association or condominium association is also granted the right to exercise, and is exercising, architectural or similar control pursuant to a declaration of restrictions, declaration of condominium or similar document recorded with respect to any property.

9.07 No Liability. Notwithstanding anything contained herein to the contrary, the party having the authority herein to exercise architectural control shall merely have the right, but not the duty, to exercise such control, and shall not be liable to any OWNER due to the exercise or non-exercise of such control, or the approval or disapproval of any construction improvement, alteration or maintenance. Furthermore, the approval or failure to disapprove any plans or specifications submitted for approval shall not be deemed to be a warranty that such plans or specifications are complete or do not contain structural defects, or in fact meet any standards, guidelines and/or criteria of the party exercising architectural control, or are in fact architecturally or aesthetically appropriate, or comply with any applicable governmental requirements, and the party exercising architectural control shall not be liable for any deficiency, or injury resulting from any deficiency, in such plans or specifications.

9.08 Review Fee. The party exercising architectural control pursuant to this Article shall have the right to charge \$150.00 per UNIT for all plans reviewed pursuant to this Article.

10. DEFAULT.

10.01 Monetary Defaults and Collection of Assessments.

10.01.01 Interest. ASSESSMENTS and installments on ASSESSMENTS not paid within ten (10) days after the date when they are due shall bear interest at the then highest rate of interest allowable by law, but not greater than fifteen (15%) percent per year, from the due date until paid. If there is no due date applicable to any particular ASSESSMENT, then the ASSESSMENT shall be due ten (10) days after written demand by the ASSOCIATION.

10.02 Acceleration of ASSESSMENTS. If any OWNER is in default in the payment of any ASSESSMENT owed to the ASSOCIATION for more than thirty (30) days after written demand by the ASSOCIATION, the ASSOCIATION upon written notice to the defaulting OWNER shall have the right to accelerate and require such defaulting OWNER to pay to the ASSOCIATION ASSESSMENTS for COMMON EXPENSES for the next twelve (12) month period, based upon the then existing amount and frequency of ASSESSMENTS for COMMON EXPENSES. In the event of such acceleration, the defaulting OWNER shall continue to be liable for any increases in the regular ASSESSMENTS for COMMON EXPENSES, for all special ASSESSMENTS for COMMON EXPENSES, and/or for all other ASSESSMENTS payable to the ASSOCIATION.

10-01-03 Lien for ASSESSMENTS. The ASSOCIATION has a lien on each LOT for unpaid ASSESSMENTS owed to the ASSOCIATION by the OWNER of such LOT, and for interest, a for reasonable attorneys fees incurred by the ASSOCIATION incident to the collection of the ASSESSMENT or enforcement of the lien, and all sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances in order to preserve and protect the ASSOCIATION's lien. The lien is effective from and after recording a claim of ' lien in the public records in the county in which the LOT is located, stating the description of the LOT, the name of the record OWNER, and the amount due as of the recording of the claim of lien. A recorded claim of lien shall secure all sums set forth in the claim of lien, together with all ASSESSMENTS or other monies owed to the ASSOCIATION by the OWNER until the lien is satisfied. The lien is in effect until all sums secured by it have been >1 fully paid or until the lien is barred by law. The claim of lien must be signed and acknowledged by an officer or agent of the ASSOCIATION. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien.

10.01.04 Subordination of Lien. Where any person obtains title to a LOT pursuant to the foreclosure of the first mortgage of record of an INSTITUTIONAL LENDER or where an INSTITUTIONAL LENDER accepts a deed to a LOT in lieu of foreclosure of the first mortgage of record of such lender, such acquirer of title, its successors and assigns, shall not be liable for any ASSESSMENTS or for other monies owed to the ASSOCIATION which are chargeable to the former OWNER of the LOT and which became due prior to acquisition of title as a result of the foreclosure or deed in lieu thereof, unless the payment of such funds is secured by a claim of lien recorded prior to the recording of the foreclosed or underlying mortgage. The unpaid ASSESSMENTS or other monies are COMMON EXPENSES collectible from all of the OWNERS, including such acquirer and his successors and assigns. The new OWNER, from and after the time of acquiring such title, shall be liable for payment from and after the time of

acquiring such title, shall be liable for payment of all future ASSESSMENTS for COMMON EXPENSES and such other expenses as may be assessed to the OWNER'S LOT. Any person who acquires a LOT, except through foreclosure of a first mortgage of record of an INSTITUTIONAL LENDER, or deed in lieu thereof, including, without limitation, persons acquiring title by sale, shall be liable for all unpaid ASSESSMENTS and other monies due and owing by the former OWNER to the ASSOCIATION, and shall not be entitled to occupancy of the LOT or enjoyment of the COMMON AREAS, or of the recreational facilities as same may exist from time to time, until such time as all unpaid ASSESSMENTS and other monies have been paid in full.

10.01.05 Assignment of Claim and Lien Rights. The ASSOCIATION, acting through its BOARD, shall have the right to assign its claim and lien rights for the recovery of any unpaid ASSESSMENTS and any other monies owed to the ASSOCIATION, to any third party.

10.01.06 Unpaid ASSESSMENTS - Certificate. Any OWNER shall have the right to require from the ASSOCIATION a certificate showing the amount of unpaid ASSESSMENTS against him with respect to his LOT. The holder of a mortgage or other lien of record shall have the same right as to any LOT upon which he has a lien. Any person other than the OWNER who relies upon such certificate shall be protected thereby.

10.01.07 Application of Payments. Any payments made to the ASSOCIATION by any OWNER shall first be applied towards any sums advanced and paid by the ASSOCIATION for taxes and payment on account of superior mortgages, liens or encumbrances which may have been advanced by the ASSOCIATION in order to preserve and protect its lien; next toward reasonable attorneys' fees incurred by the ASSOCIATION incidental to the collection of assessments and other monies owed to the ASSOCIATION by the OWNER and/or for the enforcement of its lien; next towards interest on any ASSESSMENT or other monies due to the ASSOCIATION, as provided herein; and next towards any unpaid ASSESSMENTS owed to the ASSOCIATION in the inverse order that such ASSESSMENTS were due.

10.02 Non-Monetary Defaults. In the event of a violation by any OWNER (other than the non-payment of any ASSESSMENT or other monies) of any of the provisions of this DECLARATION, or the ARTICLES or BYLAWS, the ASSOCIATION shall notify the OWNER of the violation, by written notice. If such violation is not cured as soon as practicable and in any event within seven (7) days after such written notice, or if the violation is not capable of being cured within such seven (7) days period, if the OWNER fails to commence and diligently proceed to completely cure such violation as soon as practicable within seven (7) days after written notice by the ASSOCIATION, the ASSOCIATION may, at its option:

10.02.01 Commence an action to enforce the performance on the part of the OWNER, or for such equitable relief as may be necessary under the circumstances, including injunctive relief; and/or

10.02.02 Commence an action to recover damages; and/or

10.02.03 Take any and all actions reasonably necessary to correct such failure, which action may include, where applicable, but is not limited to,, removing any addition, alteration,

improvement or change which has not been approved by the ASSOCIATION, or performing any maintenance required to be performed by this DECLARATION.

All expenses incurred by the ASSOCIATION in connection with the correction of any failure, plus a service charge of ten percent (10%) of such expenses, and all expenses incurred by the ASSOCIATION in connection with any legal proceedings commenced against any OWNER, including reasonable attorneys' fees, shall be assessed against the applicable OWNER, and shall be due upon written demand by the ASSOCIATION. The ASSOCIATION shall have a lien for any such ASSESSMENT and any interest, costs or expenses associated therewith, including attorneys' fees incurred in connection with such ASSESSMENT, and may take such action to collect such ASSESSMENT or foreclose said lien as in the case and in the manner of any other ASSESSMENT as provided above. Any such lien shall only be effective from and after the recording of a claim of lien in the public records of the county in which the SUBJECT PROPERTY is located.

10.03 Negligence. An OWNER shall be liable and may be assessed by the ASSOCIATION for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION. Such liability shall include any increase in fire insurance rate occasioned by use, misuse, occupancy or abandonment of a LOT or the COMMON AREAS.

10.04 No Waiver. The failure of the ASSOCIATION to enforce any right, provision, covenant or condition which may be granted by this DECLARATION, the ARTICLES, or the BYLAWS, shall not constitute a waiver of the right of the ASSOCIATION to enforce such right, provision, covenant or condition in the future.

10.05 Rights Cumulative. All rights, remedies and privileges granted to the ASSOCIATION pursuant to any terms, provisions, covenants or conditions of this DECLARATION, the ARTICLES, or the BYLAWS, shall be deemed to be cumulative, and the exercise of any one or more shall neither be deemed to constitute an election of remedies, nor shall it preclude the ASSOCIATION thus exercising the same from executing such additional remedies, rights or privilege as may be granted or as it might have by law.

10.06 Enforcement By or Against other Persons.

In addition to the foregoing, this DECLARATION may be enforced by DECLARANT, or the ASSOCIATION, by any procedure at law or in equity against any person violating or attempting to violate any provision herein, to restrain such violation, to require compliance with the provisions contained herein, to recover damages, or to enforce any lien created herein. The expense of any litigation to enforce the DECLARATION shall be borne by the person against who enforcement is sought, provided such proceeding results in a finding that such person was in violation of this DECLARATION. In addition to the foregoing, any OWNER shall have the right to bring an action to enforce this DECLARATION against any person violating or attempting to violate any provision herein, to restrain such violation or to require compliance with the provisions contained herein, but no OWNER shall be entitled to recover damages or to enforce any lien created herein as a result of a violation or failure to comply with the provisions contained herein by any person, and the prevailing party in any such action shall be entitled to recover its reasonable attorneys' fees.

11. **TERM OF DECLARATION.** All of the foregoing covenants, conditions, reservations and restrictions shall run with the land and continue and remain in full force and effect at all times as against all OWNERS, their successors, heirs or assigns, regardless of how the OWNERS acquire title, for a period of fifty (50) years from the date of this DECLARATION, unless within such time, one hundred percent (100%) of the OWNERS execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). After such fifty (50) year period, unless sooner terminated as provided above, these covenants, conditions, reservations and restrictions shall be automatically extended for successive periods of ten (10) years each, until a majority of the votes of the entire membership of the ASSOCIATION execute a written instrument declaring a termination of this DECLARATION (as it may have been amended from time to time). Any termination of this DECLARATION shall be effective on the date the instrument of termination is recorded in the public records of the county in which the SUBJECT PROPERTY is located, provided, however, that any such instrument, in order to be effective, must be approved in writing and signed by the DECLARANT so long as the DECLARANT owns any LOT, or holds the mortgage encumbering any LOT.

12. AMENDMENT.

12.01 This DECLARATION may be amended from time to time, by the DECLARANT and without the consent of the ASSOCIATION or any OWNER, so long as the DECLARANT appoints a majority of the directors of the ASSOCIATION. In addition, this DECLARATION may be amended upon the approval of not less than sixty-seven percent (67%) of the votes of the entire membership of the ASSOCIATION, provided, however, that any such amendment, in order to be effective, must be approved in writing and signed by the DECLARANT so long as the DECLARANT owns any LOT. In order to be effective, any amendment to this DECLARATION must first be recorded amongst the public records of the county in which the SUBJECT PROPERTY is located, and except for amendments made by the DECLARANT, any amendment shall contain a certification by the President and Secretary of the ASSOCIATION that the amendment was duly adopted.

12.02 No amendment shall discriminate against any OWNER, or class or group of OWNERS, unless the OWNERS so affected join in the execution of the amendment. No amendment shall change the number of votes of any OWNER or increase any OWNER'S proportionate share of the COMMON EXPENSES, unless OWNERS affected by such amendment join in the execution of the amendment. No amendment may be made which adds or amends any material provision of this DECLARATION, the ARTICLES, or the BYLAWS, which establish, provide for, govern or regulate voting, ASSESSMENTS, ASSESSMENT liens or subordination of such liens, or any provisions which are for the express benefit of INSTITUTIONAL LENDERS except for amendments granting or expanding the rights or protections of the foregoing, without the approval of INSTITUTIONAL LENDERS holding first mortgages encumbering at least fifty-one percent (51%) of the LOTS so encumbered.

13. SPECIAL PROVISIONS REGARDING INSTITUTIONAL LENDERS.

13.01 Notice of Action. Upon written request to the ASSOCIATION by an INSTITUTIONAL LENDER holding, insuring or guaranteeing a first mortgage encumbering any

LOT, identifying the name and address of the holder, insurer or guarantor will be, entitled to timely written notice of:

13.01.01 Any condemnation loss or any casualty loss which affects a material portion of the SUBJECT PROPERTY or any LOT on which there is a first mortgage held, insured or guaranteed by such holder, insurer or guarantor, as applicable;

13.01.02 Any delinquency in the payment of ASSESSMENTS or other monies owed by OWNER, or any other default in the performance by the OWNER of any obligation under this DECLARATION, the ARTICLES, or the BYLAWS, which OWNER'S LOT is subject to a first mortgage held, insured or guaranteed by such holder, insurer or guarantor, which remains uncured for a period of sixty (60) days.

13.01.03 Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the ASSOCIATION.

13.01.04 Any proposed action which would require the consent of a specified percentage of INSTITUTIONAL LENDERS.

13.02 Consent of INSTITUTIONAL LENDERS. Whenever the consent or approval of any, all or a specified percentage or portion of the holder(s) of any mortgages) encumbering any LOTS is required by this DECLARATION, the ARTICLES, the BYLAWS, or any applicable statute or law, to any amendment of the DECLARATION, the ARTICLES, or the BYLAWS, or to any action of the ASSOCIATION, or to any other matter relating to the SUBJECT PROPERTY, the ASSOCIATION may, request such consent or approval of such holder(s) by written request sent certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by such holders). Any holder receiving such request shall be required to consent to or disapprove the matter for which the consent or approval is requested, in writing, by certified mail, return receipt requested (or equivalent delivery evidencing such request was delivered to and received by the ASSOCIATION), which response must be, received by the ASSOCIATION within thirty (30) days after the holder receives such request, and if such response is not timely received by the ASSOCIATION, the holder shall be deemed to have consented to and approved the matter for which such approval or consent was requested. Such consent or approval given or deemed to have been given, where required, may be evidenced by an affidavit signed by all of the directors of the ASSOCIATION, which affidavit, where necessary, may be recorded in the public records of the county where the SUBJECT PROPERTY is located, and which affidavit shall be conclusive evidence that the applicable consent or approval was given as to the matters therein contained. The foregoing shall not apply where an INSTITUTIONAL LENDER is otherwise required to specifically join in an amendment to this DECLARATION.

14. MISCELLANEOUS PROVISIONS.

14.01 Conflict with ARTICLES or BYLAWS. In the event of any conflict between the ARTICLES and the BYLAWS and this DECLARATION, this DECLARATION, the ARTICLES, and the BYLAWS, in that order, shall control.

14.02 Authority of ASSOCIATION and Delegation.

Nothing contained in this DECLARATION shall be deemed to prohibit the BOARD from delegating to any one of its members, or to any officer, or to any committee or any other person, any power or right granted to the BOARD by this DECLARATION including, but not limited to, the right to exercise architectural control and to approve any deviation from any use restriction, and the BOARD is expressly authorized to so delegate any power or right granted by this DECLARATION.

14.03 Rights of Successors in Interest and Assignees of DECLARANT. Any right, power or authority granted to or reserved by the DECLARANT pursuant to this DECLARATION, the ARTICLES or the BYLAWS either express or implied, may be exercised or enforced by any successor in interest or assignee of the DECLARANT. However, any purchaser of any LOT or parcel of property within the SUBJECT PROPERTY from the DECLARANT shall not be deemed a successor in interest or an assignee of the DECLARANT for purposes of this Paragraph, unless the DECLARANT specifically assigns its rights hereunder to such purchaser by written document recorded in the public records of the county in which the SUBJECT PROPERTY is located.

14.04 Partial Invalidity. The invalidation in whole or in part of any of these covenants, conditions, reservations and restrictions, or any section, subsection, sentence, clause, phrase, word or other provision of this DECLARATION shall not affect the validity of the remaining portions which shall remain in full force and effect.

14.05 Gender. Unless otherwise so required, the use of the singular include the plural and the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

14.06. Real Covenants. All of the restrictions, reservations, covenants, conditions and easements contained herein constitute covenant running with the land and shall rule perpetually unless terminated or amended as provided herein, and shall be binding upon all OWNERS as herein defined, and in consideration of receiving and by acceptance of any d'eed, grant devise or mortgage, all grantees, devisees or mortgagees, their heirs, personal representatives, successors and assigns, and all parties claiming by, through or under such persons, agree to be bound by the provisions of this DECLARATION and the ARTICLES and BYLAWS. Both the burdens imposed and the benefits derived from this DECLARATION shall run with each LOT, as herein defined.

FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS OF LAKE OF THE WOODS

Recorded on or about September 25th, 1989.

Article 7.02. Setback and Height Restrictions is amended to read as follows:

7.02.01 Setback Height. All applicable governmental codes and ordinances shall be complied with as in regards to setback and height requirements. In addition, for all detached single family dwellings, side yard setbacks shall be a minimum of 6 feet, front setbacks will be fifteen (15) feet, rear setbacks will be ten (10) feet. For corner LOTS where side of dwellings are bordered by roads, side setback is ten (10) feet. The maximum height of a UNIT shall be 30 feet. Finished floor elevations shall be a minimum of 18" and a maximum of 24" above crown of the road or no more than 8" above the existing lot grade that meets or exceeds the minimum elevation requirement. Setbacks shall apply to all poured concrete. DECLARANT reserves the right to grant variances to these setbacks and elevation requirements.

SECOND AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS OF LAKE OF THE WOODS

Recorded on or about January 8th, 1992

SECTION 1.15. The term Subject Property defined in Section 1.15 of the Declaration is hereby defined to also include the property described on Exhibit "A" attached hereto and incorporated herein by reference.

3. DEFINITIONS

All terms not defined herein, shall have same meaning as defined in the Declaration.

THIRD AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS OF LAKE OF THE WOODS

Recorded on or about January 16th, 1992

The following shall be added as Section 7.28 to the Declaration:

7.28 Models. Any contractor owning lots subject to the Declaration may use any of said lots owned by said contractor, as a model, sales office, promotion and development office, solely for the sale and development of said lots

owned by said contractor, provided that such use shall also conform with applicable laws, zoning and rules and ordinances of the appropriate governmental authorities and all other covenants and conditions of the Declaration. Notwithstanding the foregoing, the placing of any promotional signage or other advertising (including, without limitation, flags and pennants) upon any of the lots owned by said contractor shall be subject in all respects to the covenants and conditions of the Declaration and to all rules and regulations of the Association and any committee or similar regulatory body thereof respecting same, as may be promulgated from time to time. Provided, however, that neither the covenants and conditions of the Declaration nor such promulgated rules and regulations, nor any other action of the Association or any committee or regulatory body thereof, shall prohibit said contractor from placing at least one sign, measuring 2 feet by 3 feet, on each model site to advertise the model homes as such, so long as such sign is not prohibited by any governmental agency having jurisdiction over such sites. The provisions of this Section 7.28 shall only be applicable to each contractor for a maximum period of forty-two (42) months from the date of the initial conveyance of any of said lots owned by said contractor or such lesser period as may be contractually agreed upon between Declarant and said contractor; upon expiration of said period as is applicable to said contractor, said contractor may not use said lots, as a model, sales office, promotion and development office. The provisions of this Section 7.28 shall not in any manner prohibit Declarant from constructing and using models, sales office, or promotion and development office on any lots owned by Declarant and subject to the Declaration, for so long as Declarant owns property subject to the Declaration.

FOURTH AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS OF LAKE OF THE WOODS

Recorded on or about July 21st, 1993

Paragraph 7.16 Perimeter Fences, is hereby amended to provide that in lieu of such fences as approved by the Lake of the Woods Architectural Review Committee, landscaping, hedges or decorative walls, as approved by the Lake of the Woods Architectural Review Committee, may be used to screen exterior equipment, including air conditioning units, water softeners and pool equipment. Fences, as approved by the Lake of the Woods Architectural Review Committee, landscaping, hedges, or decorative walls shall be required around exterior equipment, including air conditioning units, water softeners and pool equipment, even if located in the rear of each lot.

Except as amended hereby, all remaining terms and conditions shall remain in full force and effect.

**FIFTH AMENDMENT TO DECLARATION OF COVENANTS AND
RESTRICTIONS OF LAKE OF THE WOODS**

Recorded on or about July 26th, 1993

Paragraph 7.19 Surface Water Management is hereby amended to include the following language which pertains exclusively to those certain lots described in the plat for the Lakes of Jacaranda Unit 1, recorded in Plat Book 36, page 18, of Public Records of Sarasota County, Florida:

It shall be the responsibility of each property owner within the subdivision at the time of construction of a building, residence, or structure, to comply with the construction plans for the surface water management system pursuant to Chapter 4CD-4, F.A.C., approved and on file with the Southwest Florida Water Management District (SWFMD). Furthermore, it is the lot owner's responsibility not to remove native vegetation (including cattails) that become established within the wet detention ponds abutting their property. Removal includes dredging, the application of herbicides or algaecides, introduction of grass carp, and cutting. Lot owners should address any question regarding authorized activities within the wet detention pond to SWFWMD, Venice Permitting Department.

Except as amended hereby, all remaining terms and conditions all remain in full-force and effect.

**SIXTH AMENDMENT TO DECLARATION OF COVENANTS AND
RESTRICTIONS OF LAKE OF THE WOODS**

Recorded on or about February 11th, 1998

Paragraph 7.14 entitled "Outside Antennas" is hereby deleted and replaced in its entirety with the following paragraph.7.14:

Permitted Antennas. For purposes of this paragraph the term "Permitted Antenna" shall mean, (a) A satellite dish one meter (39 inches) or less in diameter designed to receive direct broadcast satellite service; (b) Antennas one meter or less in diameter or diagonal measurement designed to receive video programming services via multi-channel multi-point distribution, (i.e. wireless cable) providers, and (c) Antennas designed to receive television broadcast signals. No outside antennas, satellite dishes, or other signal receiving dishes or equipment other than a Permitted Antenna shall be allowed. Permitted Antennas shall be subject to the following rules and regulations regarding installation and location:

- (1) No mast for a Permitted Antenna shall exceed the absolute minimum height necessary to establish line, of site contact between such Permitted Antenna, once installed on the mast, and the transmitter from which it is receiving signals.

- (2) All Permitted Antennas shall be placed in a location on the Lot that is not visible from any street if such placement would permit reception of an acceptable quality signal. If an acceptable quality signal cannot be received from such location, the Permitted Antenna shall be placed on the Lot in such location where an acceptable quality signal may be received that is the least visible from any street.
- (3) For purposes of this paragraph, for all comer lots, both sides of the residence facing adjacent streets shall be considered the front of the residence, and the remaining two sides the rear of the residence. No Permitted Antenna may be mounted on the front of a residence or on the front one half of either side of a residence constructed on a Lot, unless an acceptable quality signal cannot be received from the rear of such residence, in which case, the Permitted Antenna may be mounted on the front half of either side of a residence or the front of the residence as necessary to obtain an acceptable quality signal, and in which case, the Permitted Antenna shall be mounted in the least visible location on the residence where an acceptable quality signal may be received.
- (4) Permitted Antennas mounted on the side wall of a residence shall be mounted as close the eave area as possible where an acceptable quality signal may be received.
- (5) Permitted Antennas attached to a residence, as well as all mounting brackets, shall be painted to match the color of the residence at the location of mounting.
- (6) Permitted Antennas mounted inside an enclosed screened area, such as a pool cage or lanai, need not be screened. Any Permitted Antenna not mounted to the residence, or mounted inside an enclosed screen area, must be screened from view from contiguous Lots or Common Areas to maximum extent possible without interfering with the receiving of an acceptable quality signal.
- (7) Any Owner proposing to install a Permitted Antenna shall provide written notification of such proposed installation to the Association, identifying the proposed location of the installation, the height of the mast, if any, the color of the portion of the residence where the Permitted Antenna is to be located along with the color the Permitted Antenna is to be painted, if applicable, and the type of landscaping or other screening material to be used, if applicable.

Except as amended hereby, all remaining terms and conditions shall remain in full force and effect.

**SEVENTH AMENDMENT TO DECLARATION OF COVENANTS AND
RESTRICTIONS OF LAKE OF THE WOODS**

Recorded on or about September 22nd, 1999

NOW THEREFORE, the undersigned hereby declares that the Declaration is hereby modified and amended as follows:

The following paragraph 10.7 is added to the Declaration as follows:

"In addition to the other rights and remedies of the Association set forth in this Article 10, the Association may suspend, for a reasonable period of time, the rights of an Owner or an Owner's tenants, guests or invitees, or both, to use the Common Areas, and may charge reasonable fines, in the amounts set by the Board of Directors from time to time, against an Owner for failure of the Owner of the Lot, or its occupant, licensee, guest or invitee to comply with the provisions of this Declaration, the Articles, the Bylaws or the Rules adopted by the Association. Such fine shall not exceed the maximum amount, if any, set by Florida Statutes Section 617.305 for levying fines. A fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided however, no such fine in the aggregate shall exceed the greater of (a) \$ 1,000.00 or (b) such higher limit that may be established from time to time by Florida Statutes. Once levied, if a fine is not paid within thirty (30) days, the Association shall be entitled to collect such fine(s) in the same manner as collecting assessments, including but not limited to placing a claim of lien on the Owner's Lot. No such fine or suspension shall be levied against an owner, his occupant, guest, licensee or invitee until:

- (a) The party against whom the fine or suspension is sought shall be afforded an opportunity for a hearing before a committee in accordance with Florida Statutes Section 617.305 after notice of not less than fourteen (14) days, which notice shall include:
 - (1) a statement of the date, time and place of the hearing;
 - (2) a statement of the provisions of the Declaration, Bylaws, Articles or Rules which have been allegedly violated; and
 - (3) a short and plain statement of the matters asserted by the Association.

- (b) The party against whom the fine or suspension is sought shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Association.

Suspension of Common Area use rights shall not impair the right of an Owner or tenant of a Lot to have vehicular and pedestrian ingress to and egress from the Lot, including, but not limited to, the right to park."

Except as amended hereby, all remaining terms and conditions shall remain in full force and effect.

EIGHTH AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS OF LAKE OF THE WOODS

Recorded on or about September 22nd, 1999

Paragraph 7.12 entitled "Vehicles" is hereby amended to add the following:

"Owners, their tenants and invitees must park their vehicles inside the garage which is constructed as part of the residence or on the driveway to the residence. No parking of vehicles is allowed on unimproved Lots, lawns or upon or within the paved roads or streets located within the Subject Property except for commercial service vehicles and trucks during such time as they are actually serving and/or repairing or improving the Owner's residence or Lot and except for invitees of the Owner or tenant who may park in the street adjacent to the Owner's Lot if and only if space is not available for parking within the Owner's garage or driveway to the residence and if and only if such parking in the street is for a period of less than six consecutive hours and less than eight hours on any one calendar day."

Except as amended hereby, all remaining terms and conditions shall remain in full force and effect.